

Kalkaska Memorial Health Center

Balance Sheet

Assets	May 31, 2021	June 30, 2020
Current Assets		
Cash and Cash Equivalents	\$ 8,951,606	\$ 6,102,359
Short-Term Investments	7,920,273	7,883,327
Accounts Receivable	6,109,681	5,629,826
Third Party Settlements	438,625	1,366,565
Due from Affiliates	12,470	1,651
Inventory	113,382	164,981
Other Current Assets	179,757	150,538
Total Current Assets	23,725,794	21,299,247
Investments	971,498	2,495,701
Capital Assets (net of Accumulated Depreciation)	35,245,824	37,520,016
Land	1,364,151	1,364,151
Construction In Progress	2,103,853	937,193
Other Assets		
Restricted Cash	14,567,726	15,754,091
Other Assets	82,290	80,428
Total Other Assets	14,650,016	15,834,519
Total Assets	\$ 78,061,136	\$ 79,450,827
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,252,855	\$ 1,252,855
Trade Accounts Payable	964,128	1,212,240
Accrued Compensation	4,519,737	3,988,447
Third Party Liabilities	3,514,912	4,788,180
Due to Affiliates	2,031,055	2,380,460
Other Current Liabilities	7,585,998	9,246,817
Total Current Liabilities	19,868,685	22,868,999
Long-Term Debt - Less Current Maturities	5,673,514	6,904,674
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	9,089	8,083
Total Liabilities	25,571,288	29,801,756
Net Assets		
Invested in Capital Assets, net of Related Debt	38,669,778	38,546,150
Unrestricted	13,820,070	11,102,921
Total Net Assets	52,489,848	49,649,071
Total Liabilities and Net Assets	\$ 78,061,136	\$ 79,450,827

