

Kalkaska Memorial Health Center

Balance Sheet

	October 31, 2024	June 30, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 19,603,075	\$ 18,320,675
Short-Term Investments	10,731,909	6,515,371
Accounts Receivable	14,055,253	14,119,177
Third Party Settlements	4,620,188	3,853,844
Due from Affiliates	25,012	24,363
Inventory	540,630	484,119
Other Current Assets	389,124	336,864
Total Current Assets	49,965,191	43,654,413
Investments	7,035,613	10,968,237
Capital Assets (net of Accumulated Depreciation)	49,811,216	51,188,437
Land	1,444,948	1,444,948
Construction In Progress	2,085,394	1,303,680
Other Assets		
Restricted Cash	2,397,203	2,444,879
Other Assets	254,370	264,696
Total Other Assets	2,651,573	2,709,575
Total Assets	\$ 112,993,935	\$ 111,269,290
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,387,359	\$ 2,387,359
Trade Accounts Payable	1,024,675	1,871,392
Accrued Compensation	6,010,278	4,521,276
Third Party Liabilities	5,717,186	4,820,845
Due to Affiliates	3,088,248	4,715,160
Other Current Liabilities	1,703,419	1,398,951
Total Current Liabilities	19,931,165	19,714,983
Long-Term Debt - Less Current Maturities	13,299,067	13,715,734
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	17,059	9,617
Total Liabilities	33,267,291	33,460,334
Net Assets		
Invested in Capital Assets, net of Related Debt	43,284,137	43,462,977
Unrestricted	36,442,507	34,345,979
Total Net Assets	79,726,644	77,808,956
Total Liabilities and Net Assets	\$ 112,993,935	\$ 111,269,290

Kalkaska Memorial Health Center
Statement of Operations

	Month of October 2024				Year to Date Ended October 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 193,463	\$ 149,203	\$ 44,260	\$ 176,026	\$ 699,555	\$ 591,423	\$ 108,132	\$ 491,862
Outpatient	9,118,184	8,794,384	323,800	8,716,327	37,202,734	34,732,333	2,470,401	32,701,365
Professional	2,188,966	1,830,068	358,898	1,620,126	7,515,264	7,239,373	275,891	6,042,635
Long Term Care	1,386,848	1,308,441	78,407	1,042,989	5,424,600	5,191,992	232,608	4,084,990
Dialysis Center	443,693	521,876	(78,183)	527,756	1,958,740	2,071,535	(112,795)	2,207,714
Ambulance	361,303	415,565	(54,262)	355,808	1,583,337	1,648,746	(65,409)	1,652,327
Retail Pharmacy	335,180	221,772	113,408	192,937	1,360,193	880,091	480,102	773,027
Assisted Living	99,891	98,663	1,228	90,735	410,716	391,490	19,226	379,018
	14,127,528	13,339,972	787,556	12,722,704	56,155,139	52,746,983	3,408,156	48,332,938
Revenue Deductions:								
Contractual Allowances	5,851,457	5,861,685	10,228	6,034,911	25,594,602	23,238,638	(2,355,964)	22,895,848
Provision Charity Care	85,490	29,733	(55,757)	12,770	319,036	117,973	(201,063)	130,015
Provision for Bad Debt	231,218	256,948	25,730	154,343	965,339	1,019,353	54,014	714,698
	6,168,165	6,148,366	(19,799)	6,202,024	26,878,977	24,375,964	(2,503,013)	23,740,561
Net Patient Revenues	7,959,363	7,191,606	767,757	6,520,680	29,276,162	28,371,019	905,143	24,592,377
Other Operating Revenues	318,767	314,360	4,407	371,890	1,114,516	1,119,852	(5,336)	1,318,561
Total Operating Revenue	8,278,130	7,505,966	772,164	6,892,570	30,390,678	29,490,871	899,807	25,910,938
Operating Expenses								
Salaries and Wages	4,091,205	3,935,959	(155,246)	3,343,667	15,192,993	15,274,055	81,062	13,560,934
Fringe Benefits	825,664	902,503	76,839	933,220	3,102,567	3,610,012	507,445	3,297,079
Contract Labor	80,799	41,048	(39,751)	28,738	188,225	164,047	(24,178)	103,081
Physician Fees	89,662	78,850	(10,812)	40,761	366,319	315,400	(50,919)	290,916
Purchased Services	657,191	591,087	(66,104)	647,968	2,388,896	2,373,884	(15,012)	2,498,999
Pharmaceuticals	930,274	775,735	(154,539)	819,186	3,481,265	3,037,159	(444,106)	2,872,878
Supplies	544,123	388,663	(155,460)	370,053	1,724,909	1,547,891	(177,018)	1,294,751
Occupancy	78,978	102,229	23,251	90,926	394,817	422,166	27,349	383,990
Equipment, Software & Maintenance	64,045	101,449	37,404	141,575	363,061	402,635	39,574	415,864
Depreciation	349,977	328,205	(21,772)	270,355	1,424,899	1,312,814	(112,085)	1,068,745
Insurance	104,636	81,428	(23,208)	71,049	314,903	325,712	10,809	333,940
Other	53,255	60,245	6,990	36,824	188,730	245,265	56,535	231,762
	7,869,809	7,387,401	(482,408)	6,794,322	29,131,584	29,031,040	(100,544)	26,352,939
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	7,869,809	7,387,401	(482,408)	6,794,322	29,131,584	29,031,040	(100,544)	26,352,939
Income from Operations before Grant Revenue from COVID-19	408,321	118,565	289,756	98,248	1,259,094	459,831	799,263	(442,001)
Grant Revenue COVID-19	-	-	-	-	-	-	-	750,000
Operating Income	408,321	118,565	289,756	98,248	1,259,094	459,831	799,263	307,999
Non-Operating Income (Expense)								
Reserved for Bond Debt	141,390	128,333	13,057	128,111	567,318	513,332	53,986	512,262
Interest on Debt Related to Capital Assets	(48,982)	(48,982)	-	(55,853)	(197,966)	(197,966)	-	(225,448)
Unrealized Gain/Loss on LT Investments	(16,770)	-	(16,770)	12,456	156,001	-	156,001	54,744
Tax Levy Revenue	801	789	12	783	3,206	3,156	50	3,131
Bond Issuance Cost	-	-	-	-	-	-	-	-
Contributions	-	167	(167)	-	(326)	668	(994)	711
Other Income (Loss)	36,027	37,500	(1,473)	35,116	130,361	150,000	(19,639)	143,279
Total Non-Operating Income (Expense)	112,466	117,807	(5,341)	120,613	658,594	469,190	189,404	488,679
Total Increase (Decrease) in Net Assets	\$ 520,787	\$ 236,372	\$ 284,415	\$ 218,861	\$ 1,917,688	\$ 929,021	\$ 988,667	\$ 796,678

