

## Kalkaska Memorial Health Center

### Balance Sheet

<b>Assets</b>	<u>September 30, 2021</u>	<u>June 30, 2021</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 17,588,191	\$ 8,941,754
Short-Term Investments	7,931,988	7,923,659
Accounts Receivable	7,978,457	6,905,864
Third Party Settlements	1,773,980	1,575,675
Due from Affiliates	6,290	1,786
Inventory	404,890	192,714
Other Current Assets	123,359	169,722
Total Current Assets	<u>35,807,155</u>	<u>25,711,174</u>
<b>Investments</b>	414,418	832,328
<b>Capital Assets (net of Accumulated Depreciation)</b>	36,184,305	36,502,459
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,200,427	1,435,478
<b>Other Assets</b>		
Restricted Cash	7,404,599	14,568,991
Other Assets	104,609	102,496
Total Other Assets	<u>7,509,208</u>	<u>14,671,487</u>
Total Assets	<u><b>\$ 82,479,664</b></u>	<u><b>\$ 80,517,077</b></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,059,602	1,562,570
Accrued Compensation	4,293,798	5,011,549
Third Party Liabilities	2,495,008	3,011,634
Due to Affiliates	3,461,925	2,075,767
Other Current Liabilities	1,111,040	7,039,210
Total Current Liabilities	<u>13,640,829</u>	<u>19,920,186</u>
<b>Long-Term Debt - Less Current Maturities</b>	5,618,064	5,684,759
<b>Other Long-Term Liabilities</b>	550,000	550,000
<b>Deferred Liabilities</b>	14,990	8,420
Total Liabilities	<u>19,823,883</u>	<u>26,163,365</u>
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	37,540,368	38,026,878
Unrestricted	25,115,413	16,326,834
Total Net Assets	<u>62,655,781</u>	<u>54,353,712</u>
Total Liabilities and Net Assets	<u><b>\$ 82,479,664</b></u>	<u><b>\$ 80,517,077</b></u>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of September 2021				Year to Date Ended September 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 112,360	\$ 97,041	\$ 15,319	\$ 98,005	\$ 319,814	\$ 292,089	\$ 27,725	\$ 237,605
Outpatient	6,403,400	5,126,041	1,277,359	5,244,460	18,694,515	15,595,904	3,098,611	15,144,283
Professional	1,250,358	1,060,061	190,297	1,095,090	3,539,282	3,190,742	348,540	2,870,177
Long Term Care	908,046	943,414	(35,368)	907,691	2,969,699	2,880,144	89,555	2,772,682
Dialysis Center	691,527	769,894	(78,367)	779,636	2,169,722	2,275,042	(105,320)	2,311,450
Ambulance	337,176	349,001	(11,825)	328,311	978,687	1,160,429	(181,742)	949,830
Retail Pharmacy	122,122	121,676	446	103,853	379,338	359,507	19,831	331,290
Assisted Living	91,823	94,990	(3,167)	99,076	277,105	291,218	(14,113)	294,008
	<u>9,916,812</u>	<u>8,562,118</u>	<u>1,354,694</u>	<u>8,656,122</u>	<u>29,328,162</u>	<u>26,045,075</u>	<u>3,283,087</u>	<u>24,911,325</u>
Revenue Deductions:								
Contractual Allowances	4,570,074	3,654,354	(915,720)	4,060,013	13,144,670	11,141,836	(2,002,834)	11,098,079
Provision Charity Care	33,843	25,987	(7,856)	30,871	98,453	79,637	(18,816)	82,909
Provision for Bad Debt	88,139	158,535	70,396	143,560	287,331	489,234	201,903	459,349
	<u>4,692,056</u>	<u>3,838,876</u>	<u>(853,180)</u>	<u>4,234,444</u>	<u>13,530,454</u>	<u>11,710,707</u>	<u>(1,819,747)</u>	<u>11,640,337</u>
