



Independent Auditor's Report on Supplementary Information

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

We have audited the financial statements of The Community Hospital Association and Affiliate (together the Organization) as of and for the year ended June 30, 2023 and 2022 and have issued our report thereon dated February 9, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

The balance sheets – hospital only, statements of operations and changes in net assets – hospital only, and statements of cash flows – hospital only are presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Eide Bailly LLP
Omaha, Nebraska,
February 9, 2024

Community Hospital Association and Affiliate

Balance Sheets – Hospital Only

June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 17,572,565	\$ 25,989,027
Receivables		
Patients	7,205,117	8,309,292
Other	630,103	309,828
Inventories	1,922,883	2,019,565
Prepaid expenses	2,638,840	2,058,710
Estimated third-party payor settlements - Medicare and Medicaid	1,191,041	1,010,448
Total current assets	31,160,549	39,696,870
Assets Limited as to Use	6,934,759	6,455,000
Investments	10,324,929	6,767,432
Property and Equipment, Net	43,188,817	45,175,307
Other Assets	464,702	343,852
Total assets	\$ 92,073,756	\$ 98,438,461
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 802,203	\$ 777,112
Accounts payable		
Trade	1,768,381	1,583,482
Construction and equipment	-	154,546
Accrued salaries, vacation and benefits payable	1,917,428	2,323,819
Other accrued expenses	650,660	593,241
Estimated third-party payor settlements - Medicare	-	1,320,000
Refundable advances	16,565	4,916,337
Total current liabilities	5,155,237	11,668,537
Long-Term Debt, Net of Current Portion	27,543,550	27,552,110
Deferred Compensation	493,584	378,009
Total liabilities	33,192,371	39,598,656
Net Assets		
Without donor restrictions	58,881,385	58,839,805
Total net assets	58,881,385	58,839,805
Total liabilities and net assets	\$ 92,073,756	\$ 98,438,461

Community Hospital Association and Affiliate
Statements of Operations and Changes in Net Assets – Hospital Only
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue, Gains, and Other Support without Donor Restrictions		
Patient service revenue	\$ 55,983,444	\$ 57,692,981
Other operating revenue	<u>3,109,457</u>	<u>1,711,569</u>
Total revenue, gains, and other support without donor restrictions	<u>59,092,901</u>	<u>59,404,550</u>
Expenses		
Salaries and wages	23,035,833	21,036,477
Employee health and welfare	6,926,339	7,745,529
Supplies and other	23,218,085	20,127,115
Depreciation	5,442,896	5,311,254
Interest	1,129,157	1,036,983
Insurance	<u>368,013</u>	<u>308,837</u>
Total expenses	<u>60,120,323</u>	<u>55,566,195</u>
Operating Income (Loss)	<u>(1,027,422)</u>	<u>3,838,355</u>
Other Income (Expense)		
Investment income, net	998,081	99,077
Unrestricted gifts, grants and bequests	<u>70,921</u>	<u>100,266</u>
Other income (expense), net	<u>1,069,002</u>	<u>199,343</u>
Increase in Net Assets without Donor Restrictions	41,580	4,037,698
Net Assets, Beginning of Year	<u>58,839,805</u>	<u>54,802,107</u>
Net Assets, End of Year	<u><u>\$ 58,881,385</u></u>	<u><u>\$ 58,839,805</u></u>

Community Hospital Association and Affiliate
 Statements of Cash Flows – Hospital Only
 Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Receipts from patients and third-party payors	\$ 50,687,254	\$ 53,985,751
Receipts from others	2,783,624	2,435,591
Payments to and on behalf of employees	(30,311,144)	(29,241,738)
Payments to suppliers and contractors	(23,884,647)	(20,403,763)
Interest paid	(1,129,157)	(1,036,983)
Investment income received	998,081	99,077
Net Cash from (used for) Operating Activities	<u>(855,989)</u>	<u>5,837,935</u>
Investing Activities		
Purchase of investments	(8,176,097)	(1,955,332)
Sales of investments	4,618,600	2,790,926
Purchase of assets limited as to use	(594,443)	(1,978,396)
Sales of assets limited as to use	184,246	287,212
Purchase of other assets	(120,850)	(5,645)
Purchase of property and equipment	(3,534,473)	(7,352,368)
Net Cash used for Investing Activities	<u>(7,623,017)</u>	<u>(8,213,603)</u>
Financing Activities		
Proceeds from issuance of long term debt	794,820	5,448,808
Principal payments on long-term debt	(778,289)	(2,628,127)
Net Cash from Financing Activities	<u>16,531</u>	<u>2,820,681</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	(8,462,475)	445,013
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>26,160,550</u>	<u>25,715,537</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 17,698,075</u>	<u>\$ 26,160,550</u>
Reconciliation of Cash, Cash Equivalents, and Restricted Cash to Balance Sheets		
Cash and cash equivalents	17,572,565	25,989,027
Restricted cash in assets limited as to use	125,510	171,523
	<u>\$ 17,698,075</u>	<u>\$ 26,160,550</u>

Community Hospital Association and Affiliate
Statements of Cash Flows – Hospital Only
Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Increase in Net Assets to Net		
Cash from Operating Activities		
Increase in net assets	\$ 41,580	\$ 4,037,698
Adjustments to reconcile the change in net assets to net cash from (used for) operating activities:		
Depreciation expense	5,442,896	5,311,254
(Gain) loss on disposal of property and equipment	(76,479)	7,932
Change in current assets and liabilities		
Receivables		
Patient	1,104,175	(1,100,594)
Other	(320,275)	615,824
Inventories	96,682	46,230
Prepaid expenses	(580,130)	(223,788)
Estimated third-party payor settlements - Medicare and Medicaid	(180,593)	2,958,293
Accounts payable - trade	184,899	209,747
Accrued salaries, vacation, and benefits payable	(406,391)	(492,847)
Other accrued expenses	57,419	33,115
Estimated third-party payor settlements - Medicare	(1,320,000)	309,552
Refundable advances	(4,899,772)	(5,874,481)
Net Cash from (used for) Operating Activities	\$ (855,989)	\$ 5,837,935
Supplemental Disclosure of Noncash Capital and Related Financing Activities		
Accounts payable for construction	\$ -	\$ 154,546