

Kalkaska Memorial Health Center

Balance Sheet

	May 31, 2025	June 30, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 18,561,335	\$ 18,320,675
Short-Term Investments	9,699,202	6,515,371
Accounts Receivable	18,944,826	14,119,177
Third Party Settlements	3,764,175	3,853,844
Due from Affiliates	35,902	24,363
Inventory	386,377	484,119
Other Current Assets	291,043	336,864
Total Current Assets	51,682,860	43,654,413
Investments	8,612,268	10,968,237
Capital Assets (net of Accumulated Depreciation)	48,157,762	51,188,437
Land	1,444,948	1,444,948
Construction In Progress	5,091,150	1,303,680
Other Assets		
Restricted Cash	2,817,650	2,444,879
Other Assets	238,832	264,696
Total Other Assets	3,056,482	2,709,575
Total Assets	\$ 118,045,470	\$ 111,269,290
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,387,359
Trade Accounts Payable	1,167,578	1,871,392
Accrued Compensation	4,542,019	4,521,276
Third Party Liabilities	4,988,017	4,820,845
Due to Affiliates	6,923,276	4,715,160
Other Current Liabilities	2,344,746	1,398,951
Total Current Liabilities	22,352,995	19,714,983
Long-Term Debt - Less Current Maturities	11,444,900	13,715,734
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	11,450	9,617
Total Liabilities	33,829,345	33,460,334
Net Assets		
Invested in Capital Assets, net of Related Debt	46,490,606	43,462,977
Unrestricted	37,725,519	34,345,979
Total Net Assets	84,216,125	77,808,956
Total Liabilities and Net Assets	\$ 118,045,470	\$ 111,269,290

Kalkaska Memorial Health Center
Statement of Operations

	Month of May 2025				Year to Date Ended May 31, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 268,944	\$ 149,203	\$ 119,741	\$ 257,092	\$ 2,385,143	\$ 1,614,306	\$ 770,837	\$ 1,638,085
Outpatient	11,985,383	8,723,268	3,262,115	9,635,161	103,489,474	94,422,388	9,067,086	89,990,809
Professional	2,087,438	1,830,068	257,370	1,888,180	20,562,547	19,750,194	812,353	17,334,067
Long Term Care	1,390,341	1,308,441	81,900	931,093	14,653,471	14,140,562	512,909	11,089,134
Dialysis Center	483,780	521,876	(38,096)	506,783	4,903,352	5,642,654	(739,302)	5,438,029
Ambulance	385,569	415,565	(29,996)	333,219	4,215,643	4,490,130	(274,487)	4,064,920
Retail Pharmacy	424,794	221,772	203,022	328,105	3,848,722	2,397,631	1,451,091	2,496,480
Assisted Living	103,675	98,663	5,012	104,517	1,113,537	1,066,320	47,217	1,059,293
	17,129,924	13,268,856	3,861,068	13,984,150	155,171,889	143,524,185	11,647,704	133,110,817
Revenue Deductions:								
Contractual Allowances	7,726,395	5,861,685	(1,864,710)	6,381,037	67,804,465	63,324,047	(4,480,418)	58,981,333
Provision Charity Care	62,289	29,733	(32,556)	38,839	894,800	321,310	(573,490)	337,228
Provision for Bad Debt	275,315	256,948	(18,367)	414,618	3,179,449	2,776,080	(403,369)	2,403,720
	8,063,999	6,148,366	(1,915,633)	6,834,494	71,878,714	66,421,437	(5,457,277)	61,722,281
Net Patient Revenues	9,065,925	7,120,490	1,945,435	7,149,656	83,293,175	77,102,748	6,190,427	71,388,536
Other Operating Revenues	338,833	314,360	24,473	299,839	3,605,856	3,396,061	209,795	3,794,202
Total Operating Revenue	9,404,758	7,434,850	1,969,908	7,449,495	86,899,031	80,498,809	6,400,222	75,182,738
Operating Expenses								
Salaries and Wages	4,000,368	3,946,145	(54,223)	3,542,905	42,690,922	42,248,750	(442,172)	37,297,381
Fringe Benefits	1,261,032	902,503	(358,529)	1,032,846	9,827,016	9,927,533	100,517	8,922,844
Contract Labor	46,780	41,048	(5,732)	32,473	476,731	450,638	(26,093)	334,354
Physician Fees	110,474	78,850	(31,624)	81,829	1,039,162	867,350	(171,812)	833,706
Purchased Services	592,646	584,253	(8,393)	509,612	6,385,983	6,434,963	48,980	6,322,795
Pharmaceuticals	962,590	757,528	(205,062)	802,498	9,453,383	8,228,301	(1,225,082)	7,450,491
Supplies	435,863	388,046	(47,817)	444,135	4,683,503	4,206,746	(476,757)	4,177,802
Occupancy	114,971	102,229	(12,742)	98,774	1,077,478	1,139,569	62,091	1,046,077
Equipment, Software & Maintenance	245,812	100,449	(145,363)	165,375	1,273,308	1,210,993	(62,315)	1,033,810
Depreciation	350,369	328,212	(22,157)	310,304	3,912,370	3,610,277	(302,093)	3,183,228
Insurance	197,937	81,428	(116,509)	101,482	1,038,447	895,708	(142,739)	885,107
Other	50,971	55,845	4,874	48,407	509,617	638,617	129,000	572,083
	8,369,813	7,366,536	(1,003,277)	7,170,640	82,367,920	79,859,445	(2,508,475)	72,059,678
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	8,369,813	7,366,536	(1,003,277)	7,170,640	82,367,920	79,859,445	(2,508,475)	72,059,678
Income from Operations before Grant Revenue from COVID-19	1,034,945	68,314	966,631	278,855	4,531,111	639,364	3,891,747	3,123,060
Grant Revenue COVID-19	-	-	-	-	-	-	-	750,000
Operating Income	1,034,945	68,314	966,631	278,855	4,531,111	639,364	3,891,747	3,873,060
Non-Operating Income (Expense)								
Reserved for Bond Debt	140,918	128,333	12,585	128,223	1,560,092	1,411,663	148,429	1,409,729
Interest on Debt Related to Capital Assets	(43,719)	(43,719)	-	(50,679)	(528,451)	(528,452)	1	(604,118)
Unrealized Gain/Loss on LT Investments	(22,755)	-	(22,755)	(40,262)	94,491	-	94,491	102,349
Tax Levy Revenue	801	789	12	783	8,815	8,679	136	8,609
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	-	167	(167)	-	1,636	1,837	(201)	2,373
Other Income (Loss)	142,191	37,500	104,691	196,472	739,475	412,500	326,975	789,689
Total Non-Operating Income (Expense)	217,436	123,070	94,366	234,537	1,876,058	1,306,227	569,831	1,708,631
Total Increase (Decrease) in Net Assets	\$ 1,252,381	\$ 191,384	\$ 1,060,997	\$ 513,392	\$ 6,407,169	\$ 1,945,591	\$ 4,461,578	\$ 5,581,691