Kalkaska Memorial Health Center

Statement of Operations

	Month of May 2021				Year to Date Ended May 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 56,620	\$ 73,617	\$ (16,997)	\$ 72,477	\$ 870,398	\$ 802,589	\$ 67,809	\$ 844,783
Outpatient	5,015,940	5,482,798	(466,858)	3,015,550	53,562,152	61,094,506	(7,532,354)	43,542,222
Professional	1,014,473	816,870	197,603	666,486	10,735,243	9,361,280	1,373,963	8,972,274
Long Term Care	917,989	976,912	(58,923)	1,043,606	10,029,856	10,628,293	(598,437)	10,560,481
Dialysis Center	711,371	713,183	(1,812)	699,958	8,045,587	7,705,594	339,993	7,539,495
Ambulance	342,630	251,830	90,800	270,410	3,398,426	2,722,911	675,515	2,812,041
Retail Pharmacy	115,985	121,380	(5,395)	104,618	1,291,572	1,311,418	(19,846)	1,313,615
Assisted Living	91,478	94,404	(2,926)	87,706	1,046,371	1,020,065	26,306	1,039,053
	<u>8,266,486</u>	<u>8,530,994</u>	<u>(264,508)</u>	<u>5,960,811</u>	<u>88,979,605</u>	<u>94,646,656</u>	<u>(5,667,051)</u>	<u>76,623,964</u>
Revenue Deductions:								
Contractual Allowances	3,302,245	3,761,437	459,192	2,795,929	39,872,869	41,618,190	1,745,321	34,155,626
Provision Charity Care	12,978	30,948	17,970	76,121	205,963	343,425	137,462	388,991
Provision for Bad Debt	108,642	169,417	60,775	150,898	1,030,799	1,900,070	869,271	1,467,943
	<u>3,423,865</u>	<u>3,961,802</u>	<u>537,937</u>	<u>3,022,948</u>	<u>41,109,631</u>	<u>43,861,685</u>	<u>2,752,054</u>	<u>36,012,560</u>
Net Patient Revenues	<u>4,842,621</u>	<u>4,569,192</u>	<u>273,429</u>	<u>2,937,863</u>	<u>47,869,974</u>	<u>50,784,971</u>	<u>(2,914,997)</u>	<u>40,611,404</u>
Other Operating Revenues	275,634	307,004	(31,370)	3,053,568	4,287,096	3,356,124	930,972	6,806,063
Total Operating Revenue	<u>5,118,255</u>	<u>4,876,196</u>	<u>242,059</u>	<u>5,991,431</u>	<u>52,157,070</u>	<u>54,141,095</u>	<u>(1,984,025)</u>	<u>47,417,467</u>
Operating Expenses								
Salaries and Wages	2,583,235	2,338,287	(244,948)	2,311,303	26,123,342	24,785,093	(1,338,249)	23,425,694
Fringe Benefits	431,993	556,969	124,976	528,625	6,681,271	6,323,472	(357,799)	6,022,025
Contract Labor	28,934	32,336	3,402	25,508	333,677	349,434	15,757	345,907
Physician Fees	57,557	87,003	29,446	48,438	679,683	1,014,511	334,828	901,719
Purchased Services	557,508	481,027	(76,481)	536,610	6,513,331	5,493,864	(1,019,467)	5,523,174
Pharmaceuticals	291,318	714,344	423,026	291,271	3,913,545	8,093,537	4,179,992	3,090,486
Supplies	281,721	247,438	(34,283)	186,462	3,079,895	2,731,776	(348,119)	2,656,152
Occupancy	96,468	97,854	1,386	86,296	994,161	1,075,619	81,458	968,914
Equipment, Software & Maintenance	56,412	51,563	(4,849)	23,810	676,114	658,402	(17,712)	605,670
Depreciation	232,881	231,839	(1,042)	303,724	2,503,765	2,498,335	(5,430)	2,317,085
Insurance	43,679	36,297	(7,382)	39,265	513,241	399,275	(113,966)	417,186
Other	27,518	33,997	6,479	15,383	347,367	405,615	58,248	281,112
	<u>4,689,224</u>	<u>4,908,954</u>	<u>219,730</u>	<u>4,396,695</u>	<u>52,359,392</u>	<u>53,828,933</u>	<u>1,469,541</u>	<u>46,555,124</u>
Less Shared Services	5,935	-	5,935	-	11,446	-	11,446	4,133
Total Operating Expenses	<u>4,683,289</u>	<u>4,908,954</u>	<u>225,665</u>	<u>4,396,695</u>	<u>52,347,946</u>	<u>53,828,933</u>	<u>1,480,987</u>	<u>46,550,991</u>
Income from Operations before Grant Revenue from COVID-19	434,966	(32,758)	467,724	1,594,736	(190,876)	312,162	(503,038)	866,476
Grant Revenue COVID-19	250,000	-	250,000	-	1,967,598	-	1,967,598	-
Operating Income	<u>684,966</u>	<u>(32,758)</u>	<u>717,724</u>	<u>1,594,736</u>	<u>1,776,722</u>	<u>312,162</u>	<u>1,464,560</u>	<u>866,476</u>
Non-Operating Income (Expense)								
Reserved for Bond Debt	112,276	112,276	-	107,767	1,230,014	1,235,036	(5,022)	1,184,672
Interest on Debt Related to Capital Assets	(17,441)	(17,440)	(1)	(20,478)	(219,370)	(219,367)	(3)	(185,365)
Unrealized Gain/Loss on LT Investments	(1,063)	-	(1,063)	(8,594)	(43,359)	-	(43,359)	35,349
Tax Levy Revenue	674	674	-	653	7,414	7,414	-	7,184
Contributions	-	311	(311)	-	1,862	3,421	(1,559)	3,217
Other Income (Loss)	2,126	9,791	(7,665)	7,673	87,494	107,701	(20,207)	217,929
Total Non-Operating Income (Expense)	<u>96,572</u>	<u>105,612</u>	<u>(9,040)</u>	<u>87,021</u>	<u>1,064,055</u>	<u>1,134,205</u>	<u>(70,150)</u>	<u>1,262,986</u>
Total Increase (Decrease) in Net Assets	<u>\$ 781,538</u>	<u>\$ 72,854</u>	<u>\$ 708,684</u>	<u>\$ 1,681,757</u>	<u>\$ 2,840,777</u>	<u>\$ 1,446,367</u>	<u>\$ 1,394,410</u>	<u>\$ 2,129,462</u>

Statement of Cash FlowsEleven Months Ending
May 31, 2021**Cash flow from operating activities**

