Independent Auditor's Report and Financial Statements

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System

September 30, 2024 and 2023

Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	7

Wendling Noe Nelson & Johnson LLC
Certified Public Accountants and Business Advisors

Ashley R. Davis, CPA
Heather R. Eichem, CPA
Brian J. Florea, CPA
Eric L. Otting, CPA
Cameron L. Werth, CPA

Adam C. Crouch, CPA
Tyler R. Crow, CPA
Connie J. Holthaus, CPA
Stephanie D. Kennedy, CPA
Abby J. Noll, CPA

Independent Auditor's Report

The Board of Directors
Memorial Hospital of Hospital District #1
of Dickinson County, Kansas
d/b/a Memorial Health System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System (the Hospital), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System as of September 30, 2024 and 2023, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

623 SW 10th Avenue, Suite 300, Topeka, Kansas 66612-1679 · (785)233-4226 · (888)272-9665 · FAX: (785)233-6830
www.wnnjcpa.com · EMAIL: wnnj@wnnjcpa.com

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

The Hospital has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Wendling Noe Nelson & Johnson LLC

Topeka, Kansas
March 3, 2025

Financial Statements

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas
d/b/a Memorial Health System
Statements of Net Position
September 30, 2024 and 2023

Assets and Deferred Outflows of Resources

	2024	2023
Current assets		
Cash and invested cash	$ 6,355,163	$ 3,224,936
Investments	3,230,817	3,663,057
Assets whose use is limited by indenture agreement - required for current liabilities	1,105,323	1,165,502
Patient accounts receivable, net of allowance for doubtful accounts of $1,943,949 in 2024 and $1,537,830 in 2023	4,204,407	3,933,298
Other receivables	1,146,707	1,163,054
Estimated third-party payor settlements	80,564	419,805
Inventories	365,634	375,744
Prepaid expenses	280,535	349,590
Ad valorem taxes receivable	3,530	4,509
Total current assets	16,772,680	14,299,495
Assets whose use is limited		
Internally designated	522,831	501,010
By indenture agreement	2,586,571	2,577,984
Less amounts required for current liabilities	(1,105,323)	(1,165,502)
Noncurrent assets whose use is limited	2,004,079	1,913,492
Capital assets - net	18,044,481	19,356,513
Other noncurrent assets		
Other investments	180,426	116,908
Other receivables, excluding current portion	127,815	868,170
Other assets	28,298	52,036
Total other noncurrent assets	336,539	1,037,114
Total assets	37,157,779	36,606,614
Deferred outflows of resources - loss on bond refunding	669,748	789,710
Total assets and deferred outflows of resources	$ 37,827,527	$ 37,396,324

The accompanying notes are an integral part of these statements.

Liabilities and Net Position

	2024	2023
Current liabilities		
Current maturities of long-term debt	$ 965,000	$ 1,020,000
Accounts payable	842,532	820,600
Due to Salina Regional Health Affiliations	2,286,834	3,136,490
Accrued interest payable	201,581	211,915
Estimated third-party payor settlements	1,051,000	338,000
Other current liabilities	3,045	7,114
Total current liabilities	5,349,992	5,534,119
Noncurrent liabilities		
Long-term debt, excluding current maturities	14,580,528	15,654,315
Due to Salina Regional Health Affiliations, excluding current portion	927,428	393,937
Agency funds	28,298	52,036
Total noncurrent liabilities	15,536,254	16,100,288
Total liabilities	20,886,246	21,634,407
Net position		
Net investment in capital assets	3,168,701	3,471,908
Restricted		
For debt service	2,586,571	2,577,984
Expendable for capital acquisitions	28,134	29,024
For specific operating activities	107,985	96,332
Unrestricted	11,049,890	9,586,669
Total net position	16,941,281	15,761,917
Total liabilities, deferred inflows of resources, and net position	$ 37,827,527	$ 37,396,324

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas
d/b/a Memorial Health System
Statements of Revenues, Expenses, and Changes in Net Position
Years ended September 30, 2024 and 2023

	2024	2023
Operating revenues		
Net patient service revenue	$ 44,161,628	$ 40,991,682
Other	3,621,039	3,513,743
Total operating revenues	47,782,667	44,505,425
Operating expenses		
Salaries and wages	22,655,970	21,003,912
Employee benefits	4,681,613	4,467,888
Purchased administrative services	5,287,407	5,504,425
Supplies and other	16,644,522	17,095,181
Depreciation and amortization	3,492,954	3,590,341
Total operating expenses	52,762,466	51,661,747
Operating loss	(4,979,799)	(7,156,322)
Nonoperating revenues (expenses)		
Investment income	663,702	216,456
Ad valorem taxes	385,754	367,200
Noncapital contributions	369,769	358,142
Noncapital contributions, related party	5,287,407	5,504,425
Interest expense	(616,185)	(651,829)
Other	26,226	15,282
Nonoperating revenues, net	6,116,673	5,809,676
Excess of expenses over revenues before capital contributions	1,136,874	(1,346,646)
Capital contributions	42,490	
Change in net position	1,179,364	(1,346,646)
Net position at beginning of period	15,761,917	17,108,563
Net position at end of period	$ 16,941,281	$ 15,761,917

The accompanying notes are an integral part of these statements.

