

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	March 31, 2024	June 30, 2023
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 17,548,491	\$ 20,105,803
Short-Term Investments	8,221,641	6,631,348
Accounts Receivable	13,762,457	12,464,426
Third Party Settlements	2,809,709	157,318
Due from Affiliates	63,414	29,312
Inventory	365,341	276,948
Other Current Assets	294,565	310,992
Total Current Assets	43,065,618	39,976,147
<b>Investments</b>	9,000,947	9,891,710
<b>Capital Assets (net of Accumulated Depreciation)</b>	36,369,133	35,216,480
<b>Land</b>	1,444,948	1,426,272
<b>Construction In Progress</b>	15,622,072	10,052,749
<b>Other Assets</b>		
Restricted Cash	7,144,164	11,496,448
Other Assets	262,287	109,914
Total Other Assets	7,406,451	11,606,362
Total Assets	<b>\$ 112,909,169</b>	<b>\$ 108,169,720</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,042,243	4,177,864
Accrued Compensation	4,748,784	3,871,492
Third Party Liabilities	4,951,966	4,620,950
Due to Affiliates	7,441,649	3,864,305
Other Current Liabilities	1,548,895	1,728,862
Total Current Liabilities	22,050,896	20,580,832
<b>Long-Term Debt - Less Current Maturities</b>	15,228,564	16,175,333
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	11,965	9,392
Total Liabilities	37,311,425	36,785,557
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	41,519,235	33,831,814
Unrestricted	34,078,509	37,552,349
Total Net Assets	75,597,744	71,384,163
Total Liabilities and Net Assets	<b>\$ 112,909,169</b>	<b>\$ 108,169,720</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of March 2024				Year to Date Ended March 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 150,401	\$ 147,999	\$ 2,402	\$ 162,006	\$ 1,229,928	\$ 1,311,046	\$ (81,118)	\$ 1,103,444
Outpatient	8,354,649	7,824,541	530,108	7,271,553	72,333,709	69,833,551	2,500,158	66,554,197
Professional	1,628,082	1,479,749	148,333	1,422,773	13,838,677	13,081,425	757,252	11,783,437
Long Term Care	1,048,588	1,015,471	33,117	915,509	9,148,982	8,973,444	175,538	8,691,675
Dialysis Center	457,821	613,049	(155,228)	519,840	4,451,991	5,418,423	(966,432)	5,219,629
Ambulance	369,180	356,187	12,993	249,864	3,443,272	3,148,758	294,514	2,865,504
Retail Pharmacy	237,361	142,620	94,741	167,752	1,917,890	1,260,857	657,033	1,254,561
Assisted Living	92,900	96,691	(3,791)	99,764	856,678	854,612	2,066	844,006
	12,338,982	11,676,307	662,675	10,809,061	107,221,127	103,882,116	3,339,011	98,316,453
Revenue Deductions:								
Contractual Allowances	5,137,957	5,342,176	204,219	5,109,811	47,654,653	47,219,912	(434,741)	44,537,007
Provision Charity Care	25,085	42,665	17,580	25,532	246,703	377,160	130,457	325,210
Provision for Bad Debt	165,734	223,895	58,161	146,323	1,751,344	1,979,132	227,788	1,540,524
	5,328,776	5,608,736	279,960	5,281,666	49,652,700	49,576,204	(76,496)	46,402,741
Net Patient Revenues	7,010,206	6,067,571	942,635	5,527,395	57,568,427	54,305,912	3,262,515	51,913,712
Other Operating Revenues	402,434	308,182	94,252	528,164	3,209,835	2,116,594	1,093,241	3,222,286
Total Operating Revenue	7,412,640	6,375,753	1,036,887	6,055,559	60,778,262	56,422,506	4,355,756	55,135,998
<b>Operating Expenses</b>								
Salaries and Wages	3,456,499	3,102,637	(353,862)	3,070,106	30,388,706	28,078,686	(2,310,020)	27,464,113
Fringe Benefits	885,841	751,601	(134,240)	738,378	7,134,883	6,764,409	(370,474)	6,395,848
Contract Labor	34,286	35,766	1,480	32,130	265,354	321,144	55,790	286,806
Physician Fees	72,718	58,392	(14,326)	64,096	692,622	516,385	(176,237)	508,357
Purchased Services	586,521	579,397	(7,124)	645,605	5,287,024	5,612,224	325,200	5,280,618
Pharmaceuticals	715,126	651,360	(63,766)	615,849	6,235,513	5,939,311	(296,202)	5,664,584
Supplies	472,275	376,060	(96,215)	358,165	3,314,581	3,340,269	25,688	3,744,838
Occupancy	102,195	113,447	11,252	84,820	852,606	1,028,193	175,587	891,628
Equipment, Software & Maintenance	70,211	103,023	32,812	140,690	766,727	912,916	146,189	855,829
Depreciation	288,380	281,057	(7,323)	276,815	2,559,275	2,420,682	(138,593)	2,356,187
Insurance	92,920	73,796	(19,124)	82,399	702,332	664,164	(38,168)	622,529
Other	48,922	36,635	(12,287)	61,942	482,972	339,644	(143,328)	337,305
	6,825,894	6,163,171	(662,723)	6,170,995	58,682,595	55,938,027	(2,744,568)	54,408,642
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,825,894	6,163,171	(662,723)	6,170,995	58,682,595	55,938,027	(2,744,568)	54,408,642
<b>Income from Operations before Grant Revenue from COVID-19</b>	586,746	212,582	374,164	(115,436)	2,095,667	484,479	1,611,188	727,356
<b>Grant Revenue COVID-19</b>	-	-	-	-	750,000	-	750,000	986,610
<b>Operating Income</b>	586,746	212,582	374,164	(115,436)	2,845,667	484,479	2,361,188	1,713,966
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	1,153,283	1,125,009	28,274	1,133,000
Interest on Debt Related to Capital Assets	(54,156)	(54,156)	-	(60,937)	(499,622)	(499,625)	3	(511,434)
Unrealized Gain/Loss on LT Investments	(6,008)	-	(6,008)	34,359	178,835	-	178,835	58,358
Tax Levy Revenue	783	747	36	730	7,044	6,723	321	6,230
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	(591)	100	(691)	(373)	2,373	900	1,473	5,646
Other Income (Loss)	50,376	7,500	42,876	36,924	526,001	67,500	458,501	140,145
Total Non-Operating Income (Expense)	118,627	79,192	39,435	135,933	1,367,914	700,507	667,407	756,445
<b>Total Increase (Decrease) in Net Assets</b>	<b>\$ 705,373</b>	<b>\$ 291,774</b>	<b>\$ 413,599</b>	<b>\$ 20,497</b>	<b>\$ 4,213,581</b>	<b>\$ 1,184,986</b>	<b>\$ 3,028,595</b>	<b>\$ 2,470,411</b>

