

Kalkaska Memorial Health Center

Balance Sheet

	February 28, 2025	June 30, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 21,313,435	\$ 18,320,675
Short-Term Investments	7,446,784	6,515,371
Accounts Receivable	14,793,316	14,119,177
Third Party Settlements	3,670,529	3,853,844
Due from Affiliates	29,130	24,363
Inventory	459,319	484,119
Other Current Assets	317,542	336,864
Total Current Assets	48,030,055	43,654,413
Investments	10,633,235	10,968,237
Capital Assets (net of Accumulated Depreciation)	49,203,146	51,188,437
Land	1,444,948	1,444,948
Construction In Progress	2,834,705	1,303,680
Other Assets		
Restricted Cash	3,101,292	2,444,879
Other Assets	244,991	264,696
Total Other Assets	3,346,283	2,709,575
Total Assets	\$ 115,492,372	\$ 111,269,290
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,387,359
Trade Accounts Payable	1,499,411	1,871,392
Accrued Compensation	5,192,890	4,521,276
Third Party Liabilities	5,306,362	4,820,845
Due to Affiliates	4,163,827	4,715,160
Other Current Liabilities	2,082,187	1,398,951
Total Current Liabilities	20,632,036	19,714,983
Long-Term Debt - Less Current Maturities	12,882,400	13,715,734
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	13,854	9,617
Total Liabilities	33,548,290	33,460,334
Net Assets		
Invested in Capital Assets, net of Related Debt	43,842,045	43,462,977
Unrestricted	38,102,037	34,345,979
Total Net Assets	81,944,082	77,808,956
Total Liabilities and Net Assets	\$ 115,492,372	\$ 111,269,290

Kalkaska Memorial Health Center
Statement of Operations

	Month of February 2025				Year to Date Ended February 28, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 308,056	\$ 135,869	\$ 172,187	\$ 174,702	\$ 1,657,813	\$ 1,170,799	\$ 487,014	\$ 1,079,527
Outpatient	8,779,097	7,885,273	893,824	8,152,300	73,952,186	68,555,555	5,396,631	63,979,060
Professional	1,787,030	1,651,983	135,047	1,593,600	14,727,882	14,320,775	407,107	12,210,595
Long Term Care	1,256,257	1,181,468	74,789	981,378	10,613,521	10,257,011	356,510	8,100,393
Dialysis Center	370,288	471,801	(101,513)	431,308	3,557,875	4,092,995	(535,120)	3,994,170
Ambulance	235,361	375,022	(139,661)	366,510	2,980,286	3,256,949	(276,663)	3,074,092
Retail Pharmacy	304,998	200,902	104,096	245,207	2,694,159	1,739,312	954,847	1,680,529
Assisted Living	106,130	89,176	16,954	107,903	818,973	773,493	45,480	763,778
	13,147,217	11,991,494	1,155,723	12,052,908	111,002,695	104,166,889	6,835,806	94,882,144
Revenue Deductions:								
Contractual Allowances	5,837,998	5,294,023	(543,975)	4,370,972	49,209,122	45,928,354	(3,280,768)	42,516,696
Provision Charity Care	61,596	26,857	(34,739)	15,417	661,441	233,070	(428,371)	221,618
Provision for Bad Debt	281,290	231,917	(49,373)	210,042	2,160,304	2,013,675	(146,629)	1,585,610
	6,180,884	5,552,797	(628,087)	4,596,431	52,030,867	48,175,099	(3,855,768)	44,323,924
Net Patient Revenues	6,966,333	6,438,697	527,636	7,456,477	58,971,828	55,991,790	2,980,038	50,558,220
Other Operating Revenues	451,719	304,689	147,030	237,493	2,462,820	2,364,399	98,421	2,807,401
Total Operating Revenue	7,418,052	6,743,386	674,666	7,693,970	61,434,648	58,356,189	3,078,459	53,365,621
Operating Expenses								
Salaries and Wages	3,600,005	3,617,552	17,547	3,278,081	30,508,114	30,574,347	66,233	26,932,207
Fringe Benefits	1,040,293	902,503	(137,790)	525,368	6,937,014	7,220,024	283,010	6,249,042
Contract Labor	39,097	40,593	1,496	34,965	325,309	327,639	2,330	231,067
Physician Fees	108,110	78,850	(29,260)	80,169	744,898	630,800	(114,098)	619,904
Purchased Services	524,433	566,187	41,754	407,476	4,594,305	4,691,984	97,679	4,700,503
Pharmaceuticals	641,158	686,501	45,343	753,599	6,665,248	5,985,084	(680,164)	5,520,387
Supplies	359,852	353,627	(6,225)	426,933	3,417,772	3,054,439	(363,333)	2,842,307
Occupancy	124,919	102,229	(22,690)	99,173	790,861	832,882	42,021	750,411
Equipment, Software & Maintenance	131,208	99,978	(31,230)	73,064	798,089	908,803	110,714	696,516
Depreciation	352,324	328,209	(24,115)	303,583	2,859,486	2,625,644	(233,842)	2,270,896
Insurance	64,291	81,428	17,137	73,436	645,264	651,424	6,160	609,412
Other	52,467	57,308	4,841	64,603	365,523	470,595	105,072	434,048
	7,038,157	6,914,965	(123,192)	6,120,450	58,651,883	57,973,665	(678,218)	51,856,700
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,038,157	6,914,965	(123,192)	6,120,450	58,651,883	57,973,665	(678,218)	51,856,700
Income from Operations before Grant Revenue from COVID-19	379,895	(171,579)	551,474	1,573,520	2,782,765	382,524	2,400,241	1,508,921
Grant Revenue COVID-19	-	-	-	-	-	-	-	750,000
Operating Income	379,895	(171,579)	551,474	1,573,520	2,782,765	382,524	2,400,241	2,258,921
Non-Operating Income (Expense)								
Reserved for Bond Debt	141,976	128,333	13,643	128,223	1,135,222	1,026,664	108,558	1,025,060
Interest on Debt Related to Capital Assets	(47,625)	(47,625)	-	(54,495)	(390,501)	(390,502)	1	(445,466)
Unrealized Gain/Loss on LT Investments	(8,550)	-	(8,550)	8,802	74,526	-	74,526	184,844
Tax Levy Revenue	801	789	12	783	6,411	6,312	99	6,261
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	-	167	(167)	-	295	1,336	(1,041)	2,963
Other Income (Loss)	51,402	37,500	13,902	14,954	526,408	300,000	226,408	475,625
Total Non-Operating Income (Expense)	138,004	119,164	18,840	98,267	1,352,361	943,810	408,551	1,249,287
Total Increase (Decrease) in Net Assets	\$ 517,899	\$ (52,415)	\$ 570,314	\$ 1,671,787	\$ 4,135,126	\$ 1,326,334	\$ 2,808,792	\$ 3,508,208