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas
d/b/a Memorial Health System
Statements of Cash Flows
Years ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Receipts from and on behalf of patients	$ 44,942,760	$ 41,431,223
Payments to or on behalf of contracted employees	(26,350,653)	(26,527,614)
Payments to suppliers	(16,992,064)	(17,310,149)
Other receipts and payments	3,582,042	3,531,348
Net cash provided by operating activities	5,182,085	1,124,808
Cash flows from noncapital financing activities		
Ad valorem taxes	386,733	367,200
Noncapital contributions	315,060	528,840
Other nonoperating receipts and payments	61,652	80,917
Net cash provided by noncapital financing activities	763,445	976,957
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,263,175)	(4,641,891)
Proceeds from sale of assets	25,472	
Contributions for capital assets	31,990	
Repayment of long-term debt	(1,020,000)	(980,000)
Interest paid	(615,344)	(655,344)
Net cash used by capital and related financing activities	(3,841,057)	(6,277,235)
Cash flows from investing activities		
Decrease in investments	189,252	216,811
Investment income	499,595	291,908
Net cash provided by investing activities	688,847	508,719
Net change in cash and cash equivalents and restricted cash	2,793,320	(3,666,751)
Cash and cash equivalents and restricted cash at beginning of period	9,809,248	13,475,999
Cash and cash equivalents and restricted cash at end of period	$ 12,602,568	$ 9,809,248

The accompanying notes are an integral part of these statements.

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas
d/b/a Memorial Health System
Statements of Cash Flows - Continued
Years ended September 30, 2024 and 2023

	2024	2023
Reconciliation of cash and cash equivalents and restricted cash		
Cash and cash equivalents reported as current assets	$ 6,355,163	$ 3,224,936
Cash and cash equivalents reported in assets limited as to use		
Internally designated	522,831	501,010
By indenture agreement	2,586,571	2,577,984
Cash and cash equivalents reported in investments	3,109,705	3,453,282
Cash and cash equivalents reported in other assets	28,298	52,036
	$ 12,602,568	$ 9,809,248
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$ (4,979,799)	$ (7,156,322)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization	3,492,954	3,590,341
Provision for bad debts	2,701,864	2,342,428
Noncapital contribution related party - in kind	5,287,407	5,504,425
Changes in		
Patient and other receivables	(2,221,571)	(3,831,518)
Estimated third-party payor settlements	1,052,241	409,484
Inventories and prepaid expenses	79,165	(37,368)
Accounts payable and accrued expenses	(230,176)	303,338
Net cash provided by operating activities	$ 5,182,085	$ 1,124,808
Supplemental schedule of noncash investing and financing activities		
Net change in unrealized gains (losses) on investments	$ 164,107	$ (75,452)
Donated capital asset	10,500	

The accompanying notes are an integral part of these statements.

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas
d/b/a Memorial Health System
Notes to Financial Statements
September 30, 2024 and 2023

Note A - Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Financial reporting entity

Memorial Hospital of Hospital District #1 of Dickinson County, Kansas d/b/a Memorial Health System (Hospital), is a municipal corporation operating an acute-care hospital located in Abilene, Kansas, with a licensed bed capacity of 25 acute care beds and 10 psychiatric beds and a long-term care facility with a licensed bed capacity of 75 beds. The Hospital also operates rural health clinics located in Abilene, Kansas, and in Herington, Kansas. The Hospital is governed by an elected five-member Board of Directors.

The Hospital has entered into a Management and Operating Agreement (Agreement) with Salina Regional Health Affiliations, LLC (SRHA). The Agreement provides for SRHA to manage and operate the Hospital for an initial period of five years with automatic renewals of five-year terms unless either the Hospital or SRHA provides written notice to terminate at least one year prior to the expiration of any such term. In connection with the management and operation of the Hospital, SRHA became the employer of all of the Hospital's employees on January 1, 2022. The Hospital reimburses all costs incurred by SRHA with any outstanding balances recorded in a due to/due from account that is required to be resolved upon termination of the Agreement. The Hospital's Board of Directors retains the authority to participate in making significant decisions, as defined in the Agreement.

2. Component units

The Memorial Health Foundation (Foundation) was formed and organized as a Kansas not-for-profit corporation on August 6, 2013. The Foundation is organized for specific health care purposes and is intended to be an auxiliary association and supporting organization for the financial aid and assistance of the Hospital and all of its component or affiliated organizations and other causes and institutions. The Foundation is organized exclusively for charitable, educational, and scientific purposes, including, but not limited to, the sponsorship of specific projects and programs to improve health care services in the geographic area served by the Hospital.

Since the bylaws of the Foundation provide that the Hospital's board will always make up the majority of the Foundation's board and a financial benefit/burden relationship exists between the Hospital and the Foundation, the Hospital includes the Foundation as a component unit in the Hospital's financial statements using the blended method. All significant intercompany accounts and transactions have been eliminated in the accompanying financial statements.

Abilene Housing, Inc. (AHI), was formed and organized as a Kansas not-for-profit corporation. AHI provides housing for elderly and handicapped persons in a 60-unit apartment project located in Abilene, Kansas, and provides services specifically designed to meet the physical, social, and psychological needs of those individuals. Membership of AHI's Board consists of three members designated by the Hospital Board, one member is a member of the Board of Directors of the Hospital, the Chief Executive Officer of the Hospital, and either the Chief Financial Officer, Chief Operating Officer, or Chief Nursing Officer of the Hospital.

