Comanche County Hospital
A Component Unit of
Comanche County, Kansas

Independent Auditor's Report and
Combined Financial Statements

December 31, 2024 and 2023

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Contents
December 31, 2024 and 2023

Independent Auditor's Report 1

Financial Statements

Balance Sheets 4

Statements of Revenues, Expenses and Changes in Net Position 5

Statements of Cash Flows 6

Notes to Financial Statements 8

Required Supplementary Information

Schedule of the Hospital’s Proportionate Share of the Net Pension Liability 24

Schedule of the Hospital’s Pension Contributions 26

Schedule of Changes in the Hospital’s Total OPEB Liability and Related Ratios 28

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Independent Auditor's Report

Board of Trustees
Comanche County Hospital
Coldwater, Kansas

Opinion

We have audited the financial statements of Comanche County Hospital (Hospital), a component unit of Comanche County, Kansas, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which comprise Comanche 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 Comanche County Hospital as of December 31, 2024 and 2023, 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Comanche 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.

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.

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 Comanche 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 Comanche 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 Comanche 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

Accounting principles generally accepted in the United States of America require that the pension and other postemployment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management 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.

Forvis Mazars, LLP

Wichita, Kansas
May 30, 2025

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	$ 1,655,248	$ 108,091
Short-term investments	-	400,000
Patient accounts receivable, net of allowance; 2024 – $188,907; 2023 – $221,320	1,308,184	686,228
Estimated amounts due from third-party payers	-	720,000
Supplies	100,617	133,717
Prepaid expenses and other	62,383	89,437
Total Current Assets	3,126,432	2,137,473
Capital Assets, Net	1,231,331	1,527,100
Lease Assets, Net	213,578	130,926
Total Assets	4,571,341	3,795,499
Deferred Outflows of Resources		
Pension	737,120	955,727
Other postemployment benefits	29,173	37,447
Total Deferred Outflows of Resources	766,293	993,174
Total Assets and Deferred Outflows of Resources	$ 5,337,634	$ 4,788,673

See Notes to Financial Statements

	2024	2023
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)		
Current Liabilities		
Current maturities of lease liabilities	$ 52,917	$ 27,580
Accounts payable	87,850	210,725
Accrued salaries and payroll taxes	119,490	141,309
Accrued vacation benefits	345,084	286,978
Estimated amounts due to third-party payers	1,296,077	-
Total Current Liabilities	1,901,418	666,592
Long-term Lease Liabilities	164,793	104,459
Net Pension Liability	2,747,394	2,846,018
Total Other Postemployment Benefits Liability	26,530	23,571
Total Liabilities	4,840,135	3,640,640
Deferred Inflows of Resources		
Pension	200,674	174,257
Other postemployment benefits	109,512	125,258
Total Deferred Inflows of Resources	310,186	299,515
Net Position (Deficit)		
Net investment in capital assets	1,227,199	1,525,987
Unrestricted (deficit)	(1,039,886)	(677,469)
Total Net Position	187,313	848,518
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	$ 5,337,634	$ 4,788,673

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Statements of Revenues, Expenses and Changes in Net Position
December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts, 2024 – $118,126; 2023 – $59,245	$ 5,760,682	$ 5,702,727
Other	59,914	49,184
Total Operating Revenues	5,820,596	5,751,911
Operating Expenses		
Salaries and wages	3,384,689	3,235,956
Supplies and other	3,248,318	3,403,325
Depreciation	382,443	406,619
Amortization	46,287	14,547
Total Operating Expenses	7,061,737	7,060,447
Operating Loss	(1,241,141)	(1,308,536)
Nonoperating Revenues (Expenses)		
Noncapital appropriations - Comanche County	385,453	394,034
Investment income	9,275	7,259
Interest expense	(7,407)	(2,872)
Loss on disposal of capital assets	-	(3,881)
Noncapital grants and gifts	14,770	19,017
Total Nonoperating Revenues	402,091	413,557
Deficiency of Revenues Over Expenses Before Capital Grants and Gifts	(839,050)	(894,979)
Capital Grants and Gifts	177,845	10,200
Decrease in Net Position	(661,205)	(884,779)
Net Position, Beginning of Year	848,518	1,733,297
Net Position, End of Year	$ 187,313	$ 848,518

