

Revised: June 18, 2026

INTEGRATED  
SERVICES OF  
KALAMAZOO



Period Ended  
May 31, 2026

Monthly Finance  
Report

# INTEGRATED SERVICES OF KALAMAZOO

## Statement of Net Position

May 31, 2026

	May 2025 (unaudited)	May 2026
<b>Assets</b>		
<b>Current assets</b>		
Cash and investments	\$ 13,386,262	\$ 28,623,616
Accounts receivable	5,939,051	4,334,619
Due from other governments	19,199,293	12,722,181
Prepaid items	1,420,683	1,606,736
<b>Total current assets</b>	<u>39,945,289</u>	<u>47,287,153</u>
<b>Non-current assets</b>		
Capital assets, net of accumulated depreciation	14,932,084	14,396,405
Net pension asset, net of deferred outflows	8,442,339	8,070,705
<b>Total non-current assets</b>	<u>23,374,423</u>	<u>22,467,110</u>
<b>Total assets</b>	<u>\$ 63,319,712</u>	<u>\$ 69,754,263</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 8,533,938	\$ 9,021,281
Due to other governments	192,888	5,704,093
Due to providers	342,800	-
Accrued payroll and payroll taxes	3,104,485	2,639,446
Unearned revenue	129,016	114,613
<b>Total current liabilities</b>	<u>12,303,127</u>	<u>17,479,433</u>
<b>Net position</b>		
Designated	8,654,636	8,722,022
Undesignated	24,523,412	31,389,003
Investment in fixed assets	13,277,168	14,125,075
Net gain (loss) for period	4,561,369	(1,961,269)
<b>Net position</b>	<u>\$ 51,016,585</u>	<u>\$ 52,274,830</u>

# INTEGRATED SERVICES OF KALAMAZOO

## Statement of Revenue, Expenses and Change in Net Position

October 1, 2025 through May 31, 2026

Percent of Year is 66.67%

	Original 2026 Budget	YTD Totals 5/31/26	Remaining Budget	Percent of Budget - YTD
<b>Operating revenue</b>				
Medicaid:				
Traditional Capitation	\$ 86,641,701	57,386,394	\$ 29,255,307	66.23%
Healthy Michigan Capitation	9,119,193	3,105,073	6,014,120	34.05%
State General Fund:				
Formula Fundings	3,900,516	2,600,344	1,300,172	66.67%
CCBHC Demonstration	34,258,759	22,106,999	12,151,761	64.53%
CCBHC Quality Bonus	1,326,190	-	1,326,190	0.00%
County Allocation	1,550,400	1,033,600	516,800	66.67%
Client Fees	1,069,711	531,230	538,481	49.66%
Other grant revenue	6,780,003	3,993,750	2,786,253	58.90%
Other earned contracts	1,958,805	1,624,627	334,178	82.94%
Interest	157,232	102,154	55,078	64.97%
Local revenue	508,606	11,277	497,329	2.22%
<b>Total operating revenue</b>	<b>\$ 147,271,116</b>	<b>\$ 92,495,447</b>	<b>\$ 54,775,670</b>	<b>62.81%</b>
<b>Operating expenses</b>				
Salaries and wages	\$ 32,403,237	19,627,363	12,775,874	60.57%
Employee benefits	12,643,544	7,268,996	5,374,548	57.49%
Staff development	300,933	89,637	211,296	29.79%
Payments to providers	93,008,476	59,240,329	33,768,148	63.69%
Administrative contracts	8,262,621	6,026,066	2,236,554	72.93%
IT software and equipment	928,129	596,837	331,292	64.31%
Client transportation	52,900	31,026	21,874	58.65%
Staff travel	386,676	206,445	180,231	53.39%
Office expenses	685,668	362,007	323,661	52.80%
Insurance expense	168,769	84,161	84,608	49.87%
Depreciation expense	585,704	384,034	201,670	65.57%
Utilities	363,874	262,534	101,341	72.15%
Facilities	36,265	73,877	(37,612)	203.71%
Local match	305,108	203,405	101,703	66.67%
<b>Total operating expenses</b>	<b>\$ 150,131,903</b>	<b>\$ 94,456,716</b>	<b>\$ 55,675,187</b>	<b>62.92%</b>
<b>Change in net position</b>	<b>(2,860,787)</b>	<b>(1,961,269)</b>	<b>\$ (899,518)</b>	
<b>Beginning net position</b>	<b>54,236,100</b>	<b>54,236,100</b>		
<b>Ending net position</b>	<b>\$ 51,375,313</b>	<b>\$ 52,274,830</b>		