The Hospital is financially accountable for AHI since the Hospital Board appoints AHI's Board. The Hospital does not have access to AHI's resources and is not legally obligated for AHI's long-term debt. Management has chosen to not blend the financial activity of AHI due to immateriality. Condensed financial statements of AHI are presented in Note O.

Note A - Summary of Accounting Policies - Continued

3. Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses and liabilities are recorded when incurred.

4. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

5. Cash equivalents

All cash and invested cash include highly-liquid investments with an original maturity of three months or less, are to be considered cash equivalents for purposes of the cash flow statement.

6. Patient accounts receivable

The Hospital reports patient accounts receivable for services rendered at net realizable amounts expected to be received from third-party payors, patients, and others. The Hospital provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

7. Inventories

Inventories are stated at the lower of cost or net realizable value.

8. Investments in debt and equity securities

Investments in debt and equity securities are carried at fair value. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in nonoperating investment income.

9. Capital assets

Capital assets are stated at cost. Depreciation and amortization of capital assets is provided on the straight-line method over the estimated useful lives of the assets. The estimated lives used are generally in accordance with the guidelines established by the American Hospital Association.

The costs of maintenance and repairs are charged to operating expenses as incurred. The costs of significant additions, renewals, and betterments to depreciable properties are capitalized and depreciated over the remaining or extended estimated useful lives of the item or the properties. Gains and losses on disposition of capital assets are included in nonoperating revenues and expenses.

10. Costs of borrowing

Interest costs incurred on borrowed funds during the period of construction of capital assets are expensed in the period incurred. Costs incurred in connection with the issuance of long-term debt are expensed in the period incurred.

Note A - Summary of Accounting Policies - Continued

11. Deferred outflows and inflows of resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

12. Net position

Net position is classified in three components. "Net investment in capital assets" consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. "Restricted net position" is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital including amounts deposited with trustees as required by indenture agreements. "Unrestricted net position" is the remaining net position that does not meet the definition of "net investment in capital assets" or "restricted."

13. Net patient service revenue

Net patient service revenue is reported at established charges with deductions for discounts, charity care, the provision for bad debts, and contractual adjustments, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

14. Operating revenues and expenses

The statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the Hospital's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

15. Charity care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

16. Ad valorem taxes

The Hospital receives financial support from ad valorem taxes. Ad valorem taxes are assessed in November of each year and are available for use by the Hospital in the following year.

17. Income taxes

The Hospital is exempt from federal income taxes pursuant to Sections 115 and 501(a) of the Internal Revenue Code. The Foundation is exempt from federal income taxes pursuant to Section 501(c)(3).

Note A - Summary of Accounting Policies - Continued

18. Adoption of accounting pronouncements

Effective October 1, 2023, the Hospital adopted GASB 100, *Accounting Changes and Error Corrections*. GASB 100 provides enhanced accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. It also addresses the impact of accounting changes and error corrections on required and other supplementary information. GASB 100 requires disclosures for accounting changes and error corrections to include descriptive information about accounting changes and error corrections and information about the quantitative effects on beginning balances from accounting changes and error corrections.

19. Prior period adjustment

Prior to October 1, 2022, the Hospital recorded the SRHA operating expenses incurred and noncapital contributions recognized based on estimated amounts instead of actual costs incurred by SRHA. Effective October 1, 2023, the Hospital corrected the accounting for these operating expenses incurred and noncapital contributions recognized to actual costs incurred by SRHA. The effect of correcting this error on year ended September 30, 2023, is shown in the table in Note Q. See Note O for a description of the SRHA transactions.

20. Subsequent events

The Hospital has evaluated all subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

Note B - Reimbursement Programs

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established charge rates. The amounts reported on the statements of net position as estimated third-party payor settlements consist of the estimated differences between the contractual amounts for providing covered services and the interim payments received for those services. A summary of the payment arrangements with major third-party payors follows:

Medicare - The Hospital is a critical access hospital for purposes of the Medicare program. Inpatient and outpatient acute care services, swing-bed services, and rural health clinic (RHC) services rendered to Medicare beneficiaries are paid under cost reimbursement methodologies with RHC services subject to a per-visit cap.

Inpatient geriatric psychology services and skilled nursing services, provided at the Hospital's long-term care facility, are paid based on prospectively determined per diem rates. Physician services, other than RHC services, rendered to Medicare beneficiaries are paid based on a prospectively determined fee schedule.

The Hospital is paid for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits or reviews thereof by the Medicare administrative contractor. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. The Hospital's Medicare cost reports have been audited or reviewed by the Medicare administrative contractor through December 31, 2020.

Note B - Reimbursement Programs - Continued

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Hospital receives a hospital-specific add-on percentage to each claim based on previously filed cost reports. Nursing facility services are paid at prospectively determined per diem rates set annually on the basis of cost information from preceding calendar years. RHC services rendered to Medicaid beneficiaries are paid at a prospectively determined rate per occasion of service. All other services rendered to Medicaid beneficiaries are paid at prospective rates determined on either a per diem or a fee-for-service basis and are not subject to retroactive adjustment.