Net Patient Revenues	<u>5,224,756</u>	<u>4,723,242</u>	<u>501,514</u>	<u>4,421,678</u>	<u>15,797,708</u>	<u>14,334,368</u>	<u>1,463,340</u>	<u>13,270,988</u>
Other Operating Revenues	492,130	271,230	220,900	492,314	1,230,318	822,220	408,098	1,859,875
Total Operating Revenue	<u>5,716,886</u>	<u>4,994,472</u>	<u>722,414</u>	<u>4,913,992</u>	<u>17,028,026</u>	<u>15,156,588</u>	<u>1,871,438</u>	<u>15,130,863</u>
<b>Operating Expenses</b>								
Salaries and Wages	2,573,805	2,410,108	(163,697)	2,218,256	7,612,896	7,120,427	(492,469)	6,718,978
Fringe Benefits	637,176	619,422	(17,754)	726,317	1,944,685	1,896,198	(48,487)	2,016,073
Contract Labor	26,561	31,831	5,270	30,997	89,536	97,293	7,757	89,738
Physician Fees	70,980	97,945	26,965	67,440	230,132	296,406	66,274	184,644
Purchased Services	648,873	537,240	(111,633)	638,700	1,727,523	1,638,544	(88,979)	1,920,401
Pharmaceuticals	467,378	345,988	(121,390)	514,940	1,336,348	1,027,913	(308,435)	1,271,160
Supplies	279,710	284,579	4,869	248,783	822,961	859,653	36,692	762,732
Occupancy	145,954	95,726	(50,228)	84,360	343,770	293,257	(50,513)	270,815
Equipment, Software & Maintenance	51,554	61,638	10,084	42,921	151,325	211,218	59,893	174,028
Depreciation	222,808	231,407	8,599	222,345	707,621	694,221	(13,400)	667,201
Insurance	49,596	50,679	1,083	48,870	143,777	152,037	8,260	145,099
Other	30,617	42,187	11,570	41,950	99,685	126,240	26,555	100,519
	<u>5,205,012</u>	<u>4,808,750</u>	<u>(396,262)</u>	<u>4,885,879</u>	<u>15,210,259</u>	<u>14,413,407</u>	<u>(796,852)</u>	<u>14,321,388</u>
Less Shared Services	7,266	800	6,466	-	7,694	2,400	5,294	-
Total Operating Expenses	<u>5,197,746</u>	<u>4,807,950</u>	<u>(389,796)</u>	<u>4,885,879</u>	<u>15,202,565</u>	<u>14,411,007</u>	<u>(791,558)</u>	<u>14,321,388</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	<u>519,140</u>	<u>186,522</u>	<u>332,618</u>	<u>28,113</u>	<u>1,825,461</u>	<u>745,581</u>	<u>1,079,880</u>	<u>809,475</u>
<b>Grant Revenue COVID-19</b>	-	-	-	-	-	-	-	-
<b>Paycheck Protection Program Loan Forgiveness</b>	-	-	-	-	6,164,700	-	6,164,700	-
<b>Operating Income</b>	<u>519,140</u>	<u>186,522</u>	<u>332,618</u>	<u>28,113</u>	<u>7,990,161</u>	<u>745,581</u>	<u>7,244,580</u>	<u>809,475</u>
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	116,805	113,640	3,165	112,276	351,730	348,496	3,234	336,282
Interest on Debt Related to Capital Assets	(17,286)	(17,769)	483	(20,289)	(51,974)	(53,454)	1,480	(60,980)
Unrealized Gain/Loss on LT Investments	(1,414)	-	(1,414)	(3,832)	(5,236)	-	(5,236)	(16,334)
Tax Levy Revenue	730	684	46	674	2,190	2,052	138	2,022
Contributions	2,113	150	1,963	1,296	2,113	450	1,663	1,296
Other Income (Loss)	4,412	6,750	(2,338)	12,099	13,085	20,250	(7,165)	32,795
Total Non-Operating Income (Expense)	<u>105,360</u>	<u>103,455</u>	<u>1,905</u>	<u>102,224</u>	<u>311,908</u>	<u>317,794</u>	<u>(5,886)</u>	<u>295,081</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ 624,500</u>	<u>\$ 289,977</u>	<u>\$ 334,523</u>	<u>\$ 130,337</u>	<u>\$ 8,302,069</u>	<u>\$ 1,063,375</u>	<u>\$ 7,238,694</u>	<u>\$ 1,104,556</u>

