

Kalkaska Memorial Health Center

Balance Sheet

Assets	February 29, 2024	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 23,801,357	\$ 20,105,803
Short-Term Investments	8,169,674	6,631,348
Accounts Receivable	11,770,202	12,464,426
Third Party Settlements	1,672,871	157,318
Due from Affiliates	36,147	29,312
Inventory	318,983	276,948
Other Current Assets	230,614	310,992
Total Current Assets	45,999,848	39,976,147
Investments	9,009,290	9,891,710
Capital Assets (net of Accumulated Depreciation)	33,824,183	35,216,480
Land	1,444,948	1,426,272
Construction In Progress	16,515,988	10,052,749
Other Assets		
Restricted Cash	6,606,759	11,496,448
Other Assets	262,877	109,914
Total Other Assets	6,869,636	11,606,362
Total Assets	\$ 113,663,893	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	3,015,127	4,177,864
Accrued Compensation	4,322,419	3,871,492
Third Party Liabilities	4,961,448	4,620,950
Due to Affiliates	7,273,891	3,864,305
Other Current Liabilities	1,514,769	1,728,862
Total Current Liabilities	23,405,013	20,580,832
Long-Term Debt - Less Current Maturities	15,333,760	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	12,747	9,392
Total Liabilities	38,771,520	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	39,763,005	33,831,814
Unrestricted	35,129,368	37,552,349
Total Net Assets	74,892,373	71,384,163
Total Liabilities and Net Assets	\$ 113,663,893	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of February 2024				Year to Date Ended February 29, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 174,702	\$ 134,582	\$ 40,120	\$ 70,700	\$ 1,079,527	\$ 1,163,047	\$ (83,520)	\$ 941,438
Outpatient	8,152,300	7,215,617	936,683	6,913,225	63,979,060	62,009,010	1,970,050	59,282,644
Professional	1,593,600	1,337,109	256,491	1,189,566	12,210,595	11,601,676	608,919	10,360,665
Long Term Care	981,378	916,798	64,580	892,098	8,100,393	7,957,973	142,420	7,776,165
Dialysis Center	431,308	553,283	(121,975)	490,401	3,994,170	4,805,374	(811,204)	4,699,789
Ambulance	366,510	322,032	44,478	317,638	3,074,092	2,792,571	281,521	2,615,640
Retail Pharmacy	245,207	128,915	116,292	152,594	1,680,529	1,118,237	562,292	1,086,809
Assisted Living	107,903	87,368	20,535	99,203	763,778	757,921	5,857	744,242
	12,052,908	10,695,704	1,357,204	10,125,425	94,882,144	92,205,809	2,676,335	87,507,392
Revenue Deductions:								
Contractual Allowances	4,370,972	4,825,592	454,620	4,790,618	42,516,696	41,877,736	(638,960)	39,427,196
Provision Charity Care	15,417	38,570	23,153	85,675	221,618	334,495	112,877	299,678
Provision for Bad Debt	210,042	202,286	(7,756)	102,562	1,585,610	1,755,237	169,627	1,394,201
	4,596,431	5,066,448	470,017	4,978,855	44,323,924	43,967,468	(356,456)	41,121,075
Net Patient Revenues	7,456,477	5,629,256	1,827,221	5,146,570	50,558,220	48,238,341	2,319,879	46,386,317
Other Operating Revenues	237,493	244,010	(6,517)	300,053	2,807,401	1,808,412	998,989	2,694,122
Total Operating Revenue	7,693,970	5,873,266	1,820,704	5,446,623	53,365,621	50,046,753	3,318,868	49,080,439
Operating Expenses								
Salaries and Wages	3,278,081	3,102,632	(175,449)	2,754,114	26,932,207	24,976,049	(1,956,158)	24,394,007
Fringe Benefits	525,368	751,601	226,233	717,418	6,249,042	6,012,808	(236,234)	5,657,470
Contract Labor	34,965	35,316	351	24,215	231,067	285,378	54,311	254,676
Physician Fees	80,169	52,947	(27,222)	41,784	619,904	457,993	(161,911)	444,261
Purchased Services	407,476	570,018	162,542	586,452	4,700,503	5,032,827	332,324	4,635,013
Pharmaceuticals	753,599	624,943	(128,656)	554,527	5,520,387	5,287,951	(232,436)	5,048,735
Supplies	426,933	344,649	(82,284)	298,858	2,842,307	2,964,209	121,902	3,386,673
Occupancy	99,173	113,412	14,239	61,197	750,411	914,746	164,335	806,808
Equipment, Software & Maintenance	73,064	94,527	21,463	95,672	696,516	809,893	113,377	715,139
Depreciation	303,583	280,822	(22,761)	262,585	2,270,896	2,139,625	(131,271)	2,079,372
Insurance	73,436	73,796	360	51,349	609,412	590,368	(19,044)	540,130
Other	64,603	38,081	(26,522)	22,814	434,046	303,009	(131,037)	275,363
	6,120,450	6,082,744	(37,706)	5,470,985	51,856,698	49,774,856	(2,081,842)	48,237,647
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,120,450	6,082,744	(37,706)	5,470,985	51,856,698	49,774,856	(2,081,842)	48,237,647
Income from Operations before Grant Revenue from COVID-19	1,573,520	(209,478)	1,782,998	(24,362)	1,508,923	271,897	1,237,026	842,792
Grant Revenue COVID-19	-	-	-	-	750,000	-	750,000	986,610
Operating Income	1,573,520	(209,478)	1,782,998	(24,362)	2,258,923	271,897	1,987,026	1,829,402
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	1,025,060	1,000,008	25,052	1,007,770
Interest on Debt Related to Capital Assets	(54,495)	(54,496)	1	(61,276)	(445,466)	(445,469)	3	(450,497)
Unrealized Gain/Loss on LT Investments	8,802	-	8,802	(46,772)	184,844	-	184,844	24,000
Tax Levy Revenue	783	747	36	730	6,261	5,976	285	5,500
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	2,963	800	2,163	6,019
Other Income (Loss)	14,954	7,500	7,454	25,652	475,625	60,000	415,625	103,221
Total Non-Operating Income (Expense)	98,267	78,852	19,415	43,564	1,249,287	621,315	627,972	620,513
Total Increase (Decrease) in Net Assets	\$ 1,671,787	\$ (130,626)	\$ 1,802,413	\$ 19,202	\$ 3,508,210	\$ 893,212	\$ 2,614,998	\$ 2,449,915

