

Kalkaska Memorial Health Center

Balance Sheet

	August 31, 2024	June 30, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 19,849,576	\$ 18,320,675
Short-Term Investments	9,605,650	6,515,371
Accounts Receivable	12,812,177	14,119,177
Third Party Settlements	3,414,930	3,197,930
Due from Affiliates	22,389	24,363
Inventory	604,056	484,119
Other Current Assets	327,976	336,864
Total Current Assets	46,636,754	42,998,499
Investments	8,047,705	10,968,237
Capital Assets (net of Accumulated Depreciation)	50,468,535	51,188,437
Land	1,444,948	1,444,948
Construction In Progress	1,327,940	1,303,680
Other Assets		
Restricted Cash	2,449,581	2,444,879
Other Assets	259,696	264,696
Total Other Assets	2,709,277	2,709,575
Total Assets	\$ 110,635,159	\$ 110,613,376
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,387,359
Trade Accounts Payable	1,026,458	1,871,392
Accrued Compensation	5,075,448	4,521,276
Third Party Liabilities	5,558,174	4,820,845
Due to Affiliates	3,433,534	4,715,160
Other Current Liabilities	1,605,474	1,398,951
Total Current Liabilities	19,086,447	19,714,983
Long-Term Debt - Less Current Maturities	13,507,400	13,715,734
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	18,662	9,617
Total Liabilities	32,632,509	33,460,334
Net Assets		
Invested in Capital Assets, net of Related Debt	42,975,669	43,462,977
Unrestricted	35,026,981	33,690,065
Total Net Assets	78,002,650	77,153,042
Total Liabilities and Net Assets	\$ 110,635,159	\$ 110,613,376

Kalkaska Memorial Health Center
Statement of Operations

	Month of August 2024				Year to Date Ended August 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 164,195	\$ 149,203	\$ 14,992	\$ 77,266	\$ 314,208	\$ 297,119	\$ 17,089	\$ 182,579
Outpatient	8,994,446	8,723,268	271,178	9,275,258	18,694,272	17,517,652	1,176,620	16,244,572
Professional	1,762,810	1,820,011	(57,201)	1,770,333	3,585,876	3,640,022	(54,146)	2,984,397
Long Term Care	1,376,824	1,308,441	68,383	1,003,922	2,710,006	2,616,882	93,124	2,024,798
Dialysis Center	490,346	521,876	(31,530)	564,587	1,067,237	1,043,752	23,485	1,124,138
Ambulance	385,233	415,565	(30,332)	409,252	828,735	831,130	(2,395)	909,974
Retail Pharmacy	350,258	221,772	128,486	233,376	658,639	443,544	215,095	399,927
Assisted Living	102,211	98,663	3,548	96,495	205,402	197,326	8,076	193,693
	13,626,323	13,258,799	367,524	13,430,489	28,064,375	26,587,427	1,476,948	24,064,078
Revenue Deductions:								
Contractual Allowances	5,732,718	5,852,315	119,597	6,482,635	12,859,853	11,704,630	(1,155,223)	11,394,314
Provision Charity Care	103,953	29,733	(74,220)	27,780	144,146	59,466	(84,680)	98,971
Provision for Bad Debt	244,185	256,948	12,763	159,311	544,603	513,896	(30,707)	330,090
	6,080,856	6,138,996	58,140	6,669,726	13,548,602	12,277,992	(1,270,610)	11,823,375
Net Patient Revenues	7,545,467	7,119,803	425,664	6,760,763	14,515,773	14,309,435	206,338	12,240,703
Other Operating Revenues	186,137	247,177	(61,040)	351,545	494,594	494,354	240	610,925
Total Operating Revenue	7,731,604	7,366,980	364,624	7,112,308	15,010,367	14,803,789	206,578	12,851,628
Operating Expenses								
Salaries and Wages	3,902,974	3,779,292	(123,682)	3,066,163	7,526,111	7,715,251	189,140	6,398,057
Fringe Benefits	913,762	902,503	(11,259)	824,577	1,739,142	1,805,006	65,864	1,614,480
Contract Labor	37,806	41,048	3,242	30,499	71,526	82,096	10,570	66,984
Physician Fees	97,512	78,850	(18,662)	51,695	193,340	157,700	(35,640)	186,533
Purchased Services	562,756	588,253	25,497	621,304	1,116,913	1,179,824	62,911	1,227,216
Pharmaceuticals	903,294	757,528	(145,766)	878,903	1,708,325	1,533,263	(175,062)	1,387,773
Supplies	388,634	390,973	2,339	379,355	774,509	783,013	8,504	671,822
Occupancy	108,559	102,229	(6,330)	102,658	221,627	217,708	(3,919)	202,408
Equipment, Software & Maintenance	140,607	100,449	(40,158)	75,048	212,824	200,894	(11,930)	168,131
Depreciation	362,150	328,203	(33,947)	272,283	725,720	656,405	(69,315)	544,625
Insurance	91,176	81,428	(9,748)	66,085	137,895	162,856	24,961	143,469
Other	37,225	59,845	22,620	77,525	89,701	124,688	34,987	129,822
	7,546,455	7,210,601	(335,854)	6,446,095	14,517,633	14,618,704	101,071	12,741,320
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,546,455	7,210,601	(335,854)	6,446,095	14,517,633	14,618,704	101,071	12,741,320
Income from Operations before Grant Revenue from COVID-19	185,149	156,379	28,770	666,213	492,734	185,085	307,649	110,308
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Operating Income	185,149	156,379	28,770	666,213	492,734	185,085	307,649	110,308
Non-Operating Income (Expense)								
Reserved for Bond Debt	141,976	128,333	13,643	128,223	283,952	256,666	27,286	256,097
Interest on Debt Related to Capital Assets	(49,661)	(49,661)	-	(56,532)	(99,662)	(99,662)	-	(113,403)
Unrealized Gain/Loss on LT Investments	54,861	-	54,861	4,973	128,945	-	128,945	46,710
Tax Levy Revenue	801	789	12	783	1,603	1,578	25	1,565
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	-	167	(167)	-	-	334	(334)	-
Other Income (Loss)	26,937	37,500	(10,563)	36,100	42,036	75,000	(32,964)	49,571
Total Non-Operating Income (Expense)	174,914	117,128	57,786	113,547	356,874	233,916	122,958	240,540
Total Increase (Decrease) in Net Assets	\$ 360,063	\$ 273,507	\$ 86,556	\$ 779,760	\$ 849,608	\$ 419,001	\$ 430,607	\$ 350,848

