

Kalkaska Memorial Health Center

Balance Sheet

	May 31, 2024	June 30, 2023
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 19,500,489	\$ 20,105,803
Short-Term Investments	6,931,031	6,631,348
Accounts Receivable	14,569,706	12,464,426
Third Party Settlements	2,704,601	157,318
Due from Affiliates	60,400	29,312
Inventory	403,619	276,948
Other Current Assets	433,879	310,992
Total Current Assets	44,603,725	39,976,147
Investments	10,477,378	9,891,710
Capital Assets (net of Accumulated Depreciation)	35,894,388	35,216,480
Land	1,444,948	1,426,272
Construction In Progress	16,098,009	10,052,749
Other Assets		
Restricted Cash	2,757,335	11,496,448
Other Assets	252,287	109,914
Total Other Assets	3,009,622	11,606,362
Total Assets	\$ 111,528,070	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	773,007	4,177,864
Accrued Compensation	3,843,483	3,871,492
Third Party Liabilities	5,018,678	4,620,950
Due to Affiliates	6,939,594	3,864,305
Other Current Liabilities	1,710,493	1,728,862
Total Current Liabilities	20,602,614	20,580,832
Long-Term Debt - Less Current Maturities	13,929,201	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	10,399	9,392
Total Liabilities	34,562,214	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	42,819,790	33,831,814
Unrestricted	34,146,066	37,552,349
Total Net Assets	76,965,856	71,384,163
Total Liabilities and Net Assets	\$ 111,528,070	\$ 108,169,720

Kalkaska Memorial Health Center
Statement of Operations

	Month of May 2024				Year to Date Ended May 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 257,092	\$ 147,999	\$ 109,093	\$ 145,451	\$ 1,638,085	\$ 1,603,280	\$ 34,805	\$ 1,354,769
Outpatient	9,635,161	7,965,910	1,669,251	7,590,257	89,990,809	85,493,436	4,497,373	81,547,533
Professional	1,888,180	1,479,749	408,431	1,418,682	17,334,067	15,994,085	1,339,982	14,551,603
Long Term Care	931,093	1,015,471	(84,378)	986,725	11,089,134	10,970,825	118,309	10,604,781
Dialysis Center	506,783	613,049	(106,266)	581,566	5,438,029	6,624,895	(1,186,866)	6,317,368
Ambulance	333,219	356,187	(22,968)	370,887	4,064,920	3,849,747	215,173	3,557,955
Retail Pharmacy	328,105	142,620	185,485	179,706	2,496,480	1,541,588	954,892	1,598,060
Assisted Living	104,517	96,691	7,826	94,848	1,059,293	1,044,852	14,441	1,039,118
	13,984,150	11,817,676	2,166,474	11,368,122	133,110,817	127,122,708	5,988,109	120,571,187
Revenue Deductions:								
Contractual Allowances	6,381,037	5,342,176	(1,038,861)	5,620,141	58,981,333	57,732,720	(1,248,613)	54,792,366
Provision Charity Care	38,839	42,665	3,826	15,650	337,228	461,125	123,897	361,684
Provision for Bad Debt	414,618	223,895	(190,723)	205,167	2,403,720	2,419,765	16,045	1,951,233
	6,834,494	5,608,736	(1,225,758)	5,840,958	61,722,281	60,613,610	(1,108,671)	57,105,283
Net Patient Revenues	7,149,656	6,208,940	940,716	5,527,164	71,388,536	66,509,098	4,879,438	63,465,904
Other Operating Revenues	299,839	238,184	61,655	432,424	3,794,202	2,591,073	1,203,129	4,066,140
Total Operating Revenue	7,449,495	6,447,124	1,002,371	5,959,588	75,182,738	69,100,171	6,082,567	67,532,044
Operating Expenses								
Salaries and Wages	3,542,905	3,386,158	(156,747)	3,061,637	37,297,381	34,718,814	(2,578,567)	33,648,897
Fringe Benefits	1,032,846	751,601	(281,245)	601,544	8,922,844	8,267,611	(655,233)	7,895,442
Contract Labor	32,473	35,766	3,293	32,238	334,354	392,526	58,172	352,521
Physician Fees	81,829	58,392	(23,437)	17,258	833,706	631,320	(202,386)	578,101
Purchased Services	509,612	579,590	69,978	687,300	6,322,795	6,771,364	448,569	6,551,634
Pharmaceuticals	802,498	687,034	(115,464)	653,483	7,450,491	7,287,275	(163,216)	7,094,992
Supplies	444,135	377,628	(66,507)	316,870	4,177,802	4,085,334	(92,468)	4,329,268
Occupancy	98,774	113,349	14,575	76,554	1,046,077	1,255,237	209,160	1,072,558
Equipment, Software & Maintenance	165,375	93,523	(71,852)	72,985	1,033,810	1,106,145	72,335	1,014,355
Depreciation	310,304	281,057	(29,247)	262,641	3,183,228	2,982,717	(200,511)	2,882,967
Insurance	101,482	73,796	(27,686)	54,787	885,107	811,756	(73,351)	743,401
Other	48,410	36,635	(11,775)	28,515	572,081	413,393	(158,688)	390,254
	7,170,643	6,474,529	(696,114)	5,865,812	72,059,676	68,723,492	(3,336,184)	66,554,390
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,170,643	6,474,529	(696,114)	5,865,812	72,059,676	68,723,492	(3,336,184)	66,554,390
Income from Operations before Grant Revenue from COVID-19	278,852	(27,405)	306,257	93,776	3,123,062	376,679	2,746,383	977,654
Grant Revenue COVID-19	-	-	-	-	750,000	-	750,000	986,610
Operating Income	278,852	(27,405)	306,257	93,776	3,873,062	376,679	3,496,383	1,964,264
Non-Operating Income (Expense)								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	1,409,729	1,375,011	34,718	1,383,460
Interest on Debt Related to Capital Assets	(50,679)	(50,679)	-	(57,550)	(604,118)	(604,121)	3	(629,581)
Unrealized Gain/Loss on LT Investments	(40,262)	-	(40,262)	(38,415)	102,349	-	102,349	7,525
Tax Levy Revenue	783	747	36	730	8,609	8,217	392	7,690
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	-	100	(100)	-	2,373	1,100	1,273	5,646
Other Income (Loss)	196,473	7,500	188,973	128,060	789,689	82,500	707,189	315,534
Total Non-Operating Income (Expense)	234,538	82,669	151,869	158,055	1,708,631	862,707	845,924	1,014,774
Total Increase (Decrease) in Net Assets	\$ 513,390	\$ 55,264	\$ 458,126	\$ 251,831	\$ 5,581,693	\$ 1,239,386	\$ 4,342,307	\$ 2,979,038

