

# Kalkaska Memorial Health Center

## Balance Sheet

	March 31, 2016	June 30, 2015
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 10,859,263	\$ 11,784,829
Short-Term Investments		
<i>Huntington Bank CD .61% APR 11/5/14</i>	353,074	351,755
Accounts Receivable	3,966,694	3,935,460
Third Party Settlements	2,521,587	1,707,055
Due from Affiliates	2,889	-
Inventory	190,887	146,575
Other Current Assets	96,552	148,854
<b>Total Current Assets</b>	<b>17,990,946</b>	<b>18,074,528</b>
<b>Investments</b>		
<i>Farmers Home Loan-10 yr step bond 1.25%-10% 5/23/23</i>	1,997,340	1,908,860
<i>Fannie Mae-5 yr 1.00% 12/20/18</i>	1,993,020	1,969,440
Investments Held by Others	43,000	43,000
<b>Capital Assets (net of Accumulated Depreciation)</b>	<b>27,822,315</b>	<b>25,923,678</b>
<b>Land</b>	<b>1,770,532</b>	<b>1,134,219</b>
<b>Other Assets</b>	<b>475,934</b>	<b>584,928</b>
<b>Total Assets</b>	<b>\$ 52,093,087</b>	<b>\$ 49,638,653</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,239,426	\$ 1,239,426
Trade Accounts Payable	571,338	1,701,196
Accrued Compensation	2,057,879	1,791,879
Third Party Liabilities	2,699,853	3,137,216
Due to Affiliates	1,643,559	1,533,920
Other Current Liabilities	56,546	114,761
<b>Total Current Liabilities</b>	<b>8,268,601</b>	<b>9,518,398</b>
<b>Long-Term Debt - Less Current Maturities</b>	<b>2,278,436</b>	<b>2,446,292</b>
<b>Deferred Liabilities</b>	<b>9,332</b>	<b>7,325</b>
<b>Total Liabilities</b>	<b>10,556,369</b>	<b>11,972,015</b>
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	26,074,985	23,372,178
Unrestricted	15,461,733	14,294,460
<b>Total Net Assets</b>	<b>41,536,718</b>	<b>37,666,638</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 52,093,087</b>	<b>\$ 49,638,653</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of March, 2016				Year to Date Period Ending March 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 54,394	\$ 20,233	\$ 34,161	\$ 19,658	\$ 246,104	\$ 162,327	\$ 83,777	\$ 116,205
Outpatient	3,557,118	2,733,476	823,642	2,905,659	29,320,194	24,267,773	5,052,421	23,326,233
Professional	732,520	695,098	37,422	770,463	6,316,783	6,167,637	149,146	5,435,322
Long Term Care	726,486	747,922	(21,436)	658,227	6,443,787	6,295,402	148,385	5,994,098
Dialysis Center	428,833	455,850	(27,017)	384,785	3,811,526	4,043,826	(232,300)	3,771,509
Ambulance	228,304	158,415	69,889	176,575	1,895,626	1,403,767	491,859	1,360,936
Retail Pharmacy	93,616	206,278	(112,662)	-	576,051	1,730,661	(1,154,610)	-
Assisted Living	86,955	86,060	895	82,753	780,336	763,436	16,900	685,316
	5,908,226	5,103,332	804,894	4,998,120	49,390,407	44,834,829	4,555,578	40,689,619
Revenue Deductions:								
Contractual Allowances	2,485,721	1,890,518	(595,203)	1,754,698	19,153,797	16,973,233	(2,180,564)	15,688,342
Provision Charity Care	20,078	20,438	360	23,134	132,515	183,857	51,342	161,181
Provision for Bad Debt	96,169	108,852	12,683	90,806	1,022,701	979,668	(43,033)	809,287
	2,601,968	2,019,808	(582,160)	1,868,638	20,309,013	18,136,758	(2,172,255)	16,658,810
Net Patient Revenues	3,306,258	3,083,524	222,734	3,129,482	29,081,394	26,698,071	2,383,323	24,030,809
Other Operating Revenues	162,933	120,322	42,611	186,243	1,346,575	1,010,074	336,501	991,336
Total Operating Revenue	3,469,191	3,203,846	265,345	3,315,725	30,427,969	27,708,145	2,719,824	25,022,145
<b>Operating Expenses</b>								
Salaries and Wages	1,558,227	1,353,083	(205,144)	1,302,795	12,584,297	11,975,008	(609,289)	10,572,260
Fringe Benefits	426,040	395,725	(30,315)	459,492	3,500,830	3,433,959	(66,871)	3,267,672
Contract Labor	10,937	9,247	(1,690)	53,550	118,111	80,891	(37,220)	360,585
Physician Fees	81,936	82,381	445	52,244	718,940	731,379	12,439	757,826
Purchased Services	431,401	429,702	(1,699)	302,157	3,822,245	3,876,018	53,773	2,891,497
Supplies	461,473	402,253	(59,220)	340,264	3,549,677	3,588,142	38,465	2,657,104
Occupancy	78,126	83,275	5,149	79,860	743,264	803,801	60,537	774,569
Equipment, Software & Maintenance	30,422	37,272	6,850	20,361	394,897	338,358	(56,539)	306,879
Depreciation	205,313	168,481	(36,832)	155,478	1,503,540	1,542,923	39,383	1,439,390
Insurance	34,216	37,775	3,559	34,237	277,586	339,975	62,389	266,556
Other	13,571	59,778	46,207	10,305	264,147	538,002	273,855	211,943
	3,331,662	3,058,972	(272,690)	2,810,743	27,477,534	27,248,456	(229,078)	23,506,281
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	3,331,662	3,058,972	(272,690)	2,810,743	27,477,534	27,248,456	(229,078)	23,506,281
<b>Income from Operations</b>	137,529	144,874	(7,345)	504,982	2,950,435	459,689	2,490,746	1,515,864
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	98,548	98,548	-	97,668	886,930	886,932	(2)	879,016
Interest on Debt Related to Capital Assets	(11,987)	(11,603)	(384)	(16,696)	(109,117)	(105,441)	(3,676)	(151,466)
Unrealized Gain/Loss on LT Investments	65,040	5,983	59,057	12,300	112,060	53,847	58,213	71,540
Tax Levy Revenue	598	599	(1)	598	5,386	5,391	(5)	5,386
Other Income (Loss)	176	4,055	(3,879)	121	24,386	36,495	(12,109)	24,542
Total Non-Operating Income (Expense)	152,375	97,582	54,793	93,991	919,645	877,224	42,421	829,018
Total Increase (Decrease) in Net Assets	\$ 289,904	\$ 242,456	\$ 47,448	\$ 598,973	\$ 3,870,080	\$ 1,336,913	\$ 2,533,167	\$ 2,344,882

