Kearny County Hospital
A Component Unit of Kearny County, Kansas

Independent Auditor's Report and Financial Statements

June 30, 2022 and 2021

Kearny County Hospital
A Component Unit of Kearny County, Kansas
June 30, 2022 and 2021

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Independent Auditor's Report

Board of Trustees
Kearny County Hospital
Lakin, Kansas

Opinions

We have audited the accompanying financial statements of Kearny County Hospital, a component unit of Kearny County, Kansas, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Kearny County Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Kearny County Hospital as of June 30, 2022 and 2021, and the 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 Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the provisions of 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 Kearny County Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 18* to the financial statements, during the year ended June 30, 2022, Kearny County Hospital adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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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 Kearny County Hospital's ability to continue as a going concern for 12 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material 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 GAAS, 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 Kearny County Hospital'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 Kearny County 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

Management has omitted the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kearny County Hospital's basic financial statements. The Operating Income (Loss) by Department – Direct and the Operating Income (Loss) by Department – Allocated are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Operating Income (Loss) by Department – Direct and the Operating Income (Loss) by Department – Allocated is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

FORVIS, LLP

Wichita, Kansas
November 21, 2022

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Balance Sheets
June 30, 2022 and 2021

Assets

	2022	2021 (As Restated)
Current Assets		
Cash and cash equivalents	$ 9,813,861	$ 8,006,142
Patient accounts receivable, net of allowance; 2022 - $1,500,021; 2021 - $724,717	2,917,194	3,438,560
Estimated amounts due from third-party payers	-	321,466
Other receivables	402,729	413,789
Employee receivables	37,994	38,013
Leases receivable	40,647	-
Supplies	659,659	509,239
Prepaid expenses and other	336,474	372,565
Total current assets	14,208,558	13,099,774
Noncurrent Cash and Investments		
Designated by board of trustees	1,333,917	1,327,443
Capital Assets, Net	5,190,002	6,115,622
Lease Assets, Net	109,080	160,541
Other Assets		
Employee receivables	56,859	42,565
Leases receivable	43,177	-
	100,036	42,565
Total assets	$ 20,941,593	$ 20,745,945

See Notes to Financial Statements

Liabilities and Net Position

	2022	2021 (As Restated)
Current Liabilities		
Current maturities of long-term debt	$ 31,658	$ 119,608
Current portion of lease liabilities	67,672	75,099
Accounts payable	698,899	619,202
Accrued payroll	571,132	584,707
Accrued vacation	248,728	249,911
Other accrued expenses	325,281	674,476
Estimated amounts due to third-party payers	405,000	-
Advance from Medicare	1,206,004	1,387,070
Unearned revenue	89,690	78,712
Total current liabilities	3,644,064	3,788,785
Other Liabilities		
Advance from Medicare	-	1,255,546
Long-term debt	70,613	11,542
Lease liabilities	43,563	104,788
Total other liabilities	114,176	1,371,876
Total liabilities	3,758,240	5,160,661
Deferred Inflows of Resources		
Leases	81,369	-
Total deferred inflows of resources	81,369	-
Net Position		
Net investment in capital assets	5,085,576	5,965,126
Unrestricted	12,016,408	9,620,158
Total net position	17,101,984	15,585,284
Total liabilities and net position	$ 20,941,593	$ 20,745,945

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2022 and 2021

	2022	2021 (As Restated)
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2022 - $2,208,302; 2021 - $748,056	$ 24,837,584	$ 24,881,729
Other	3,303,766	3,707,383
Total operating revenues	28,141,350	28,589,112
Operating Expenses		
Salaries and wages	14,802,391	15,725,421
Employee benefits	2,867,485	3,781,689
Purchased services and professional fees	2,992,316	3,231,822
Other supplies and expenses	7,011,409	6,668,116
Depreciation	1,142,782	1,182,858
Amortization	58,574	79,797
Total operating expenses	28,874,957	30,669,703
Operating Loss	(733,607)	(2,080,591)
Nonoperating Revenues (Expenses)		
Noncapital appropriations - Kearny County	551,276	145,370
Interest income	50,407	23,661
Interest expense	(9,094)	(13,133)
Loss on disposal of capital assets	-	(3,460)
Noncapital grants and gifts	806,512	577,404
Provider Relief Funds (*CARES Act*)	736,951	4,511,517
Paycheck Protection Program (PPP) loan forgiveness	-	2,842,872
Total nonoperating revenues	2,136,052	8,084,231
Income Before Capital Grants and Gifts	1,402,445	6,003,640
Capital Grants and Gifts	114,255	-
Increase in Net Position	1,516,700	6,003,640
Net Position, Beginning of Year	15,585,284	9,581,644
Net Position, End of Year	$ 17,101,984	$ 15,585,284