Statement of Cash Flows

Four Months Ending
October 31, 2024

Cash flow from operating activities

Received from patients and third-party payors	\$ 29,469,434
Payments to employees	(16,806,558)
Payments to suppliers for services and goods	(11,681,615)
Other receipts from operations	1,117,722
Net cash provided by operating activities	2,098,983

Cash flow from capital and related financing activities

Acquisition and construction of capital assets	(819,392)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	567,318
Interest paid on long-term debt	(197,966)
Retirement of long-term debt	-
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(416,667)
Net cash used in capital and related financing activities	(866,707)

Cash flow from investing activities

Investment income	286,362
Purchase of short-term investments	(4,216,538)
Net activity of investments internally designated for capital acquisitions	3,932,624
Purchase of Intangibles	-
Net cash provided by investing activities	2,448

Net increase in cash and cash equivalents	1,234,724
Cash and cash equivalents at beginning of year	20,765,554
Cash and cash equivalents at end of period	\$ 22,000,278

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

Operating income	\$ 1,259,094
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,414,899
Provision for uncollectible accounts	965,339
Amortization	10,000
Operating tax levy	3,206
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(902,064)
Third-party settlements	(766,344)
Inventory	(56,511)
Other current assets	(52,260)
Increase (decrease) in liabilities:	
Trade accounts payable	(2,473,629)
Accrued Compensation	1,489,002
Third Party Settlements	896,341
Other accrued liabilities	311,910
Net cash provided by operating activities	\$ 2,098,983

Kalkaska Memorial Health Center

Statement of Changes in Net Assets Four Months Ending October 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		(3,206,370)	(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	819,392		819,392
Depreciation	(1,414,899)		(1,414,899)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	416,667		416,667
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		2,096,528	2,096,528
Increase (Decrease) in Net Assets	(178,840)	2,096,528	1,917,688
Net Assets at October 31, 2024	\$ 37,655,132	\$ 42,071,512	\$ 79,726,644

