

Kalkaska Memorial Health Center

Balance Sheet

	April 30, 2024	June 30, 2023
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 20,119,779	\$ 20,105,803
Short-Term Investments	7,746,216	6,631,348
Accounts Receivable	14,076,445	12,464,426
Third Party Settlements	3,767,879	157,318
Due from Affiliates	58,014	29,312
Inventory	544,055	276,948
Other Current Assets	400,128	310,992
Total Current Assets	46,712,516	39,976,147
Investments	9,506,556	9,891,710
Capital Assets (net of Accumulated Depreciation)	36,090,105	35,216,480
Land	1,444,948	1,426,272
Construction In Progress	15,911,785	10,052,749
Other Assets		
Restricted Cash	2,618,598	11,496,448
Other Assets	254,787	109,914
Total Other Assets	2,873,385	11,606,362
Total Assets	\$ 112,539,295	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,102,422	4,177,864
Accrued Compensation	4,958,472	3,871,492
Third Party Liabilities	5,807,165	4,620,950
Due to Affiliates	6,305,090	3,864,305
Other Current Liabilities	1,531,771	1,728,862
Total Current Liabilities	22,022,279	20,580,832
Long-Term Debt - Less Current Maturities	14,033,367	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	11,182	9,392
Total Liabilities	36,086,828	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	42,725,117	33,831,814
Unrestricted	33,727,350	37,552,349
Total Net Assets	76,452,467	71,384,163
Total Liabilities and Net Assets	\$ 112,539,295	\$ 108,169,720

Kalkaska Memorial Health Center
Statement of Operations

	Month of April 2024				Year to Date Ended April 30, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 151,065	\$ 144,235	\$ 6,830	\$ 105,873	\$ 1,380,993	\$ 1,455,281	\$ (74,288)	\$ 1,209,317
Outpatient	8,021,939	7,693,975	327,964	7,403,079	80,355,648	77,527,526	2,828,122	73,957,276
Professional	1,607,211	1,432,911	174,300	1,349,484	15,445,888	14,514,336	931,552	13,132,922
Long Term Care	1,009,059	981,910	27,149	926,381	10,158,041	9,955,354	202,687	9,618,056
Dialysis Center	479,255	593,423	(114,168)	516,173	4,931,246	6,011,846	(1,080,600)	5,735,802
Ambulance	288,429	344,802	(56,373)	321,563	3,731,702	3,493,560	238,142	3,187,067
Retail Pharmacy	250,485	138,111	112,374	163,793	2,168,375	1,398,968	769,407	1,418,354
Assisted Living	98,098	93,549	4,549	100,264	954,776	948,161	6,615	944,270
	11,905,541	11,422,916	482,625	10,886,610	119,126,669	115,305,032	3,821,637	109,203,064
Revenue Deductions:								
Contractual Allowances	4,945,643	5,170,632	224,989	4,635,218	52,600,296	52,390,544	(209,752)	49,172,225
Provision Charity Care	51,685	41,300	(10,385)	20,824	298,388	418,460	120,072	346,034
Provision for Bad Debt	237,758	216,738	(21,020)	205,542	1,989,102	2,195,870	206,768	1,746,066
	5,235,086	5,428,670	193,584	4,861,584	54,887,786	55,004,874	117,088	51,264,325
Net Patient Revenues	6,670,455	5,994,246	676,209	6,025,026	64,238,883	60,300,158	3,938,725	57,938,739
Other Operating Revenues	284,528	236,295	48,233	411,431	3,494,363	2,352,889	1,141,474	3,633,716
Total Operating Revenue	6,954,983	6,230,541	724,442	6,436,457	67,733,246	62,653,047	5,080,199	61,572,455
Operating Expenses								
Salaries and Wages	3,365,770	3,253,970	(111,800)	3,123,147	33,754,476	31,332,656	(2,421,820)	30,587,260
Fringe Benefits	755,114	751,601	(3,513)	898,050	7,889,997	7,516,010	(373,987)	7,293,898
Contract Labor	36,527	35,616	(911)	33,477	301,880	356,760	54,880	320,282
Physician Fees	59,256	56,543	(2,713)	52,487	751,878	572,928	(178,950)	560,844
Purchased Services	526,159	579,550	53,391	583,717	5,813,182	6,191,774	378,592	5,864,335
Pharmaceuticals	412,480	660,930	248,450	776,925	6,647,993	6,600,241	(47,752)	6,441,508
Supplies	419,085	367,437	(51,648)	267,561	3,733,667	3,707,706	(25,961)	4,012,398
Occupancy	94,697	113,695	18,998	104,377	947,303	1,141,888	194,585	996,005
Equipment, Software & Maintenance	101,707	99,706	(2,001)	85,541	868,435	1,012,622	144,187	941,370
Depreciation	313,649	280,978	(32,671)	264,139	2,872,924	2,701,660	(171,264)	2,620,325
Insurance	81,294	73,796	(7,498)	66,085	783,626	737,960	(45,666)	688,614
Other	40,706	37,114	(3,592)	24,434	523,677	376,758	(146,919)	361,742
	6,206,444	6,310,936	104,492	6,279,940	64,889,038	62,248,963	(2,640,075)	60,688,581
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,206,444	6,310,936	104,492	6,279,940	64,889,038	62,248,963	(2,640,075)	60,688,581
Income from Operations before Grant Revenue from COVID-19	748,539	(80,395)	828,934	156,517	2,844,208	404,084	2,440,124	883,874
Grant Revenue COVID-19	-	-	-	-	750,000	-	750,000	986,610
Operating Income	748,539	(80,395)	828,934	156,517	3,594,208	404,084	3,190,124	1,870,484
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	1,281,506	1,250,010	31,496	1,258,230
Interest on Debt Related to Capital Assets	(53,816)	(53,817)	1	(60,597)	(553,438)	(553,442)	4	(572,031)
Unrealized Gain/Loss on LT Investments	(36,224)	-	(36,224)	(12,419)	142,611	-	142,611	45,940
Tax Levy Revenue	783	747	36	730	7,827	7,470	357	6,960
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	2,373	1,000	1,373	5,646
Other Income (Loss)	67,216	7,500	59,716	47,328	593,217	75,000	518,217	187,474
Total Non-Operating Income (Expense)	106,182	79,531	26,651	100,272	1,474,096	780,038	694,058	856,719
Total Increase (Decrease) in Net Assets	\$ 854,721	\$ (864)	\$ 855,585	\$ 256,789	\$ 5,068,304	\$ 1,184,122	\$ 3,884,182	\$ 2,727,203