See Notes to Financial Statements

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021 (As Restated)
Cash Flows From Operating Activities		
Receipts from and on behalf of patients	$ 24,648,804	$ 23,203,687
Payments to suppliers and contractors	(9,933,998)	(9,882,911)
Payments to employees	(17,980,354)	(19,099,432)
Other receipts (payments), net	3,285,120	(782,888)
Net cash provided by (used in) operating activities	19,572	(6,561,544)
Cash Flows From Noncapital Financing Activities		
Noncapital appropriations - Kearny County	551,276	145,370
Noncapital grants and gifts	806,512	577,404
Provider Relief Fund (*CARES Act*)	736,951	4,511,517
Net cash provided by noncapital financing activities	2,094,739	5,234,291
Cash Flows From Capital and Related Financing Activities		
Capital grants and gifts	114,255	-
Purchases of capital assets	(275,523)	(908,596)
Proceeds from disposal of capital assets	58,002	3,723
Principal paid on long-term debt	(132,879)	(140,500)
Interest paid on long-term debt	(4,273)	(3,203)
Principal payments received on leases receivable	38,229	77,091
Interest payments received on leases receivable	3,221	1,080
Principal paid on leases payable	(75,765)	(96,064)
Interest paid on leases payable	(4,821)	(9,930)
Net cash used in capital and related financing activities	(279,554)	(1,076,399)
Cash Flows From Investing Activities		
Interest income received	47,186	22,581
Change in certificates of deposit	(4,677)	(319)
Advances to employees	(67,750)	(60,000)
Net cash used in investing activities	(25,241)	(37,738)
Increase (Decrease) in Cash and Cash Equivalents	1,809,516	(2,441,390)
Cash and Cash Equivalents, Beginning of Year	8,774,648	11,216,038
Cash and Cash Equivalents, End of Year	$ 10,584,164	$ 8,774,648

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Statements of Cash Flows (Continued)
Years Ended June 30, 2022 and 2021

	2022	2021 (As Restated)
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents	$ 9,813,861	$ 8,006,142
Designated by board of trustees	770,303	768,506
	$ 10,584,164	$ 8,774,648
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating loss	$ (733,607)	$ (2,080,591)
Provision for uncollectible accounts	2,208,302	748,056
Depreciation	1,142,782	1,182,858
Amortization	58,574	79,797
Forgiveness of employee receivables	53,475	75,417
Changes in operating assets and liabilities		
Patient accounts receivable	(1,686,936)	(1,931,777)
Estimated amounts due from and to third-party payers	726,466	(267,134)
Advance from Medicare	(1,436,612)	(227,187)
Other receivables	11,060	(96,580)
Supplies	(150,420)	(46,408)
Prepaid expenses and other	36,091	(114,267)
Accounts payable and accrued expenses	(179,897)	509,963
Unearned revenue	10,978	(4,316,600)
Deferred inflows of resources - leases	(40,684)	(77,091)
Net cash provided by (used in) operating activities	$ 19,572	$ (6,561,544)
Noncash Investing, Capital and Financing Activities		
Long-term debt incurred for purchase of capital assets	$ 104,000	$ 101,901
Capital assets acquisitions included in accounts payable	$ -	$ 104,359
Lease obligation incurred for capital assets	$ 7,113	$ -
Additions to leases receivable	$ 122,053	$ -
PPP loan forgiveness	$ -	$ 2,842,872

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Notes to Financial Statements
June 30, 2022 and 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Kearny County Hospital (Hospital) is an acute care hospital located in Lakin, Kansas. The Hospital is a component unit of Kearny County (County) and governed by a Board of Trustees. The Board of County Commissioners appoints the members of the Board of Trustees. The Hospital primarily earns revenues by providing inpatient, outpatient, emergency care, long-term care and rural health clinic services to patients in the Kearny County area. The Hospital is licensed as a critical access hospital (CAH).

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and county appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific such as county appropriations, interest income and interest on capital assets-related debt are included in nonoperating revenues and expenses. The Hospital first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources 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 those estimates.

Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents. There are no cash equivalents at June 30, 2022 and 2021.