Statement of Cash Flows

Eleven Months Ending
May 31, 2025

Cash flow from operating activities

Received from patients and third-party payors	\$ 78,712,828
Payments to employees	(52,497,195)
Payments to suppliers for services and goods	(23,342,119)
Other receipts from operations	3,614,671
Net cash provided by operating activities	6,488,185

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(4,641,665)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,560,092
Interest paid on long-term debt	(528,451)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(2,270,834)
Net cash used in capital and related financing activities	(5,880,858)

Cash flow from investing activities

Investment income	833,966
Purchase of short-term investments	(3,183,831)
Net activity of investments internally designated for capital acquisitions	2,355,969
Purchase of Intangibles	-
Net cash provided by investing activities	6,104

Net increase in cash and cash equivalents	613,431
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	\$ 21,378,985

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

Operating income	\$ 4,531,111
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,884,870
Provision for uncollectible accounts	3,179,449
Amortization	27,500
Operating tax levy	8,815
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(8,016,637)
Third-party settlements	89,669
Inventory	97,742
Other current assets	45,821
Increase (decrease) in liabilities:	
Trade accounts payable	1,504,302
Accrued Compensation	20,743
Third Party Settlements	167,172
Other accrued liabilities	947,628
Net cash provided by operating activities	\$ 6,488,185

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Eleven Months Ending May 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	4,641,665		4,641,665
Depreciation	(3,884,870)		(3,884,870)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	2,270,834		2,270,834
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,379,540	3,379,540
Increase (Decrease) in Net Assets	3,027,629	3,379,540	6,407,169
Net Assets at May 31, 2025	\$ 40,861,601	\$ 43,354,524	\$ 84,216,125

