

# Kalkaska Memorial Health Center

## Balance Sheet

	June 30, 2024	June 30, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 18,320,675	\$ 20,105,803
Short-Term Investments	6,515,371	6,631,348
Accounts Receivable	14,119,177	12,464,426
Third Party Settlements	3,197,930	157,318
Due from Affiliates	24,363	29,312
Inventory	484,119	276,948
Other Current Assets	336,864	310,992
Total Current Assets	42,998,499	39,976,147
<b>Investments</b>	10,968,237	9,891,710
<b>Capital Assets (net of Accumulated Depreciation)</b>	51,188,437	35,216,480
<b>Land</b>	1,444,948	1,426,272
<b>Construction In Progress</b>	1,303,680	10,052,749
<b>Other Assets</b>		
Restricted Cash	2,444,879	11,496,448
Other Assets	264,696	109,914
Total Other Assets	2,709,575	11,606,362
Total Assets	<b>\$ 110,613,376</b>	<b>\$ 108,169,720</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,317,359
Trade Accounts Payable	1,871,392	4,177,864
Accrued Compensation	4,521,276	3,871,492
Third Party Liabilities	4,820,845	4,620,950
Due to Affiliates	4,715,160	3,864,305
Other Current Liabilities	1,398,951	1,728,862
Total Current Liabilities	19,714,983	20,580,832
<b>Long-Term Debt - Less Current Maturities</b>	13,715,734	16,175,333
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	9,617	9,392
Total Liabilities	33,460,334	36,785,557
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	43,462,977	33,831,814
Unrestricted	33,690,065	37,552,349
Total Net Assets	77,153,042	71,384,163
Total Liabilities and Net Assets	<b>\$ 110,613,376</b>	<b>\$ 108,169,720</b>

**Kalkaska Memorial Health Center**
**Statement of Operations**

	Month of June 2024				Year to Date Ended June 30, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 147,192	\$ 144,235	\$ 2,957	\$ 88,219	\$ 1,785,277	\$ 1,747,515	\$ 37,762	\$ 1,442,987
Outpatient	9,367,086	7,552,606	1,814,480	7,603,067	99,357,895	93,046,042	6,311,853	89,150,600
Professional	1,720,068	1,432,911	287,157	1,599,651	19,054,135	17,426,996	1,627,139	16,151,255
Long Term Care	1,034,606	981,910	52,696	898,765	12,123,739	11,952,735	171,004	11,503,545
Dialysis Center	486,399	593,423	(107,024)	569,892	5,924,428	7,218,318	(1,293,890)	6,887,260
Ambulance	383,488	344,802	38,686	367,505	4,448,409	4,194,549	253,860	3,925,460
Retail Pharmacy	263,808	138,111	125,697	203,620	2,760,288	1,679,699	1,080,589	1,801,680
Assisted Living	102,823	93,549	9,274	93,898	1,162,116	1,138,401	23,715	1,133,016
	13,505,470	11,281,547	2,223,923	11,424,617	146,616,287	138,404,255	8,212,032	131,995,803
Revenue Deductions:								
Contractual Allowances	6,671,430	5,170,632	(1,500,798)	5,729,713	65,652,764	62,903,352	(2,749,412)	60,522,078
Provision Charity Care	69,964	41,300	(28,664)	10,347	407,192	502,425	95,233	372,031
Provision for Bad Debt	170,967	216,738	45,771	48,649	2,574,686	2,636,503	61,817	1,999,881
	6,912,361	5,428,670	(1,483,691)	5,788,709	68,634,642	66,042,280	(2,592,362)	62,893,990
Net Patient Revenues	6,593,109	5,852,877	740,232	5,635,908	77,981,645	72,361,975	5,619,670	69,101,813
Other Operating Revenues	332,415	192,492	139,923	522,425	4,126,617	2,783,565	1,343,052	4,588,565
Total Operating Revenue	6,925,524	6,045,369	880,155	6,158,333	82,108,262	75,145,540	6,962,722	73,690,378
<b>Operating Expenses</b>								
Salaries and Wages	3,388,498	2,961,493	(427,005)	3,119,785	40,685,879	37,680,307	(3,005,572)	36,768,682
Fringe Benefits	774,559	751,601	(22,958)	766,210	9,697,403	9,019,212	(678,191)	8,661,651
Contract Labor	38,211	35,616	(2,595)	28,079	372,564	428,142	55,578	380,600
Physician Fees	85,805	56,543	(29,262)	57,110	919,511	687,863	(231,648)	635,211
Purchased Services	533,497	575,857	42,360	556,020	6,856,292	7,347,221	490,929	7,107,654
Pharmaceuticals	679,081	625,255	(53,826)	753,672	8,129,572	7,912,530	(217,042)	7,848,664
Supplies	376,839	364,609	(12,230)	302,441	4,554,642	4,449,943	(104,699)	4,631,709
Occupancy	114,937	112,822	(2,115)	83,084	1,161,013	1,368,059	207,046	1,155,642
Equipment, Software & Maintenance	147,593	100,756	(46,837)	94,156	1,181,403	1,206,901	25,498	1,108,512
Depreciation	674,552	280,978	(393,574)	322,969	3,857,780	3,263,695	(594,085)	3,205,936
Insurance	89,369	73,796	(15,573)	66,085	974,476	885,552	(88,924)	809,486
Other	58,758	37,114	(21,644)	35,013	630,844	450,507	(180,337)	425,267
	6,961,699	5,976,440	(985,259)	6,184,624	79,021,379	74,699,932	(4,321,447)	72,739,014
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,961,699	5,976,440	(985,259)	6,184,624	79,021,379	74,699,932	(4,321,447)	72,739,014
<b>Income from Operations before Grant Revenue from COVID-19</b>	(36,175)	68,929	(105,104)	(26,291)	3,086,883	445,608	2,641,275	951,364
<b>Grant Revenue COVID-19</b>	-	-	-	-	750,000	-	750,000	986,610
<b>Operating Income</b>	(36,175)	68,929	(105,104)	(26,291)	3,836,883	445,608	3,391,275	1,937,974
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	182,217	125,001	57,216	212,013	1,591,947	1,500,012	91,935	1,595,473
Interest on Debt Related to Capital Assets	(50,340)	(50,340)	-	(57,211)	(654,458)	(654,461)	3	(686,792)
Unrealized Gain/Loss on LT Investments	(19,801)	-	(19,801)	(58,952)	82,548	-	82,548	(51,427)
Tax Levy Revenue	783	747	36	730	9,392	8,964	428	8,420
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	14,909	100	14,809	(1,145)	17,282	1,200	16,082	4,502
Other Income (Loss)	95,596	7,500	88,096	101,954	885,285	90,000	795,285	417,488
Total Non-Operating Income (Expense)	223,364	83,008	140,356	197,389	1,931,996	945,715	986,281	1,212,164
<b>Total Increase (Decrease) in Net Assets</b>	<b>\$ 187,189</b>	<b>\$ 151,937</b>	<b>\$ 35,252</b>	<b>\$ 171,098</b>	<b>\$ 5,768,879</b>	<b>\$ 1,391,323</b>	<b>\$ 4,377,556</b>	<b>\$ 3,150,138</b>