Patient Accounts Receivable

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

Supplies

Supply inventories are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Noncurrent Investments

Noncurrent investments include assets consisting of certificates of deposit, which are carried at amortized cost. The Board of Trustees has designated these certificates of deposit for future capital acquisitions, which may at its discretion later use these designated certificates of deposit for other purposes.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the Hospital:

Land improvements	10 – 20 years
Buildings	5 – 40 years
Equipment	5 – 20 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Capital and Lease Asset Impairment

The Hospital evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation or accumulated amortization is increased by the amount of the impairment loss. No asset impairment was recognized during the years ended June 30, 2022 and 2021.

Paycheck Protection Program (PPP) Loan

The Hospital received a PPP loan established by the *Coronavirus Aid, Relief and Economic Security Act (CARES Act)* and has accounted for the funding as debt in accordance with GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Interest is accrued in accordance with the loan agreement. Any forgiveness of the loan is recognized as nonoperating revenue in the financial statements in the period the debt is legally forgiven. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration (SBA), or lender; as a result of such audit, adjustment could be required to any revenue recognized. The Hospital received legal notice on June 8, 2021, that the PPP loan was forgiven in its entirety and recognized the gain on extinguishment as other nonoperating revenue on the accompanying statements of revenues, expenses and changes in net position.

Compensated Absences

Hospital policies permit most employees to accumulate paid time off that may be realized as paid time off or, in limited circumstances (*i.e.*, resignation), as a cash payment, up to the allowable maximum. Expense and the related liability are recognized as paid time off benefits when earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; professional liability; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Hospital is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Deferred Inflows of Resources

The Hospital reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheet.

Net Position

Net position of the Hospital is classified in two components on its balance sheets.

- Net investment in capital assets consists of capital and lease assets net of accumulated depreciation and amortization reduced by the outstanding balances of borrowings used to finance the purchase, construction or lease of those assets.
- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

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

Noncapital Appropriations – Kearny County

The Hospital received approximately 2% and 0% in 2022 and 2021, respectively, of its financial support from proceeds of noncapital appropriations for property taxes.

Property taxes are levied by Kearny County in November of one year and are received beginning in January of the following year. Revenue from noncapital appropriations – Kearny County is recognized in full in the year in which use is first permitted.

Provider Relief Funds (CARES Act)

On March 27, 2020, the *CARES Act* was signed into law as part of the government's response to the spread of the SARS-CoV-2 virus and the incidence of COVID-19. The *CARES Act* contained provisions for certain healthcare providers to receive Provider Relief Funds (PRF) from the U.S. Department of Health and Human Services (HHS). The distributions from the Provider Relief Funds are not subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by HHS. The Hospital is accounting for such payments as voluntary nonexchange transactions. Payments are recognized as revenue once the applicable terms and conditions required to retain the funds have been met and are classified as nonoperating revenue in the accompanying statements of revenues, expenses and changes in net position. The unrecognized amount of Provider Relief Fund distributions is recorded as a component of unearned revenue in the accompanying balance sheets.

Income Taxes

As an essential government function of the County, the Hospital is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

Note 2: Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Hospital's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities or the state of Kansas; bonds of any city, county, school district or special road district of the state of Kansas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At June 30, 2022 and 2021, $10,988,341 and $9,378,293 of the Hospital's bank balances of $11,238,341 and $9,628,293, respectively, were exposed to custodial credit risk as follows:

	2022	2021
Uninsured and collateral held by pledging financial institution	$ 10,988,341	$ 9,378,293

Summary of Carrying Values

The carrying values of deposits and certificates of deposit shown above are included in the balance sheets as follows:

	2022	2021
Carrying value		
Deposits	$ 10,584,164	$ 8,774,648
Certificates of deposit	563,614	558,937
	$ 11,147,778	$ 9,333,585
Included in the following balance sheet captions		
Cash and cash equivalents	$ 9,813,861	$ 8,006,142
Designated by board of trustees	1,333,917	1,327,443
	$ 11,147,778	$ 9,333,585

Note 3: Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at June 30 consisted of:

	2022	2021
Medicare	$ 546,399	$ 800,526
Medicaid	645,398	626,131
Other third-party payers	1,459,663	1,360,195
Patients	1,765,755	1,376,425
	4,417,215	4,163,277
Less allowance for uncollectible accounts	1,500,021	724,717
	$ 2,917,194	$ 3,438,560

Note 4: Leases Receivable

The Hospital leases a portion of its space to various third parties, the terms of which expire on June 30, 2024. Payments increase annually at a rate of 3%. The leases were measured based upon the rate at lease commencement.

Revenue recognized under lease contracts during the years ended June 30, 2022 and 2021, were $41,450 and $78,171, respectively, which includes both lease revenue and interest.

