FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

December 31, 2023

OFFICERS AND DIRECTORS

Kevin Milford	Chairman
Fred Heinz	Vice-Chairman
Michele Weber	Secretary
Cherie Knott	Treasurer
Elissa Smith	Director

* * *

Barbara Whitney	Administrator

* * *

Audited by
James R. Northcutt
Certified Public Accountant
Wichita, Kansas

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

December 31, 2023

C O N T E N T S

		Page
	Independent Auditor's Report	1-3
Exhibits		
"A"	Statement of Net Position	4
"B"	Statement of Revenues, Expenses, and Changes in Net Position	5
"C"	Statement of Cash Flows	6
	Notes to Financial Statements	7-15
Schedules		
	Required Supplementary Information	
"1"	Schedule of the Proportionate Share of the Net Pension Liability	16
"2"	Schedule of the District's Contribution to Defined Pension Plan	17
	Additional Supplementary Information	
"3"	Schedule of Operating Expenses	18

JAMES R. NORTHCUTT
Certified Public Accountant
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Wichita, KS 67203
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Independent Auditor's Report

The Board of Directors
Fowler Hospital District d/b/a
Fowler Residential Care
Fowler, Kansas

Opinion

I have audited the accompanying financial statements of the business-type activity of Fowler Hospital District, d/b/a Fowler Residential Care, Fowler, Kansas(Hospital District), which comprise the Statement of Net Position as of December 31, 2023, and the related Statements of Revenue, Expenses, and Changes in Net Position, and Cash Flows for the year then ended, and the related notes to the financial statements, which collectively comprise Fowler Hospital District, d/b/a Fowler Residential Care's basic financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activity of Fowler Hospital District, d/b/a Fowler Residential Care, as of December 31, 2023, and the changes in net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Fowler Hospital District, d/b/a Fowler Residential Care and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fowler Hospital District, d/b/a Fowler Residential Care's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 Fowler Hospital District, d/b/a Fowler Residential Care'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fowler Hospital District, d/b/a Fowler Residential Care's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management's Discussion and Analysis
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. My opinion on the basic financial statements is not affected by this missing information.

Additional Supplementary Information
My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the Unites States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James R. Northcutt

Wichita, Kansas

March 26, 2025

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

STATEMENT OF NET POSITION
December 31, 2023

Exhibit "A"

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash	$ 586,335.13	
Accounts receivable - residents	166,498.80	
Less: allowance for doubtful accounts	(48,694.00)	
Tax levy receivable	686,436.00	
Other receivables and prepaid expenses	5,372.17	
Total current assets		$1,395,948.10
Property and Equipment		
Cost	$1,885,961.60	
Less: accumulated depreciation	(1,712,133.63)	
Net property and equipment		173,827.97
Leased Assets, net		107,587.78
Other Assets		
Assets whose use is limited		
Short-term investments - asset replacement funds		49,114.12
Deferred Outflows of Resources		
Pension contributions remitted subsequent to the measurement date	$ 37,726.34	
Pension	272,987.00	
Total deferred outflows of resources		310,713.34
Total Assets and Deferred Outflows of Resources		$2,037,191.31
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities		
Accounts payable	$ 36,990.24	
Taxes and withholding payable	6,424.46	
Salaries and wages payable	16,981.67	
Compensated absences	23,322.33	
Lease liabilities - current	24,251.26	
Total current liabilities		$ 107,969.96
Long Term Liabilities		
Lease liabilities		55,765.52
NET PENSION LIABILITY		885,903.00
Total liabilities		$1,049,638.48
Deferred Inflows of Resources		
Property tax revenue	$ 686,436.00	
Pension	29,330.00	
Total deferred inflows of resources		715,766.00
Net Position		
Invested in capital assets	$ 201,398.97	
Reserved for asset replacement	49,114.12	
Unreserved	21,273.74	
Total net position		271,786.83
Total Liabilities, Deferred Inflows of Resources, and Net Position		$2,037,191.31