Statement of Cash Flows

Ten Months Ending
April 30, 2024

Cash flow from operating activities

Received from patients and third-party payors	\$ 60,173,816
Payments to employees	(40,557,493)
Payments to suppliers for services and goods	(21,557,842)
Other receipts from operations	4,252,190
Net cash provided by operating activities	2,310,671

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(9,616,761)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,281,506
Interest paid on long-term debt	(553,438)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(2,141,966)
Net cash used in capital and related financing activities	(11,030,659)

Cash flow from investing activities

Investment income	735,828
Purchase of short-term investments	(1,114,868)
Net activity of investments internally designated for capital acquisitions	385,154
Purchase of Intangibles	(150,000)
Net cash used by investing activities	(143,886)

Net decrease in cash and cash equivalents	(8,863,874)
Cash and cash equivalents at beginning of year	31,602,251
Cash and cash equivalents at end of period	<u>\$ 22,738,377</u>

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

Operating income	\$ 3,594,208
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,865,424
Provision for uncollectible accounts	1,989,102
Amortization	7,500
Operating tax levy	7,827
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(3,629,823)
Third-party settlements	(3,610,561)
Inventory	(267,107)
Other current assets	(89,136)
Increase (decrease) in liabilities:	
Trade accounts payable	(634,657)
Accrued Compensation	1,086,980
Third Party Settlements	1,186,215
Other accrued liabilities	(195,301)
Net cash provided by operating activities	<u>\$ 2,310,671</u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Ten Months Ending April 30, 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	9,616,761		9,616,761
Depreciation	(2,865,424)		(2,865,424)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	2,141,966		2,141,966
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(3,824,999)	(3,824,999)
Increase (Decrease) in Net Assets	8,893,303	(3,824,999)	5,068,304
Net Assets at April 30, 2024	\$ 37,096,112	\$ 39,356,355	\$ 76,452,467