Note 5: Capital and Lease Assets

Capital assets activity for the years ended June 30 was:

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 97,298	$ -	$ -	$ -	$ 97,298
Land improvements	634,019	-	-	-	634,019
Buildings	18,577,270	38,731	-	-	18,616,001
Equipment	7,214,690	236,433	-	-	7,451,123
Construction in progress	58,002	-	(58,002)	-	-
	26,581,279	275,164	(58,002)	-	26,798,441
Less accumulated depreciation					
Land improvements	605,304	24,023	-	-	629,327
Buildings	14,431,392	643,969	-	-	15,075,361
Equipment	5,428,961	474,790	-	-	5,903,751
	20,465,657	1,142,782	-	-	21,608,439
Capital Assets, Net	$ 6,115,622	$ (867,618)	$ (58,002)	$ -	$ 5,190,002

	2021				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 97,298	$ -	$ -	$ -	$ 97,298
Land improvements	634,019	-	-	-	634,019
Buildings	18,357,649	230,808	(11,187)	-	18,577,270
Equipment	6,417,300	826,046	(28,656)	-	7,214,690
Construction in progress	-	58,002	-	-	58,002
	25,506,266	1,114,856	(39,843)	-	26,581,279
Less accumulated depreciation					
Land improvements	576,647	28,657	-	-	605,304
Buildings	13,728,693	713,886	(11,187)	-	14,431,392
Equipment	5,010,119	440,315	(21,473)	-	5,428,961
	19,315,459	1,182,858	(32,660)	-	20,465,657
Capital Assets, Net	$ 6,190,807	$ (68,002)	$ (7,183)	$ -	$ 6,115,622

Lease assets activity for the years ended June 30 was:

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Equipment	$ 451,208	$ 7,113	$ -	$ -	$ 458,321
	451,208	7,113	-	-	458,321
Less accumulated amortization					
Equipment	290,667	58,574	-	-	349,241
	290,667	58,574	-	-	349,241
Lease Assets, Net	$ 160,541	$ (51,461)	$ -	$ -	$ 109,080

	2021				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Equipment	$ 451,208	$ -	$ -	$ -	$ 451,208
	451,208	-	-	-	451,208
Less accumulated amortization					
Equipment	210,870	79,797	-	-	290,667
	210,870	79,797	-	-	290,667
Lease Assets, Net	$ 240,338	$ (79,797)	$ -	$ -	$ 160,541

Note 6: Employee Receivables

The Hospital has entered into loan agreements with certain employees in amounts ranging from $500 to $60,000. The loans are to be forgiven ratably over certain time periods following the employees' commencement of employment at the Hospital, by forgiving each installment as it becomes due. Notwithstanding the foregoing, the balances due and owing under the notes shall become immediately due and payable if the employees terminate employment at the Hospital. As of June 30, 2022 and 2021, the balances of the loan receivables were $94,853 and $80,578, respectively. The Hospital forgave $53,475 and $75,417 of the loan receivables for the years ended June 30, 2022 and 2021, respectively.

Note 7: Long-Term Obligations

The following is a summary of long-term obligation transactions for the Hospital for the years ended June 30:

	2022				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Financed capital purchases	$ 131,150	$ 104,000	$ 132,879	$ 102,271	$ 31,658
Lease liabilities	179,887	7,113	75,765	111,235	67,672
	$ 311,037	$ 111,113	$ 208,644	$ 213,506	$ 99,330

	2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Financed capital purchases	$ 169,749	$ 101,901	$ 140,500	$ 131,150	$ 119,608
Lease liabilities	275,951	-	96,064	179,887	75,099
PPP loan payable	2,842,872	-	2,842,872	-	-
	$ 3,288,572	$ 101,901	$ 3,079,436	$ 311,037	$ 194,707

Financed Capital Purchases

Financed capital purchases are in the form of notes payable to bank and/or vendor. They have varying maturities through 2027. Principal and interest is payable monthly. Interest rates range from 2.35% to 3.44%. The notes are secured by certain capital assets.

The debt service requirements on financed capital purchases as of June 30, 2022, are as follows:

Year Ending June 30	Total to Be Paid	Principal	Interest
2023	$ 33,720	$ 31,658	$ 2,062
2024	22,059	20,596	1,463
2025	22,059	21,096	963
2026	22,059	21,604	455
2027	7,354	7,317	37
	$ 107,251	$ 102,271	$ 4,980

Lease Liabilities

The Hospital leases equipment, the terms of which expire in various years through 2027. Payments are based on the lease agreements in each specific lease.

