

# Kalkaska Memorial Health Center

## Balance Sheet

	October 31, 2016	June 30, 2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 10,682,766	\$ 9,464,275
Short-Term Investments		
<i>Huntington Bank CD .61% APR 11/5/14</i>	376,029	376,029
Accounts Receivable	4,987,502	4,536,347
Third Party Settlements	1,111,121	1,509,565
Due from Affiliates	194	-
Inventory	135,054	148,996
Other Current Assets	243,470	88,209
<b>Total Current Assets</b>	<b>17,536,136</b>	<b>16,123,421</b>
<b>Investments</b>		
<i>Farmers Home Loan-10 yr step bond 1.25%-10% 5/23/23</i>	1,999,980	2,001,180
<i>Fannie Mae-5 yr 1.00% 12/20/18</i>	1,997,640	2,000,100
Investments Held by Others	43,314	43,314
<b>Capital Assets (net of Accumulated Depreciation)</b>	<b>28,848,689</b>	<b>28,843,927</b>
<b>Land</b>	<b>1,164,492</b>	<b>1,164,492</b>
<b>Other Assets</b>	<b>392,473</b>	<b>438,647</b>
<b>Total Assets</b>	<b>\$ 51,982,724</b>	<b>\$ 50,615,081</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,294,413	\$ 1,294,413
Trade Accounts Payable	523,937	1,200,890
Accrued Compensation	2,074,223	2,004,067
Third Party Liabilities	1,912,992	2,121,464
Due to Affiliates	1,778,632	353,399
Other Current Liabilities	139,659	267,198
<b>Total Current Liabilities</b>	<b>7,723,856</b>	<b>7,241,431</b>
<b>Long-Term Debt - Less Current Maturities</b>	<b>1,075,828</b>	<b>1,151,879</b>
<b>Deferred Liabilities</b>	<b>12,254</b>	<b>7,393</b>
<b>Total Liabilities</b>	<b>8,811,938</b>	<b>8,400,703</b>
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	27,642,940	27,562,127
Unrestricted	15,527,846	14,652,251
<b>Total Net Assets</b>	<b>43,170,786</b>	<b>42,214,378</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 51,982,724</b>	<b>\$ 50,615,081</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of October 2016				Year to Date Period Ending October 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 53,940	\$ 22,700	\$ 31,240	\$ 25,122	\$ 128,456	\$ 90,065	\$ 38,391	\$ 61,853
Outpatient	3,621,040	3,357,717	263,323	3,028,746	14,999,786	13,320,120	1,679,666	12,760,913
Professional	767,086	793,181	(26,095)	642,410	2,994,173	3,147,212	(153,039)	2,868,301
Long Term Care	1,009,274	795,152	214,122	724,632	3,608,203	3,154,966	453,237	2,915,916
Dialysis Center	547,719	460,754	86,965	447,230	2,351,098	1,828,153	522,945	1,832,879
Ambulance	212,241	198,793	13,448	180,796	865,623	788,759	76,864	805,508
Retail Pharmacy	92,232	66,379	25,853	56,262	313,288	263,374	49,914	216,705
Assisted Living	80,639	86,551	(5,912)	86,175	330,305	343,412	(13,107)	346,360
	6,384,171	5,781,227	602,944	5,191,373	25,590,932	22,936,061	2,654,871	21,808,435
Revenue Deductions:								
Contractual Allowances	2,748,849	2,281,555	(467,294)	1,925,009	10,977,421	9,052,622	(1,924,799)	8,458,532
Provision Charity Care	9,102	13,726	4,624	3,516	37,212	54,461	17,249	48,057
Provision for Bad Debt	150,992	116,671	(34,321)	63,164	570,092	462,922	(107,170)	458,790
	2,908,943	2,411,952	(496,991)	1,991,689	11,584,725	9,570,005	(2,014,720)	8,965,379
Net Patient Revenues	3,475,228	3,369,275	105,953	3,199,684	14,006,207	13,366,056	640,151	12,843,056
Other Operating Revenues	169,302	140,315	28,987	127,794	582,047	566,360	15,687	624,338
Total Operating Revenue	3,644,530	3,509,590	134,940	3,327,478	14,588,254	13,932,416	655,838	13,467,394
<b>Operating Expenses</b>								
Salaries and Wages	1,560,550	1,531,315	(29,235)	1,377,819	6,286,008	5,991,307	(294,701)	5,479,867
Fringe Benefits	511,246	417,066	(94,180)	405,121	1,973,857	1,631,779	(342,078)	1,459,155
Contract Labor	8,458	10,916	2,458	10,818	59,151	43,612	(15,539)	48,082
Physician Fees	106,716	102,062	(4,654)	124,694	370,874	442,712	71,838	296,700
Purchased Services	469,172	481,640	12,468	437,386	1,882,029	2,019,416	137,387	1,633,758
Supplies	473,306	444,924	(28,382)	384,801	1,874,894	1,792,650	(82,244)	1,560,552
Occupancy	94,490	75,611	(18,879)	86,540	386,109	365,598	(20,511)	374,257
Equipment, Software & Maintenance	88,664	113,553	24,889	114,905	219,157	254,434	35,277	255,881
Depreciation	176,272	182,136	5,864	162,691	698,518	705,979	7,461	659,143
Insurance	17,281	29,090	11,809	25,710	114,235	116,360	2,125	110,358
Other	34,155	60,852	26,697	47,914	127,221	308,461	181,240	126,846
Total Operating Expenses	3,540,310	3,449,165	(91,145)	3,178,399	13,992,053	13,672,308	(319,745)	12,004,599
<b>Income from Operations</b>	104,220	60,425	43,795	149,079	596,201	260,108	336,093	1,462,795
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	97,656	98,548	(892)	98,548	390,262	394,192	(3,930)	394,191
Interest on Debt Related to Capital Assets	(7,164)	(7,198)	34	(12,158)	(28,863)	(29,001)	138	(48,838)
Unrealized Gain/Loss on LT Investments	-	7,794	(7,794)	-	(3,660)	31,176	(34,836)	48,580
Tax Levy Revenue	616	598	18	598	2,464	2,392	72	2,394
Other Income (Loss)	2	3,991	(3,989)	47	4	15,964	(15,960)	188
Total Non-Operating Income (Expense)	91,110	103,733	(12,623)	87,035	360,207	414,723	(54,516)	396,515
<b>Total Increase (Decrease) in Net Assets</b>	\$ 195,330	\$ 164,158	\$ 31,172	\$ 236,114	\$ 956,408	\$ 674,831	\$ 281,577	\$ 1,859,310