The accompanying notes to financial statements are an integral part of these statements.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

Exhibit "B"

Operating Revenue		
Net resident service revenue	$1,517,481.42	
Provision for bad debts	(36,582.00)	
Net resident service revenue less bad debts	$1,480,899.42	
Other operating revenue	9,081.66	
Total operating revenue		$1,489,981.08
Operating Expense		
Personnel	$1,229,098.28	
Food	63,341.94	
Contracted services	658,879.24	
Consumable supplies	61,104.50	
Depreciation	34,613.78	
Other	185,325.52	
Total operating expense		2,232,363.26
Net operating revenue(loss)		$ (742,382.18)
Non-operating Revenue(Expense)		
Property tax revenue	$ 635,593.43	
Contributions	650.19	
Interest income	2,944.53	
Interest expense	(3,404.83)	
Net non-operating revenue(expense)		635,783.32
Increase(decrease) in net position		$ (106,598.86)
Net position - beginning of year		378,385.69
Net Position - End of Year		$ 271,786.83

The accompanying notes to financial statements are an integral part of these statements.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Exhibit "C"

Cash Flows From Operating Activities		
Cash received - residents and third party payors	$1,432,129.35	
Cash paid to suppliers and employees	(2,121,539.13)	
Net cash provided(used) by operating activities		$(689,409.78)
Cash Flows From Noncapital Financing Activities		
Property tax revenue	$ 635,593.43	
Contributions	650.19	
Total noncapital financing activities		636,243.62
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	$ (5,315.58)	
Interest paid on lease liabilities	(3,404.83)	
Principal payments on lease liabilities	(23,360.05)	
Net cash flows from capital and related financing activities		(32,080.46)
Cash Flows From Investing Activities		
Interest income received		2,810.42
Net increase(decrease) in cash		$ (82,436.20)
Cash - beginning of year		668,771.33
Cash - End of Year		$ 586,335.13

Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Net increase in net position from operations	$(742,382.18)	
Adjustments to reconcile net income to net net cash provided by operating activities		
Depreciation	34,613.78	
Amortization of lease liabilities	8,171.16	
Change in net pension liability	59,230.40	
Change in receivables/prepaid exp.	(58,730.25)	
Change in payables	9,687.31	
Net Cash Provided By Operating Activities		$(689,409.78)

Supplemental Schedule of Non-Cash Investing and Financing Activities
None

The accompanying notes to financial statements are an integral part of these statements.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies

Organization

Fowler Hospital District, d/b/a Fowler Residential Care(hereafter referred to as the District) owns and operates an intermediate care nursing facility in Fowler, Kansas. The financial statements of the District present financial information of the District as a whole by including all district funds.

The Fowler Hospital District is a municipal corporation governed by an elected five-member board of directors. These financial statements include all funds included in the District's legally adopted budget. The District has no component units.

Basis of Accounting

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash

The District considers all highly liquid debt instruments purchases with a maturity of three months or less to be cash.

Accounts Receivable

The District reports resident accounts receivable at net realizable value from third-party payors and others. As a service to residents, the District bills third party payors directly and bills the resident when the resident's liability is determined. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account. Net accounts receivable at January 1, 2023 was $86,295.78.

Allowance for Bad Debts

The District uses the allowance method for recording bad debts. The allowance in maintained using management's estimate of the collectability of resident balances.

Property and Equipment

Property and equipment are recorded at cost. When individual items are sold or disposed of, the related cost and accumulated depreciation are removed and the resulting gain or loss is included in the results of operations. The straight line method is used in computing depreciation based on the useful lives of the individual assets. Major repairs are capitalized, other maintenance and repair items are expensed as incurred.

Compensated Absences

The District records a liability for compensated absences based on unpaid vacation hours accrued.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Income Taxes

As an essential government function of the city of Fowler, Kansas, the District is exempt from Federal and Kansas income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

NOTES TO FINANCIAL STATEMENTS - CONT.