The following is a schedule by year of payments under the leases as of June 30, 2022:

Year Ending June 30	Total to Be Paid	Principal	Interest
2023	$ 70,125	$ 67,672	$ 2,453
2024	35,682	35,072	610
2025	4,643	4,456	187
2026	3,337	3,275	62
2027	767	760	7
	$ 114,554	$ 111,235	$ 3,319

Paycheck Protection Program (PPP) Loan Payable

The *CARES Act* and other subsequent legislation also provides an SBA loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Hospital received a PPP loan of $2,842,872 in 2020. The Hospital received legal notice on June 8, 2021, that the PPP loan was forgiven in its entirety.

Note 8: Professional Liability Coverage and Claims

The Hospital purchases medical malpractice insurance under a claims-made (or occurrence-basis) policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 9: Employee Health Claims

Substantially all of the Hospital's employees and their dependents are eligible to participate in the Hospital's employee health insurance plan. The Hospital is self-insured for health claims of participating employees and dependents up to specified annual aggregate amount. Commercial stop-loss insurance coverage is purchased for claims in excess of the specified aggregate annual amount. A provision is accrued for self-insured employee health claims including both claims reported, and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term.

Activity in the Hospital's accrued employee health claims liability during 2022 and 2021 is summarized as follows:

	2022	2021
Balance, beginning of year	$ 420,987	$ 150,452
Current year claims incurred and changes in estimates for claims incurred in prior years	1,208,409	2,016,502
Claims and expenses paid	(1,528,752)	(1,745,967)
	$ 100,644	$ 420,987

Note 10: Net Patient Service Revenue

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. These payment arrangements include:

Medicare. The Hospital is recognized as a CAH, and is paid for inpatient acute care, skilled, swing-bed and outpatient services rendered to Medicare program beneficiaries at one hundred one percent (101%) of actual cost subject to certain limitations. Medicare Rural Health Clinic services are reimbursed under a cost-based methodology. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed on a prospective payment methodology, which includes a hospital specific add-on percentage based on prior filed cost reports. The add-on percentage may be rebased at some time in the future. Services rendered for long-term care facility residents are reimbursed at a prospective rate, with annual cost reports submitted to the Medicaid program. Rates are computed using an average of the three most recent filed calendar cost reports and changes in the Medicaid resident case mix. The Medicaid cost reports are subject to audit by the State and adjustments to rates can be made retroactively. Due to certain financial and clinical criteria, the Hospital also receives Medicaid Disproportionate Share (DSH) funding. DSH payments received were $297,395 and $337,884 in 2022 and 2021, respectively.

Approximately 45% and 49% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for years ended June 30, 2022 and 2021, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations 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.

Note 11: Charity Care

The costs of charity care provided under the Hospital's charity care policy were approximately $57,000 and $91,000 for 2022 and 2021, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Note 12: 340B Drug Pricing Program

The Hospital participates in the 340B Drug Pricing Program (340B Program) enabling the Hospital to receive discounted prices from drug manufactures on outpatient pharmaceutical purchases. The Hospital recorded revenues of $2,628,439 and $2,815,206 for the years ended June 30, 2022 and 2021, respectively, which is included in other operating revenues in the accompanying statements of revenues, expenses and changes in net position. The Hospital recorded expenses of $1,270,835 and $1,219,936 for the years ended June 30, 2022 and 2021, respectively, which is included in supplies and other expenses in the accompanying statements of revenues, expenses and changes in net position. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA is currently conducting routine audits of this program at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to financial statement amounts related to the 340B Program could occur in the near term.

Note 13: Pension Plans

Defined Contribution

The Hospital maintains a contributory defined contribution pension plan covering substantially all employees in lieu of social security. Employees are required to contribute the same percentage required under the Social Security laws (OASDI). The Hospital is required to make a matching contribution in the same amount. An additional 3% contribution is made by the Hospital on behalf of all employees continuously employed for three years or more. Voluntary employee contributions may be made up to a specified percent of eligible compensation as specified in the plan document. Employee and employer contributions vest immediately. Benefits are funded by an annuity contract with an insurance company. Contributions made by plan members was $883,964 and $963,086 for the years ended June 30, 2022 and 2021, respectively. Contributions made by the Hospital was $1,205,364 and $1,298,599 for the years ended June 30, 2022 and 2021, respectively.

Deferred Compensation

The Hospital provides a deferred compensation plan (457 Plan) to substantially all employees of the Hospital. The employees may contribute up to 100% of their salary to the 457 Plan. The employees' salary deferral is limited by the Internal Revenue Service (IRS) annually. Employees are 100% vested in the contributions they choose to defer. Contributions from employees to the 457 Plan were $160,367 and $161,161 for the years ended June 30, 2022 and 2021, respectively. The Hospital does not contribute to the 457 Plan.