Blue Cross and Blue Shield - All services rendered to patients who are insured by Blue Cross and Blue Shield are paid on the basis of prospectively determined rates per discharge or discounts from established charges.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

A summary of gross and net patient service revenue follows:

	2024	2023
Gross patient service revenue	$ 80,725,028	$ 73,497,284
Adjustments to patient service revenue		
Third-party contractual adjustments, discounts, and allowances	(33,736,805)	(29,954,437)
Provision for bad debts	(2,701,864)	(2,342,428)
Charity care	(124,731)	(208,737)
Net patient service revenue	$ 44,161,628	$ 40,991,682

Revenue from the Medicare and Medicaid programs accounted for approximately 45 percent and 16 percent, respectively, of the Hospital's net patient service revenue during 2024, and 52 percent and 12 percent, respectively, of the Hospital's net patient service revenue during 2023. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

Note C - Employee Retention Bonus Receivable

The Hospital has determined that the retention of its employees is in the best interest of the Hospital and the patients they serve. To accomplish this, the Hospital paid out retention bonuses in the amount of $1,593,000 on September 1, 2023, to encourage employees to remain employed at the Hospital. The amount of the bonus will be forgiven at the end of a 24-month period whereas the employee remains employed at the Hospital. The bonus was structured as a loan and employees that agreed to the program signed an agreement to repay the bonus if they terminate employment within 24 months of receiving the loan. Since the vast majority of the employees are expected to stay for the entire 24-month period, the Hospital is amortizing the loan to expense over the 24-month period. The outstanding receivable balance at September 30, 2024 and 2023, was $1,540,233 and $667,241.

Note D - Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for replacement of capital assets or for purchase of additional capital assets, over which the Board retains control and may at its discretion subsequently use for other purposes and assets whose use is limited by indenture agreement consist of money market mutual funds that are held by a trustee under bond indenture agreements. Amounts that are required for obligations classified as current liabilities are reported in current assets.

Note E - Investments and Other Investments

Investments are summarized as follows:

	2024	2023
Invested cash consisting of bank certificates of deposit, bank savings accounts, and money market mutual funds	$ 3,109,705	$ 3,453,282
Common stock at fair value	60,688	55,952
Corporate bonds at fair value		97,832
Abilene Community Foundation Endowment fund	26,680	16,411
Accrued interest	33,744	39,580
	$ 3,230,817	$ 3,663,057

The Hospital received contributions from an outside trust consisting of common stocks and corporate bonds. The outside trustee stipulated that the Hospital board administer the resources created by the contributions separate from public monies held by the Hospital and that the assets be invested with the goal of maximizing the benefit to the Hospital by retaining the securities in their existing form through their maturities and placing the assets in similar high-grade securities in the future. Restrictions on the use of the contributions have been met and the investments are now unrestricted as to their use by the Hospital.

Other investments consist of the Hospital's 25-percent ownership interest in Mobile Clinical Services, Inc. (MCSI). The Hospital's equity in undistributed net earnings of MCSI since acquisition is $180,426. Nuclear medicine and ultrasound services are provided to the Hospital through arrangements with MCSI. Total fees charged to operating expense for these services were approximately $43,328 and $39,081 for the years ended September 30, 2024 and 2023. Amounts payable to MCSI for these services were insignificant at September 30, 2024 and 2023.

Note F - Capital Assets

Capital asset additions, retirements, and balances are as follows:

	Balance September 30, 2023	Additions/ transfers	Retirements	Balance September 30, 2024
Land improvements	$ 1,466,892	$ -	$ -	$ 1,466,892
Buildings	34,427,880	472,850	66,144	34,834,586
Major movable equipment	14,838,167	1,495,649	753,539	15,580,277
Total capital assets being depreciated	50,732,939	1,968,499	819,683	51,881,755
Less accumulated depreciation				
Land improvements	1,104,890	66,271		1,171,161
Buildings	20,415,106	1,470,518	66,144	21,819,480
Major movable equipment	10,376,103	1,956,165	752,650	11,579,618
Total accumulated depreciation	31,896,099	3,492,954	818,794	34,570,259
Total capital assets being depreciated, net	18,836,840	(1,524,455)	889	17,311,496
Land	491,001			491,001
Construction in process	28,672	213,312		241,984
Total capital assets not being depreciated	519,673	213,312	-	732,985
Capital assets, net	$19,356,513	$ (1,311,143)	$ 889	$18,044,481

Note F - Capital Assets - Continued

	Balance December 31, 2022	Additions/ transfers	Retirements	Balance September 30, 2023
Land improvements	$ 1,466,892	$ -	$ -	$ 1,466,892
Buildings	31,175,678	3,252,202		34,427,880
Major movable equipment	14,744,646	462,168	368,647	14,838,167
Total capital assets being depreciated	47,387,216	3,714,370	368,647	50,732,939
Less accumulated depreciation				
Land improvements	1,034,250	70,640		1,104,890
Buildings	18,903,773	1,511,333		20,415,106
Major movable equipment	8,736,382	2,008,368	368,647	10,376,103
Total accumulated depreciation	28,674,405	3,590,341	368,647	31,896,099
Total capital assets being depreciated, net	18,712,811	124,029	-	18,836,840
Land	491,001			491,001
Construction in process	785,095	(756,423)		28,672
Total capital assets not being depreciated	1,276,096	(756,423)	-	519,673
Capital assets, net	$19,988,907	$ (632,394)	$ -	$19,356,513

Note G - Deferred Ad Valorem Tax Revenue

Deferred ad valorem tax revenue is levied in November but not available for expenditure in the current period.