Received from patients and third-party payors	\$ 47,033,972
Payments to employees	(32,273,323)
Payments to suppliers for services and goods	(19,274,518)
Other receipts from operations	6,250,955
Net cash provided by operating activities	<u>1,737,086</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(1,396,233)
Proceeds from sale of capital assets	11,153
Proceeds from county bond tax levy	1,230,014
Interest paid on long-term debt	(219,370)
Principal payments on bonds and notes payable	(1,231,160)
Net cash used in capital and related financing activities	<u>(1,605,596)</u>

Cash flow from investing activities

Investment income	44,135
Purchase of short-term investments	(36,946)
Net activity of investments internally designated for capital acquisitions	1,524,203
Net cash provided by investing activities	<u>1,531,392</u>

Net increase in cash and cash equivalents	1,662,882
Cash and cash equivalents at beginning of year	21,856,450
Cash and cash equivalents at end of period	<u>\$ 23,519,332</u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$ 1,776,722
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,503,765
Provision for uncollectible accounts	1,030,799
Operating tax levy	7,414
Net gains and losses on sale of PPE	(11,153)
(Increase) decrease in assets:	
Patient accounts receivable	(1,521,473)
Third-party settlements	927,940
Inventory	51,599
Other current assets	(29,219)
Increase (decrease) in liabilities:	
Trade accounts payable	(597,517)
Accrued Compensation	531,290
Third Party Settlements	(1,273,268)
Other accrued liabilities	(1,659,813)
Net cash provided by operating activities	<u>\$ 1,737,086</u>

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
Eleven Months Ending May 31, 2021**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2019	\$ 29,332,964	\$ 18,435,360	\$ 47,768,324
Acquisition and construction of capital assets	3,665,276		3,665,276
Depreciation	(2,605,609)		(2,605,609)
Sale of Capital Assets	53,341		53,341
Net Change in Debt	1,217,859		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(450,120)	(450,120)
Increase (Decrease) in Net Assets	2,330,867	(450,120)	1,880,747
Net Assets at June 30, 2020	31,663,831	17,985,240	49,649,071
Acquisition and construction of capital assets	1,385,080		1,385,080
Depreciation	(2,503,765)		(2,503,765)
Sale of Capital Assets	11,153		11,153
Net Change in Debt	1,231,160		1,231,160
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		2,717,149	2,717,149
Increase (Decrease) in Net Assets	123,628	2,717,149	2,840,777
Net Assets at May 31, 2021	\$ 31,787,459	\$ 20,702,389	\$ 52,489,848

Kalkaska Memorial Health Center

Statistical Report

	Month of May 2021				Year to Date Ended May 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	10	14	(4)	14	136	149	(13)	166
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	13	14	(1)	20	171	153	18	205
Extended Stays	10	5	5	7	114	55	59	70
PATIENT DAYS:								
Acute Care	30	35	(5)	35	361	378	(17)	400
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	176	194	(18)	358	1,812	2,097	(285)	2,599
Long Term Care-Basic	2,564	2,751	(187)	2,496	27,286	29,728	(2,442)	27,644
Extended Stays	8	13	(5)	16	84	142	(58)	157
AVERAGE LENGTH OF STAY:								
Acute Care	3.0	2.5	0.5	2.5	2.7	2.5	0.1	2.4
DAILY AVERAGE CENSUS:								
Acute Care	1.0	1.1	(0.3)	1.1	1.1	1.1	(0.1)	1.2
Long Term Care	88.4	95.0	(6.6)	92.1	86.9	95.0	(8.1)	90.0
PERCENT OF OCCUPANCY:								
Acute Care	12.1%	14.1%	-2.0%	14.1%	13.5%	14.1%	-0.6%	14.9%
Long Term Care	85.0%	91.3%	-6.4%	88.5%	83.5%	91.3%	-7.8%	86.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	626	705	(79)	597	7,920	7,618	302	8,120
Urgent Care	191	345	(154)	116	2,468	3,729	(1,261)	3,880
Walkin Clinic	202	0	202	0	501	0	501	0
Specialty Clinics	405	323	82	153	4,214	3,761	453	3,244
KMA Clinic RVU's	6,296	4,292	2,004	3,893	58,215	49,993	8,222	48,472
Total Outpatient Visits	6,531	5,214	1,317	4,739	75,303	56,336	18,967	66,854
Surgical Procedures	106	82	24	30	1,077	954	123	933
Radiology	2,247	2,008	239	1,477	23,033	21,694	1,339	20,227
Laboratory	18,253	14,650	3,603	14,561	191,292	158,300	32,992	167,062
Physical Therapy	3,182	2,957	225	2,502	33,781	34,450	(669)	33,629
Chemo Therapy	337	12	325	0	3,298	125	3,173	0
Dialysis Treatments	655	665	(10)	649	7,353	7,185	168	7,040
Ambulance Transports	238	192	46	201	2,334	2,076	258	2,135
Assisted Living Days	955	1,017	(62)	841	10,737	10,989	(252)	11,337
Cost per adjusted IP and LTC day:	182.78	185.75	(2.97)	251.76	197.18	185.10	12.08	203.07
TOTAL FTE'S:	436	412	(23)	420	422	412	(10)	399

