

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	January 31, 2024	June 30, 2023
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 20,335,855	\$ 20,105,803
Short-Term Investments	8,128,101	6,631,348
Accounts Receivable	11,251,400	12,464,426
Third Party Settlements	1,311,858	157,318
Due from Affiliates	36,147	29,312
Inventory	390,447	276,948
Other Current Assets	310,493	310,992
Total Current Assets	41,764,301	39,976,147
<b>Investments</b>	9,027,810	9,891,710
<b>Capital Assets (net of Accumulated Depreciation)</b>	34,090,413	35,216,480
<b>Land</b>	1,444,948	1,426,272
<b>Construction In Progress</b>	16,440,798	10,052,749
<b>Other Assets</b>		
Restricted Cash	7,202,945	11,496,448
Other Assets	262,877	109,914
Total Other Assets	7,465,822	11,606,362
Total Assets	<b>\$ 110,234,092</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	1,609,646	4,177,864
Accrued Compensation	4,398,203	3,871,492
Third Party Liabilities	4,505,590	4,620,950
Due to Affiliates	7,273,891	3,864,305
Other Current Liabilities	1,436,329	1,728,862
Total Current Liabilities	21,541,018	20,580,832
<b>Long-Term Debt - Less Current Maturities</b>	15,438,957	16,175,333
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	13,530	9,392
Total Liabilities	37,013,505	36,785,557
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	39,848,848	33,831,814
Unrestricted	33,371,739	37,552,349
Total Net Assets	73,220,587	71,384,163
Total Liabilities and Net Assets	<b>\$ 110,234,092</b>	<b>\$ 108,169,720</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of January 2024				Year to Date Ended January 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 156,187	\$ 147,999	\$ 8,188	\$ 152,130	\$ 904,825	\$ 1,028,465	\$ (123,640)	\$ 870,738
Outpatient	8,467,150	7,965,910	501,240	8,295,830	55,826,760	54,793,393	1,033,367	52,369,418
Professional	1,567,325	1,479,749	87,576	1,423,120	10,616,995	10,264,567	352,428	9,171,099
Long Term Care	1,002,982	1,015,471	(12,489)	966,468	7,119,016	7,041,175	77,841	6,884,068
Dialysis Center	441,677	613,049	(171,372)	548,181	3,562,862	4,252,091	(689,229)	4,209,388
Ambulance	356,828	356,187	641	333,959	2,707,582	2,470,539	237,043	2,298,002
Retail Pharmacy	221,284	142,620	78,664	145,762	1,435,322	989,322	446,000	934,215
Assisted Living	100,230	96,691	3,539	92,051	655,875	670,553	(14,678)	645,038
	<u>12,313,663</u>	<u>11,817,676</u>	<u>495,987</u>	<u>11,957,501</u>	<u>82,829,237</u>	<u>81,510,105</u>	<u>1,319,132</u>	<u>77,381,966</u>
Revenue Deductions:								
Contractual Allowances	5,263,772	5,342,176	78,404	5,702,207	38,145,724	37,052,144	(1,093,580)	34,636,578
Provision Charity Care	14,898	42,665	27,767	22,085	206,201	295,925	89,724	214,003
Provision for Bad Debt	240,872	223,895	(16,977)	151,842	1,375,567	1,552,951	177,384	1,291,639
	<u>5,519,542</u>	<u>5,608,736</u>	<u>89,194</u>	<u>5,876,134</u>	<u>39,727,492</u>	<u>38,901,020</u>	<u>(826,472)</u>	<u>36,142,220</u>
Net Patient Revenues	6,794,121	6,208,940	585,181	6,081,367	43,101,745	42,609,085	492,660	41,239,746
Other Operating Revenues	408,529	242,487	166,042	312,447	2,569,908	1,564,402	1,005,506	2,394,070
Total Operating Revenue	<u>7,202,650</u>	<u>6,451,427</u>	<u>751,223</u>	<u>6,393,814</u>	<u>45,671,653</u>	<u>44,173,487</u>	<u>1,498,166</u>	<u>43,633,816</u>
<b>Operating Expenses</b>								
Salaries and Wages	3,809,380	3,526,138	(283,242)	3,061,520	23,654,126	21,873,417	(1,780,709)	21,639,893
Fringe Benefits	665,388	751,601	86,213	715,045	5,723,674	5,261,207	(462,467)	4,940,052
Contract Labor	30,200	35,766	5,566	34,419	196,102	250,062	53,960	230,461
Physician Fees	107,192	58,392	(48,800)	26,879	539,735	405,046	(134,689)	402,476
Purchased Services	638,957	585,590	(53,367)	596,772	4,293,027	4,462,809	169,782	4,048,561
Pharmaceuticals	638,254	687,034	48,780	632,284	4,766,788	4,663,008	(103,780)	4,494,208
Supplies	436,141	378,878	(57,263)	380,099	2,415,374	2,619,560	204,186	3,087,815
Occupancy	89,305	113,245	23,940	101,489	651,237	801,334	150,097	745,611
Equipment, Software & Maintenance	80,786	101,523	20,737	95,655	623,453	715,366	91,913	619,467
Depreciation	361,458	281,057	(80,401)	260,891	1,967,312	1,858,803	(108,509)	1,816,787
Insurance	74,549	73,796	(753)	110,310	535,976	516,572	(19,404)	488,781
Other	44,333	36,635	(7,698)	33,936	369,447	264,928	(104,519)	252,550
	<u>6,975,943</u>	<u>6,629,655</u>	<u>(346,288)</u>	<u>6,049,299</u>	<u>45,736,251</u>	<u>43,692,112</u>	<u>(2,044,139)</u>	<u>42,766,662</u>
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>6,975,943</u>	<u>6,629,655</u>	<u>(346,288)</u>	<u>6,049,299</u>	<u>45,736,251</u>	<u>43,692,112</u>	<u>(2,044,139)</u>	<u>42,766,662</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	226,707	(178,228)	404,935	344,515	(64,598)	481,375	(545,973)	867,154
<b>Grant Revenue COVID-19</b>	-	-	-	-	750,000	-	750,000	986,610
<b>Operating Income</b>	226,707	(178,228)	404,935	344,515	685,402	481,375	204,027	1,853,764
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	128,129	125,001	3,128	125,203	896,837	875,007	21,830	882,540
Interest on Debt Related to Capital Assets	(54,835)	(54,835)	-	(61,615)	(390,970)	(390,973)	3	(389,221)
Unrealized Gain/Loss on LT Investments	8,834	-	8,834	(3,953)	176,042	-	176,042	70,772
Tax Levy Revenue	783	747	36	730	5,479	5,229	250	4,770
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	2,963	700	2,263	6,019
Other Income (Loss)	77,422	7,500	69,922	31,525	460,671	52,500	408,171	77,570
Total Non-Operating Income (Expense)	<u>160,333</u>	<u>78,513</u>	<u>81,820</u>	<u>91,890</u>	<u>1,151,022</u>	<u>542,463</u>	<u>608,559</u>	<u>576,950</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ 387,040</u>	<u>\$ (99,715)</u>	<u>\$ 486,755</u>	<u>\$ 436,405</u>	<u>\$ 1,836,424</u>	<u>\$ 1,023,838</u>	<u>\$ 812,586</u>	<u>\$ 2,430,714</u>