**Kalkaska Memorial Health Center****Statement of Cash Flows**

	YTD Ended March 31, 2016
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 27,795,376
Payments to employees	(15,819,127)
Payments to suppliers for services and goods	(10,957,304)
Other receipts from operations	1,351,961
Net cash provided by operating activities	<u>2,370,906</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(3,934,601)
Proceeds from county bond tax levy	886,930
Interest paid on long-term debt	(109,117)
Issuance of long-term debt	-
Extinguishment of long-term debt	-
Contributions for Capital Acquisitions	-
Principal payments on bonds and notes payable	(162,751)
Net cash used in capital and related financing activities	<u>(3,319,539)</u>
<b>Cash flow from investing activities</b>	
Investment income	136,446
Purchase of short-term investments	(1,319)
Net purchase of investments internally designated for capital acquisitions	(112,060)
Purchase of Intangibles	-
Proceeds from Sale of PPE	-
Net cash provided by investing activities	<u>23,067</u>
Net decrease in cash and cash equivalents	(925,566)
Cash and cash equivalents at beginning of year	11,784,829
Cash and cash equivalents at end of year	<u>\$ 10,859,263</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 2,950,435
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,399,651
Provision for uncollectible accounts	1,022,701
Amortization	103,889
Operating tax levy	5,386
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(1,056,824)
Third-party settlements	(814,532)
Inventory	(44,312)
Other current assets	52,302
Increase (decrease) in liabilities:	
Trade accounts payable	(1,020,219)
Accrued Compensation	266,000
Third Party Settlements	(437,363)
Other accrued liabilities	(56,208)
Net cash provided by operating activities	<u>\$ 2,370,906</u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2014</b>	\$ 21,167,576	\$ 12,828,607	\$ 33,996,183
Acquisition and construction of capital assets	2,901,842		2,901,842
Depreciation	(1,876,787)		(1,876,787)
Sale of Capital Assets			-
Capital Grants		61,827	61,827
Net Change in Debt	1,179,547		1,179,547
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,404,026	1,404,026
Increase (Decrease) in Net Assets	2,204,602	1,465,853	3,670,455
<b>Net Assets at June 30, 2015</b>	<b>23,372,178</b>	<b>14,294,460</b>	<b>37,666,638</b>
Acquisition and construction of capital assets	3,934,602		3,934,602
Depreciation	(1,399,651)		(1,399,651)
Sale of Capital Assets	-		-
Capital Grants			-
Net Change in Debt	167,856		167,856
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,167,273	1,167,273
Increase (Decrease) in Net Assets	2,702,807	1,167,273	3,870,080
<b>Net Assets at March 31, 2016</b>	<b>\$ 26,074,985</b>	<b>\$ 15,461,733</b>	<b>\$ 41,536,718</b>