Kalkaska Memorial Health Center

Additional Financial Information

	May 31, 2021
MTD % increase in net revenue vs. prior year	64.83%
MTD % increase in expense vs. prior year	<u>6.52%</u>
	58.32%
YTD % increase in net revenue vs. prior year	17.87%
YTD % increase in expense vs. prior year	<u>12.45%</u>
	5.42%
LTC Expense per Critical Unit - MTD	\$ 214.88
LTC Expense per Critical Unit - YTD	\$ 209.48
Ambulance Days in AR YTD	50.60
Dialysis number of patients - MTD	54
Dialysis net income - MTD	\$ 21,036
Dialysis net income - YTD	\$ 65,663
Assisted Living net income - MTD	\$ (14,160)
Assisted Living net income - YTD	(145,054)
Average Age of Plant (as of 5/31/21)	11.97
Debt to Capitalization Ratio	0.12

Net Revenue Analysis

	Month of May 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.7%	0.9%	-0.2%
Outpatient	60.7%	64.3%	-3.6%
Professional	12.3%	9.6%	2.7%
Long-Term Care	11.1%	11.5%	-0.3%
Dialysis Center	8.6%	8.4%	0.2%
Ambulance	4.1%	3.0%	1.2%
Retail Pharmacy	1.4%	1.4%	0.0%
Assisted Living	1.1%	1.1%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	39.9%	44.1%	4.1%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	1.3%	2.0%	0.7%
Total Revenue Deductions	<u>41.4%</u>	<u>46.4%</u>	<u>5.0%</u>
	Year to Date Ended May 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	0.8%	0.1%
Outpatient	60.2%	64.6%	-4.4%
Professional	12.1%	9.9%	2.2%
Long-Term Care	11.3%	11.2%	0.0%
Dialysis Center	9.0%	8.1%	0.9%
Ambulance	3.8%	2.9%	0.9%
Retail Pharmacy	1.5%	1.4%	0.1%
Assisted Living	1.2%	1.1%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.8%	44.0%	-0.8%
Charity Care	0.2%	0.4%	0.1%
Bad Debt	1.2%	2.0%	0.8%
Total Revenue Deductions	<u>46.2%</u>	<u>46.3%</u>	<u>0.1%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2021
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.67%	22.23%	0.31%	16.85%	13.35%	6.54%	7.99%	3.06%	100.00%
LTC	11.11%	10.17%	60.06%	0.00%	0.00%	4.54%	0.00%	14.12%	100.00%
ER	20.39%	15.70%	0.00%	29.89%	14.46%	7.65%	7.95%	3.96%	100.00%
OR	23.76%	21.58%	0.00%	19.66%	15.90%	7.12%	11.66%	0.32%	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%

YTD 2017
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.45%	10.90%	1.34%	19.37%	16.36%	5.63%	7.19%	1.76%	100.00%
LTC	16.22%	3.91%	66.72%	0.00%	0.43%	1.87%	0.00%	10.85%	100.00%
ER	26.95%	7.71%	0.00%	30.03%	15.62%	6.83%	6.96%	5.90%	100.00%
OR	21.56%	10.03%	0.00%	34.14%	20.10%	4.39%	9.36%	0.42%	100.00%
KMA (not updated for FY	32.44%	10.02%	2.72%	16.38%	21.95%	3.32%	9.18%	3.99%	100.00%