Note H - Long-term Debt

Long-term debt consists of the following:

	2024	2023
3.00% - 5.00% Abilene, Kansas Public Building Commission Refunding Revenue bonds, Series 2017; issued on December 14, 2017, in the original amount of $17,405,000; due serially through December 1, 2035	$ 14,885,000	$ 15,905,000
Add net unamortized premium on bonds	660,528	769,315
	15,545,528	16,674,315
Less current maturities	(965,000)	(1,020,000)
Long-term debt, excluding current maturities	$ 14,580,528	$ 15,654,315

The following is a summary of changes in long-term debt:

Outstanding at October 1, 2022	$ 17,770,227
Principal payments	(980,000)
Amortization of premium on bonds issued	(115,912)
Outstanding at September 30, 2023	16,674,315
Principal payments	(1,020,000)
Amortization of premium on bonds issued	(108,787)
Outstanding at September 30, 2024	$ 15,545,528

On December 14, 2017, the Abilene, Kansas Public Building Commission issued $17,405,000, in Refunding Revenue Bonds, Series 2017 (the 2017 PBC bonds), for the benefit of the Hospital pursuant to a Trust Indenture. The proceeds of these bonds were used to (1) pay the costs related to the issuance of the 2017 bonds, and (2) advance refund $6,985,000 of the 2011 PBC bonds and $10,000,000 of the 2012 PBC bonds by making an irrevocable deposit with a trustee. The trustee used that deposit to purchase direct obligations of the United States of America that provided for payment of interest on the refunded (1) 2011 bonds through December 1, 2019, and on that date redeemed $6,985,000 of the refunded debt, and (2) 2012 bonds through December 1, 2022, and on that date redeemed the $10,000,000 of refunded debt, at 100 percent on those dates. As a result of this transaction, a deferred refunding loss was recognized for the difference between the book value of the refunded debt and the amount required to extinguish the debt. This deferred loss is reported as a deferred outflow of resources on the statement of net position and is being amortized into expense over the term of the bonds.

The Pledge of Revenues and Intercreditor Agreement between the Hospital and the City of Abilene, Kansas, and Abilene, Kansas Public Building Commission, requires the Hospital to transfer to a trustee, on a monthly basis, specified amounts which, when combined with interest earned on the respective funds held by the trustee, will provide sufficient funds to pay the principal and interest on the appropriate due dates. Such transfers were made and are included in assets whose use is limited. The obligations of the Hospital under

Note H - Long-term Debt - Continued

the agreement are secured by a pledge of its unrestricted revenues, subject to the right of the Hospital to dispose of or encumber property as defined and permitted in the agreement. The agreement also includes certain restrictive covenants relating to the disposition of property, adequacy of insurance coverage, incurrence of additional indebtedness, the level of days cash on hand, and the level of fees and rates charged. The covenant in the agreement requires that fees and rates for services be set at levels sufficient for the Hospital to produce income available for debt service in each fiscal year equal to 125 percent of the debt service requirements during that fiscal year for outstanding debt.

Scheduled annual debt service requirements on long-term debt are as follows:

	Principal	Interest	Total
2025	$ 965,000	$ 570,818	$ 1,535,818
2026	1,010,000	521,444	1,531,444
2027	1,060,000	469,694	1,529,694
2028	1,115,000	415,319	1,530,319
2029	1,175,000	358,069	1,533,069
2030-2034	6,605,000	1,029,594	7,634,594
2035-2036	2,955,000	93,047	3,048,047
	$ 14,885,000	$ 3,457,985	$ 18,342,985

Total interest costs incurred are as follows:

	2024	2023
Total interest incurred	$ 605,010	$ 639,456
Amortization of bond premium	(108,787)	(115,912)
Amortization of deferred loss on advance refunding	119,962	128,285
Interest expense	$ 616,185	$ 651,829

Note I - Risk Management

The Hospital is insured for professional liability under a comprehensive hospital liability policy provided by an independent insurance carrier with limits of $500,000 per occurrence and up to an annual aggregate of $1,500,000 for all claims made during the policy year. The Hospital also has general liability coverage with limits of $1,000,000 per occurrence and up to an annual aggregate of $3,000,000 for all claims made during the year. All coverage is on a claims-made basis. The above policies have been renewed through October 1, 2024. The Hospital intends to renew this coverage on that date and is aware of no reason why such coverage would be denied at that time.

In addition to the risk disclosed elsewhere in these financial statements and notes thereto, the Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital purchases commercial insurance for these risks. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note I - Risk Management - Continued

The Hospital is involved in litigation and other disputes arising in the normal course of business. After consultation with legal counsel, management believes that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

Note J - Deposits with Financial Institutions

Custodial credit risk is the risk that in an event of a bank failure, a government's deposits may not be returned to it. The Hospital's deposit policy of custodial credit risk requires compliance with the provisions of State law. In addition, the Hospital and Foundation maintain their cash in banks which are insured by the Federal Deposit Insurance Corporation (FDIC).