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**Statement of Cash Flows**

	Year Ended June 30, 2024
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 73,491,126
Payments to employees	(49,733,498)
Payments to suppliers for services and goods	(26,798,663)
Other receipts from operations	4,896,316
Net cash provided by operating activities	1,855,281
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(11,097,151)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,591,947
Interest paid on long-term debt	(654,458)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(2,389,599)
Net cash used in capital and related financing activities	(12,549,261)
<b>Cash flow from investing activities</b>	
Investment income	967,833
Sale of short-term investments	115,977
Net activity of investments internally designated for capital acquisitions	(1,076,527)
Purchase of Intangibles	(150,000)
Net cash used by investing activities	(142,717)
Net decrease in cash and cash equivalents	(10,836,697)
Cash and cash equivalents at beginning of year	31,602,251
Cash and cash equivalents at end of period	<u>\$ 20,765,554</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 3,836,883
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,845,280
Provision for uncollectible accounts	2,574,686
Amortization	12,500
Operating tax levy	9,392
Net gains and losses on sale of PPE	10,307
(Increase) decrease in assets:	
Patient accounts receivable	(4,224,488)
Third-party settlements	(3,040,612)
Inventory	(207,171)
Other current assets	(25,872)
Increase (decrease) in liabilities:	
Trade accounts payable	(1,455,617)
Accrued Compensation	649,784
Third Party Settlements	199,895
Other accrued liabilities	(329,686)
Net cash provided by operating activities	<u>\$ 1,855,281</u>