# Kalkaska Memorial Health Center

## Statement of Cash Flows

	YTD Ended October 31, 2016
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 13,744,830
Payments to employees	(8,189,709)
Payments to suppliers for services and goods	(4,549,387)
Other receipts from operations	584,511
Net cash provided by operating activities	<u>1,590,245</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(657,106)
Proceeds from county bond tax levy	390,262
Interest paid on long-term debt	(28,863)
Principal payments on bonds and notes payable	(76,051)
Net cash used in capital and related financing activities	<u>(371,758)</u>
<b>Cash flow from investing activities</b>	
Investment income	(3,656)
Net purchase of investments internally designated for capital acquisitions	3,660
Net cash provided by investing activities	<u>4</u>
Net increase (decrease) in cash and cash equivalents	1,218,491
Cash and cash equivalents at beginning of year	9,464,275
Cash and cash equivalents at end of year	<u>\$ 10,682,766</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 596,201
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	652,344
Provision for uncollectible accounts	570,092
Amortization	46,174
Operating tax levy	2,464
(Increase) decrease in assets:	
Patient accounts receivable	(1,021,441)
Third-party settlements	398,444
Inventory	13,942
Other current assets	(155,261)
Increase (decrease) in liabilities:	
Trade accounts payable	748,280
Accrued Compensation	70,156
Third Party Settlements	(208,472)
Other accrued liabilities	(122,678)
Net cash provided by operating activities	<u>\$ 1,590,245</u>