Statement of Cash Flows

Eleven Months Ending
May 31, 2024

Cash flow from operating activities

Received from patients and third-party payors	\$ 67,102,613
Payments to employees	(46,248,234)
Payments to suppliers for services and goods	(23,252,711)
Other receipts from operations	4,563,118
Net cash provided by operating activities	2,164,786

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(9,925,379)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,409,729
Interest paid on long-term debt	(604,118)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(2,246,132)
Net cash used in capital and related financing activities	(11,365,900)

Cash flow from investing activities

Investment income	892,038
Purchase of short-term investments	(299,683)
Net activity of investments internally designated for capital acquisitions	(585,668)
Purchase of Intangibles	(150,000)
Net cash used by investing activities	(143,313)

Net decrease in cash and cash equivalents	(9,344,427)
Cash and cash equivalents at beginning of year	31,602,251
Cash and cash equivalents at end of period	<u>\$ 22,257,824</u>

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

Operating income	\$ 3,873,062
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,173,228
Provision for uncollectible accounts	2,403,720
Amortization	10,000
Operating tax levy	8,609
Net gains and losses on sale of PPE	10,307
(Increase) decrease in assets:	
Patient accounts receivable	(4,540,088)
Third-party settlements	(2,547,283)
Inventory	(126,671)
Other current assets	(122,887)
Increase (decrease) in liabilities:	
Trade accounts payable	(329,568)
Accrued Compensation	(28,009)
Third Party Settlements	397,728
Other accrued liabilities	(17,362)
Net cash provided by operating activities	<u>\$ 2,164,786</u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Eleven Months Ending May 31, 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	9,925,379		9,925,379
Depreciation	(3,173,228)		(3,173,228)
Sale of Capital Assets	(10,307)		(10,307)
Capital Grants	-		-
Net Change in Debt	2,246,132		2,246,132
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(3,406,283)	(3,406,283)
Increase (Decrease) in Net Assets	8,987,976	(3,406,283)	5,581,693
Net Assets at May 31, 2024	\$ 37,190,785	\$ 39,775,071	\$ 76,965,856