Kalkaska Memorial Health Center

Statistical Report

	Month of May 2025				Year to Date Ended May 31, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	28	16	12	23	260	175	85	174
Long Term Care	24	19	5	18	233	204	29	195
Observation	18	14	4	20	239	153	86	196
PATIENT DAYS:								
Acute Care	98	58	40	91	909	626	283	617
Long Term Care-Skilled	369	214	155	266	3,544	2,312	1,232	2,259
Long Term Care-Basic	1,970	2,242	(272)	2,091	21,832	24,228	(2,396)	23,591
Observation	42	51	(9)	36	508	550	(42)	510
AVERAGE LENGTH OF STAY:								
Acute Care	3.5	3.6	(0.1)	4.0	3.5	3.6	(0.1)	3.5
DAILY AVERAGE CENSUS:								
Acute Care	3.2	1.9	1.3	2.9	2.7	1.9	0.8	1.8
Long Term Care	75.5	79.2	(3.8)	76.0	75.7	79.2	(3.5)	77.2
PERCENT OF OCCUPANCY:								
Acute Care	39.5%	23.4%	16.1%	36.7%	33.9%	23.4%	10.6%	23.0%
Long Term Care	72.5%	76.2%	-3.6%	73.1%	72.8%	76.2%	-3.3%	74.2%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,413	1,503	(90)	1,471	15,174	16,244	(1,070)	15,346
Walk-in Clinic	437	431	6	414	5,347	4,657	690	4,567
Primary Care Physician RVU's	10,301	7,320	2,981	5,469	104,192	79,103	25,089	76,664
Primary Care Physician Encounters	5,463	4,374	1,089	8,451	54,822	47,268	7,554	51,092
Specialty Clinics	260	432	(172)	408	3,628	4,669	(1,041)	4,426
KMA Clinic RVU's	9,493	8,587	906	9,669	99,338	92,795	6,543	92,701
Total Outpatient Visits	8,687	7,560	1,127	7,952	86,943	81,696	5,247	80,870
Surgical Procedures	194	173	21	137	1,847	1,868	(21)	1,728
Radiology	3,429	3,344	85	3,501	35,644	36,140	(496)	34,882
Laboratory	22,493	20,587	1,906	22,900	234,909	222,474	12,435	224,560
Physical Therapy	5,766	4,776	990	4,936	54,859	51,615	3,244	47,866
Chemo Therapy	791	472	319	562	5,801	5,102	699	4,930
Dialysis Treatments	447	458	(11)	473	4,345	4,952	(607)	4,883
Ambulance Transports	227	246	(19)	203	2,602	2,658	(56)	2,484
Assisted Living Days	980	936	44	976	10,367	10,116	251	10,001
Cost per adjusted IP and LTC day:								
	307.26	294.46	12.80	226.74	314.22	295.01	19.21	235.77
TOTAL FTE'S:								
	563	524	39	502	542	529	13	490

Kalkaska Memorial Health Center

Additional Financial Information

	May 31, 2025
MTD % increase in net revenue vs. prior year	26.80%
MTD % increase in expense vs. prior year	16.72%
	10.08%
YTD % increase in net revenue vs. prior year	16.68%
YTD % increase in expense vs. prior year	14.31%
	2.37%
LTC Expense per Critical Unit - MTD	\$ 293.01
LTC Expense per Critical Unit - YTD	\$ 333.00
Ambulance Days in AR YTD	68.76
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 20,663
Dialysis net income - YTD	\$ (214,494)
Assisted Living net income - MTD	\$ (47,187)
Assisted Living net income - YTD	(487,383)
Average Age of Plant (as of 5/31/25)	10.21
Debt to Capitalization Ratio	0.14

Net Revenue Analysis

	Month of May 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.6%	1.1%	0.4%
Outpatient	70.0%	65.7%	4.2%
Professional	12.2%	13.8%	-1.6%
Long-Term Care	8.1%	9.9%	-1.7%
Dialysis Center	2.8%	3.9%	-1.1%
Ambulance	2.3%	3.1%	-0.9%
Retail Pharmacy	2.5%	1.7%	0.8%
Assisted Living	0.6%	0.7%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.1%	44.2%	-0.9%
Charity Care	0.4%	0.2%	-0.1%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	47.1%	46.3%	-0.7%

	Year to Date Ended May 31, 2025		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.5%	1.1%	0.4%
Outpatient	66.7%	65.8%	0.9%
Professional	13.3%	13.8%	-0.5%
Long-Term Care	9.4%	9.9%	-0.4%
Dialysis Center	3.2%	3.9%	-0.8%
Ambulance	2.7%	3.1%	-0.4%
Retail Pharmacy	2.5%	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	43.7%	44.1%	0.4%
Charity Care	0.6%	0.2%	-0.4%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	46.3%	46.3%	0.0%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.55%	29.16%	0.08%	16.67%	13.59%	8.04%	6.61%	2.30%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	14.37%	20.09%	0.00%	28.02%	15.73%	7.74%	7.88%	6.18%	100.00%
OR	15.86%	27.43%	0.00%	18.35%	15.93%	12.91%	8.77%	0.76%	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%