Note 14: COVID-19 Pandemic & *CARES Act* Funding

On March 22, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

While some of these policies have eased and states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments are re-imposing certain restrictions due to increasing rates of COVID-19 cases.

The Hospital's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Hospital has taken precautionary steps to enhance its operational and financial flexibility and react to the risks the COVID-19 pandemic presents to its business.

The extent of the COVID-19 pandemic's adverse effect on the Hospital's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Hospital's control and ability to forecast.

Because of these and other uncertainties, the Hospital cannot estimate the length or severity of the effect of the pandemic on the Hospital's business. Decreases in cash flows and result of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

Provider Relief Fund

The Hospital received $736,951 and $268,000 from the *CARES Act* Provider Relief Fund for the years ended June 30, 2022 and 2021, respectively. These distributions from the Provider Relief Fund are not subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

The Hospital accounts for such payments as voluntary nonexchange transactions. As such, payments are recognized as revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Hospital's operating revenues and expenses through June 30, 2022 and 2021, the Hospital recognized $736,951 and $4,511,517, respectively, related to the Provider Relief Fund, and these payments are recorded as Provider Relief Funds (*CARES Act*) in the statements of revenues, expenses and changes in net position.

The Hospital will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Hospital's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Hospital is unable to attest to or comply with current or future terms and conditions the Hospital's ability to retain some or all of the distributions received may be affected. The Provider Relief Funds are subject to government oversight, including potential audits.

Paycheck Protection Program (PPP) Loan

During fiscal year 2020, the Hospital received a PPP loan of $2,842,872 established by the *CARES Act* and has accounted for the funding as debt in accordance with GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Interest is accrued in accordance with the loan agreement. Any forgiveness of the loan is recognized as nonoperating revenue in the financial statements in the period the debt is legally forgiven. PPP loans are subject to audit and acceptance by the SBA, or lender; as a result of such audit, adjustment could be required to any revenue recognized. The Hospital received legal notice on June 8, 2021, that the PPP loan was forgiven in its entirety and recognized the gain from extinguishment as other nonoperating revenue in the accompanying statements of revenues, expenses and changes in net position.

Medicare Accelerated and Advanced Payment Program

During fiscal year 2020, the Hospital requested accelerated Medicare payments as provided for in the *CARES Act*, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25% of the remittance advice payment followed by a six-month payback period at 50% of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withheld amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4%.

During the year ended June 30, 2020, the Hospital received $2,869,803 from these accelerated Medicare payment requests. During the years ended June 30, 2022 and 2021, Medicare applied $1,436,612 and $227,187, respectively, from these accelerated Medicare payment requests against filed claims. The unapplied amount of accelerated Medicare payment requests is recorded under the caption Advance from Medicare in the accompanying balance sheets and is classified as a current and a long-term liability as of June 30, 2022 and 2021, respectively, based upon payback provisions in effect at June 30, 2022 and 2021, respectively.

Other COVID-19 Grant Funding

In November 2021, the Hospital received and recognized $99,493 from a distribution from the Frontline Hospital Employee Retention Plan program. Funding under this program was utilized by the Hospital to retain existing clinical staff and re-hire retirees who have retired since March 1, 2020. The revenue recognized is recorded as a component of noncapital grants and gifts in the accompanying statements of revenues, expenses and changes in net position.

In July 2021, the Hospital was awarded a federal grant to not exceed $99,058 as part of the Rural Health Outreach and Rural Network Development Program from the Department of Health and Human Services. The federal award project is titled the Rural Health Clinic Vaccine Confidence Program (RHCVC). The grant period is from July 1, 2021 through June 30, 2022. The RHCVC is a Health Resources and Services Administration (HRSA) initiative to improve vaccine confidence and counter vaccine hesitancy in rural communities where COVID-19 vaccine uptake lags in comparison to more populated areas. The program addressed health equity gaps by offering support resources to medically underserved rural communities. The Hospital received and recognized $68,227 related to this grant for the year ended June 30, 2022. The revenue recognized is recorded as a component of noncapital grants and gifts in the accompanying statements of revenues, expenses and changes in net position.