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Statements of Cash Flows
December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Receipts from and on behalf of patients	$ 7,154,803	$ 5,852,308
Payments to suppliers and contractors	(3,311,039)	(3,228,850)
Payments to employees	(3,206,515)	(2,969,644)
Other receipts, net	59,914	49,184
Net Cash Provided by (Used in) Operating Activities	697,163	(297,002)
Cash Flows From Noncapital Financing Activities		
Noncapital appropriations - Comanche County	385,453	394,034
Noncapital grants and gifts	14,770	19,017
Net Cash Provided by Noncapital Financing Activities	400,223	413,051
Cash Flows From Capital and Related Financing Activities		
Capital grants and gifts	177,845	10,200
Principal paid on long-term debt	-	(41,375)
Interest paid on long-term debt	-	(474)
Principal paid on leases payable	(43,268)	(13,434)
Interest paid on leases payable	(7,407)	(2,398)
Purchases of capital assets	(86,674)	(49,603)
Net Cash Provided by (Used in) Capital and Related Financing Activities	40,496	(97,084)
Cash Flows From Investing Activities		
Interest on investments	9,275	7,259
Purchases of investments	-	(200,696)
Proceeds from disposition of investments	400,000	102,976
Net Cash Provided by (Used in) Investing Activities	409,275	(90,461)
Increase (Decrease) in Cash	1,547,157	(71,496)
Cash, Beginning of Year	108,091	179,587
Cash, End of Year	$ 1,655,248	$ 108,091

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Statements of Cash Flows (Continued)
December 31, 2024 and 2023

	2024	2023
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (1,241,141)	$ (1,308,536)
Depreciation	382,443	406,619
Amortization	46,287	14,547
Provision for uncollectible accounts	118,126	59,245
Changes in operating assets and liabilities		
Patient accounts receivable	(740,082)	230,336
Estimated amounts due from and to third-party payers	2,016,077	(140,000)
Supplies	33,100	19,180
Prepaid expenses and other	27,054	145,511
Accounts payable and accrued expenses	(86,588)	53,303
Net pension liability	(98,624)	87,666
Total other postemployment benefits liability	2,959	(98)
Deferred outflows of resources - pension and OPEB	226,881	158,778
Deferred inflows of resources - pension and OPEB	10,671	(23,553)
Net Cash Provided by (Used in) Operating Activities	$ 697,163	$ (297,002)
Noncash Investing, Capital and Financing Activities		
Lease obligations incurred for lease assets	$ 128,939	$ 145,473

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

Nature of Operations and Reporting Entity

Comanche County Hospital (Hospital) is a rural acute care hospital located in Coldwater, Kansas. The Hospital is a component unit of Comanche County (County) and the Board of County Commissioners appoints members to the Board of Trustees of the Hospital. The Hospital primarily earns revenues by providing inpatient, outpatient and emergency care services to patients in the Comanche County area.

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), property taxes, investment 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. At December 31, 2024 and 2023, there were no cash equivalents.

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost.

Investment income includes interest income earned on bank deposits and certificates of deposit.

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 market. Costs are determined using the first-in, first-out (FIFO) method.

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	20 years
Buildings	10-40 years
Fixed equipment	5-20 years
Moveable equipment	3-30 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 amortization is increased by the amount of the impairment loss. No asset impairment was recognized during the years ended December 31, 2024 and 2023.

Deferred Outflows of Resources

The Hospital reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its balance sheets.

Compensated Absences

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. 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; medical malpractice; 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.

Cost-Sharing Defined Benefit Pension Plan

The Hospital participates in a cost-sharing multiple-employer defined benefit pension plan, the Kansas Public Employees Retirement Savings Plan (KPERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Defined Benefit Other Postemployment Benefit Plan

The Hospital participates in a defined benefit other postemployment benefit (OPEB) plan, Long-Term Disability (LTD) Plan (the OPEB Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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 sheets.

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

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 – Comanche County

The Hospital received approximately 6% of its financial support from noncapital appropriations from Comanche County property tax levy in 2024 and 2023.