**Kalkaska Memorial Health Center  
Statistical Report**

	Month of March, 2016				Year to Date Period Ending March 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	10	8	2	5	45	56	(11)	25
Respite Care	0	0	0	0	0	0	0	2
Long Term Care	17	11	6	9	130	86	44	81
Extended Stays	6	17	(11)	4	32	150	(118)	25
<b>PATIENT DAYS:</b>								
Acute Care	24	18	6	10	121	137	(16)	58
Respite Care	0	1	(1)	0	0	9	(9)	30
Long Term Care	2,468	2,759	(291)	2,407	21,804	23,097	(1,293)	22,090
Extended Stays	7	17	(10)	6	40	152	(112)	25
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	2.4	2.3	0.1	2.0	2.7	2.4	0.3	2.3
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	0.8	0.6	0.2	0.3	0.4	0.5	(0.1)	0.2
Long Term Care	79.6	89.0	(9.4)	77.6	79.3	84.0	(4.7)	80.3
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	9.7%	7.3%	2.4%	4.0%	5.5%	6.2%	-0.7%	2.6%
Long Term Care	94.8%	101.1%	-6.4%	88.2%	92.9%	95.4%	-2.6%	91.3%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	717	630	87	714	6,266	5,589	677	5,694
Urgent Care	459	428	31	450	3,578	3,796	(218)	3,934
Specialty Clinics	727	465	262	522	4,816	4,125	691	4,739
KMA Clinic RVU's	3,311	3,006	305	3,475	27,810	26,666	1,144	20,042
Total Outpatient Visits	6,578	5,850	728	5,895	55,609	51,897	3,712	51,805
Surgical Procedures	138	68	70	76	921	604	317	714
Radiology	2,043	1,642	401	1,647	17,376	14,562	2,814	14,256
Laboratory	30,932	11,858	19,074	10,524	119,108	105,191	13,917	105,079
Physical Therapy	2,347	1,931	416	2,555	21,044	17,122	3,922	19,653
Sleep Studies	23	12	11	8	101	108	(7)	100
Dialysis Treatments	513	538	(25)	467	4,733	4,773	(40)	4,585
Ambulance Transports	177	137	40	154	1,525	1,214	311	1,187
Assisted Living Days	909	855	54	874	7,929	7,583	346	7,044
<b>ADJUSTED DISCHARGES:</b>	1,078	1,159	(81)	455	8,696	10,280	(1,584)	9,243
<b>TOTAL FTE'S:</b>	333	332	(1.25)	321	328.97	332.20	3.23	304.33

**KALKASKA MEMORIAL HEALTH CENTER  
 ADDITIONAL FINANCIAL INFORMATION  
 Month of March, 2016**

MTD % increase in net revenue vs. prior year	5.65%
MTD % increase in expense vs. prior year	18.53%
	<hr/> -12.88%
YTD % increase in net revenue vs. prior year	21.02%
YTD % increase in expense vs. prior year	16.89%
	<hr/> 4.12%
LTC Expense per Critical Unit - MTD	\$134.42
LTC Expense per Critical Unit - YTD	\$120.75
Ambulance Days in AR YTD	46.38
Dialysis number of patients - MTD	43
Dialysis net income - MTD	(50,342)
Dialysis net income - YTD	118,325
Assisted Living net income - MTD	3,457
Assisted Living net income - YTD	3,632
Average Age of Plant (as of 12/31/15)	12.50
Debt to Capitalization Ratio	0.08

**Kalkaska Memorial Health Center  
Payor Mix Schedule**

YTD 2016

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.48%	8.20%	5.13%	17.93%	16.61%	5.34%	6.71%	2.60%	100.00%
LTC	16.20%	5.88%	66.94%	0.00%	0.20%	1.99%	0.00%	8.79%	100.00%
ER	26.38%	6.36%	4.92%	25.55%	16.53%	7.70%	5.14%	7.42%	100.00%
OR	38.03%	12.28%	2.74%	16.69%	16.92%	3.76%	7.54%	2.04%	100.00%

YTD 2015

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	33.22%	10.20%	3.32%	19.71%	18.95%	5.43%	5.59%	3.58%	100.00%
LTC	12.53%	2.67%	74.34%	0.00%	0.00%	4.44%	0.00%	6.02%	100.00%
ER	24.06%	5.12%	5.27%	26.14%	18.43%	7.25%	4.80%	8.93%	100.00%
OR	23.75%	11.93%	2.81%	31.85%	21.25%	2.41%	5.82%	0.18%	100.00%

YTD 2014

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	34.99%	8.99%	3.49%	16.75%	18.55%	5.95%	6.09%	5.18%	100.00%
LTC	14.22%	2.00%	75.39%	0.00%	0.04%	2.38%	0.00%	5.98%	100.00%
ER	24.34%	5.37%	4.80%	23.49%	17.29%	7.68%	5.08%	11.96%	100.00%
OR	27.26%	9.80%	3.25%	26.74%	20.78%	3.88%	6.23%	2.06%	100.00%