During the years ended June 30, 2022 and 2021, the Coronavirus Small Rural Hospital Improvement Program provided support to small rural and Critical Access Hospitals (CAHs) which were seeing increased demands for clinical services and equipment, as well as experiencing short-term financial and workforce challenges related to responding to meeting the needs of patients with COVID-19 seeking care at their facilities. These funds were administered through the Small Rural Hospital Improvement Program (SHIP) to provide emergency funding support to CAHs and non-CAH rural hospitals with less than 50 beds. This approach provided funding directly to the states to target those rural hospitals and the communities they serve who are facing the greatest strain from this crisis. The Hospital received and recognized $11,602 and $72,011 related to the SHIP grant for the years ended June 30, 2022 and 2021, respectively. The payment is recorded as a component of noncapital grants and gifts in the accompanying statements of revenues, expenses and changes in net position.

During the year ended June 30, 2021, the Hospital received funding through the Strengthening People and Revitalizing Kansas (SPARK) program. The Hospital received and recognized $113,154, related to this funding for the year ended June 30, 2022, and these payments are recorded as a component of noncapital grants and gifts in the accompanying statements of revenues, expenses and changes in net position.

Note 15: Contingencies

Professional Liability Claims

Estimates related to the accrual for professional liability claims are described in *Notes 1* and *8*.

General Litigation

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Note 16: Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Hospital. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 17: Future Change in Accounting Principle

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Note 18: Adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*

Effective July 1, 2021, the Hospital adopted GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of

the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement required a retrospective transition method using the facts and circumstances that existed at the beginning of the earliest year presented. As a result, the Hospital was required to retroactively restate June 30, 2021, amounts as follows:

	As Restated	Previously Reported	Effect of Adoption
Balance Sheet			
Capital assets, net	$ 6,115,622	$ 6,191,314	$ (75,692)
Lease assets, net	160,541	-	160,541
Current maturities of long-term debt	119,608	162,322	(42,714)
Current portion of lease liabilities	75,099	-	75,099
Long-term debt	11,542	62,610	(51,068)
Lease liabilities	104,788	-	104,788
Net position - net investment in capital assets	5,965,126	5,966,382	(1,256)
Statements of Revenues, Expenses and Changes in Net Position			
Operating revenues - other	3,707,383	3,708,463	(1,080)
Other supplies and expenses	6,668,116	6,702,557	(34,441)
Depreciation	1,182,858	1,229,967	(47,109)
Amortization	79,797	-	79,797
Interest income	23,661	22,581	1,080
Interest expense	13,133	10,124	3,009
Increase in net position	6,003,640	6,004,896	(1,256)
Net position, end of year	15,585,284	15,586,540	(1,256)
Statements of Cash Flows			
Payments to suppliers and contractors	(9,882,911)	(9,917,352)	34,441
Other receipts (payments), net	(782,888)	(704,717)	(78,171)
Principal paid on long-term debt	(140,500)	(205,132)	64,632
Interest paid on long-term debt	(3,203)	(10,124)	6,921
Principal payments received on leases receivable	77,091	-	77,091
Interest payments received on leases receivable	1,080	-	1,080
Principal paid on leases payable	(96,064)	-	(96,064)
Interest paid on leases payable	(9,930)	-	(9,930)
Operating loss	(2,080,591)	(2,081,264)	673
Depreciation	1,182,858	1,229,967	(47,109)
Amortization	79,797	-	79,797
Deferred inflows of resources - leases	(77,091)	-	(77,091)

Supplementary Information

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Operating Income (Loss) by Department - Direct
Years Ended June 30, 2022 and 2021

	June 30, 2022		
	Operating Revenues	Operating Expenses	Operating Income (Loss)
Routine	$ 1,250,540	$ 2,409,391	$ (1,158,851)
Nursery	285,058	81,513	203,545
Labor and Delivery	979,242	335,539	643,703
Respiratory Therapy	423,860	159,212	264,648
Operating & Recovery	2,450,280	619,369	1,830,911
Anesthesiology	621,425	821,848	(200,423)
Emergency & Observation	1,207,601	719,820	487,781
Medical Supplies	345,328	459,099	(113,771)
Laboratory	3,366,157	1,714,437	1,651,720
EKG, Heart Monitor & Cardiac Rehab	161,172	107,126	54,046
Radiology & Mammography	389,411	460,857	(71,446)
Ultrasound	272,591	121,101	151,490
Drugs & IV Solutions	1,442,892	832,920	609,972
MRI	100,016	51,690	48,326
CT Scans	896,913	134,735	762,178
Nuclear Medicine	18,579	18,250	329
Speech Therapy	9,688	9,757	(69)
Physical Therapy	320,697	443,960	(123,263)
Physician & Pain Management	6,354,167	7,889,053	(1,534,886)
Nursing Home & Assisted Living	3,941,967	4,540,765	(598,798)
340B Drug Program	2,628,439	1,234,450	1,393,989
Other Operating Revenue	675,327	-	675,327
Nursing Administration	-	364,616	(364,616)
Health Information	-	345,867	(345,867)
Admissions	-	67,734	(67,734)
Dietary	-	673,958	(673,958)
Maintenance	-	232,056	(232,056)
Housekeeping	-	294,176	(294,176)
Information Systems	-	614,077	(614,077)
Laundry	-	177,057	(177,057)
Translation	-	9,814	(9,814)
Accounting & Billing	-	893,233	(893,233)
Administration	-	2,037,477	(2,037,477)
	$ 28,141,350	$ 28,874,957	$ (733,607)