Statement of Cash Flows

Two Months Ending
August 31, 2024

Cash flow from operating activities

Received from patients and third-party payors	\$ 16,345,076
Payments to employees	(8,711,081)
Payments to suppliers for services and goods	(6,548,701)
Other receipts from operations	496,197
Net cash provided by operating activities	1,581,491

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(25,078)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	283,952
Interest paid on long-term debt	(99,662)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(208,334)
Net cash used in capital and related financing activities	(49,122)

Cash flow from investing activities

Investment income	170,981
Purchase of short-term investments	(3,090,279)
Net activity of investments internally designated for capital acquisitions	2,920,532
Purchase of Intangibles	-
Net cash provided by investing activities	1,234

Net increase in cash and cash equivalents	1,533,603
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	\$ 22,299,157

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

Operating income	\$ 492,734
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	720,720
Provision for uncollectible accounts	544,603
Amortization	5,000
Operating tax levy	1,603
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	764,371
Third-party settlements	(217,000)
Inventory	(119,937)
Other current assets	8,888
Increase (decrease) in liabilities:	
Trade accounts payable	(2,126,560)
Accrued Compensation	554,172
Third Party Settlements	737,329
Other accrued liabilities	215,568
Net cash provided by operating activities	\$ 1,581,491

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Two Months Ending August 31, 2024

	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		(3,862,284)	(3,862,284)
Increase (Decrease) in Net Assets	9,631,163	(3,862,284)	5,768,879
Net Assets at June 30, 2024	37,833,972	39,319,070	77,153,042
Acquisition and construction of capital assets	25,078		25,078
Depreciation	(720,720)		(720,720)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	208,334		208,334
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,336,916	1,336,916
Increase (Decrease) in Net Assets	(487,308)	1,336,916	849,608
Net Assets at August 31, 2024	\$ 37,346,664	\$ 40,655,986	\$ 78,002,650

