

# Kalkaska Memorial Health Center

## Balance Sheet

	June 30, 2025	June 30, 2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 16,868,683	\$ 18,320,675
Short-Term Investments	8,662,467	6,515,371
Accounts Receivable	17,838,196	14,119,177
Third Party Settlements	5,449,291	3,853,844
Due from Affiliates	29,839	24,363
Inventory	613,558	484,119
Other Current Assets	204,754	336,864
Total Current Assets	49,666,788	43,654,413
<b>Investments</b>	9,702,702	10,968,237
<b>Capital Assets (net of Accumulated Depreciation)</b>	50,420,533	51,188,437
<b>Land</b>	1,444,948	1,444,948
<b>Construction In Progress</b>	3,236,726	1,303,680
<b>Other Assets</b>		
Restricted Cash	1,954,077	2,444,879
Other Assets	234,745	264,696
Total Other Assets	2,188,822	2,709,575
Total Assets	<b>\$ 116,660,519</b>	<b>\$ 111,269,290</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 2,410,000	\$ 2,387,359
Trade Accounts Payable	1,433,423	1,871,392
Accrued Compensation	5,115,307	4,521,276
Third Party Liabilities	3,897,807	4,820,845
Due to Affiliates	5,108,902	4,715,160
Other Current Liabilities	2,127,244	1,398,951
Total Current Liabilities	20,092,683	19,714,983
<b>Long-Term Debt - Less Current Maturities</b>	11,299,167	13,715,734
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	10,648	9,617
Total Liabilities	31,422,498	33,460,334
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	47,022,045	43,462,977
Unrestricted	38,215,976	34,345,979
Total Net Assets	85,238,021	77,808,956
Total Liabilities and Net Assets	<b>\$ 116,660,519</b>	<b>\$ 111,269,290</b>

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

	Month of June 2025				Year to Date Ended June 30, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 347,073	\$ 145,101	\$ 201,972	\$ 147,192	\$ 2,732,216	\$ 1,759,407	\$ 972,809	\$ 1,785,277
Outpatient	8,482,691	8,420,297	62,394	9,367,086	111,972,165	102,842,685	9,129,480	99,357,895
Professional	2,283,826	1,759,226	524,600	1,720,068	22,846,373	21,509,420	1,336,953	19,054,135
Long Term Care	1,310,969	1,266,669	44,300	1,034,606	15,964,440	15,407,231	557,209	12,123,739
Dialysis Center	426,757	505,907	(79,150)	486,399	5,330,108	6,148,561	(818,453)	5,924,428
Ambulance	402,856	402,051	805	383,488	4,618,500	4,892,181	(273,681)	4,448,409
Retail Pharmacy	357,943	214,775	143,168	263,808	4,206,665	2,612,406	1,594,259	2,760,288
Assisted Living	101,590	95,501	6,089	102,823	1,215,127	1,161,821	53,306	1,162,116
	13,713,705	12,809,527	904,178	13,505,470	168,885,594	156,333,712	12,551,882	146,616,287
Revenue Deductions:								
Contractual Allowances	5,325,688	5,662,953	337,265	6,671,430	73,130,153	68,987,000	(4,143,153)	65,652,764
Provision Charity Care	51,166	28,774	(22,392)	69,964	945,966	350,084	(595,882)	407,192
Provision for Bad Debt	543,664	248,509	(295,155)	170,967	3,723,113	3,024,589	(698,524)	2,574,686