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**Statement of Cash Flows**Seven Months Ending  
January 31, 2024**Cash flow from operating activities**

Received from patients and third-party payors	\$	43,038,036
Payments to employees		(28,851,089)
Payments to suppliers for services and goods		(13,951,166)
Other receipts from operations		3,325,387
Net cash provided by operating activities		<u>3,561,168</u>

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

Acquisition and construction of capital assets		(7,247,970)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		896,837
Interest paid on long-term debt		(390,970)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(736,376)
Net cash used in capital and related financing activities		<u>(7,478,479)</u>

**Cash flow from investing activities**

Investment income		636,713
Purchase of short-term investments		(1,496,753)
Net activity of investments internally designated for capital acquisitions		863,900
Purchase of Intangibles		(150,000)
Net cash used by investing activities		<u>(146,140)</u>

Net decrease in cash and cash equivalents		(4,063,451)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	<u><u>27,538,800</u></u>

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

Operating income	\$	685,402
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,967,312
Provision for uncollectible accounts		1,375,567
Operating tax levy		5,479
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(169,376)
Third-party settlements		(1,154,540)
Inventory		(113,499)
Other current assets		499
Increase (decrease) in liabilities:		
Trade accounts payable		841,368
Accrued Compensation		526,711
Third Party Settlements		(115,360)
Other accrued liabilities		(288,395)
Net cash provided by operating activities	\$	<u><u>3,561,168</u></u>