1. Summary of Significant Accounting Policies-cont.

Net Resident Services Revenue

Revenues are recorded at the estimated net realizable value. Revenue from third-party payers is subject to audit and retroactive adjustment. Provisions for estimated third-party settlements are provided in the period the related services are rendered. Differences between the estimated amounts and final settlements are reported in the year of settlement. Performance obligations are considered satisfied and revenue is considered recognized each day of resident stay. Payment terms are generally due within 30 days from end of month service is provided.

Pension Plan

In fiscal year 2015, the District implemented the Provision of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revised accounting and reporting standards related to pension plans and multi-employer pension plans.

Substantially all full-time employees of the District are members of the State of Kansas Public Employees' Retirement System, which is a multi-employer state-wide pension plan. The District uses information provided by KPERS to measure the net pension liability, deferred outflows of resources and deferred inflows of resources of the KPERS pension plan. The District's policy is to fund all pensions costs accrued.

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

Net Position

Net position of the District is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is non-capital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the District. Unrestricted net position(deficit) is the remaining net position that does not meet the definitions of the other two components of net position.

Budgetary Control

Kansas statutes require that an annual operating budget be legally adopted for enterprise funds. Adoption of the final budget is required before August 25th. In order for the governing body to increase the originally adopted budget, a public hearing must be held. There was no budget amendment for the year ended December 31, 2023. All legal operating budgets are prepared using the modified accrual basis of accounting.

Property Tax Revenue

Property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The county treasurer is the tax collection agent for all taxing entities within the county. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the following year. State statutes prohibit the county treasurer from distributing taxes collected in the year levied prior to January 1 of the following year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the following year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as deferred revenue on the balance sheet.

NOTES TO FINANCIAL STATEMENTS - CONT.

1. Summary of Significant Accounting Policies-cont.

Leased Assets

Leased assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease cost for lease payments is recognized on a straight line basis over the lease term.

2. Compliance With Kansas Law

Kansas law requires that the District legally adopt a fixed budget. Actual expenditures compared to budgeted expenditures for the year ended December 31, 2023 are as follows:

Actual	$2,153,619.59
Budgeted	2,475,625.00
Favorable Variance	$ 322,005.41

3. Deposits and Investments

Deposits - At year-end the carrying amount of the District's deposits, including certificates of deposit, was $635,404.94. The bank balance was $713,953.08. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, $299,114.12 was covered by FDIC insurance and $414,838.96 was collateralized by pledged securities in the amount of $800,000.00 held under joint custody receipts issued by a third-party bank in the District's name. The third-party banks holding the pledged securities are independent of the pledging banks. The pledged securities are held under tri-party custodial agreements signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

4. Property and Equipment

A summary of property and equipment is as follows:

Buildings and improvements	$1,257,801.98
Furnishings and equipment	556,132.81
Vehicles	27,000.00
Land	8,816.10
Land improvements	36,210.71
Total Property and Equipment	$1,885,961.60

Depreciation expense for the year ended December 31, 2023 was $34,613.78.

5. Assets Whose Use Is Limited

Assets designated by the board of directors are as follows:

Reserved for asset replacement	
Certificate of deposit	$49,114.12

6. Risk Management

The District 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.

NOTES TO FINANCIAL STATEMENTS - CONT.

7. Defined Benefit Pension Plan

Plan Description
The District participates in the Kansas Public Employees Retirement System(KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74 Article 49. Substantially all employees of the District are eligible to participate in KPERS following the completion of one year of service. KPERS provides retirement benefits, life insurance, disability benefits, and death benefits. Kansas law establishes and amends benefit provisions. Participation by local political subdivisions and entities is optional, but irrevocable once elected. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 South Kansas Ave., Suite 100, Topeka, KS 66603-3869, or by calling 1-888-275-5737, or accessing by the internet at www.KPERS.org.

Benefits
Benefits are established by statute and may only be changed by the Kansas Legislature. Members with ten or more years of credit service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credit service equal 85 "points".