**INTEGRATED SERVICES OF KALAMAZOO**

**Statement of Revenue, Expenses and Change in Net Position**

October 1, 2025 through May 31, 2026

Percent of Year is 66.67%

	Specialty Services		Healthy Michigan		SUD Block Grant		Totals	
	Budget	YTD Totals 5/31/26	YTD Budget	YTD Totals 5/31/26	YTD Budget	YTD Totals 5/31/26	YTD Budget	YTD Totals 5/31/26
<b>Operating revenue</b>								
Medicaid:								
Traditional Capitation	\$ 57,761,134	\$ 61,131,535	\$ -	\$ -	\$ -	\$ 74,638	\$ 57,761,134	\$ 61,206,173
Healthy Michigan Capitation	-	-	6,079,462	5,000,021	-	-	6,079,462	5,000,021
Settlement Estimate	2,951,619	(3,745,141)	(2,045,986)	(1,894,948)	-	(74,638)	905,634	(5,714,727)
Client Fees	4,847	1,992	55	-	-	-	4,902	1,992
<b>Total operating revenue</b>	<b>\$ 60,717,600</b>	<b>\$ 57,388,386</b>	<b>\$ 4,033,531</b>	<b>\$ 3,105,073</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,751,131</b>	<b>\$ 60,493,459</b>
<b>Operating expenses</b>								
Internal services	\$ 1,510,389	\$ 1,807,183	\$ 9,304	\$ 3,852	\$ -	\$ -	\$ 1,519,693	\$ 1,811,034
External services	50,830,086	49,015,885	3,467,727	2,745,996	-	-	54,297,813	51,761,881
Delegated managed care	8,377,125	6,565,318	556,501	355,225	-	-	8,933,626	6,920,543
<b>Total operating expenses</b>	<b>\$ 60,717,600</b>	<b>\$ 57,388,386</b>	<b>\$ 4,033,531</b>	<b>\$ 3,105,072</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,751,131</b>	<b>\$ 60,493,459</b>
<b>Change in net position</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ (4,257,673)</b>

**INTEGRATED SERVICES OF KALAMAZOO**

**Statement of Revenue, Expenses and Change in Net Position**

October 1, 2025 through May 31, 2026

Percent of Year is 66.67%

	State General Fund		CCBHC		Other Funding Sources		Totals	
	YTD	YTD Totals	YTD	YTD Totals	YTD	YTD Totals	YTD	YTD Totals
	Budget	5/31/26	Budget	5/31/26	Budget	5/31/26	Budget	5/31/26
<b>Operating revenue</b>								
General Fund	\$ 2,600,344	\$ 2,600,344	\$ -	\$ -	\$ -	\$ -	\$ 2,600,344	\$ 2,600,344
CCBHC Demonstration	-	-	24,873,670	22,106,999	-	-	24,873,670	22,106,999
Other Federal and State Grants	-	-	-	446,880	4,028,286	3,993,750	4,028,286	4,440,630
Earned Revenue	-	-	-	-	709,660	350,990	709,660	350,990
COFR Revenue	-	-	-	-	-	-	-	-
Interest	-	-	-	-	104,821	102,154	104,821	102,154
County Allocation	-	-	-	-	1,033,600	1,033,600	1,033,600	1,033,600
Local Revenue	4,749	1,702	-	527,536	339,071	11,277	343,819	540,514
Transfer from GF	-	-	49,266	865,512	-	-	49,266	865,512
<b>Total operating revenue</b>	<b>\$ 2,605,093</b>	<b>\$ 2,602,046</b>	<b>\$ 24,922,936</b>	<b>\$ 23,946,927</b>	<b>\$ 6,215,438</b>	<b>\$ 5,491,771</b>	<b>\$ 33,743,467</b>	<b>\$ 32,040,743</b>
<b>Operating expenses</b>								
Internal Programs	\$ 591,018	\$ 547,243	\$ 25,553,417	\$ 25,909,054	\$ 1,854	\$ -	\$ 26,146,290	\$ 26,456,297
External Programs	1,620,003	996,336	-	-	437,667	591,734	2,057,669	1,588,070
Other Federal and State Grants	-	-	-	-	4,478,758	3,265,869	4,478,758	3,265,869
HUD Grants	-	-	-	-	1,214,580	1,167,798	1,214,580	1,167,798
Managed Care Administration	344,806	192,954	-	-	-	-	344,806	192,954
Homeless Shelter	-	-	-	-	257,011	208,737	257,011	208,737
Transfer from GF	49,266	865,512	-	-	-	-	49,266	865,512
Local match expense	-	-	-	-	203,405	203,405	203,405	203,405
Non-DCH Activity Expenditures	-	-	-	-	38,075	54,691	38,075	53,370
<b>Total operating expenses</b>	<b>\$ 2,605,093</b>	<b>\$ 2,602,045</b>	<b>\$ 25,553,417</b>	<b>\$ 25,909,054</b>	<b>\$ 6,631,350</b>	<b>\$ 5,492,235</b>	<b>\$ 34,789,860</b>	<b>\$ 34,002,013</b>
<b>Change in net position</b>	<b>0</b>	<b>0</b>	<b>(630,481)</b>	<b>(1,962,127)</b>	<b>(415,912)</b>	<b>(464)</b>	<b>(1,046,393)</b>	<b>(914,877)</b>