---

**Statement of Cash Flows**Three Months Ending  
September 30, 2021**Cash flow from operating activities**

Received from patients and third-party payors	\$	14,005,680
Payments to employees		(10,275,332)
Payments to suppliers for services and goods		(10,141,586)
Other receipts from operations		7,397,208
Net cash provided by operating activities		<u>985,970</u>

**Cash flow from capital and related financing activities**

Acquisition and construction of capital assets		(154,416)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		351,730
Interest paid on long-term debt		(51,974)
Principal payments on bonds and notes payable		(66,695)
Net cash provided by capital and related financing activity		<u>78,645</u>

**Cash flow from investing activities**

Investment income		7,849
Purchase of short-term investments		(8,329)
Net activity of investments internally designated for capital acquisitions		417,910
Net cash provided by investing activities		<u>417,430</u>

Net increase in cash and cash equivalents		1,482,045
Cash and cash equivalents at beginning of year		23,510,745
Cash and cash equivalents at end of period	\$	<u><u>24,992,790</u></u>

**Reconciliation of operating income to net cash flows from operating activities**

Operating income	\$	7,990,161
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		707,621
Provision for uncollectible accounts		287,331
Operating tax levy		2,190
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(1,364,428)
Third-party settlements		(198,305)
Inventory		(212,176)
Other current assets		46,363
Increase (decrease) in liabilities:		
Trade accounts payable		883,190
Accrued Compensation		(717,751)
Third Party Settlements		(516,626)
Other accrued liabilities		(5,921,600)
Net cash provided by operating activities	\$	<u><u>985,970</u></u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Three Months Ending September 30, 2021**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2020</b>	\$ 31,663,831	\$ 17,985,240	\$ 49,649,071
Acquisition and construction of capital assets	2,263,093		3,665,276
Depreciation	(2,794,817)		(2,605,609)
Sale of Capital Assets	12,452		53,341
Net Change in Debt	1,253,314		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,970,599	(450,120)
Increase (Decrease) in Net Assets	734,042	3,970,599	1,880,747
<b>Net Assets at June 30, 2021</b>	<b>32,397,873</b>	<b>21,955,839</b>	<b>54,353,712</b>
Acquisition and construction of capital assets	154,416		154,416
Depreciation	(707,621)		(707,621)
Sale of Capital Assets	-		-
Net Change in Debt	66,695		66,695
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		8,788,579	8,788,579
Increase (Decrease) in Net Assets	(486,510)	8,788,579	8,302,069
<b>Net Assets at September 30, 2021</b>	<b>\$ 31,911,363</b>	<b>\$ 30,744,418</b>	<b>\$ 62,655,781</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of September 2021				Year to Date Ended September 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	17	17	0	12	42	53	(11)	39
Long Term Care	10	14	(4)	17	31	43	(12)	53
Extended Stays	13	13	0	11	37	39	(2)	31
		0						
<b>PATIENT DAYS:</b>								
Acute Care	54	41	13	35	161	127	34	95
Long Term Care-Skilled	195	245	(50)	165	619	753	(134)	476
Long Term Care-Basic	2,403	2,400	3	2,465	7,659	7,360	299	7,616
Extended Stays	4	5	(1)	9	12	15	(3)	26
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.2	2.4	0.8	2.9	3.8	2.4	1.4	2.4
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.8	1.4	0.4	1.2	1.8	1.4	0.4	1.0
Long Term Care	86.6	88.2	(1.6)	87.7	90.0	88.2	1.8	88.0
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	22.5%	17.1%	5.4%	14.6%	21.6%	17.3%	4.3%	12.1%
Long Term Care	83.3%	84.8%	-1.5%	84.3%	88.1%	84.8%	3.3%	84.7%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,448	1,069	379	1,004	3,520	3,391	129	2,389
Urgent Care	10	0	10	289	417	0	417	769
Walk-in Clinic	488	262	226	0	1,227	774	453	0
Primary Care Physician RVU's	6,257	5,088	1,169	4,518	18,208	15,033	3,175	12,817
Primary Care Physician Encounters	3,520	3,682	(162)	3,011	10,381	10,879	(498)	8,723
Specialty Clinics	406	385	21	363	1,323	1,137	186	960
KMA Clinic RVU's	6,935	6,050	885	4,925	19,976	17,875	2,101	13,877
Total Outpatient Visits	7,458	6,762	696	7,182	21,811	20,738	1,073	21,604
Surgical Procedures	118	108	10	104	330	319	11	286
Radiology	2,474	2,064	410	2,193	7,596	6,330	1,266	6,428
Laboratory	20,255	16,677	3,578	18,887	58,754	51,015	7,739	53,745
Physical Therapy	3,435	3,295	140	3,216	10,364	9,740	624	9,671
Chemo Therapy	458	321	137	264	1,267	949	318	650
Dialysis Treatments	599	689	(90)	698	1,877	2,036	(159)	2,095
Ambulance Transports	230	240	(10)	226	668	798	(130)	662
Assisted Living Days	900	973	(73)	989	2,818	2,983	(165)	3,020
<b>Cost per adjusted IP and LTC day:</b>	183.62	200.32	(16.70)	194.81	184.63	196.19	(12)	194.81
<b>TOTAL FTE'S:</b>	433	444	11	411	441	428	13	411