Property taxes are assessed on a calendar basis and are received beginning January 1 of each year. Revenue from noncapital appropriations – Comanche County is recognized in full in the year in which use is first permitted.

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

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 December 31, 2024 and 2023, respectively, $1,327,289 and $38,861 of the Hospital's bank balances of $1,802,076 and $538,861 were exposed to custodial credit risk as follows:

	2024	2023
Uninsured and collateral held by pledging financial institution	$ 1,327,289	$ 38,861

Summary of Carrying Values

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

	2024	2023
Carrying value		
Deposits	$ 1,655,248	$ 508,091
Included in the following balance sheet captions		
Cash	$ 1,655,248	$ 108,091
Short-term investments	-	400,000
	$ 1,655,248	$ 508,091

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 December 31 consisted of:

	2024	2022
Medicare	$ 1,029,642	$ 411,166
Medicaid	8,562	8,013
Blue Cross	64,176	67,324
Other third-party payers	135,761	71,426
Patients	258,949	349,619
	1,497,090	907,548
Less allowance for uncollectible accounts	188,907	221,320
	$ 1,308,184	$ 686,228

Note 4. Capital and Lease Assets

Capital assets activity for the years ended December 31 was:

	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 46,545	$ -	$ -	$ -	$ 46,545
Land improvements	128,243	-	-	-	128,243
Building	4,267,118	7,518	-	-	4,274,636
Fixed equipment	538,195	9,039	-	-	547,234
Major moveable equipment	2,690,881	-	-	-	2,690,881
Construction in progress	10,252	70,117	-	-	80,369
	7,681,234	86,674	-	-	7,767,908
Less accumulated depreciation					
Land improvements	127,393	850	-	-	128,243
Building	3,540,498	156,898	-	-	3,697,396
Fixed equipment	336,225	34,561	-	-	370,786
Major moveable equipment	2,150,018	190,134	-	-	2,340,152
	6,154,134	382,443	-	-	6,536,577
Capital assets, net	$ 1,527,100	$ (295,769)	$ -	$ -	$ 1,231,331

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 46,545	$ -	$ -	$ -	$ 46,545
Land improvements	128,243	-	-	-	128,243
Building	4,260,868	-	-	6,250	4,267,118
Fixed equipment	520,195	-	-	18,000	538,195
Major moveable equipment	2,645,029	24,451	(116,429)	137,830	2,690,881
Construction in progress	147,180	25,152	-	(162,080)	10,252
	7,748,060	49,603	(116,429)	-	7,681,234
Less accumulated depreciation					
Land improvements	124,284	3,109	-	-	127,393
Building	3,360,275	180,223	-	-	3,540,498
Fixed equipment	302,339	33,886	-	-	336,225
Major moveable equipment	2,073,165	189,401	(112,548)	-	2,150,018
	5,860,063	406,619	(112,548)	-	6,154,134
Capital assets, net	$ 1,887,997	$ (357,016)	$ (3,881)	$ -	$ 1,527,100

Lease asset activity for the year ended December 31, 2024, was:

	2024			
	Beginning Balance	Additions	Disposals	Ending Balance
Major moveable equipment	$ 145,473	$ 128,939	$ -	$ 274,412
	145,473	128,939	-	274,412
Less accumulated amortization				
Major moveable equipment	14,547	46,287	-	60,834
	14,547	46,287	-	60,834
Lease assets, net	$ 130,926	$ 82,652	$ -	$ 213,578

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Major moveable equipment	$ -	$ 145,473	$ -	$ 145,473
	-	145,473	-	145,473
Less accumulated amortization				
Major moveable equipment	-	14,547	-	14,547
	-	14,547	-	14,547
Lease assets, net	$ -	$ 130,926	$ -	$ 130,926

Note 5. Professional Liability Coverage and Claims

The Hospital purchases professional liability insurance under a claims-made 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 professional liability 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 6. Long-term Obligations

The following is a summary of long-term obligation transactions for the Hospital for the years ended December 31:

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Other long-term obligations					
Lease liabilities	132,039	128,939	(43,268)	217,710	52,917
	$ 132,039	$ 128,939	$ (43,268)	$ 217,710	$ 52,917

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt					
Financed purchase obligations	$ 41,375	$ -	$ (41,375)	$ -	$ -
Other long-term obligations					
Lease liabilities	-	145,473	(13,434)	132,039	27,580
	$ 41,375	$ 145,473	$ (54,809)	$ 132,039	$ 27,580

Financed Purchase Obligations

Financed purchase obligations were in the form of notes payable to vendors at various interest rates. The notes were secured by the related capital assets as collateral.