**Kalkaska Memorial Health Center****Statement of Changes in Net Assets**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2015</b>	\$ 23,372,178	\$ 14,294,460	\$ 37,666,638
Acquisition and construction of capital assets	4,850,341		4,850,341
Depreciation	(1,907,418)		(1,907,418)
Sale of Capital Assets	7,600		7,600
Net Change in Debt	1,239,426		1,239,426
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		357,791	357,791
Increase (Decrease) in Net Assets	4,189,949	357,791	4,547,740
<b>Net Assets at June 30, 2016</b>	<b>27,562,127</b>	<b>14,652,251</b>	<b>42,214,378</b>
Acquisition and construction of capital assets	657,106		657,106
Depreciation	(652,344)		(652,344)
Net Change in Debt	76,051		76,051
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		875,595	875,595
Increase (Decrease) in Net Assets	80,813	875,595	956,408
<b>Net Assets at October 31, 2016</b>	<b>\$ 27,642,940</b>	<b>\$ 15,527,846</b>	<b>\$ 43,170,786</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of October 2016				Year to Date Period Ending October 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	14	5	9	5	31	19	12	12
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	19	15	4	18	76	60	16	58
Extended Stays	2	4	(2)	5	10	16	(6)	10
<b>PATIENT DAYS:</b>								
Acute Care	30	12	18	17	70	48	22	35
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	2,957	2,636	321	2,407	11,348	10,458	890	9,830
Extended Stays	4	3	1	3	18	12	6	11
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	2.1	2.4	0.3	3.4	2.3	2.5	0.2	2.9
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.0	0.4	0.6	0.5	0.6	0.4	0.2	0.3
Long Term Care	95.4	85.0	10.4	77.6	92.3	85.0	7.2	26.9
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	12.1%	4.8%	7.3%	6.9%	7.1%	4.9%	2.2%	3.6%
Long Term Care	91.7%	81.8%	10.0%	92.4%	88.7%	81.8%	7.0%	95.1%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	710	721	(11)	398	3,092	2,861	231	2,563
Urgent Care	405	397	8	250	1,620	1,576	44	1,561
Specialty Clinics	431	636	(205)	553	2,085	2,524	(439)	2,158
KMA Clinic RVU's	3,702	3,355	347	3,246	13,660	13,312	348	12,629
Total Outpatient Visits	6,516	5,670	846	6,335	26,032	22,497	3,535	25,169
Surgical Procedures	136	100	36	117	500	397	103	397
Radiology	2,157	1,992	165	2,018	8,750	7,904	846	7,530
Laboratory	14,949	13,218	1,731	11,813	58,314	52,445	5,869	45,542
Physical Therapy	2,889	2,600	289	2,502	11,312	10,315	997	10,711
Sleep Studies	13	13	0	14	56	51	5	39
Dialysis Treatments	527	561	(34)	551	2,272	2,226	46	2,308
Ambulance Transports	167	156	11	145	686	619	67	660
Assisted Living Days	832	877	(45)	868	3,393	3,480	(87)	3,506
<b>ADJUSTED DISCHARGES:</b>	1,464	1,018	446	999	5,976	4,039	1,937	4,074
<b>TOTAL FTE'S:</b>	368.45	351.55	(16.90)	326.53	357.17	350.29	(6.88)	327.51

## Kalkaska Memorial Health Center

---

### Additional Financial Information

October 31, 2016

MTD % increase in net revenue vs. prior year		8.61%
MTD % increase in expense vs. prior year		<u>11.39%</u>
		-2.77%
YTD % increase in net revenue vs. prior year		9.06%
YTD % increase in expense vs. prior year		<u>16.56%</u>
		-7.50%
LTC Expense per Critical Unit - MTD	\$	129.41
LTC Expense per Critical Unit - YTD	\$	125.75
Ambulance Days in AR YTD		55.38
Dialysis number of patients - MTD		50
Dialysis net income - MTD	\$	4,090
Dialysis net income - YTD	\$	56,042
Assisted Living net income - MTD	\$	(16,709)
Assisted Living net income - YTD	\$	(45,810)
Average Age of Plant (as of 10/31/16)		12.49
Debt to Capitalization Ratio		0.05

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2017  
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.85%	9.84%	3.01%	19.09%	17.40%	5.53%	6.66%	2.62%	100.00%
LTC	19.49%	4.77%	62.83%	0.00%	0.12%	0.78%	0.00%	12.01%	100.00%
ER	25.88%	7.71%	3.75%	23.99%	18.20%	7.26%	5.88%	7.33%	100.00%
OR	36.80%	12.34%	2.36%	18.25%	16.16%	3.85%	7.75%	2.49%	100.00%

YTD 2016  
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	36.06%	8.73%	4.43%	19.70%	16.57%	5.60%	6.65%	2.26%	100.00%
LTC	15.72%	4.35%	66.62%	0.00%	0.79%	2.70%	0.00%	9.82%	100.00%
ER	26.06%	6.50%	5.18%	26.84%	16.67%	6.98%	5.62%	6.15%	100.00%
OR	36.49%	12.03%	3.15%	17.89%	17.01%	4.15%	7.29%	1.99%	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%