## Kalkaska Memorial Health Center

### Additional Financial Information

	September 30, 2021
MTD % increase in net revenue vs. prior year	18.16%
MTD % increase in expense vs. prior year	6.38%
	11.78%
YTD % increase in net revenue vs. prior year	19.04%
YTD % increase in expense vs. prior year	6.15%
	12.89%
LTC Expense per Critical Unit - MTD	\$ 235.45
LTC Expense per Critical Unit - YTD	\$ 214.81
Ambulance Days in AR YTD	39.49
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ 20,016
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(66,933)
Average Age of Plant (as of 9/30/21)	12.84
Debt to Capitalization Ratio	0.10

### Net Revenue Analysis

	Month of September 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	0.0%
Outpatient	64.6%	59.9%	4.7%
Professional	12.6%	12.4%	0.2%
Long-Term Care	9.2%	11.0%	-1.9%
Dialysis Center	7.0%	9.0%	-2.0%
Ambulance	3.4%	4.1%	-0.7%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.1%	-0.2%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	46.1%	42.7%	-3.4%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	0.9%	1.9%	1.0%
Total Revenue Deductions	47.3%	44.8%	-2.5%

	Year to Date Ended September 30, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	0.0%
Outpatient	63.7%	59.9%	3.9%
Professional	12.1%	12.3%	-0.2%
Long-Term Care	10.1%	11.1%	-0.9%
Dialysis Center	7.4%	8.7%	-1.3%
Ambulance	3.3%	4.5%	-1.1%
Retail Pharmacy	1.3%	1.4%	-0.1%
Assisted Living	0.9%	1.1%	-0.2%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.8%	42.8%	-2.0%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.0%	1.9%	0.9%
Total Revenue Deductions	46.1%	45.0%	-1.2%

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.11%	23.59%	0.94%	17.29%	11.94%	7.19%	7.47%	2.46%	100.00%
LTC	11.72%	12.78%	61.88%	0.00%	0.00%	2.89%	0.00%	10.73%	100.00%
ER	17.94%	17.09%	0.00%	29.41%	15.14%	8.26%	7.87%	4.28%	100.00%
OR	27.07%	25.31%	0.00%	12.11%	22.72%	6.04%	5.57%	1.18%	100.00%

YTD 2021

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.64%	22.29%	0.34%	16.97%	13.17%	6.53%	8.10%	2.96%	100.00%
LTC	11.30%	10.50%	59.94%	0.00%	0.00%	4.48%	0.00%	13.78%	100.00%
ER	20.22%	15.93%	0.00%	30.26%	14.16%	7.54%	8.00%	3.90%	100.00%
OR	23.11%	22.39%	0.00%	18.84%	15.90%	7.80%	11.60%	0.36%	100.00%

YTD 2020

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	32.78%	18.49%	0.30%	17.39%	14.81%	5.76%	7.57%	2.89%	100.00%
LTC	14.75%	9.87%	55.12%	0.00%	0.07%	6.65%	0.00%	13.54%	100.00%
ER	23.86%	12.91%	0.00%	28.30%	15.13%	6.72%	7.64%	5.43%	100.00%
OR	21.94%	18.12%	0.00%	27.92%	15.98%	6.10%	9.61%	0.33%	100.00%

YTD 2019

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.31%	14.95%	0.51%	17.51%	17.15%	5.26%	7.23%	2.08%	100.00%
LTC	13.43%	5.66%	64.30%	0.00%	0.06%	4.94%	0.00%	11.62%	100.00%
ER	27.44%	10.47%	0.00%	27.59%	15.95%	6.08%	6.93%	5.54%	100.00%
OR	26.38%	12.35%	0.00%	28.65%	18.96%	4.56%	8.20%	0.90%	100.00%

YTD 2018

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.43%	12.47%	0.87%	18.88%	14.78%	6.97%	6.62%	1.98%	100.00%
LTC	12.87%	4.54%	65.37%	0.00%	0.04%	4.33%	0.00%	12.85%	100.00%
ER	26.07%	8.58%	0.00%	30.48%	14.53%	8.06%	5.80%	6.48%	100.00%
OR	29.87%	8.13%	0.00%	32.16%	15.21%	3.47%	11.07%	0.08%	100.00%