	5,920,518	5,940,236	19,718	6,912,361	77,799,232	72,361,673	(5,437,559)	68,634,642
Net Patient Revenues	7,793,187	6,869,291	923,896	6,593,109	91,086,362	83,972,039	7,114,323	77,981,645
Other Operating Revenues	388,593	243,955	144,638	332,415	3,994,448	3,640,016	354,432	4,126,617
Total Operating Revenue	8,181,780	7,113,246	1,068,534	6,925,524	95,080,810	87,612,055	7,468,755	82,108,262
<b>Operating Expenses</b>								
Salaries and Wages	3,902,669	3,782,113	(120,556)	3,388,498	46,593,592	46,030,863	(562,729)	40,685,879
Fringe Benefits	839,902	902,503	62,601	774,559	10,666,918	10,830,036	163,118	9,697,403
Contract Labor	46,851	40,903	(5,948)	38,211	523,582	491,541	(32,041)	372,564
Physician Fees	101,894	78,850	(23,044)	85,805	1,141,056	946,200	(194,856)	919,511
Purchased Services	657,601	585,473	(72,128)	533,497	7,043,584	7,020,436	(23,148)	6,856,292
Pharmaceuticals	713,735	728,161	14,426	679,081	10,167,117	8,956,462	(1,210,655)	8,129,572
Supplies	467,213	376,142	(91,071)	376,839	5,150,715	4,582,888	(567,827)	4,554,642
Occupancy	83,182	102,229	19,047	114,937	1,160,660	1,241,798	81,138	1,161,013
Equipment, Software & Maintenance	(33,115)	100,292	133,407	147,593	1,240,193	1,311,285	71,092	1,181,403
Depreciation	460,846	328,213	(132,633)	674,552	4,373,216	3,938,490	(434,726)	3,857,780
Insurance	31,041	81,428	50,387	89,369	1,069,489	977,136	(92,353)	974,476
Other	91,544	56,332	(35,212)	58,758	601,159	694,949	93,790	630,841
	7,363,363	7,162,639	(200,724)	6,961,699	89,731,281	87,022,084	(2,709,197)	79,021,376
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,363,363	7,162,639	(200,724)	6,961,699	89,731,281	87,022,084	(2,709,197)	79,021,376
<b>Income from Operations before Grant Revenue from COVID-19</b>	818,417	(49,393)	867,810	(36,175)	5,349,529	589,971	4,759,558	3,086,886
<b>Grant Revenue COVID-19</b>	-	-	-	-	-	-	-	750,000
<b>Operating Income</b>	818,417	(49,393)	867,810	(36,175)	5,349,529	589,971	4,759,558	3,836,886
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	174,520	128,333	46,187	182,217	1,734,612	1,539,996	194,616	1,591,947
Interest on Debt Related to Capital Assets	(24,454)	(43,380)	18,926	(50,340)	(552,905)	(571,832)	18,927	(654,458)
Unrealized Gain/Loss on LT Investments	(41,460)	-	(41,460)	(19,801)	53,031	-	53,031	82,548
Tax Levy Revenue	801	789	12	783	9,617	9,468	149	9,392
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	(1,587)	167	(1,754)	14,909	49	2,004	(1,955)	17,282
Other Income (Loss)	95,657	37,500	58,157	95,596	835,132	450,000	385,132	885,285
Total Non-Operating Income (Expense)	203,477	123,409	80,068	223,364	2,079,536	1,429,636	649,900	1,931,996
<b>Total Increase (Decrease) in Net Assets</b>	<b>\$ 1,021,894</b>	<b>\$ 74,016</b>	<b>\$ 947,878</b>	<b>\$ 187,189</b>	<b>\$ 7,429,065</b>	<b>\$ 2,019,607</b>	<b>\$ 5,409,458</b>	<b>\$ 5,768,882</b>