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement, a member may receive a lump-sum payment of up to 50 percent of the actuarial present value of the member's lifetime benefit. Their monthly retirement benefit is then permanently reduced based on the amount of the lump sum distribution. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

Contributions
Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

NOTES TO FINANCIAL STATEMENTS - CONT.

7. Defined Benefit Pension Plan - cont.

Contributions(cont.)
Effective January 1, 2015, the KPERS Tier 1 and Teir 2 member-employee contribution rate was set at 6 percent of covered salary. The employer rate established by statute at December 31, 2023 was 8.43 percent. The District's employer contributions to KPERS for the year ended December 31, 2023 was $79,410.00.

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 District's employees participate in the Local group.

Net Pension Liability
At December 31, 2023, the District reported a liability of $885,903.00 for its proportionate share of the net pension liability.

Pension Liability
For the year ended December 31, 2023, the District recognized pension expense of $142,354.15, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the period.

Actuarial Assumptions
The net pension liability was determined by actuarial valuations as of December 31, 2022, which were then rolled forward to June 30, 2023, using the following actuarial assumptions:

* Price inflation	2.75%
* Salary increases, including wage increases	3.50% - 12.00%
* Long-term rate of return net of investment and including price inflation	7.00%

Mortality rates were based on the RP-2000 Healthy Combined Mortality Table for males or females, with adjustments for mortality improvements on Scale AA.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the three-year period ended December 31, 2021.

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.

NOTES TO FINANCIAL STATEMENTS - CONT.

7. Defined Benefit Pension Plan - cont.

Actuarial Assumptions (cont.)
Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-term Expected Real Rate Of Return
US Equities	23.50%	5.20%
Non-US Equities	23.50	6.40
Private Equity	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short-term investments	4.00	0.25
Total	100.00%	

Discount Rate
The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School, and Local employers do not necessarily contribute the full actuarial determined. Based on legislation passed in 1993, the employer contribution rates certified by the System's 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 Net Pension liability to Changes in the Discount Rate
The District's proportionate share of the net pension liability has been calculated using a discount rate of 7.00%. The following table presents the District's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate:

	(6.00%)	(7.00%)	(8.00%)
District's share of net pension liability	$1,270,291.00	$ 885,903.00	$ 565,668.00

Deferred Outflows of Resources and Deferred Inflows of Resources
A summary of the collective deferred outflows of resources and deferred inflows of resources at December 31, 2023 are included in the tables below. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five-year period.

NOTES TO FINANCIAL STATEMENTS - CONT.

7. Defined Benefit Pension Plan - cont.

Deferred Outflows of Resources and Deferred Inflows of Resources(cont.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 73,644.00	$ 125.00
Difference between projected and actual earnings	51,742.00	
Changes of assumptions	93,893.00	
Changes in proportion	53,708.00	29,205.00
District's contributions subsequent to the measurement date	37,726.34	0.00
Totals	$310,713.34	$29,330.00

The following table provides the deferred outflows of resources and the deferred inflows of resources as of December 31, 2023, that will be recognized in pension expense in future years:

	Employer Contributions Subsequent to The Measurement Date	Recognition of Net Deferred Outflows(inflows) of Resources By Year	Total
2024	$ 37,726.34	$ 77,374.00	$115,100.34
2025		54,054.00	54,054.00
2026		99,549.00	99,549.00
2027		12,446.00	12,446.00
2028		234.00	234.00
Totals	$ 37,726.34	$ 243,657.00	$281,383.34

In addition, the District sponsors a non-contributory 403(b) salary deferred plan. Elective employee contributions are allowed to this plan.

8. Third Party Reimbursement

The District receives reimbursement from the Kansas Department for Aging and Disability Services(Medicaid) and Medicare for residents who meet certain guidelines. The reimbursement rates are based upon cost reports and other factors and may vary during the year. A significant reduction in the level of this support, if it were to occur, may have a substantial effect of the District's activities.

