

Kalkaska Memorial Health Center

Balance Sheet

	March 31, 2025	June 30, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 20,851,563	\$ 18,320,675
Short-Term Investments	8,545,192	6,515,371
Accounts Receivable	16,348,721	14,119,177
Third Party Settlements	4,302,885	3,853,844
Due from Affiliates	28,195	24,363
Inventory	408,742	484,119
Other Current Assets	240,759	336,864
Total Current Assets	50,726,057	43,654,413
Investments	9,601,983	10,968,237
Capital Assets (net of Accumulated Depreciation)	48,853,497	51,188,437
Land	1,444,948	1,444,948
Construction In Progress	3,980,333	1,303,680
Other Assets		
Restricted Cash	3,719,327	2,444,879
Other Assets	243,832	264,696
Total Other Assets	3,963,159	2,709,575
Total Assets	\$ 118,569,977	\$ 111,269,290
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,387,359
Trade Accounts Payable	2,727,476	1,871,392
Accrued Compensation	5,645,245	4,521,276
Third Party Liabilities	5,582,092	4,820,845
Due to Affiliates	4,557,309	4,715,160
Other Current Liabilities	2,263,519	1,398,951
Total Current Liabilities	23,163,000	19,714,983
Long-Term Debt - Less Current Maturities	12,778,234	13,715,734
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	13,052	9,617
Total Liabilities	35,974,286	33,460,334
Net Assets		
Invested in Capital Assets, net of Related Debt	44,742,190	43,462,977
Unrestricted	37,853,501	34,345,979
Total Net Assets	82,595,691	77,808,956
Total Liabilities and Net Assets	\$ 118,569,977	\$ 111,269,290

Kalkaska Memorial Health Center
Statement of Operations

	Month of March 2025				Year to Date Ended March 31, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 203,100	\$ 149,203	\$ 53,897	\$ 150,401	\$ 1,860,913	\$ 1,320,002	\$ 540,911	\$ 1,229,928
Outpatient	7,526,849	8,652,151	(1,125,302)	8,354,649	81,479,035	77,207,706	4,271,329	72,333,709
Professional	1,753,033	1,830,068	(77,035)	1,628,082	16,480,915	16,150,843	330,072	13,838,677
Long Term Care	1,341,821	1,308,441	33,380	1,048,588	11,955,342	11,565,452	389,890	9,148,982
Dialysis Center	441,878	521,876	(79,998)	457,821	3,999,753	4,614,871	(615,118)	4,451,991
Ambulance	504,211	415,565	88,646	369,180	3,484,496	3,672,514	(188,018)	3,443,272
Retail Pharmacy	309,591	221,772	87,819	237,361	3,003,750	1,961,084	1,042,666	1,917,890
Assisted Living	97,240	98,663	(1,423)	92,900	916,213	872,156	44,057	856,678
	12,177,723	13,197,739	(1,020,016)	12,338,982	123,180,417	117,364,628	5,815,789	107,221,127
Revenue Deductions:								
Contractual Allowances	4,396,350	5,861,685	1,465,335	5,137,957	53,605,472	51,790,039	(1,815,433)	47,654,653
Provision Charity Care	47,764	29,733	(18,031)	25,085	709,205	262,803	(446,402)	246,703
Provision for Bad Debt	337,414	256,948	(80,466)	165,734	2,497,718	2,270,623	(227,095)	1,751,344
	4,781,528	6,148,366	1,366,838	5,328,776	56,812,395	54,323,465	(2,488,930)	49,652,700
Net Patient Revenues	7,396,195	7,049,373	346,822	7,010,206	66,368,022	63,041,163	3,326,859	57,568,427
Other Operating Revenues	495,892	376,164	119,728	402,434	2,958,712	2,740,563	218,149	3,209,835
Total Operating Revenue	7,892,087	7,425,537	466,550	7,412,640	69,326,734	65,781,726	3,545,008	60,778,262
Operating Expenses								
Salaries and Wages	4,075,732	3,782,113	(293,619)	3,456,499	34,583,846	34,356,460	(227,386)	30,388,706
Fringe Benefits	715,039	902,503	187,464	885,841	7,652,053	8,122,527	470,474	7,134,883
Contract Labor	52,396	41,048	(11,348)	34,286	377,705	368,687	(9,018)	265,354
Physician Fees	100,122	78,850	(21,272)	72,718	845,020	709,650	(135,370)	692,622
Purchased Services	519,335	581,919	62,584	586,521	5,113,640	5,273,903	160,263	5,287,024
Pharmaceuticals	845,201	739,321	(105,880)	715,126	7,510,449	6,724,405	(786,044)	6,235,513
Supplies	433,996	387,430	(46,566)	472,275	3,851,768	3,441,869	(409,899)	3,314,581
Occupancy	63,271	102,229	38,958	102,195	854,132	935,111	80,979	852,606
Equipment, Software & Maintenance	74,927	100,449	25,522	70,211	873,016	1,009,252	136,236	766,727
Depreciation	352,149	328,210	(23,939)	288,380	3,211,635	2,953,854	(257,781)	2,559,275
Insurance	132,263	81,428	(50,835)	92,920	777,527	732,852	(44,675)	702,332
Other	40,750	55,845	15,095	48,922	406,276	526,440	120,164	482,970
	7,405,181	7,181,345	(223,836)	6,825,894	66,057,067	65,155,010	(902,057)	58,682,593
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,405,181	7,181,345	(223,836)	6,825,894	66,057,067	65,155,010	(902,057)	58,682,593
Income from Operations before Grant Revenue from COVID-19	486,906	244,192	242,714	586,746	3,269,667	626,716	2,642,951	2,095,669
Grant Revenue COVID-19	-	-	-	-	-	-	-	750,000
Operating Income	486,906	244,192	242,714	586,746	3,269,667	626,716	2,642,951	2,845,669
Non-Operating Income (Expense)								
Reserved for Bond Debt	141,976	128,333	13,643	128,223	1,277,198	1,154,997	122,201	1,153,283
Interest on Debt Related to Capital Assets	(47,285)	(47,285)	-	(54,156)	(437,786)	(437,787)	1	(499,622)
Unrealized Gain/Loss on LT Investments	32,647	-	32,647	(6,008)	107,173	-	107,173	178,835
Tax Levy Revenue	801	789	12	783	7,213	7,101	112	7,044
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	1,342	167	1,175	(591)	1,636	1,503	133	2,373
Other Income (Loss)	35,226	37,500	(2,274)	50,376	561,634	337,500	224,134	526,001
Total Non-Operating Income (Expense)	164,707	119,504	45,203	118,627	1,517,068	1,063,314	453,754	1,367,914
Total Increase (Decrease) in Net Assets	\$ 651,613	\$ 363,696	\$ 287,917	\$ 705,373	\$ 4,786,735	\$ 1,690,030	\$ 3,096,705	\$ 4,213,583