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**Statement of Cash Flows**

	Year Ended June 30, 2025
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 84,843,382
Payments to employees	(56,666,479)
Payments to suppliers for services and goods	(27,409,787)
Other receipts from operations	4,004,065
Net cash provided by operating activities	4,771,181
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(5,508,358)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,734,612
Interest paid on long-term debt	(552,905)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(2,393,926)
Net cash used in capital and related financing activities	(6,720,577)
<b>Cash flow from investing activities</b>	
Investment income	888,163
Purchase of short-term investments	(2,147,096)
Net activity of investments internally designated for capital acquisitions	1,265,535
Purchase of Intangibles	-
Net cash provided by investing activities	6,602
Net decrease in cash and cash equivalents	(1,942,794)
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	<u>\$ 18,822,760</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 5,349,529
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,343,216
Provision for uncollectible accounts	3,723,113
Amortization	30,000
Operating tax levy	9,617
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(7,447,608)
Third-party settlements	(1,595,447)
Inventory	(129,439)
Other current assets	132,110
Increase (decrease) in liabilities:	
Trade accounts payable	(44,227)
Accrued Compensation	594,031
Third Party Settlements	(923,038)
Other accrued liabilities	729,324
Net cash provided by operating activities	<u>\$ 4,771,181</u>

# Kalkaska Memorial Health Center

## Statement of Changes in Net Assets Year Ended June 30, 2025

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2023</b>	\$ 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
<b>Net Assets at June 30, 2024</b>	<b>37,833,972</b>	<b>39,974,984</b>	<b>77,808,956</b>
Acquisition and construction of capital assets	5,508,358		5,508,358
Depreciation	(4,343,216)		(4,343,216)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	2,393,926		2,393,926
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,869,997	3,869,997
Increase (Decrease) in Net Assets	3,559,068	3,869,997	7,429,065
<b>Net Assets at June 30, 2025</b>	<b>\$ 41,393,040</b>	<b>\$ 43,844,981</b>	<b>\$ 85,238,021</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of June 2025				Year to Date Ended June 30, 2025			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	23	16	7	11	283	191	92	185
Long Term Care	23	18	5	20	256	222	34	215
Observation	20	14	6	18	259	167	92	214
<b>PATIENT DAYS:</b>								
Acute Care	73	56	17	46	982	682	300	663
Long Term Care-Skilled	348	207	141	272	3,892	2,519	1,373	2,531
Long Term Care-Basic	1,866	2,170	(304)	2,083	23,698	26,398	(2,700)	25,674
Observation	33	49	(16)	61	542	599	(57)	571
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.2	3.5	(0.3)	4.2	3.5	3.6	(0.1)	3.6
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	2.4	1.9	0.6	1.5	2.7	1.9	0.8	1.8
Long Term Care	73.8	79.2	(5.4)	78.5	75.6	79.2	(3.6)	77.3
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	30.4%	23.3%	7.1%	19.2%	33.6%	23.4%	10.3%	22.7%
Long Term Care	71.0%	76.2%	-5.2%	75.5%	72.7%	76.2%	-3.5%	74.3%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,358	1,455	(97)	1,328	16,532	17,699	(1,167)	16,674
Walk-in Clinic	523	417	106	357	5,870	5,074	796	4,924
Primary Care Physician RVU's	9,933	7,084	2,849	4,586	114,125	86,187	27,938	81,250
Primary Care Physician Encounters	5,026	4,233	793	7,382	59,848	51,501	8,347	58,474
Specialty Clinics	187	418	(231)	344	3,815	5,087	(1,272)	4,769
KMA Clinic RVU's	8,937	8,310	627	8,248	108,275	101,105	7,170	100,949
Total Outpatient Visits	8,676	7,316	1,360	7,376	95,619	89,012	6,607	88,246
Surgical Procedures	174	167	7	157	2,021	2,035	(14)	1,885
Radiology	3,151	3,237	(86)	3,054	38,795	39,377	(582)	37,936
Laboratory	21,151	19,923	1,228	21,567	256,060	242,397	13,663	246,127
Physical Therapy	5,611	4,623	988	4,706	60,470	56,238	4,232	52,572
Chemo Therapy	347	457	(110)	305	6,148	5,559	589	5,235
Dialysis Treatments	388	444	(56)	433	4,733	5,396	(663)	5,316
Ambulance Transports	248	238	10	234	2,850	2,896	(46)	2,718
Assisted Living Days	930	906	24	930	11,297	11,022	275	10,931
<b>Cost per adjusted IP and LTC day:</b>								
	349.73	297.81	51.93	218.13	317.08	295.24	21.84	235.59
<b>TOTAL FTE'S:</b>								
	578	517	62	521	545	528	17	493

## Kalkaska Memorial Health Center

### Additional Financial Information

	June 30, 2025
MTD % increase in net revenue vs. prior year	18.20%
MTD % increase in expense vs. prior year	5.77%
	<u>12.43%</u>
YTD % increase in net revenue vs. prior year	16.80%
YTD % increase in expense vs. prior year	13.55%
	<u>3.25%</u>
LTC Expense per Critical Unit - MTD	\$ 348.71
LTC Expense per Critical Unit - YTD	\$ 334.26
Ambulance Days in AR YTD	73.33
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (27,408)
Dialysis net income - YTD	\$ (241,902)
Assisted Living net income - MTD	\$ (47,705)
Assisted Living net income - YTD	(535,088)
Average Age of Plant (as of 6/30/25)	7.85
Debt to Capitalization Ratio	0.14

### Net Revenue Analysis

Month of June 2025			
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	2.5%	1.1%	1.4%
Outpatient	61.9%	65.7%	-3.9%
Professional	16.7%	13.7%	2.9%
Long-Term Care	9.6%	9.9%	-0.3%
Dialysis Center	3.1%	3.9%	-0.8%
Ambulance	2.9%	3.1%	-0.2%
Retail Pharmacy	2.6%	1.7%	0.9%
Assisted Living	0.7%	0.7%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	38.8%	44.2%	5.4%
Charity Care	0.4%	0.2%	-0.1%
Bad Debt	4.0%	1.9%	-2.0%
Total Revenue Deductions	<u>43.2%</u>	<u>46.4%</u>	<u>3.2%</u>

Year to Date Ended June 30, 2025			
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.6%	1.1%	0.5%
Outpatient	66.3%	65.8%	0.5%
Professional	13.5%	13.8%	-0.2%
Long-Term Care	9.5%	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%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.3%	44.1%	0.8%
Charity Care	0.6%	0.2%	-0.3%
Bad Debt	2.2%	1.9%	-0.3%
Total Revenue Deductions	<u>46.1%</u>	<u>46.3%</u>	<u>0.2%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	23.59%	29.21%	0.08%	16.50%	13.66%	8.05%	6.71%	2.21%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	14.64%	20.25%	0.00%	28.27%	15.49%	7.59%	7.78%	5.98%	100.00%
OR	17.32%	28.77%	0.00%	19.01%	17.86%	6.99%	9.36%	0.69%	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%