Kalkaska Memorial Health Center

Statistical Report

	Month of August 2024				Year to Date Ended August 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	17	16	1	14	33	32	1	27
Long Term Care	24	19	5	21	43	38	5	35
Observation	24	14	10	20	49	28	21	37
PATIENT DAYS:								
Acute Care	51	58	(7)	45	114	116	(2)	94
Long Term Care-Skilled	336	214	122	224	644	428	216	405
Long Term Care-Basic	2,113	2,242	(129)	2,144	4,222	4,484	(262)	4,328
Observation	76	51	25	49	131	102	29	94
AVERAGE LENGTH OF STAY:								
Acute Care	3.0	3.6	(0.6)	3.2	3.5	3.6	(0.2)	3.5
DAILY AVERAGE CENSUS:								
Acute Care	1.6	1.9	(0.2)	1.5	1.8	1.9	(0.0)	1.5
Long Term Care	79.0	79.2	(0.2)	76.4	78.5	79.2	(0.7)	76.3
PERCENT OF OCCUPANCY:								
Acute Care	20.6%	23.4%	-2.8%	18.1%	23.0%	23.4%	-0.4%	19.0%
Long Term Care	76.0%	76.2%	-0.2%	73.4%	75.5%	76.2%	-0.7%	73.4%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,458	1,503	(45)	1,493	3,116	3,006	110	3,199
Walk-in Clinic	458	431	27	273	949	862	87	642
Primary Care Physician RVU's	8,185	7,320	865	7,241	15,259	14,640	619	13,507
Primary Care Physician Encounters	4,923	4,374	549	4,375	9,475	8,748	727	8,117
Specialty Clinics	507	432	75	606	838	864	(26)	969
KMA Clinic RVU's	8,943	8,587	356	8,654	17,231	17,174	57	15,810
Total Outpatient Visits	7,837	7,560	277	7,791	15,667	15,120	547	15,265
Surgical Procedures	177	173	4	176	349	346	3	322
Radiology	3,532	3,344	188	3,793	6,972	6,688	284	6,781
MRI	496	426	70	375	999	852	147	779
Laboratory	23,100	20,587	2,513	21,364	44,347	41,174	3,173	41,355
Physical Therapy	4,950	4,776	174	5,060	9,980	9,552	428	8,823
Chemo Therapy	570	472	98	647	997	944	53	918
Dialysis Treatments	444	458	(14)	524	954	916	38	1,029
Ambulance Transports	245	246	(1)	243	532	492	40	546
Assisted Living Days	962	936	26	939	1,931	1,872	59	1,869
Cost per adjusted IP and LTC day:								
	316.17	289.59	26.58	199.07	576.10	585.71	(9.61)	224.32
TOTAL FTE'S:								
	525	524	1	501	528	536	(7)	490

Kalkaska Memorial Health Center

Additional Financial Information

	August 31, 2024
MTD % increase in net revenue vs. prior year	11.61%
MTD % increase in expense vs. prior year	<u>17.07%</u>
	-5.46%
YTD % increase in net revenue vs. prior year	18.59%
YTD % increase in expense vs. prior year	<u>13.94%</u>
	4.64%
LTC Expense per Critical Unit - MTD	\$ 310.93
LTC Expense per Critical Unit - YTD	\$ 297.43
Ambulance Days in AR YTD	59.48
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (27,172)
Dialysis net income - YTD	\$ (12,251)
Assisted Living net income - MTD	\$ (63,552)
Assisted Living net income - YTD	(121,486)
Average Age of Plant (as of 8/31/24)	9.15
Debt to Capitalization Ratio	0.17

Net Revenue Analysis

	Month of August 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.1%	0.1%
Outpatient	66.0%	65.8%	0.2%
Professional	12.9%	13.7%	-0.8%
Long-Term Care	10.1%	9.9%	0.2%
Dialysis Center	3.6%	3.9%	-0.3%
Ambulance	2.8%	3.1%	-0.3%
Retail Pharmacy	2.6%	1.7%	0.9%
Assisted Living	0.8%	0.7%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	42.1%	44.1%	2.1%
Charity Care	0.8%	0.2%	-0.5%
Bad Debt	1.8%	1.9%	0.1%
Total Revenue Deductions	<u>44.6%</u>	<u>46.3%</u>	<u>1.7%</u>

	Year to Date Ended August 31, 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.1%	1.1%	0.0%
Outpatient	66.6%	65.9%	0.7%
Professional	12.8%	13.7%	-0.9%
Long-Term Care	9.7%	9.8%	-0.2%
Dialysis Center	3.8%	3.9%	-0.1%
Ambulance	3.0%	3.1%	-0.2%
Retail Pharmacy	2.3%	1.7%	0.7%
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	45.8%	44.0%	-1.8%
Charity Care	0.5%	0.2%	-0.3%
Bad Debt	1.9%	1.9%	0.0%
Total Revenue Deductions	<u>48.3%</u>	<u>46.2%</u>	<u>-2.1%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	21.66%	29.70%	0.13%	16.66%	12.62%	9.15%	6.74%	3.35%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	15.41%	20.70%	0.00%	25.69%	15.23%	9.40%	7.03%	6.53%	100.00%
OR	17.14%	26.65%	0.00%	12.36%	19.03%	13.29%	8.56%	2.98%	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%