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**Statement of Cash Flows**Nine Months Ending  
March 31, 2024**Cash flow from operating activities**

Received from patients and third-party payors	\$	53,914,919
Payments to employees		(36,646,297)
Payments to suppliers for services and goods		(18,407,368)
Other receipts from operations		3,966,879
Net cash provided by operating activities		<u>2,828,133</u>

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

Acquisition and construction of capital assets		(9,299,927)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		1,153,283
Interest paid on long-term debt		(499,622)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(946,769)
Net cash used in capital and related financing activities		<u>(9,593,035)</u>

**Cash flow from investing activities**

Investment income		704,836
Purchase of short-term investments		(1,590,293)
Net activity of investments internally designated for capital acquisitions		890,763
Purchase of Intangibles		(150,000)
Net cash used by investing activities		<u>(144,694)</u>

Net decrease in cash and cash equivalents		(6,909,596)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	<u><u>24,692,655</u></u>

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

Operating income	\$	2,845,667
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,559,275
Provision for uncollectible accounts		1,751,344
Operating tax levy		7,044
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(3,083,477)
Third-party settlements		(2,652,391)
Inventory		(88,393)
Other current assets		16,427
Increase (decrease) in liabilities:		
Trade accounts payable		441,723
Accrued Compensation		877,292
Third Party Settlements		331,016
Other accrued liabilities		(177,394)
Net cash provided by operating activities	\$	<u><u>2,828,133</u></u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Nine Months Ending March 31, 2024**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2022</b>	\$ 32,553,646	\$ 35,680,380	\$ 54,606,212
Acquisition and construction of capital assets	11,635,628		1,987,421
Depreciation	(3,205,936)		(2,991,509)
Sale of Capital Assets	6,279		(38,470)
Net Change in Debt	(12,786,808)		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		7,500,974	14,762,361
Increase (Decrease) in Net Assets	(4,350,837)	7,500,974	14,918,134
<b>Net Assets at June 30, 2023</b>	<b>28,202,809</b>	<b>43,181,354</b>	<b>71,384,163</b>
Acquisition and construction of capital assets	9,299,927		9,299,927
Depreciation	(2,559,275)		(2,559,275)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	946,769		946,769
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(3,473,840)	(3,473,840)
Increase (Decrease) in Net Assets	7,687,421	(3,473,840)	4,213,581
<b>Net Assets at March 31, 2024</b>	<b>\$ 35,890,230</b>	<b>\$ 39,707,514</b>	<b>\$ 75,597,744</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of March 2024				Year to Date Ended March 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	16	22	(6)	16	135	196	(61)	136
Long Term Care	14	12	2	13	158	105	53	102
Observation	28	16	12	7	158	143	15	94
<b>PATIENT DAYS:</b>								
Acute Care	57	77	(20)	59	478	682	(204)	474
Long Term Care-Skilled	161	163	(2)	159	1,797	1,441	356	1,217
Long Term Care-Basic	2,240	2,309	(69)	2,075	19,454	20,405	(951)	19,839
Observation	72	16	56	21	415	143	272	194
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.6	3.5	(0.1)	3.7	3.5	3.5	(0.1)	3.5
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.8	2.5	(0.7)	1.9	1.7	2.5	(0.7)	1.7
Long Term Care	77.5	79.7	(2.2)	72.1	77.3	79.4	(2.2)	76.8
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	23.0%	31.0%	-8.1%	23.8%	21.7%	31.0%	-9.3%	21.6%
Long Term Care	74.5%	76.7%	-2.2%	69.3%	74.3%	76.4%	-2.1%	73.9%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,406	1,383	23	1,290	12,476	12,223	253	12,000
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	531	439	92	477	3,846	3,880	(34)	3,990
Primary Care Physician RVU's	7,308	7,057	251	7,487	63,434	62,374	1,060	60,240
Primary Care Physician Encounters	4,685	4,028	657	4,713	37,701	35,602	2,099	34,824
Specialty Clinics	375	365	10	329	3,610	3,229	381	3,102
KMA Clinic RVU's	8,542	7,749	793	8,639	73,882	68,491	5,391	66,564
Total Outpatient Visits	7,197	7,575	(378)	7,402	65,376	66,954	(1,578)	65,695
Surgical Procedures	152	151	1	144	1,421	1,335	86	1,296
Radiology	2,884	2,849	35	2,734	28,440	25,181	3,259	24,443
Laboratory	20,852	19,235	1,617	19,391	179,594	170,013	9,581	170,377
Physical Therapy	2,652	3,916	(1,264)	4,274	37,342	34,610	2,732	33,638
Chemo Therapy	415	582	(167)	706	3,946	5,143	(1,197)	5,285
Dialysis Treatments	419	524	(105)	467	3,982	4,631	(649)	4,539
Ambulance Transports	228	219	9	159	2,103	1,936	167	1,843
Assisted Living Days	919	923	(4)	961	8,125	8,158	(33)	8,064
<b>Cost per adjusted IP and LTC day:</b>	243.18	222.63	20.56	242.09	238.20	229.04	9.17	231.14
<b>TOTAL FTE'S:</b>	504	443	(60)	456	489	464	(26)	453