Statement of Cash FlowsEight Months Ending
February 29, 2024**Cash flow from operating activities**

Received from patients and third-party payors	\$	50,070,554
Payments to employees		(32,730,322)
Payments to suppliers for services and goods		(14,330,099)
Other receipts from operations		3,563,662
Net cash provided by operating activities		<u>6,573,795</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(7,360,514)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		1,025,060
Interest paid on long-term debt		(445,466)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(841,573)
Net cash used in capital and related financing activities		<u>(7,622,493)</u>

Cash flow from investing activities

Investment income		660,469
Purchase of short-term investments		(1,538,326)
Net activity of investments internally designated for capital acquisitions		882,420
Purchase of Intangibles		(150,000)
Net cash used by investing activities		<u>(145,437)</u>

Net decrease in cash and cash equivalents		(1,194,135)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	<u><u>30,408,116</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	2,258,923
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,270,896
Provision for uncollectible accounts		1,585,610
Operating tax levy		6,261
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(898,221)
Third-party settlements		(1,515,553)
Inventory		(42,035)
Other current assets		80,378
Increase (decrease) in liabilities:		
Trade accounts payable		2,246,849
Accrued Compensation		450,927
Third Party Settlements		340,498
Other accrued liabilities		(210,738)
Net cash provided by operating activities	\$	<u><u>6,573,795</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Eight Months Ending February 29, 2024**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2022	\$ 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
Net Assets at June 30, 2023	28,202,809	43,181,354	71,384,163
Acquisition and construction of capital assets	7,360,514		7,360,514
Depreciation	(2,270,896)		(2,270,896)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	841,573		841,573
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(2,422,981)	(2,422,981)
Increase (Decrease) in Net Assets	5,931,191	(2,422,981)	3,508,210
Net Assets at February 29, 2024	\$ 34,134,000	\$ 40,758,373	\$ 74,892,373