Lease Liabilities

The Hospital leases equipment, the terms of which expires in 2029. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

The following is a schedule by year of payments under the leases as of December 31, 2024:

Year Ending December 31,	Total to be Paid	Principal	Interest
2025	$ 60,180	$ 52,917	$ 7,263
2026	60,180	54,960	5,220
2027	60,180	57,083	3,097
2028	44,345	43,298	1,047
2029	9,505	9,452	53
	$ 234,390	$ 217,710	$ 16,680

Note 7. 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 licensed 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. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of an annual cost report by the Hospital and audit 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.

Approximately 82% and 79% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended December 31, 2024 and 2023, 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 8. Charity Care

The costs of charity care provided under the Hospital's charity care policy were approximately $2,000 and $10,000 for 2024 and 2023, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Note 9. Pension Plans

Plan Description

The Hospital contributes to the Kansas Public Employees Retirement System (KPERS) plan, a cost-sharing multiple-employer defined benefit pension plan covering substantially all employees. The KPERS is an umbrella organization administering the following three statewide retirement systems under one plan as provided by K.S.A. 74, Article 49: *Kansas Public Employees Retirement System, Kansas Police and Fire Retirement System and Kansas Retirement System for Judges*.

The KPERS plan is a cost-sharing multiple-employer, defined benefit pension plan. KPERS is intended to be a qualified retirement plan under Section 401(a) of the Code. Information relating to KPERS, including stand-alone financial statements, is available by writing to KPERS, 611 South Kansas Avenue, Suite 100, Topeka, Kansas 66603-3869 or accessing the internet at www.KPERS.org.

KPERS makes separate calculations for pension-related amounts for the following four groups participating in the plan:

- State/School
- Local
- Police and Firemen
- Judges

The Hospital's employees participate in the Local group.

Benefits Provided

Retirement benefits for employees are calculated based on the credited service, final average salary and a statutory multiplier. KPERS has two levels of benefits depending on retirement age and years of credited service. Tier 1 benefits are for members who are age 65 or age 62 with ten years of credited service or of any age when combined age and years of credited service equal 85 "points." Tier 2 benefits are for members who are age 65 with five years of credited service or age 60 with 30 years of credited service. Tier 1 members receive a participating service credit of 1.75% of the final average salary for years of service prior to January 1, 2014. Participating service credit is 1.85% of final average salary for years of service after December 31, 2013. Tier 2 members retiring on or after January 1, 2012, participating service credit is 1.85% for all years of service.

Early retirement is permitted at the age of 55 and ten years of credited service. Benefits are reduced by 0.2% per month for each month between the ages of 60-62, plus 0.6% for each month between the ages of 55 and 60 for Tier 1 members. For Tier 2 members, benefits are reduced actuarially for each early commencement. The reduction factor is 35% at the age of 60 and 57.5% at age 55. If the member has 30 years of credited service, the early retirement reduction is less (50% of regular reduction). The plan also provides disability and death benefits to plan members and their beneficiaries.

The terms of the plan provide for annual 2% cost-of-living adjustment for Tier 2 members who retired prior to July 1, 2012, beginning the later of age of 65 or the second July 1 after retirement date. Other participants do not receive a cost-of-living adjustment.