Kansas statutes authorize the Hospital, with certain restrictions, to deposit or invest in open accounts, time deposits, certificates of deposit, repurchase agreements, the State Treasurer's municipal investment pool, and U.S. Treasury bills and notes. Also, statutes generally require that financial institutions pledge securities with a market value equal to total deposits, except for monies acquired through the receipt of grants, donations, bequests, and gifts, in excess of F.D.I.C. coverage at any given time and the securities pledged be deposited with a Kansas state or national bank or trust company, the Federal Reserve Bank, the Federal Home Loan Bank, or the Kansas State Treasurer.

The carrying amount of the Hospital's deposits with financial institutions was $9,417,634 and the bank balances were $9,480,020 at September 30, 2024. The bank balances are categorized as follows at September 30, 2024:

Amount insured by the F.D.I.C., or collateralized with securities held by the Hospital or by its agent in the Hospital's name	$ 4,444,962
Uncollateralized (amount collateralized with securities held in safekeeping by an authorized depository other than the pledging financial institution's trust department, but not in the Hospital's name)	4,928,672
Unsecured donated monies not subject to pledging statues not insured or collateralized	101,120
Unsecured amounts not insured or collateralized	5,266
	$ 9,480,020

The carrying amount and bank balances of the Foundation's deposits with financial institutions was $267,973. Of the bank balances, $250,000 was covered by federal depository insurance and $17,973 was uninsured and uncollateralized.

Note K - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows:

	2024	2023
Medicare	29 %	37 %
Medicaid	8	9
Blue Cross	9	8
Other third-party payors	32	26
Patients	22	20
	100 %	100 %

Note L - Budgetary Comparison

Kansas statutes require that a fixed annual operating budget be legally adopted for the Hospital. All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the Hospital for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year-end. The comparison of the actual expenditures and the budgetary expenditures is as follows.

	2024	2023
Actual expenditures	$ 47,000,055	$ 46,544,184
2023 budgeted expenditures	$ 14,724,150	$ 13,472,654
2024 budgeted expenditures	45,058,780	44,172,452
Total budgeted expenditures	$ 59,782,930	$ 57,645,106

The budgeted expenditures for the year ended September 30, 2024, were computed by taking nine months of the statutory budget for the calendar year ended December 31, 2024, assuming equal expenditures in each month, and three months of the statutory budget for the calendar year ended December 31, 2023, assuming equal expenditures in each month. The budgeted expenditures for the year ended September 30, 2023, were computed by taking nine months of the statutory budget for the calendar year ended December 31, 2023, assuming equal expenditures in each month, and three months of the statutory budget for the calendar year ended December 31, 2022, assuming equal expenditures in each month.

Note M - Retirement Plan

As of January 1, 2022, the Hospital's workforce became employees of SRHA. SRHA sponsors a defined contribution pension plan (Plan) as authorized by Kansas statues. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investment of those contributions.

The Plan covers substantially all employees of the Hospital. Employees are eligible to participate in the Plan after completing 60 days of service. To become eligible for contributions made by SRHA, the employee must have completed 12 months of service. Employee contributions vest immediately and contributions made by SRHA vest after three years of service. SRHA matches 50 percent of employee deferrals up to the first 6 percent of included compensation pay. For employees who have completed one year of service and 1,000 hours during the Plan year, SRHA will contribute an annual nonelective contribution of 2 percent of included compensation for employees with less than 10 years of service and 2.5 percent for employees with 10 or more years of credited service.

The Hospital recognized pension expense of $736,472 and $616,860 for the years ended September 30, 2024, and 2023, respectively. Employee contributions to the plan were $1,071,648 and $1,166,467 for the years ended September 30, 2024 and 2023, respectively.

Note N - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined according to a hierarchy that gives highest priority to use of observable inputs and lowest priority to use of unobservable inputs. These inputs are described as follows:

Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.

Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable, supported by little or no market activity, and are significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used by the Hospital for assets measured at fair value on a recurring basis:

Certificates of deposit, money market mutual funds, and common stocks are valued at unadjusted quoted prices for identical securities in active markets.

Corporate bonds are valued at prices provided by an independent pricing service.

Note N - Fair Value Measurements - Continued

The following tables set forth, by level, the Hospital's assets measured at fair value on a recurring basis:

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Cash and certificates of deposit and money market mutual funds	$ 6,167,707	$ -	$ -	$ 6,167,707
Common stocks	60,688			60,688
	$ 6,228,395	$ -	$ -	$ 6,228,395

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash and certificates of deposit and money market mutual funds	$ 6,522,808	$ -	$ -	$ 6,522,808
Common stocks	55,952			55,952
Corporate bonds		97,832		97,832
	$ 6,578,760	$ 97,832	$ -	$ 6,676,592

Note O - Related Parties

Abilene Housing, Inc.