9. Concentrations of Credit Risk

The District operates a nursing home for residents in or around the City of Fowler, Kansas. The District grants credit to residents for payment of resident fees.

Revenue from the State of Kansas Medicaid program accounted for approximately 49% of the District's total operating revenue.

10. Fair Values of Financial Instruments

The District has no financial instruments other than cash and certificates of deposit.

NOTES TO FINANCIAL STATEMENTS - CONT.

11. Leases

The District has entered into a Municipal Lease for the acquisition of a generator. The agreement calls for monthly payment of $2,236.49 with final payment due February 15, 2027.

The District has obligations as a lessee for a generator with initial noncancellable terms in excess of one year which expires in 2027. The District classified the generator lease as a financing lease. The District has elected to utilize the discount rate based on the stated interest rate associated with the lease.

Lease Expense

Amortization expense by class of underlying asset	
Vehicle	$ 8,171.16
Interest on lease liabilities	3,404.83
Variable lease expense	0.00
Total	$11,575.99

	Beginning Of Year	Additions	Subtractions	End Of Year	Due within One Year
Lease Assets					
Vehicle	$122,568.24	$	$ 0.00	$122,568.24	
Less: accum. amort	(6,809.30)	(8,171.16)	0.00	(14,980.46)	
Net Lease Assets	$115,758.94	$ (8,171.16)	$ 0.00	$107,587.78	
Lease Liabilities	$103,376.83	$ 0.00	$(23,360.05)	$ 80,016.78	$24,251.26

Maturity Analysis	Principal	Interest	Total
2024	$ 24,251.26	$ 2,586.62	$ 26,837.88
2025	25,176.47	1,661.41	26,837.88
2026	26,136.98	700.90	26,837.88
2027	4,452.07	20.91	4,472.98
Total Future Payments	$ 80,016.78	$ 4,969.84	$ 84,986.62

12. Revenue Recognition

The District's revenues primarily consist of residential nursing care. For these services, performance obligations are considered satisfied and revenue is recognized for each day of resident stay.

Private pay: Residency services are billed on a monthly prospective payment system with billings provided to residents 5 days before month end with payment due 15 days after month end.

Medicaid: Inpatient residency services provided to Medicaid program beneficiaries are reimbursed on a prospective payment methodology which is based on prior filed cost reports. Billings are performed weekly with payment generally received within 30 days.

NOTES TO FINANCIAL STATEMENTS - CONT.

12. Revenue Recognition - cont.

The following schedule provides resident services revenue recognized in the period by major payor source:

Gross resident service revenue		
Private pay	$ 764,157.73	
Medicaid	753,323.69	
Gross resident service revenue	$1,517,481.42	
Less: provision for bad debts	(36,582.00)	
Gross resident services after bad debts		$1,480,899.42
Contractual adjustments:		0.00
Net resident service revenue		$1,480,899.42

13. Capital Assets

Capital asset addition, dispositions, and balances for the year ended December 31, 2023 were as follows:

Historical Cost	Beginning Balance	Additions	Dispositions	Ending Balance
Land	$ 8,816.10	$	$	$ 8,816.10
Land improvements	36,210.71			36,210.71
Buildings and improvements	1,257,801.98			1,257,801.98
Furnishings and equipment	550,817.23	5,315.58		556,132.81
Vehicles	27,000.00			27,000.00
Totals at historical cost	$1,880,646.02	$ 5,315.58	$ 0.00	$1,885,961.60
Less Accumulated Depreciation				
Land improvements	$ 19,935.65	$ 616.68	$	$ 20,552.33
Buildings and improvements	1,194,931.97	15,564.36		1,210,496.33
Furnishings and equipment	435,652.23	18,432.74		454,084.97
Vehicles	27,000.00			27,000.00
Total accumulated depreciation	$1,677,519.85	$ 34,613.78	$ 0.00	$1,712,133.63
Capital Assets, Net	$ 203,126.17	$(29,298.20)	$ 0.00	$ 173,827.97