Kalkaska Memorial Health Center

Statistical Report

	Month of April 2024				Year to Date Ended April 30, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	16	22	(6)	11	151	218	(67)	147
Long Term Care	5	11	(6)	13	163	116	47	115
Observation	18	16	2	11	176	159	17	105
PATIENT DAYS:								
Acute Care	48	75	(27)	40	526	757	(231)	514
Long Term Care-Skilled	160	158	2	202	1,957	1,599	358	1,419
Long Term Care-Basic	2,230	2,233	(3)	2,034	21,684	22,638	(954)	21,873
Observation	59	16	43	37	474	159	315	232
AVERAGE LENGTH OF STAY:								
Acute Care	3.0	3.4	0.4	3.6	3.5	3.5	(0.0)	3.5
DAILY AVERAGE CENSUS:								
Acute Care	1.6	2.5	(1.0)	1.3	1.7	2.5	(0.8)	1.7
Long Term Care	79.7	79.7	(0.0)	74.5	77.5	79.5	(2.0)	76.6
PERCENT OF OCCUPANCY:								
Acute Care	20.0%	31.3%	-11.3%	16.7%	21.6%	31.0%	-9.5%	21.1%
Long Term Care	76.6%	76.6%	0.0%	71.7%	74.5%	76.4%	-1.9%	73.7%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,399	1,338	61	1,227	13,875	13,561	314	13,227
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	307	425	(118)	413	4,153	4,305	(152)	4,403
Primary Care Physician RVU's	7,761	6,829	932	6,680	71,195	69,203	1,992	66,920
Primary Care Physician Encounters	4,940	3,898	1,042	4,273	42,641	39,500	3,141	39,097
Specialty Clinics	408	354	54	431	4,018	3,583	435	3,533
KMA Clinic RVU's	9,150	7,499	1,651	7,871	83,033	75,990	7,043	74,436
Total Outpatient Visits	7,542	7,331	211	7,059	72,918	74,285	(1,367)	72,754
Surgical Procedures	170	146	24	137	1,591	1,481	110	1,433
Radiology	2,925	2,757	168	2,893	31,373	27,938	3,435	27,336
MRI	401	0	401	339	3,899	0	3,899	3,779
Laboratory	21,721	18,615	3,106	18,492	202,398	188,628	13,770	188,869
Physical Therapy	4,451	3,789	662	4,130	42,837	38,399	4,438	37,768
Chemo Therapy	422	563	(141)	538	4,368	5,706	(1,338)	5,823
Dialysis Treatments	428	507	(79)	466	4,410	5,138	(728)	5,005
Ambulance Transports	178	212	(34)	195	2,281	2,148	133	2,038
Assisted Living Days	900	893	7	930	9,025	9,051	(26)	8,994
Cost per adjusted IP and LTC day:								
	224.58	234.66	(10.07)	237.60	236.84	229.59	7.24	231.80
TOTAL FTE'S:								
	490	480	(11)	458	489	466	(24)	453

Kalkaska Memorial Health Center

Additional Financial Information

April 30, 2024

MTD % increase in net revenue vs. prior year	10.71%
MTD % increase in expense vs. prior year	<u>-1.17%</u>
	11.88%
YTD % increase in net revenue vs. prior year	10.87%
YTD % increase in expense vs. prior year	<u>6.92%</u>
	3.95%
LTC Expense per Critical Unit - MTD	\$ 288.95
LTC Expense per Critical Unit - YTD	\$ 294.37
Ambulance Days in AR YTD	70.04
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (121,873)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(485,481)
Average Age of Plant (as of 4/30/24)	10.78
Debt to Capitalization Ratio	0.18

Net Revenue Analysis

Month of April 2024

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.3%	1.3%	0.0%
Outpatient	67.4%	67.4%	0.0%
Professional	13.5%	12.5%	1.0%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.0%	5.2%	-1.2%
Ambulance	2.4%	3.0%	-0.6%
Retail Pharmacy	2.1%	1.2%	0.9%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue

Contractual Allowances	41.5%	45.3%	3.7%
Charity Care	0.4%	0.4%	-0.1%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	44.0%	47.5%	3.6%

Year to Date Ended April 30, 2024

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.3%	-0.1%
Outpatient	67.5%	67.2%	0.2%
Professional	13.0%	12.6%	0.4%
Long-Term Care	8.5%	8.6%	-0.1%
Dialysis Center	4.1%	5.2%	-1.1%
Ambulance	3.1%	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	44.2%	45.4%	1.3%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.7%	1.9%	0.2%
Total Revenue Deductions	46.1%	47.7%	1.6%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.00%	25.99%	0.04%	20.12%	14.79%	8.20%	6.24%	1.64%	100.00%
LTC	1.47%	14.79%	59.22%	0.00%	0.38%	8.93%	0.00%	15.22%	100.00%
ER	15.18%	17.44%	0.00%	33.74%	15.85%	7.11%	6.88%	3.81%	100.00%
OR	19.61%	27.63%	0.00%	18.92%	18.84%	6.05%	8.31%	0.65%	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%