Statement of Cash Flows

Eight Months Ending
February 28, 2025

Cash flow from operating activities

Received from patients and third-party payors	\$ 58,961,754
Payments to employees	(36,773,514)
Payments to suppliers for services and goods	(18,538,988)
Other receipts from operations	2,469,231
Net cash provided by operating activities	6,118,483

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(2,385,220)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,135,222
Interest paid on long-term debt	(390,501)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(833,334)
Net cash used in capital and related financing activities	(2,473,833)

Cash flow from investing activities

Investment income	600,934
Purchase of short-term investments	(931,413)
Net activity of investments internally designated for capital acquisitions	335,002
Purchase of Intangibles	-
Net cash provided by investing activities	4,523

Net increase in cash and cash equivalents	3,649,173
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	\$ 24,414,727

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

Operating income	\$ 2,782,765
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,839,486
Provision for uncollectible accounts	2,160,304
Amortization	20,000
Operating tax levy	6,411
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(2,839,210)
Third-party settlements	183,315
Inventory	24,800
Other current assets	19,322
Increase (decrease) in liabilities:	
Trade accounts payable	(923,314)
Accrued Compensation	671,614
Third Party Settlements	485,517
Other accrued liabilities	687,473
Net cash provided by operating activities	\$ 6,118,483

Kalkaska Memorial Health Center**Statement of Changes in Net Assets
Eight Months Ending February 28, 2025**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2023	\$ 28,202,809	\$ 43,181,354	\$ 71,384,163
Acquisition and construction of capital assets	11,097,151		11,097,151
Depreciation	(3,845,280)		(3,845,280)
Sale of Capital Assets	(10,307)		(10,307)
Net Change in Debt	2,389,599		2,389,599
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(3,206,370)	(3,862,284)
Increase (Decrease) in Net Assets	9,631,163	(3,206,370)	5,768,879
Net Assets at June 30, 2024	37,833,972	39,974,984	77,808,956
Acquisition and construction of capital assets	2,385,220		2,385,220
Depreciation	(2,839,486)		(2,839,486)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	833,334		833,334
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,756,058	3,756,058
Increase (Decrease) in Net Assets	379,068	3,756,058	4,135,126
Net Assets at February 28, 2025	\$ 38,213,040	\$ 43,731,042	\$ 81,944,082