June 30, 2021		
Operating Revenues	Operating Expenses	Operating Income (Loss)
$ 1,400,165	$ 2,682,313	$ (1,282,148)
271,343	78,137	193,206
894,621	249,444	645,177
323,587	127,407	196,180
2,336,289	592,499	1,743,790
553,032	771,505	(218,473)
971,424	597,841	373,583
334,449	543,254	(208,805)
3,812,754	2,023,841	1,788,913
169,061	87,489	81,572
435,250	539,642	(104,392)
326,988	144,105	182,883
1,659,930	658,736	1,001,194
116,317	60,682	55,635
931,712	102,370	829,342
33,758	25,250	8,508
12,197	17,878	(5,681)
424,766	513,006	(88,240)
6,002,754	8,339,275	(2,336,521)
3,871,332	5,329,821	(1,458,489)
2,815,206	1,219,936	1,595,270
892,177	-	892,177
-	440,476	(440,476)
-	406,084	(406,084)
-	111,444	(111,444)
-	767,700	(767,700)
-	237,855	(237,855)
-	296,390	(296,390)
-	678,128	(678,128)
-	177,963	(177,963)
-	11,493	(11,493)
-	908,052	(908,052)
-	1,929,687	(1,929,687)
$ 28,589,112	$ 30,669,703	$ (2,080,591)

Kearny County Hospital
A Component Unit of Kearny County, Kansas
Operating Income (Loss) by Department - Allocated
Years Ended June 30, 2022 and 2021

	June 30, 2022		
	Operating Revenues	Operating Expenses	Operating Income (Loss)
Routine	$ 1,250,540	$ 3,620,987	$ (2,370,447)
Nursery	285,058	189,134	95,924
Labor and Delivery	979,242	499,634	479,608
Respiratory Therapy	423,860	225,057	198,803
Operating & Recovery	2,450,280	1,070,203	1,380,077
Anesthesiology	621,425	791,613	(170,188)
Emergency & Observation	1,207,601	1,060,274	147,327
Medical Supplies	345,328	741,299	(395,971)
Laboratory	3,366,157	2,707,746	658,411
EKG, Heart Monitor & Cardiac Rehab	161,172	144,047	17,125
Radiology & Mammography	389,411	690,293	(300,882)
Ultrasound	272,591	181,391	91,200
Drugs & IV Solutions	1,442,892	1,128,047	314,845
MRI	100,016	59,767	40,249
CT Scans	896,913	201,813	695,100
Nuclear Medicine	18,579	27,336	(8,757)
Speech Therapy	9,688	12,132	(2,444)
Physical Therapy	320,697	615,664	(294,967)
Physician	6,354,167	7,881,144	(1,526,977)
Nursing Home & Assisted Living	3,941,967	5,579,726	(1,637,759)
340B Drug Program	2,628,439	1,234,450	1,393,989
Other Operating Revenue	675,327	213,200	462,127
	$ 28,141,350	$ 28,874,957	$ (733,607)

June 30, 2021		
Operating Revenues	Operating Expenses	Operating Income (Loss)
$ 1,400,165	$ 3,799,236	$ (2,399,071)
271,343	180,575	90,768
894,621	466,496	428,125
323,587	184,480	139,107
2,336,289	979,682	1,356,607
553,032	828,219	(275,187)
971,424	911,919	59,505
334,449	813,823	(479,374)
3,812,754	3,230,468	582,286
169,061	125,358	43,703
435,250	748,704	(313,454)
326,988	199,933	127,055
1,659,930	1,004,433	655,497
116,317	70,474	45,843
931,712	142,029	789,683
33,758	35,032	(1,274)
12,197	20,785	(8,588)
424,766	700,375	(275,609)
6,002,754	8,224,883	(2,222,129)
3,871,332	6,541,916	(2,670,584)
2,815,206	1,219,936	1,595,270
892,177	240,947	651,230
$ 28,589,112	$ 30,669,703	$ (2,080,591)