Statement of Cash Flows

Nine Months Ending
March 31, 2025

Cash flow from operating activities

Received from patients and third-party payors	\$ 64,446,852
Payments to employees	(41,111,930)
Payments to suppliers for services and goods	(18,871,815)
Other receipts from operations	2,965,925
Net cash provided by operating activities	7,429,032

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(3,530,848)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,277,198
Interest paid on long-term debt	(437,786)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(937,500)
Net cash used in capital and related financing activities	(3,628,936)

Cash flow from investing activities

Investment income	668,807
Purchase of short-term investments	(2,029,821)
Net activity of investments internally designated for capital acquisitions	1,366,254
Purchase of Intangibles	-
Net cash provided by investing activities	5,240

Net increase in cash and cash equivalents	3,805,336
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	\$ 24,570,890

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

Operating income	\$ 3,269,667
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,189,135
Provision for uncollectible accounts	2,497,718
Amortization	22,500
Operating tax levy	7,213
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(4,731,094)
Third-party settlements	(449,041)
Inventory	75,377
Other current assets	96,105
Increase (decrease) in liabilities:	
Trade accounts payable	698,233
Accrued Compensation	1,123,969
Third Party Settlements	761,247
Other accrued liabilities	868,003
Net cash provided by operating activities	\$ 7,429,032

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
Nine Months Ending March 31, 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	3,530,848		3,530,848
Depreciation	(3,189,135)		(3,189,135)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	937,500		937,500
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,507,522	3,507,522
Increase (Decrease) in Net Assets	1,279,213	3,507,522	4,786,735
Net Assets at March 31, 2025	\$ 39,113,185	\$ 43,482,506	\$ 82,595,691