14. Evaluation of Subsequent Events

The District has evaluated subsequent events through March 26, 2025 which is the date the financial statements were available to be issued.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

Schedule "1"

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2023

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.042228%	0.043975%	0.037801%	0.037366%	0.040007%
District's proportionate share of the net pension liability	$885,903.00	$874,243.00	$453,595.00	$647,797.00	$559,047.00
District's covered-employee payroll	$969,026.92	$955,158.60	$890,349.41	$711,560.02	$818,505.63
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	91.42%	91.53%	50.95%	91.04%	68.30%
Plan fiduciary net position as a percentage of the total pension liability	70.55%	70.66%	81.14%	70.77%	75.02%

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.045112%	0.046154%	0.045755%	0.042909%	0.045371%
District's proportionate share of the net pension liability	$628,767.00	$668,520.00	$707,333.00	$563,414.00	$558,432.00
District's covered-employee payroll	$785,830.97	$813,918.35	$729,818.60	$767,289.78	$749,159.97
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	80.01%	82.14%	96.92%	73.43%	74.54%
Plan fiduciary net position as a percentage of the total pension liability	71.53%	72.15%	68.55%	64.95%	66.60%

Notes to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

The amounts presented for each fiscal year are as of the measurement date, June 30 of the current year.

See independent auditor's report.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

Schedule "2"

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO DEFINED PENSION PLAN
December 31, 2023

	2023	2022	2021	2020	2019
Contractually required contribution	$79,410.00	$ 79,311.86	$ 75,308.38	$ 65,640.04	$ 71,813.11
Contributions in relation to the contractually required contribution	(79,410.00)	(79,311.86)	(75,308.38)	(65,640.04)	(71,813.11)
Contributory deficiency (excess)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
District's covered employee payroll	$969,026.92	$955,158.60	$890,349.41	$711,560.02	$818,505.63
Contributions as a percentage of of covered-employee payroll	8.19%	8.30%	8.46%	9.22%	8.77%

	2018	2017	2016	2015	2014
Contractually required contribution	$73,789.64	$ 70,597.53	$ 74,337.12	$ 79,362.06	$ 69,501.05
Contributions in relation to the contractually required contribution	(73,789.64)	(70,597.53)	(74,337.12)	(79,362.06)	(69,501.05)
Contributory deficiency (excess)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
District's covered employee payroll	$785,830.97	$813,918.35	$729,818.60	$767,289.78	$749,159.97
Contributions as a percentage of of covered-employee payroll	9.39%	8.67%	10.19%	10.31%	9.28%

Notes to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

The amounts presented for each fiscal year are as of the most recent fiscal year ended December 31.

See independent audit's report.

FOWLER HOSPITAL DISTRICT
d/b/a
FOWLER RESIDENTIAL CARE
Fowler, Kansas

SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2023

Schedule "3"

Personnel		
Salaries and wages	$967,125.83	
GASB pension adjustment	59,230.40	
Fringe benefit and payroll taxes	202,742.05	
Total personnel		$1,229,098.28
Food		63,341.94
Contracted Services		
Health services	$607,461.05	
Health consultants	10,044.21	
Financial consultant	37,952.61	
Other professional fees	3,421.37	
Total contractual		658,879.24
Consumable Supplies		61,104.50
Depreciation		34,613.78
Other Costs		
Travel	$ 2,250.47	
Minor equipment	1,402.36	
Utilities	70,795.01	
Dues/subscriptions	10,214.81	
Telephone	7,711.11	
Repairs and maintenance	9,022.46	
Insurance	49,222.71	
Background checks	33.96	
Provider assessment	16,360.00	
Software and updates	8,224.12	
Amortization of leased assets	8,171.16	
Other	1,413.35	
Operating lease expense	504.00	
Total other costs		185,325.52
Total Operating Expenses		$2,232,363.26

See independent auditor's report.