## Kalkaska Memorial Health Center

### Statement of Changes in Net Assets Seven Months Ending January 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	7,247,970		7,247,970
Depreciation	(1,967,312)		(1,967,312)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	736,376		736,376
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(4,180,610)	(4,180,610)
Increase (Decrease) in Net Assets	6,017,034	(4,180,610)	1,836,424
<b>Net Assets at January 31, 2024</b>	<b>\$ 34,219,843</b>	<b>\$ 39,000,744</b>	<b>\$ 73,220,587</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of January 2024				Year to Date Ended January 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	17	22	(5)	14	99	154	(55)	106
Long Term Care	16	12	4	12	123	82	41	76
Observation	20	16	4	9	111	112	(1)	79
<b>PATIENT DAYS:</b>								
Acute Care	58	77	(19)	54	357	535	(178)	376
Long Term Care-Skilled	198	163	35	177	1,426	1,131	295	901
Long Term Care-Basic	2,197	2,309	(112)	2,200	15,192	16,011	(819)	15,816
Observation	56	16	40	26	301	112	189	140
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.4	3.5	0.1	3.9	3.6	3.5	(0.1)	3.5
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.9	2.5	(0.7)	1.7	1.7	2.5	(0.8)	1.7
Long Term Care	77.3	79.7	(2.5)	76.7	77.3	79.7	(2.4)	77.8
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	23.4%	31.0%	-7.7%	21.8%	20.8%	31.1%	-10.3%	21.9%
Long Term Care	74.3%	76.7%	-2.4%	73.7%	74.3%	76.7%	-2.3%	74.8%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,266	1,383	(117)	1,205	9,681	9,591	90	9,607
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	471	439	32	471	2,821	3,045	(224)	3,120
Primary Care Physician RVU's	7,565	7,057	508	7,340	49,084	48,943	141	47,145
Primary Care Physician Encounters	4,478	4,028	450	3,915	28,953	27,936	1,017	26,174
Specialty Clinics	361	365	(4)	320	2,829	2,533	296	2,373
KMA Clinic RVU's	8,897	7,749	1,148	7,938	57,166	53,743	3,423	51,248
Total Outpatient Visits	7,374	7,575	(201)	7,389	51,295	52,537	(1,242)	51,776
Surgical Procedures	190	151	39	156	1,081	1,047	34	1,030
Radiology	3,002	2,849	153	2,893	22,676	19,759	2,917	19,140
Laboratory	19,583	19,235	348	18,777	139,117	133,405	5,712	133,828
Physical Therapy	4,358	3,916	442	4,142	30,362	27,158	3,204	25,756
Chemo Therapy	473	582	(109)	631	3,112	4,036	(924)	4,074
Dialysis Treatments	392	524	(132)	471	3,177	3,634	(457)	3,646
Ambulance Transports	219	219	0	204	1,652	1,519	133	1,486
Assisted Living Days	930	923	7	894	6,278	6,401	(123)	6,244
<b>Cost per adjusted IP and LTC day:</b>	240.21	238.78	1.44	214.78	238.04	228.43	9.61	230.99
<b>TOTAL FTE'S:</b>	476	485	10	447	486	466	(21)	453

## Kalkaska Memorial Health Center

### Additional Financial Information

	January 31, 2024
MTD % increase in net revenue vs. prior year	11.72%
MTD % increase in expense vs. prior year	15.32%
	-3.60%
YTD % increase in net revenue vs. prior year	4.52%
YTD % increase in expense vs. prior year	6.94%
	-2.43%
LTC Expense per Critical Unit - MTD	\$ 288.35
LTC Expense per Critical Unit - YTD	\$ 297.06
Ambulance Days in AR YTD	68.05
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (103,548)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(382,820)
Average Age of Plant (as of 1/31/24)	9.14
Debt to Capitalization Ratio	0.20

### Net Revenue Analysis

	Month of January 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.3%	0.0%
Outpatient	68.8%	67.4%	1.4%
Professional	12.7%	12.5%	0.2%
Long-Term Care	8.1%	8.6%	-0.4%
Dialysis Center	3.6%	5.2%	-1.6%
Ambulance	2.9%	3.0%	-0.1%
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	42.7%	45.2%	2.5%
Charity Care	0.1%	0.4%	0.2%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	44.8%	47.5%	2.6%
	Year to Date Ended January 31, 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.4%	67.2%	0.2%
Professional	12.8%	12.6%	0.2%
Long-Term Care	8.6%	8.6%	0.0%
Dialysis Center	4.3%	5.2%	-0.9%
Ambulance	3.3%	3.0%	0.2%
Retail Pharmacy	1.7%	1.2%	0.5%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	46.1%	45.5%	-0.6%
Charity Care	0.2%	0.4%	0.1%
Bad Debt	1.7%	1.9%	0.2%
Total Revenue Deductions	48.0%	47.7%	-0.2%

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.93%	25.18%	0.06%	20.44%	14.95%	7.74%	6.03%	1.66%	100.00%
LTC	11.12%	13.25%	53.29%	0.00%	0.34%	7.85%	0.00%	14.17%	100.00%
ER	15.53%	17.80%	0.00%	33.72%	15.55%	7.09%	6.53%	3.79%	100.00%
OR	20.71%	26.50%	0.00%	17.58%	20.25%	6.67%	7.59%	0.69%	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%