## Kalkaska Memorial Health Center

### Additional Financial Information

	March 31, 2024
MTD % increase in net revenue vs. prior year	26.83%
MTD % increase in expense vs. prior year	10.61%
	16.21%
YTD % increase in net revenue vs. prior year	10.89%
YTD % increase in expense vs. prior year	7.86%
	3.04%
LTC Expense per Critical Unit - MTD	\$ 287.63
LTC Expense per Critical Unit - YTD	\$ 293.60
Ambulance Days in AR YTD	68.44
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (114,660)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(446,156)
Average Age of Plant (as of 3/31/24)	11.63
Debt to Capitalization Ratio	0.19

### Net Revenue Analysis

	Month of March 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.3%	0.0%
Outpatient	67.7%	67.0%	0.7%
Professional	13.2%	12.7%	0.5%
Long-Term Care	8.5%	8.7%	-0.2%
Dialysis Center	3.7%	5.3%	-1.5%
Ambulance	3.0%	3.1%	-0.1%
Retail Pharmacy	1.9%	1.2%	0.7%
Assisted Living	0.8%	0.8%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	41.6%	45.8%	4.1%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	1.3%	1.9%	0.6%
Total Revenue Deductions	43.2%	48.0%	4.8%
	Year to Date Ended March 31, 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.1%
Outpatient	67.5%	67.2%	0.2%
Professional	12.9%	12.6%	0.3%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.2%	5.2%	-1.1%
Ambulance	3.2%	3.0%	0.2%
Retail Pharmacy	1.8%	1.2%	0.6%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.4%	45.5%	1.0%
Charity Care	0.2%	0.4%	0.1%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	46.3%	47.7%	1.4%

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.47%	25.55%	0.07%	20.50%	14.81%	7.94%	6.09%	1.58%	100.00%
LTC	9.42%	14.83%	53.55%	0.00%	0.34%	8.07%	0.00%	13.77%	100.00%
ER	15.27%	17.54%	0.00%	33.80%	15.75%	7.18%	6.79%	3.68%	100.00%
OR	19.77%	25.96%	0.00%	19.24%	20.02%	6.07%	8.26%	0.68%	100.00%

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.25%	24.14%	0.04%	19.91%	14.01%	6.06%	8.92%	1.68%	100.00%
LTC	7.28%	11.20%	58.48%	0.00%	0.07%	9.15%	0.00%	13.82%	100.00%
ER	17.14%	17.03%	0.00%	34.33%	14.75%	6.07%	7.65%	3.03%	100.00%
OR	21.33%	23.12%	0.00%	16.23%	21.26%	5.71%	11.70%	0.64%	100.00%

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.04%	22.85%	0.10%	20.11%	13.85%	6.29%	8.83%	1.93%	100.00%
LTC	13.03%	14.23%	55.03%	0.00%	0.00%	5.07%	0.00%	12.65%	100.00%
ER	18.60%	16.15%	0.00%	32.30%	14.86%	6.58%	8.22%	3.29%	100.00%
OR	20.68%	28.47%	0.00%	15.15%	17.74%	6.79%	10.48%	0.69%	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%