Kalkaska Memorial Health Center

Statistical Report

	Month of February 2025				Year to Date Ended February 28, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	35	15	20	20	172	127	45	119
Long Term Care	22	17	5	21	160	148	12	144
Observation	14	13	1	19	177	111	66	130
PATIENT DAYS:								
Acute Care	129	52	77	64	625	454	171	421
Long Term Care-Skilled	353	193	160	210	2,431	1,677	754	1,636
Long Term Care-Basic	1,708	2,024	(316)	2,022	16,105	17,574	(1,469)	17,214
Observation	26	46	(20)	43	366	399	(33)	343
AVERAGE LENGTH OF STAY:								
Acute Care	3.7	3.5	0.2	3.2	3.6	3.6	0.1	3.5
DAILY AVERAGE CENSUS:								
Acute Care	4.6	1.9	2.8	2.3	2.6	1.9	0.7	1.7
Long Term Care	73.6	79.2	(5.6)	79.7	76.3	79.2	(2.9)	77.6
PERCENT OF OCCUPANCY:								
Acute Care	57.6%	23.2%	34.4%	28.6%	32.2%	23.4%	8.8%	21.7%
Long Term Care	70.8%	76.1%	-5.4%	76.6%	73.3%	76.2%	-2.8%	74.6%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,366	1,358	8	1,389	11,250	11,783	(533)	11,070
Walk-in Clinic	513	389	124	494	3,973	3,378	595	3,315
Primary Care Physician RVU's	9,240	6,611	2,629	7,042	73,575	57,379	16,196	56,126
Primary Care Physician Encounters	4,886	3,951	935	4,063	38,894	34,287	4,607	33,016
Specialty Clinics	316	391	(75)	407	2,733	3,387	(654)	3,235
KMA Clinic RVU's	8,641	7,756	885	8,174	70,771	67,311	3,460	65,341
Total Outpatient Visits	7,090	6,828	262	6,884	62,352	59,260	3,092	58,179
Surgical Procedures	147	156	(9)	188	1,316	1,355	(39)	1,269
Radiology	2,945	3,021	(76)	2,880	25,981	26,215	(234)	25,556
Laboratory	20,417	18,596	1,821	19,625	170,681	161,377	9,304	158,742
Physical Therapy	4,405	4,314	91	4,328	38,384	37,440	944	34,690
Chemo Therapy	344	427	(83)	419	4,364	3,701	663	3,531
Dialysis Treatments	337	414	(77)	386	3,159	3,592	(433)	3,563
Ambulance Transports	150	222	(72)	223	1,852	1,928	(76)	1,875
Assisted Living Days	868	846	22	928	7,587	7,338	249	7,206
Cost per adjusted IP and LTC day:								
	347.01	304.82	42.19	233.93	309.01	295.33	13.68	237.56
TOTAL FTE'S:								
	534	548	(14)	494	532	532	0	487

Kalkaska Memorial Health Center

Additional Financial Information

	February 28, 2025
MTD % increase in net revenue vs. prior year	-6.57%
MTD % increase in expense vs. prior year	14.99%
	<u>-21.57%</u>
YTD % increase in net revenue vs. prior year	16.64%
YTD % increase in expense vs. prior year	13.10%
	<u>3.54%</u>
LTC Expense per Critical Unit - MTD	\$ 300.18
LTC Expense per Critical Unit - YTD	\$ 326.35
Ambulance Days in AR YTD	65.68
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (24,702)
Dialysis net income - YTD	\$ (156,356)
Assisted Living net income - MTD	\$ (34,792)
Assisted Living net income - YTD	(349,607)
Average Age of Plant (as of 2/28/25)	9.91
Debt to Capitalization Ratio	0.16

Net Revenue Analysis

	Month of February 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	2.3%	1.1%	1.2%
Outpatient	66.8%	65.8%	1.0%
Professional	13.6%	13.8%	-0.2%
Long-Term Care	9.6%	9.9%	-0.3%
Dialysis Center	2.8%	3.9%	-1.1%
Ambulance	1.8%	3.1%	-1.3%
Retail Pharmacy	2.3%	1.7%	0.6%
Assisted Living	0.8%	0.7%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.4%	44.1%	-0.3%
Charity Care	0.5%	0.2%	-0.2%
Bad Debt	2.1%	1.9%	-0.2%
Total Revenue Deductions	<u>47.0%</u>	<u>46.3%</u>	<u>-0.7%</u>

	Year to Date Ended February 28, 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.5%	1.1%	0.4%
Outpatient	66.6%	65.8%	0.8%
Professional	13.3%	13.7%	-0.5%
Long-Term Care	9.6%	9.8%	-0.3%
Dialysis Center	3.2%	3.9%	-0.7%
Ambulance	2.7%	3.1%	-0.4%
Retail Pharmacy	2.4%	1.7%	0.8%
Assisted Living	0.7%	0.7%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.3%	44.1%	-0.2%
Charity Care	0.6%	0.2%	-0.4%
Bad Debt	1.9%	1.9%	0.0%
Total Revenue Deductions	<u>46.9%</u>	<u>46.2%</u>	<u>-0.6%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	22.79%	31.21%	0.08%	16.30%	12.64%	8.15%	6.37%	2.46%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	14.75%	19.78%	0.00%	27.71%	15.67%	7.77%	7.78%	6.52%	100.00%
OR	17.27%	25.97%	0.00%	19.62%	17.38%	7.62%	10.81%	1.34%	100.00%
YTD 2024 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	22.33%	26.91%	0.03%	19.99%	14.39%	8.14%	6.36%	1.85%	100.00%
LTC	9.43%	14.84%	53.55%	0.00%	0.34%	8.07%	0.00%	13.76%	100.00%
ER	15.00%	17.82%	0.00%	33.20%	15.72%	7.12%	6.97%	4.18%	100.00%
OR	19.42%	27.18%	0.00%	19.24%	18.56%	6.16%	8.01%	1.44%	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%