Kalkaska Memorial Health Center

Statistical Report

	Month of February 2024				Year to Date Ended February 29, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	20	20	0	14	119	174	(55)	120
Long Term Care	21	11	10	13	144	93	51	89
Observation	19	15	4	8	130	127	3	87
PATIENT DAYS:								
Acute Care	64	70	(6)	39	421	605	(184)	415
Long Term Care-Skilled	210	147	63	157	1,636	1,278	358	1,058
Long Term Care-Basic	2,022	2,085	(63)	1,948	17,214	18,096	(882)	17,764
Observation	43	15	28	33	343	127	216	173
AVERAGE LENGTH OF STAY:								
Acute Care	3.2	3.5	0.3	2.8	3.5	3.5	(0.1)	3.5
DAILY AVERAGE CENSUS:								
Acute Care	2.3	2.5	(0.3)	1.4	1.7	2.5	(0.8)	1.7
Long Term Care	79.7	79.7	0.0	75.2	77.6	79.7	(2.2)	77.5
PERCENT OF OCCUPANCY:								
Acute Care	28.6%	31.3%	-2.7%	17.4%	21.7%	31.1%	-9.5%	21.3%
Long Term Care	76.6%	76.6%	-	72.3%	74.6%	76.7%	-2.1%	74.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,389	1,249	140	1,103	11,070	10,840	230	10,710
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	494	396	98	393	3,315	3,441	(126)	3,513
Primary Care Physician RVU's	7,042	6,374	668	5,608	56,126	55,317	809	52,753
Primary Care Physician Encounters	4,063	3,638	425	3,937	33,016	31,574	1,442	30,111
Specialty Clinics	407	331	76	400	3,235	2,864	371	2,773
KMA Clinic RVU's	8,174	6,999	1,175	6,678	65,341	60,742	4,599	57,926
Total Outpatient Visits	6,884	6,842	42	6,517	58,179	59,379	(1,200)	58,293
Surgical Procedures	188	137	51	122	1,269	1,184	85	1,152
Radiology	2,880	2,573	307	2,569	25,556	22,332	3,224	21,709
Laboratory	19,625	17,373	2,252	17,158	158,742	150,778	7,964	150,986
Physical Therapy	4,328	3,536	792	3,608	34,690	30,694	3,996	29,364
Chemo Therapy	419	525	(106)	505	3,531	4,561	(1,030)	4,579
Dialysis Treatments	386	473	(87)	426	3,563	4,107	(544)	4,072
Ambulance Transports	223	198	25	198	1,875	1,717	158	1,684
Assisted Living Days	928	834	94	859	7,206	7,235	(29)	7,103
Cost per adjusted IP and LTC day:	233.93	240.66	(6.73)	220.95	237.56	229.85	7.71	229.83
TOTAL FTE'S:	494	474	(20)	444	487	467	(21)	452

Kalkaska Memorial Health Center

Additional Financial Information

	February 29, 2024
MTD % increase in net revenue vs. prior year	44.88%
MTD % increase in expense vs. prior year	11.87%
	33.01%
YTD % increase in net revenue vs. prior year	8.99%
YTD % increase in expense vs. prior year	7.50%
	1.49%
LTC Expense per Critical Unit - MTD	\$ 309.41
LTC Expense per Critical Unit - YTD	\$ 296.59
Ambulance Days in AR YTD	68.02
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (97,023)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(395,233)
Average Age of Plant (as of 2/29/24)	10.97
Debt to Capitalization Ratio	0.19

Net Revenue Analysis

	Month of February 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.4%	1.3%	0.2%
Outpatient	67.6%	67.5%	0.2%
Professional	13.2%	12.5%	0.7%
Long-Term Care	8.1%	8.6%	-0.4%
Dialysis Center	3.6%	5.2%	-1.6%
Ambulance	3.0%	3.0%	0.0%
Retail Pharmacy	2.0%	1.2%	0.8%
Assisted Living	0.9%	0.8%	0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	36.3%	45.1%	8.9%
Charity Care	0.1%	0.4%	0.2%
Bad Debt	1.7%	1.9%	0.1%
Total Revenue Deductions	38.1%	47.4%	9.2%
	Year to Date Ended February 29, 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.1%
Outpatient	67.4%	67.3%	0.2%
Professional	12.9%	12.6%	0.3%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.2%	5.2%	-1.0%
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	44.8%	45.4%	0.6%
Charity Care	0.2%	0.4%	0.1%
Bad Debt	1.7%	1.9%	0.2%
Total Revenue Deductions	46.7%	47.7%	1.0%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.59%	25.41%	0.06%	20.65%	14.79%	7.77%	6.11%	1.62%	100.00%
LTC	9.94%	14.78%	53.53%	0.00%	0.39%	7.73%	0.00%	13.64%	100.00%
ER	15.42%	17.45%	0.00%	33.71%	15.69%	7.20%	6.74%	3.79%	100.00%
OR	19.52%	25.64%	0.00%	19.38%	19.98%	6.25%	8.39%	0.84%	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%