Contributions

The law governing KPERS requires an actuary to make an annual valuation of the liabilities and reserves and a determination of the contributions required to discharge the KPERS liabilities. The actuary then recommends to the KPERS Board of Trustees the statewide employer-contribution rates required to maintain the three systems on the actuarial reserve basis. Prior to January 1, 2014, Tier 1 participants were required to contribute 4% of their annual pay. Effective January 1, 2014, the rate was raised to 5% with an increase in the benefit multiplier to 1.85% beginning January 1, 2014, for future years of service only. Effective January 1, 2015, the contribution rate was raised to 6%. Tier 2 participants are required to contribute 6% of compensation. The Hospital's contractually required contribution rate for the years ended December 31, 2024 and 2023, was 9.26% and 8.43% of annual payroll, respectively. The employer contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The Hospital's contributions to KPERS for pensions for the years ended December 31, 2024 and 2023, were $292,983 and $245,075, respectively.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024 and 2023, the Hospital reported a liability of $2,747,394 and $2,846,018, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of December 31, 2023, and 2022, respectively, rolled forward to June 30, 2024 and 2023, respectively. The Hospital's proportion of the net pension liability was based on the ratio of the Hospital's actual contributions to total employer and nonemployer actual contributions of the group for the respective measurement periods. At June 30, 2024, the Hospital's proportion was 0.129336%, which was a decrease of 0.006324% from its proportion measured as of June 30, 2023, of 0.135660%. At June 30, 2022, the Hospital proportion was 0.138747%.

For the years ended December 31, 2024 and 2023, the Hospital recognized pension expense of $440,147 and $469,503, respectively. At December 31, 2024 and 2023, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 334,202	$ -
Net difference between projected and actual earnings on pension plan investments	166,066	-
Changes of assumptions	16,831	-
Changes in proportion	69,412	200,674
Hospital's contributions subsequent to the measurement date	150,609	-
Total	$ 737,120	$ 200,674

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 236,586	$ 401
Net difference between projected and actual earnings on pension plan investments	166,223	-
Changes of assumptions	301,638	-
Changes in proportion	129,298	173,856
Hospital's contributions subsequent to the measurement date	121,982	-
Total	$ 955,727	$ 174,257

At December 31, 2024, the Hospital reported $150,609 as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to pensions that will be recognized in pension expense as follows:

2025	$ 134,293
2026	225,796
2027	28,687
2028	(2,939)
	$ 385,837

Actuarial Assumptions

The total pension liability in the December 31, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Inflation	2.75%	2.75%
Salary increases, including inflation	3.5% to 15.50%	3.5% to 12%
Investment rate of return, net of pension plan investment expense, including inflation	7.00%	7.00%

Mortality rates used in the December 31, 2023, actuarial valuation were based on the PUB 2010 Mortality tables, with age setbacks, and age set forwards based on different membership groups.

Mortality rates used in the December 31, 2022, actuarial valuation were based on the RP 2014 Healthy Annuitant Table for males or females, as appropriate with adjustments for mortality improvements based on Scale MP-16.

The actuarial assumption used in the December 31, 2023, valuation were based on the results of an actuarial experience study prepared during 2023.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial study for the three-year period ended December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

	2024		2023	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
U.S. equities	0.0%	0.00%	23.5%	5.20%
Non-U.S. equities	43.0%	8.20%	23.5%	6.40%
Core Fixed Income	13.0%	2.20%	0.0%	0.00%
Private equity	0.0%	0.00%	8.0%	9.50%
Private real estate	0.0%	0.00%	11.0%	4.45%
Yield driven	12.0%	5.30%	8.0%	4.70%
Infrastructure	3.0%	6.80%	0.0%	0.00%
Real Estate	15.0%	5.70%	0.0%	0.00%
Alternatives	11.0%	12.00%	0.0%	0.00%
Real return	0.0%	0.00%	11.0%	3.25%
Fixed income	0.0%	0.00%	11.0%	1.55%
Short-term investments	3.0%	0.30%	4.0%	0.25%
	100.0%		100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the years ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the contractually required rate. Participating employer contributions do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by KPERS' Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Hospital's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Hospital's proportionate share of the net pension liability has been calculated using a discount rate of 7.00%. The following presents the Hospital's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate as of December 31, 2024 and 2023

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Hospital's proportionate share of the net pension liability	$ 3,977,474	$ 2,747,394	$ 1,719,382

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS' financial report.