As discussed in Note A2, the Hospital is responsible for appointing members of AHI's Board of Directors. The Hospital does not make any appropriations to AHI or receive any distributions. The following is a summary of the assets, liabilities, net position, revenues and expenses, and changes in net position of AHI as of and for the periods ended:

	2024	2023
Cash and cash equivalents	$ 749,373	$ 827,396
Investments	402,470	303,400
Total current assets	1,151,843	1,130,796
Capital assets - net	869,065	910,770
Other assets	25,725	23,440
Total assets	$ 2,046,633	$ 2,065,006
Accounts payable	$ 25,218	$ 25,266
Current portion of mortgage payable	85,100	80,685
Other current liabilities	1,179	1,179
Total current liabilities	111,497	107,130
Mortgage payable, excluding current portion	732,411	817,361
Other liabilities	25,622	23,396
Total liabilities	869,530	947,887
Net assets	1,177,103	1,117,119
Total liabilities and net assets	$ 2,046,633	$ 2,065,006
Revenues	$ 658,411	$ 570,537
Management fee paid to Hospital	258,028	182,300
Depreciation and amortization	137,071	132,179
Other expenses	203,328	234,845
Total expenses	598,427	549,324
Change in net assets	$ 59,984	$ 21,213

Note O - Related Parties - Continued

Salina Regional Health Affiliations, LLC

In connection with the Agreement with SRHA, SRHA processes all disbursements and payroll for the Hospital. The Hospital is charged the actual costs of its employees and the related benefits that are legally employed by SRHA. Due to this, the expenses have continued to be reported as salaries and employee benefits as this is considered a more accurate representation of the true cost of operations. The Hospital had incurred $4,727,246 of information technology software and equipment costs to facilitate the affiliation. These costs were loaned by SRHA. In the year ended September 30, 2024, SRHA loaned the Hospital $1,483,885 for the costs of an MRI upgrade. As of September 30, 2024 and 2023, the Hospital has a balance due to SRHA totaling $3,214,262 and $3,530,427, respectively. As of September 30, 2024, $393,937 of this liability was in relation to the IT software and equipment and $1,483,885 was related to the MRI upgrade. The repayment schedule related to these loans at September 30, 2024, is as follows:

2025	$ 950,394
2026	741,943
2027	185,485
	$ 1,877,822

In addition to the actual costs of employees noted above, SRHA provides additional services to the Hospital related to management and administrative services, nursing administration, medical records, information technology, support, and supervision of billing activities, etc. These expenses are allocated to SRHA and its related entities based on allocation methodologies intended to estimate the actual expenses incurred. As these are considered services received by the Hospital, they have been reflected in the financial statements as operating expenses. SRHA does not intend to be reimbursed for these services, therefore, the amounts are also reflected as noncapital contributions. Operating expenses incurred and noncapital contributions recognized totaled $5,287,407 and $5,504,425 for the years ended September 30, 2024 and 2023, respectfully. Since SRHA employs the Hospital's employees, all employee benefits, including health insurance, dental insurance, worker's compensation, and pension plan, are the responsibility of SRHA and the Hospital has agreed to reimburse these costs.

Note P - Condensed Combining Information

Condensed financial data for the Hospital and its blended component unit as of and for the period ended September 30, 2024, are presented in the following tables:

	Statement of Net Postion - 2024			
	Hospital	Foundation	Eliminations	Consolidated
Assets				
Cash and invested cash	$ 6,097,899	$ 257,264	$ -	$ 6,355,163
Other current assets	10,479,735		(62,218)	10,417,517
Capital assets	18,044,481			18,044,481
Other assets	2,340,618			2,340,618
Total assets	36,962,733	257,264	(62,218)	37,157,779
Deferred outflows of resources	669,748	-	-	669,748
Total assets and deferred outflows of resources	$37,632,481	$ 257,264	$ (62,218)	$37,827,527
Liabilities				
Accounts payable	$ 840,408	$ 9,633	(7,509)	$ 842,532
Other current liabilities	4,507,460			4,507,460
Other noncurrent liabilities	15,536,254			15,536,254
Total liabilities	20,884,122	9,633	(7,509)	20,886,246
Net position				
Net investment in capital assets	3,168,701			3,168,701
Restricted				
For debt service	2,586,571			2,586,571
Expendable for capital acquisitions		28,134		28,134
For specific operating activities		162,694	(54,709)	107,985
Unrestricted	10,993,087	56,803		11,049,890
Total net position	16,748,359	247,631	(54,709)	16,941,281
Total liabilities and net position	$37,632,481	$ 257,264	$ (62,218)	$37,827,527

Note P - Condensed Combining Information - Continued

	Statement of Revenues, Expenses, and Changes in Net Position - 2024			
	Hospital	Foundation	Eliminations	Consolidated
Operating revenue				
Net patient service revenue	$44,161,628	$ -	$ -	$44,161,628
Other revenues	3,660,493		(39,454)	3,621,039
Total operating revenues	47,822,121	-	(39,454)	47,782,667
Operating expenses				
Salaries and wages and employee benefits	27,337,404		179	27,337,583
Supplies and other	21,929,615		2,314	21,931,929
Depreciation and amortization	3,492,954			3,492,954
Total operating expenses	52,759,973	-	2,493	52,762,466
Operating loss	(4,937,852)		(41,947)	(4,979,799)
Nonoperating revenues (expenses)	6,062,206	(61)	54,528	6,116,673
Excess of revenues over (under) expenses before capital contributions	1,124,354	(61)	12,581	1,136,874
Capital grants and contributions	42,490			42,490
Change in net position	1,166,844	(61)	12,581	1,179,364
Beginning net position	15,581,515	247,692	(67,290)	15,761,917
Ending net position	$16,748,359	$ 247,631	$ (54,709)	$16,941,281