# INTEGRATED SERVICES OF KALAMAZOO

## CCBHC

October 1, 2025 through May 31, 2026

Percent of Year is 66.67%

	CCBHC Medicaid	CCBHC Healthy MI	CCBHC Non-Medicaid	CCBHC YTD Totals
<b>Operating revenue</b>				
CCBHC revenue	\$ 16,634,902	\$ 5,472,096	\$ -	\$ 22,106,999
FFS Revenue	265,109	47,323	215,104	527,536
CCBHC SAMSHA Grant	-	-	446,880	446,880
<b>Total CCBHC Revenue (PPS-1 of \$304.05 x encounters)</b>	<b>\$ 16,900,011</b>	<b>\$ 5,519,420</b>	<b>\$ 661,984</b>	<b>\$ 23,081,415</b>
<b>Operating expenses</b>				
Internal services	\$ 11,999,697	\$ 4,386,395	\$ 3,245,098	\$ 19,631,190
DCO Contracts	4,049,022	1,379,812	849,030	6,277,864
<b>Total operating expenses</b>	<b>\$ 16,048,719</b>	<b>\$ 5,766,207</b>	<b>\$ 4,094,128</b>	<b>\$ 25,909,054</b>
<b>Operating change in net position</b>	<b>851,292</b>	<b>(246,788)</b>	<b>(3,432,144)</b>	<b>(2,827,639)</b>
General Fund Reclassification to cover Non-Medicaid	-	-	865,512	865,512
<b>Total change in net position</b>	<b>\$ 851,292</b>	<b>\$ (246,788)</b>	<b>\$ (2,566,632)</b>	<b>\$ (1,962,127)</b>

## CCBHC Cost per daily visit

	2023	FY 2024	FY 2025	5/31/26
Total CCBHC Cost	\$ 27,687,187	\$ 31,777,786	\$ 35,393,270	\$ 25,909,054
Daily Visits	99,802	110,326	125,458	84,898
Cost per daily visit	277.42	288.04	282.11	305.18

This financial report is for internal use only. It has not been audited, and no assurance is provided.



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# 2025 Audit Report Update

ISK's auditors, BDO, informed us that they were doing an internal review of their documentation ISK happened to be selected for the review. In the review, they found a clerical error in the 2025 audited financial statements. Between the time ISK management signed the representation letter and when their word processing team produced the final report, footnote 10 was accidentally replaced by an example footnote that does not match ISK's numbers and is ultimately inaccurate. Please see the excerpts below:

The issued document contained this footnote:

## 10. Net Position

### *Net Investment in Capital Assets*

The Authority's net investment in capital assets is comprised of the following:

*September 30, 2025*

Invested in capital assets:	
Capital assets not being depreciated	\$ 186,216
Capital assets being depreciated, net	9,271,390
<b>Investment in Capital Assets</b>	<b>9,457,606</b>
Lease liability	(2,978,224)
Subscription liabilities	(17,919)
<b>Total Net Investment in Capital Assets</b>	<b>\$ 6,461,463</b>

The final draft and accurate footnote should show:

## 10. Net Position

### *Net Investment in Capital Assets*

The Authority's net investment in capital assets is comprised of the following:

*September 30, 2025*

Invested in capital assets:	
Capital assets not being depreciated	\$ 840,568
Capital assets being depreciated, net	16,716,468
<b>Investment in Capital Assets</b>	<b>17,557,036</b>
Lease liability	(2,935,298)
Subscription liabilities	(496,663)
<b>Total Net Investment in Capital Assets</b>	<b>\$ 14,125,075</b>

As a result, BDO will be correcting the report, and ISK will be redistributing the report to the necessary stakeholders.