Deferred Compensation Plan

The Hospital provides an additional deferred compensation plan (457 plan). The purpose of the plan is to benefit those employees who choose to participate by permitting them to defer a portion of future compensation in order to provide payments at retirement. The Hospital provides the 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. If an employee is 50 years old or older and has met the annual IRS deferral limit, the employee may contribute a catch-up deferral that is also limited by the IRS annually. Contributions from employees to the 457 plan were $38,950 and $6,500 for the years ended December 31, 2024 and 2023, respectively. The Hospital does not contribute to the 457 plan.

Note 10. Other Postemployment Benefit Plan

Plan Description

The Hospital contributes to the KPERS Long-Term Disability plan (the OPEB Plan), a single-employer defined benefit other postemployment benefit (OPEB) plan covering substantially all employees. The OPEB Plan is administered by a board of trustees appointed by KPERS. The OPEB Plan's assets are not accumulated in a qualified trust because contributions from the employer to the OPEB plan and earnings on those contributions are not irrevocable. Benefit provisions are contained in the plan document and were established and can be amended by action of the KPERS's governing body. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The OPEB Plan provides LTD and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

The employees covered by the benefit terms at June 30 (the measurement date), are:

	2024	2023
Active employees	43	43
Disabled employees	-	-
	43	43

Total OPEB Liability

The Hospital's total OPEB liability of $26,530 and $23,517 was measured as of June 30, 2024 and 2023, for the years ended December 31, 2024 and 2023, respectively, and was determined by actuarial valuations as of December 31, 2023 and 2022, respectively, and rolled forward to June 30, 2024 and 2023, respectively.

The total OPEB liability in the December 31, 2023 and 2022, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Inflation	2.75%	2.75%
Discount rate	3.93%	3.65%
Salary increases, including inflation	3.50% to 10.30%	3.50% to 10%

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index. The discount rate changed from 3.54% in 2022 to 3.65% in 2023 to 3.93% in 2024.

Mortality rates were based on the PUB 2010 and RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups, as appropriate with adjustments for mortality improvements based on MP-2021 Mortality Tables for the December 31, 2023 and 2022, actuarial valuations, respectively.

The actuarial assumption used in the December 31, 2023, valuation were based on the results of an actuarial experience study prepared during 2023.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial study for the three-year period ended December 31, 2018.

Changes in the Total OPEB Liability

Changes in the total OPEB liability are:

	2024	2023
Balance, beginning of year	$ 23,571	$ 23,669
Changes for the year:		
Service cost	6,387	8,428
Interest	1,093	1,136
Differences between expected and actual experience	(4,817)	(9,560)
Changes of assumptions	296	(102)
Net changes	2,959	(98)
Balance, end of year	$ 26,530	$ 23,571

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The total OPEB liability of the Hospital, at December 31, 2024, has been calculated using a discount rate of 3.93%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Hospital's total OPEB liability	$ 27,504	$ 26,530	$ 25,407

The total OPEB liability of the Hospital is not impacted by health care cost trend rates given the nature of the benefits provided by the OPEB plan, as such no sensitivity tables were prepared for the health care trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and 2023, the Hospital recognized OPEB expense (credit) of ($4,513) and ($1,983), respectively. At December 31, 2024 and 2023, the Hospital reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,544	$ (101,678)
Changes of assumptions	2,629	(7,834)
Total	$ 29,173	$ (109,512)

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,493	$ (115,751)
Changes of assumptions	2,954	(9,507)
Total	$ 37,447	$ (125,258)

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to OPEB will be recognized in OPEB expense as follows:

2025	$ (11,993)
2026	(11,823)
2027	(12,312)
2028	(15,647)
2029	(17,986)
Thereafter	(10,578)
	$ (80,339)

Note 11. Management Agreement

The Board of Trustees has entered into a management agreement with Great Plains Health Alliance, Inc. The agreement can be cancelled with 60 days' notice. Fees incurred under this agreement were $106,173 and $102,090 in 2024 and 2023, respectively. There are $9,495 and $8,995 included in accounts payable related to these services at December 31, 2024 and 2023, respectively.