	Statement of Cash Flows - 2024			
	Hospital	Foundation	Eliminations	Consolidated
Net cash provided (used) by				
Operating activities	$ 5,236,613	$ -	$ (54,528)	$ 5,182,085
Noncapital financing activities	705,104	160	58,181	763,445
Capital and related financing activities	(3,841,057)			(3,841,057)
Investing activities	687,421	5,079	(3,653)	688,847
Net change in cash and cash equivalents	2,788,081	5,239	-	2,793,320
Cash and cash equivalents at beginning of period	9,557,223	252,025		9,809,248
Cash and cash equivalents at end of period	$12,345,304	$ 257,264	$ -	$12,602,568

Note P - Condensed Combining Information - Continued

Condensed financial data for the Hospital and its blended component unit as of and for the period ended September 30, 2023, are presented in the following tables:

	Statement of Net Postion - 2023			
	Hospital	Foundation	Eliminations	Consolidated
Assets				
Cash and invested cash	$ 2,972,911	$ 252,025	$ -	$ 3,224,936
Other current assets	11,141,849		(67,290)	11,074,559
Capital assets	19,356,513			19,356,513
Other assets	2,950,606			2,950,606
Total assets	36,421,879	252,025	(67,290)	36,606,614
Deferred outflows of resources	789,710	-	-	789,710
Total assets and deferred outflows of resources	$37,211,589	$ 252,025	$ (67,290)	$ 37,396,324
Liabilities				
Accounts payable	$ 816,267	$ 4,333	$ -	$ 820,600
Other current liabilities	4,713,519			4,713,519
Noncurrent liabilities	16,100,288			16,100,288
Total liabilities	21,630,074	4,333	-	21,634,407
Net position				
Net investment in capital assets	3,471,908			3,471,908
Restricted				
For debt service	2,577,984			2,577,984
Expendable for capital acquisitions		29,024		29,024
For specific operating activities		163,622	(67,290)	96,332
Unrestricted	9,531,623	55,046		9,586,669
Total net position	15,581,515	247,692	(67,290)	15,761,917
Total liabilities and net position	$37,211,589	$ 252,025	$ (67,290)	$ 37,396,324

Note P - Condensed Combining Information - Continued

	Statement of Revenues, Expenses, and Changes in Net Position - 2023			
	Hospital	Foundation	Eliminations	Consolidated
Operating revenue				
Net patient service revenue	$40,991,682	$ -	$ -	$ 40,991,682
Other revenues	3,561,141		(47,398)	3,513,743
Total operating revenues	44,552,823	-	(47,398)	44,505,425
Operating expenses				
Salaries and wages and employee benefits,	25,471,479		321	25,471,800
Supplies and other	22,594,582		5,024	22,599,606
Depreciation and amortization	3,590,341			3,590,341
Total operating expenses	51,656,402	-	5,345	51,661,747
Operating loss	(7,103,579)		(52,743)	(7,156,322)
Nonoperating revenues (expenses)	5,717,532	24,336	67,808	5,809,676
Excess of revenues over (under) expenses before capital contributions	(1,386,047)	24,336	15,065	(1,346,646)
Capital grants and contributions				
Change in net position	(1,386,047)	24,336	15,065	(1,346,646)
Beginning net position	16,967,562	223,356	(82,355)	17,108,563
Ending net position	$15,581,515	$ 247,692	$ (67,290)	$ 15,761,917

	Statement of Cash Flows - 2023			
	Hospital	Foundation	Eliminations	Consolidated
Net cash provided (used) by				
Operating activities	$ 1,194,157	$ -	(69,349)	$ 1,124,808
Noncapital financing activities	884,927	22,681	69,349	976,957
Capital and related financing activities	(6,277,235)			(6,277,235)
Investing activities	508,719			508,719
Net change in cash and cash equivalents	(3,689,432)	22,681		(3,666,751)
Cash and cash equivalents at beginning of period	13,246,655	229,344		13,475,999
Cash and cash equivalents at end of period	$ 9,557,223	$ 252,025	$ -	$ 9,809,248

Note Q - Prior Period Adjustments

The following changes were made to the Hospital's 2023 financial statement amounts for the correction of error described in Note A19.

	Amount as previously reported	Correction of error	Amount as restated
Statement of Revenues, Expenses and Changes in Net Position			
Operating expenses			
Purchased administrative services	$4,337,436	$1,166,989	$5,504,425
Total operating expenses	50,494,758	1,166,989	51,661,747
Operating loss	(5,989,333)	1,166,989	(7,156,322)
Nonoperating revenues (expenses)			
Noncapital contributions, related party	4,337,436	1,166,989	5,504,425
Total nonoperating revenues, net	4,642,687	1,166,989	5,809,676
Statement of Cash Flows			
Operating loss	(5,989,333)	(1,166,989)	(7,156,322)
Noncapital contributions related party - in kind	4,337,436	1,166,989	5,504,425