Kalkaska Memorial Health Center

Statistical Report

	Month of May 2024				Year to Date Ended May 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	23	22	1	21	174	240	(66)	168
Long Term Care	16	12	4	11	193	128	65	126
Observation	20	16	4	11	196	175	21	116
PATIENT DAYS:								
Acute Care	91	77	14	51	617	834	(217)	565
Long Term Care-Skilled	160	163	(3)	144	2,117	1,762	355	1,563
Long Term Care-Basic	2,230	2,309	(79)	2,148	23,914	24,947	(1,033)	24,021
Observation	36	16	20	19	510	175	335	251
AVERAGE LENGTH OF STAY:								
Acute Care	4.0	3.5	(0.5)	2.4	3.5	3.5	(0.1)	3.4
DAILY AVERAGE CENSUS:								
Acute Care	2.9	2.5	0.4	1.6	1.8	2.5	(0.6)	1.7
Long Term Care	77.1	79.7	(2.6)	73.9	77.5	79.5	(2.0)	76.4
PERCENT OF OCCUPANCY:								
Acute Care	36.7%	31.0%	5.6%	20.6%	23.0%	31.0%	-8.1%	21.1%
Long Term Care	74.1%	76.7%	-2.5%	71.1%	74.5%	76.4%	-1.9%	73.4%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,471	1,383	88	1,474	15,346	14,944	402	14,701
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	414	439	(25)	462	4,567	4,744	(177)	4,865
Primary Care Physician RVU's	5,469	7,057	(1,588)	6,796	76,664	76,260	404	73,716
Primary Care Physician Encounters	8,451	4,028	4,423	4,129	51,092	43,528	7,564	43,226
Specialty Clinics	408	365	43	296	4,426	3,948	478	3,829
KMA Clinic RVU's	9,669	7,749	1,920	8,013	92,701	83,739	8,962	82,448
Total Outpatient Visits	7,952	7,575	377	7,773	80,870	81,860	(990)	80,527
Surgical Procedures	137	151	(14)	138	1,728	1,632	96	1,571
Radiology	3,491	2,849	642	3,110	34,864	30,607	4,257	30,446
MRI	469	0	469	270	4,368	0	4,368	4,049
Laboratory	22,900	19,235	3,665	18,853	225,298	207,863	17,435	207,722
Physical Therapy	3,436	3,916	(480)	4,307	46,273	42,315	3,958	42,075
Chemo Therapy	562	582	(20)	556	4,930	6,288	(1,358)	6,379
Dialysis Treatments	473	524	(51)	508	4,883	5,662	(779)	5,513
Ambulance Transports	203	219	(16)	252	2,484	2,367	117	2,290
Assisted Living Days	976	923	53	912	10,001	9,974	27	9,906
Cost per adjusted IP and LTC day:								
	226.74	233.03	(6.29)	227.60	235.77	229.91	5.86	231.43
TOTAL FTE'S:								
	502	485	(17)	472	490	467	(24)	455

Kalkaska Memorial Health Center

Additional Financial Information

	May 31, 2024
MTD % increase in net revenue vs. prior year	29.35%
MTD % increase in expense vs. prior year	<u>22.24%</u>
	7.11%
YTD % increase in net revenue vs. prior year	12.48%
YTD % increase in expense vs. prior year	<u>8.27%</u>
	4.21%
LTC Expense per Critical Unit - MTD	\$ 288.95
LTC Expense per Critical Unit - YTD	\$ 294.32
Ambulance Days in AR YTD	70.83
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (128,962)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(526,912)
Average Age of Plant (as of 5/31/24)	10.33
Debt to Capitalization Ratio	0.17

Net Revenue Analysis

	Month of May 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.8%	1.3%	0.6%
Outpatient	68.9%	67.4%	1.5%
Professional	13.5%	12.5%	1.0%
Long-Term Care	6.7%	8.6%	-1.9%
Dialysis Center	3.6%	5.2%	-1.6%
Ambulance	2.4%	3.0%	-0.6%
Retail Pharmacy	2.3%	1.2%	1.1%
Assisted Living	0.7%	0.8%	-0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.6%	45.2%	-0.4%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	3.0%	1.9%	-1.1%
Total Revenue Deductions	<u>48.9%</u>	<u>47.5%</u>	<u>-1.4%</u>
	Year to Date Ended May 31, 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.3%	0.0%
Outpatient	67.6%	67.3%	0.4%
Professional	13.0%	12.6%	0.4%
Long-Term Care	8.3%	8.6%	-0.3%
Dialysis Center	4.1%	5.2%	-1.1%
Ambulance	3.1%	3.0%	0.0%
Retail Pharmacy	1.9%	1.2%	0.7%
Assisted Living	0.8%	0.8%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.3%	45.4%	1.1%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.8%	1.9%	0.1%
Total Revenue Deductions	<u>46.4%</u>	<u>47.7%</u>	<u>1.3%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	22.62%	26.52%	0.03%	20.17%	14.53%	8.21%	6.21%	1.71%	100.00%
LTC	9.43%	14.84%	53.55%	0.00%	0.34%	8.07%	0.00%	13.76%	100.00%
ER	15.12%	17.76%	0.00%	33.31%	15.83%	7.05%	6.93%	4.01%	100.00%
OR	20.14%	27.16%	0.00%	19.43%	18.04%	5.84%	8.13%	1.26%	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%