# Kalkaska Memorial Health Center

## Statement of Changes in Net Assets Year Ended June 30, 2024

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2022</b>	\$ 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
<b>Net Assets at June 30, 2023</b>	<b>28,202,809</b>	<b>43,181,354</b>	<b>71,384,163</b>
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)
Capital Grants	-		-
Net Change in Debt	2,389,599		2,389,599
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(3,862,284)	(3,862,284)
Increase (Decrease) in Net Assets	9,631,163	(3,862,284)	5,768,879
<b>Net Assets at June 30, 2024</b>	<b>\$ 37,833,972</b>	<b>\$ 39,319,070</b>	<b>\$ 77,153,042</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of June 2024				Year to Date Ended June 30, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	11	22	(11)	13	185	262	(77)	181
Long Term Care	20	11	9	23	215	139	76	149
Observation	18	16	2	12	214	191	23	128
<b>PATIENT DAYS:</b>								
Acute Care	46	75	(29)	51	663	909	(246)	616
Long Term Care-Skilled	272	158	114	188	2,531	1,920	611	1,751
Long Term Care-Basic	2,083	2,233	(150)	2,065	25,674	27,180	(1,506)	26,086
Observation	61	16	45	27	571	191	380	277
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	4.2	3.4	(0.8)	3.9	3.6	3.5	(0.1)	3.4
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.5	2.5	(1.1)	1.7	1.8	2.5	(0.7)	1.7
Long Term Care	78.5	79.7	(1.2)	75.1	77.1	79.5	(2.4)	76.3
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	18.5%	30.2%	-11.7%	20.6%	24.7%	33.8%	-9.2%	23.0%
Long Term Care	73.0%	74.2%	-1.1%	69.9%	80.7%	83.3%	-2.6%	79.9%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,328	1,338	(10)	1,466	16,674	16,282	392	16,167
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	357	425	(68)	324	4,924	5,169	(245)	5,189
Primary Care Physician RVU's	4,586	6,829	(2,243)	7,351	81,250	83,089	(1,839)	81,067
Primary Care Physician Encounters	7,382	3,898	3,484	4,345	58,474	47,426	11,048	47,571
Specialty Clinics	344	354	(10)	316	4,769	4,302	467	4,145
KMA Clinic RVU's	8,248	7,499	749	8,260	100,949	91,238	9,711	90,708
Total Outpatient Visits	7,376	7,331	45	7,569	88,246	89,191	(945)	88,096
Surgical Procedures	157	146	11	153	1,885	1,778	107	1,724
Radiology	3,035	2,757	278	3,125	37,899	33,544	4,656	33,571
MRI	452	0	452	372	4,820	0	4,820	4,421
Laboratory	22,277	18,615	3,662	19,254	247,575	226,478	21,097	226,976
Physical Therapy	4,104	3,789	315	4,629	50,377	46,104	4,273	46,704
Chemo Therapy	305	563	(258)	496	5,235	6,851	(1,616)	6,875
Dialysis Treatments	433	507	(74)	507	5,316	6,169	(853)	6,020
Ambulance Transports	234	212	22	227	2,718	2,579	139	2,517
Assisted Living Days	930	893	37	870	10,931	10,867	64	10,776
<b>Cost per adjusted IP and LTC day:</b>								
	218.13	225.22	(7.09)	207.76	235.59	229.53	6.05	229.40
<b>TOTAL FTE'S:</b>								
	521	436	(85)	461	493	465	(29)	457

## Kalkaska Memorial Health Center

### Additional Financial Information

	June 30, 2024
MTD % increase in net revenue vs. prior year	16.98%
MTD % increase in expense vs. prior year	<u>12.56%</u>
	4.42%
YTD % increase in net revenue vs. prior year	12.85%
YTD % increase in expense vs. prior year	<u>8.64%</u>
	4.21%
LTC Expense per Critical Unit - MTD	\$ 293.25
LTC Expense per Critical Unit - YTD	\$ 295.48
Ambulance Days in AR YTD	70.51
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (266,438)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(566,155)
Average Age of Plant (as of 6/30/24)	4.82
Debt to Capitalization Ratio	0.17

### Net Revenue Analysis

	Month of June 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	69.4%	66.9%	2.4%
Professional	12.7%	12.7%	0.0%
Long-Term Care	7.7%	8.7%	-1.0%
Dialysis Center	3.6%	5.3%	-1.7%
Ambulance	2.8%	3.1%	-0.2%
Retail Pharmacy	2.0%	1.2%	0.7%
Assisted Living	0.8%	0.8%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	49.4%	45.8%	-3.6%
Charity Care	0.5%	0.4%	-0.2%
Bad Debt	1.3%	1.9%	0.7%
Total Revenue Deductions	51.2%	48.1%	-3.1%
	Year to Date Ended June 30, 2024		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.3%	0.0%
Outpatient	67.8%	67.2%	0.5%
Professional	13.0%	12.6%	0.4%
Long-Term Care	8.3%	8.6%	-0.4%
Dialysis Center	4.0%	5.2%	-1.2%
Ambulance	3.0%	3.0%	0.0%
Retail Pharmacy	1.9%	1.2%	0.7%
Assisted Living	0.8%	0.8%	0.0%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.8%	45.4%	0.7%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.8%	1.9%	0.1%
Total Revenue Deductions	46.8%	47.7%	0.9%

# Kalkaska Memorial Health Center

## Payor Mix Schedule

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%
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%