Required Supplementary Information

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of the Hospital's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Years

	2024 *	2023 *	2022 *	2021 *
Hospital's proportion of the net pension liability	0.129336%	0.135660%	0.138747%	0.155476%
Hospital's proportionate share of the net pension liability	$ 2,747,394	$ 2,846,018	$ 2,758,352	$ 1,865,644
Hospital's covered-employee payroll	$ 3,021,754	$ 3,261,797	$ 2,777,998	$ 2,874,889
Hospital's proportionate share of the net pension liability as a percentage of its covered-employee payroll	90.92%	87.25%	99.29%	64.89%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%

*The amounts presented for each fiscal year are as of the measurement date (June 30 of the year reported).

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of the Hospital's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Years (Continued)

2020 *	2019 *	2018 *	2017 *	2016 *	2015 *
0.134044%	0.133827%	0.131743%	0.130990%	0.134387%	0.128995%
$ 2,323,859	$ 1,870,061	$ 1,836,221	$ 1,897,332	$ 2,079,007	$ 1,693,761
$ 2,639,276	$ 2,507,837	$ 2,422,953	$ 2,361,898	$ 2,386,770	$ 2,294,069
88.05%	74.57%	75.78%	80.33%	87.11%	73.83%
66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of the Hospital's Pension Contributions
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Years

	2024	2023	2022	2021
Contractually required contribution	$ 292,983	$ 245,075	$ 255,260	$ 264,076
Contribution in relation to the contractually required contribution	$ 292,983	$ 245,075	$ 255,260	$ 264,076
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Hospital's covered-employee payroll	$ 3,163,965	$ 2,907,174	$ 2,762,944	$ 2,972,978
Contributions as a percentage of covered-employee payroll	9.26%	8.43%	9.24%	8.88%

*The amounts presented for each fiscal year are as of the fiscal year-end (December 31 of the year reported).

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of the Hospital's Pension Contributions
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Years (Continued)

2020	2019	2018	2017	2016	2015
$ 231,848	$ 221,312	$ 205,281	$ 196,590	$ 212,068	$ 215,985
$ 231,848	$ 221,312	$ 205,281	$ 196,590	$ 212,068	$ 215,985
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,798,467	$ 2,489,446	$ 2,446,730	$ 2,320,974	$ 2,310,107	$ 2,278,316
8.28%	8.89%	8.39%	8.47%	9.18%	9.48%

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of Changes in the Hospital's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	2024 *	2023 *	2022 *	2021 *
Total OPEB Liability and actual experience	$ (4,817)	$ (9,560)	$ (12,336)	$ (13,324)
Benefit payments	-	-	-	-
Changes in assumptions	296	(102)	(8,774)	26
Interest	1,093	1,136	947	970
Service cost	6,387	8,428	12,272	11,376
Differences between expected and actual experience	-	-	-	-
Net Change in Total OPEB Liability	2,959	(98)	(7,891)	(952)
Hospital's Total OPEB Liability - Beginning	23,571	23,669	31,560	32,512
Hospital's Total OPEB Liability - Ending	$ 26,530	$ 23,571	$ 23,669	$ 31,560
Hospital's Covered-Employee Payroll	$ 2,926,216	$ 2,526,420	$ 2,998,844	$ 2,610,712
Hospital's Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.91%	0.93%	0.79%	1.21%

Note to Schedule: This schedule is intended to show a 10-year trend. Additional years will be reported as they become available. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

*The amounts presented for each fiscal year are as of the measurement date (June 30 of the year reported).

Comanche County Hospital
A Component Unit of Comanche County, Kansas
Schedule of Changes in the Hospital's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (Continued)

2020 *	2019 *	2018 *	2017 *
$ 10,296	$ 9,410	$ 9,261	$ 9,807
6,361	5,002	3,695	3,052
-	-	-	-
(147,589)	48,319	28,902	-
1,283	4,469	(2,558)	(5,100)
(18,438)	(12,786)	(13,948)	(8,374)
(148,087)	54,414	25,352	(615)
180,599	126,185	100,833	101,448
$ 32,512	$ 180,599	$ 126,185	$ 100,833
$ 2,434,153	$ 2,387,589	$ 2,198,821	$ 2,235,265
1.34%	7.56%	5.74%	4.51%