



Independent Auditor's Report on the Supplementary Information

To the Board of Directors of
The Community Hospital Association
McCook, Nebraska:

We have audited the consolidated financial statements of The Community Hospital Association and Affiliate (together the Organization) as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon, dated March 29, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information submitted herewith is as follows:

1. Balance Sheets – Hospital Only
2. Statements of Operations – Hospital Only
3. Statements of Cash Flows – Hospital Only

A handwritten signature in black ink that reads "Eide Bailly LLP".

Omaha, Nebraska,
March 29, 2023.

The Community Hospital Association and Affiliate

Balance Sheets – Hospital Only June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,989,027	25,389,714
Receivables -		
Patients	8,309,292	7,208,698
Other	309,828	925,652
Inventories	2,019,565	2,065,795
Prepaid expenses	2,058,710	1,834,922
Estimated third-party payor settlements	--	2,958,293
	<u>38,686,422</u>	<u>40,383,074</u>
Total current assets		
Assets limited as to use	6,455,000	4,969,500
Investments	6,767,432	7,603,026
Property and equipment, net	45,175,307	43,773,034
Other assets	343,852	338,207
	<u>97,428,013</u>	<u>97,066,841</u>
Total assets		
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	\$ 777,112	321,434
Accounts payable		
Trade	1,583,482	1,373,735
Construction and equipment	154,546	785,455
Accrued salaries, vacation and benefits payable	2,323,819	2,816,666
Other accrued expenses	593,241	560,126
Estimated third-party payor settlements	309,552	--
Refundable advances	4,916,337	10,790,818
	<u>10,658,089</u>	<u>16,648,234</u>
Total current liabilities		
Long-term debt, net of current portion	27,552,110	25,187,107
Deferred compensation	378,009	429,393
	<u>38,588,208</u>	<u>42,264,734</u>
Total liabilities		
Net assets:		
Without donor restrictions	58,839,805	54,802,107
	<u>58,839,805</u>	<u>54,802,107</u>
Total net assets		
Total liabilities and net assets	<u>\$ 97,428,013</u>	<u>97,066,841</u>

The Community Hospital Association and Affiliate

Statements of Operations – Hospital Only June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE WITHOUT DONOR RESTRICTIONS:		
Patient service revenue	\$ 57,692,981	50,993,927
Other operating revenue	<u>1,711,569</u>	<u>8,077,638</u>
Total revenue without donor restrictions	<u>59,404,550</u>	<u>59,071,565</u>
EXPENSES:		
Salaries and wages	21,036,477	19,934,135
Employee health and welfare	7,745,529	7,285,341
Supplies and other	20,127,115	20,289,837
Depreciation	5,311,254	4,719,379
Interest	1,036,983	907,089
Insurance	<u>308,837</u>	<u>231,319</u>
Total expenses	<u>55,566,195</u>	<u>53,367,100</u>
OPERATING INCOME	<u>3,838,355</u>	<u>5,704,465</u>
NONOPERATING GAINS, NET:		
Investment income, net	99,077	734,614
Unrestricted gifts, grants and bequests	<u>100,266</u>	<u>190,922</u>
Nonoperating gains, net	<u>199,343</u>	<u>925,536</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 4,037,698	6,630,001
NET ASSETS, beginning of year	<u>54,802,107</u>	<u>48,172,106</u>
NET ASSETS, end of year	<u><u>\$ 58,839,805</u></u>	<u><u>54,802,107</u></u>

The Community Hospital Association and Affiliate

Statements of Cash Flows – Hospital Only June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from patients and third-party payors	\$ 53,985,751	48,412,842
Cash received from others	2,435,591	3,719,230
Cash paid for employee salaries and related benefits	(29,241,738)	(26,544,270)
Cash paid to suppliers	(20,403,763)	(20,723,269)
Interest paid	(1,036,983)	(907,089)
Investment income received	99,077	734,614
	<u>5,837,935</u>	<u>4,692,058</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits to investments	(1,955,332)	(4,025,180)
Withdrawals from investments	2,790,926	3,427,133
Deposits to assets limited as to use	(179,148)	(274,686)
Withdrawals from assets limited as to use	(1,357,736)	35,027
Additions to other assets	(5,645)	(123,538)
Purchase of property and equipment, net	(7,352,368)	(8,747,511)
	<u>(8,059,303)</u>	<u>(9,708,755)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES;		
Proceeds from long term debt and interim construction loan	5,448,808	5,448,808
Payments on long-term debt	(2,628,127)	(309,550)
	<u>2,820,681</u>	<u>5,139,258</u>
Net cash provided by financing activities		
INCREASE IN CASH AND CASH EQUIVALENTS	599,313	122,561
CASH AND CASH EQUIVALENTS, beginning of year	<u>25,389,714</u>	<u>25,267,153</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 25,989,027</u>	<u>25,389,714</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Paycheck Protection Program loan forgiveness	<u>\$ --</u>	<u>4,350,000</u>

The Community Hospital Association and Affiliate

Statements of Cash Flows – Hospital Only (Continued) June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 4,037,698	6,630,001
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Paycheck protection program loan forgiveness	--	(4,350,000)
Depreciation expense	5,311,254	4,719,379
Gain (loss) on disposal of property and equipment	7,932	(5,033)
(Increase) decrease in current assets:		
Receivables:		
Patient	(1,100,594)	356,239
Other	615,824	(194,297)
Patient customer contracts	--	158,780
Inventories	46,230	(142,790)
Prepaid expenses	(223,788)	(628,758)
Estimated third-party payor settlements	2,958,293	(375,293)
Increase (decrease) in current liabilities:		
Accounts payable	209,747	569,435
Accrued salaries, vacation, and benefits payable	(492,847)	729,702
Other accrued expenses	33,115	(54,496)
Estimated third-party payor settlements	309,552	--
Refundable advances	<u>(5,874,481)</u>	<u>(2,720,811)</u>
Net cash provided by operating activities	<u>\$ 5,837,935</u>	<u>4,692,058</u>