Kalkaska Memorial Health Center

Statistical Report

	Month of March 2025				Year to Date Ended March 31, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	28	16	12	16	200	143	57	135
Long Term Care	22	19	3	14	182	167	15	158
Observation	23	14	9	28	200	125	75	158
PATIENT DAYS:								
Acute Care	95	58	37	57	720	512	208	478
Long Term Care-Skilled	385	214	171	161	2,816	1,891	925	1,797
Long Term Care-Basic	1,918	2,242	(324)	2,240	18,023	19,816	(1,793)	19,454
Observation	38	51	(14)	72	403	450	(47)	415
AVERAGE LENGTH OF STAY:								
Acute Care	3.4	3.6	(0.2)	3.6	3.6	3.6	0.0	3.5
DAILY AVERAGE CENSUS:								
Acute Care	3.1	1.9	1.2	1.8	2.6	1.9	0.8	1.7
Long Term Care	74.3	79.2	(4.9)	77.5	76.1	79.2	(3.2)	77.6
PERCENT OF OCCUPANCY:								
Acute Care	38.3%	23.4%	14.9%	23.0%	32.8%	23.4%	9.5%	21.8%
Long Term Care	71.4%	76.2%	-4.7%	74.5%	73.1%	76.2%	-3.0%	74.6%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,284	1,503	(219)	1,406	12,534	13,286	(752)	12,476
Walk-in Clinic	516	431	85	531	4,489	3,809	680	3,846
Primary Care Physician RVU's	9,236	7,320	1,916	7,308	82,811	64,699	18,112	63,434
Primary Care Physician Encounters	4,908	4,374	534	4,685	43,802	38,661	5,141	37,701
Specialty Clinics	297	432	(135)	375	3,030	3,819	(789)	3,610
KMA Clinic RVU's	8,972	8,587	385	8,542	79,743	75,898	3,845	73,882
Total Outpatient Visits	7,783	7,560	223	7,197	70,135	66,820	3,315	65,376
Surgical Procedures	152	173	(21)	152	1,468	1,528	(60)	1,421
Radiology	3,023	3,344	(321)	2,892	29,004	29,559	(555)	28,448
Laboratory	19,183	20,587	(1,404)	21,935	189,864	181,964	7,900	180,677
Physical Therapy	5,210	4,776	434	3,696	43,594	42,216	1,378	38,386
Chemo Therapy	224	472	(248)	415	4,588	4,173	415	3,946
Dialysis Treatments	364	458	(94)	419	3,523	4,050	(527)	3,982
Ambulance Transports	304	246	58	228	2,156	2,174	(18)	2,103
Assisted Living Days	930	936	(6)	919	8,517	8,274	243	8,125
Cost per adjusted IP and LTC day:								
	353.02	286.91	66.10	243.18	313.42	294.38	19.05	238.20
TOTAL FTE'S:								
	564	500	63	504	537	528	9	489

Kalkaska Memorial Health Center

Additional Financial Information

	March 31, 2025
MTD % increase in net revenue vs. prior year	5.51%
MTD % increase in expense vs. prior year	8.49%
	-2.98%
YTD % increase in net revenue vs. prior year	15.29%
YTD % increase in expense vs. prior year	12.57%
	2.72%
LTC Expense per Critical Unit - MTD	\$ 362.20
LTC Expense per Critical Unit - YTD	\$ 330.31
Ambulance Days in AR YTD	73.41
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (44,918)
Dialysis net income - YTD	\$ (201,274)
Assisted Living net income - MTD	\$ (39,695)
Assisted Living net income - YTD	(389,302)
Average Age of Plant (as of 3/31/25)	10.00
Debt to Capitalization Ratio	0.16

Net Revenue Analysis

	Month of March 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.7%	1.1%	0.5%
Outpatient	61.8%	65.6%	-3.7%
Professional	14.4%	13.9%	0.5%
Long-Term Care	11.0%	9.9%	1.1%
Dialysis Center	3.6%	4.0%	-0.3%
Ambulance	4.1%	3.1%	1.0%
Retail Pharmacy	2.5%	1.7%	0.9%
Assisted Living	0.8%	0.7%	0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	36.1%	44.4%	8.3%
Charity Care	0.4%	0.2%	-0.2%
Bad Debt	2.8%	1.9%	-0.8%
Total Revenue Deductions	39.3%	46.6%	7.3%

	Year to Date Ended March 31, 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.5%	1.1%	0.4%
Outpatient	66.1%	65.8%	0.4%
Professional	13.4%	13.8%	-0.4%
Long-Term Care	9.7%	9.9%	-0.1%
Dialysis Center	3.2%	3.9%	-0.7%
Ambulance	2.8%	3.1%	-0.3%
Retail Pharmacy	2.4%	1.7%	0.8%
Assisted Living	0.7%	0.7%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.5%	44.1%	0.6%
Charity Care	0.6%	0.2%	-0.4%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	46.1%	46.3%	0.2%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	22.68%	29.52%	0.07%	16.55%	13.61%	8.14%	6.86%	2.57%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	14.41%	19.84%	0.00%	27.85%	15.78%	7.73%	8.06%	6.34%	100.00%
OR	16.74%	26.87%	0.00%	19.14%	18.06%	7.54%	10.56%	1.09%	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%