Kalkaska Memorial Health Center

Statistical Report

	Month of October 2024				Year to Date Ended October 31, 2024			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	15	16	(1)	17	65	64	1	54
Long Term Care	23	19	4	22	85	75	10	75
Observation	27	14	13	9	100	56	44	66
PATIENT DAYS:								
Acute Care	73	58	15	61	249	230	19	199
Long Term Care-Skilled	332	214	118	208	1,268	849	419	835
Long Term Care-Basic	2,111	2,242	(131)	2,235	8,364	8,896	(532)	8,706
Observation	49	51	(2)	41	227	202	25	195
AVERAGE LENGTH OF STAY:								
Acute Care	4.9	3.6	1.2	3.6	3.8	3.6	0.2	3.7
DAILY AVERAGE CENSUS:								
Acute Care	2.4	1.9	0.5	2.0	2.0	1.9	0.2	1.6
Long Term Care	78.8	79.2	(0.4)	78.8	78.3	79.2	(0.9)	77.6
PERCENT OF OCCUPANCY:								
Acute Care	29.4%	23.4%	6.0%	24.6%	25.3%	23.4%	1.9%	20.2%
Long Term Care	75.8%	76.2%	-0.4%	75.8%	75.3%	76.2%	-0.9%	74.6%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,383	1,503	(120)	1,304	5,856	5,964	(108)	5,916
Walk-in Clinic	527	431	96	442	1,906	1,710	196	1,459
Primary Care Physician RVU's	10,838	7,320	3,518	8,527	37,477	29,044	8,433	27,872
Primary Care Physician Encounters	5,370	4,374	996	5,012	19,653	17,355	2,298	16,374
Specialty Clinics	398	432	(34)	414	1,492	1,714	(222)	1,723
KMA Clinic RVU's	10,165	8,587	1,578	8,632	36,104	34,071	2,033	32,333
Total Outpatient Visits	8,554	7,560	994	7,656	31,799	29,996	1,803	30,139
Surgical Procedures	208	173	35	189	706	686	20	631
Radiology	3,506	3,344	162	3,366	13,639	13,269	370	13,391
MRI	463	426	37	423	1,888	1,690	198	1,537
Laboratory	23,565	20,587	2,978	20,224	88,248	81,684	6,564	82,161
Physical Therapy	5,221	4,776	445	4,737	19,994	18,951	1,043	17,945
Chemo Therapy	417	472	(55)	533	2,119	1,873	246	1,921
Dialysis Treatments	391	458	(67)	450	1,731	1,818	(87)	1,967
Ambulance Transports	218	246	(28)	228	992	976	16	1,016
Assisted Living Days	939	936	3	885	3,825	3,714	111	3,656
Cost per adjusted IP and LTC day:								
	320.68	293.80	26.88	238.64	293.11	292.42	0.69	234.59
TOTAL FTE'S:								
	532	548	(16)	490	527	534	(8)	487

Kalkaska Memorial Health Center

Additional Financial Information

	October 31, 2024
MTD % increase in net revenue vs. prior year	22.06%
MTD % increase in expense vs. prior year	<u>15.83%</u>
	6.23%
YTD % increase in net revenue vs. prior year	19.05%
YTD % increase in expense vs. prior year	<u>10.54%</u>
	8.50%
LTC Expense per Critical Unit - MTD	\$ 417.38
LTC Expense per Critical Unit - YTD	\$ 325.99
Ambulance Days in AR YTD	65.46
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (13,917)
Dialysis net income - YTD	\$ (57,899)
Assisted Living net income - MTD	\$ (37,726)
Assisted Living net income - YTD	(184,308)
Average Age of Plant (as of 10/31/24)	9.64
Debt to Capitalization Ratio	0.16

Net Revenue Analysis

	Month of October 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.4%	1.1%	0.3%
Outpatient	64.5%	65.9%	-1.4%
Professional	15.5%	13.7%	1.8%
Long-Term Care	9.8%	9.8%	0.0%
Dialysis Center	3.1%	3.9%	-0.8%
Ambulance	2.6%	3.1%	-0.6%
Retail Pharmacy	2.4%	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	41.4%	43.9%	2.5%
Charity Care	0.6%	0.2%	-0.4%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	<u>43.7%</u>	<u>46.1%</u>	<u>2.4%</u>

	Year to Date Ended October 31, 2024		
Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.1%	0.1%
Outpatient	66.2%	65.8%	0.4%
Professional	13.4%	13.7%	-0.3%
Long-Term Care	9.7%	9.8%	-0.2%
Dialysis Center	3.5%	3.9%	-0.4%
Ambulance	2.8%	3.1%	-0.3%
Retail Pharmacy	2.4%	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	45.6%	44.1%	-1.5%
Charity Care	0.6%	0.2%	-0.3%
Bad Debt	1.7%	1.9%	0.2%
Total Revenue Deductions	<u>47.9%</u>	<u>46.2%</u>	<u>-1.7%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2025 Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	22.18%	30.65%	0.11%	16.28%	12.77%	8.65%	6.50%	2.86%	100.00%
LTC	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ER	14.94%	20.36%	0.00%	26.68%	15.17%	7.95%	8.02%	6.87%	100.00%
OR	17.35%	24.10%	0.00%	20.00%	16.09%	10.67%	9.58%	2.20%	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%