

**Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas**

Independent Auditor's Report and Financial Statements

March 31, 2019 and 2018

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
March 31, 2019 and 2018

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Independent Auditor's Report

Board of Trustees
Board of Trustees of Smith County Memorial Hospital
Smith Center, Kansas

We have audited the accompanying financial statements of the Board of Trustees of Smith County Memorial Hospital (BOT), a component unit of Smith County, Kansas, as of March 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the BOT's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Trustees of Smith County Memorial Hospital as of March 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

BKD, LLP

Wichita, Kansas

July 17, 2019, except for Note 11 as to which the date is August 19, 2019

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas

Balance Sheets
March 31, 2019 and 2018

Assets

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 662,952	\$ 445,579
Restricted cash	2,210,135	9,467,073
Certificates of deposit	842,196	-
Contributions receivable - current	59,103	67,865
Sales tax receivable	124,147	134,068
Due from Hospital	2,158	2,158
Interest receivable	38,268	38,268
Total current assets	3,938,959	10,155,011
Noncurrent Cash Restricted by Donors for Capital Acquisitions	40,135	1,283,843
Certificates of Deposit Restricted by Donors for Capital Acquisitions	1,373,758	-
Contributions Receivable	29,645	68,049
Interest in Assets at Greater Salina Community Foundation	22,298	19,522
Beneficial Interest in Trust	463,850	473,121
Leverage Loan Receivable	11,800,052	11,800,052
Total assets	\$ 17,668,697	\$ 23,799,598

Liabilities, Deferred Inflows of Resources and Net Position

	<u>2019</u>	<u>2018</u>
Current Liabilities		
Due to Hospital	\$ 19,355	\$ -
Accrued interest payable	<u>-</u>	<u>13,920</u>
Total current liabilities	<u>19,355</u>	<u>13,920</u>
Long-term Debt	<u>17,025,000</u>	<u>22,411,560</u>
Total liabilities	<u>17,044,355</u>	<u>22,425,480</u>
Deferred Inflows of Resources		
Beneficial interest in trust	<u>463,850</u>	<u>473,121</u>
Net Position (Deficit)		
Restricted - expendable for capital acquisitions	1,502,641	1,419,757
Unrestricted	<u>(1,342,149)</u>	<u>(518,760)</u>
Total net position	<u>160,492</u>	<u>900,997</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 17,668,697</u>	<u>\$ 23,799,598</u>

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Statements of Revenues, Expenses and Changes in Net Position
Years Ended March 31, 2019 and 2018

	2019	2018
Operating Revenues		
Noncapital appropriations - Smith County property tax levy	\$ 378,396	\$ 346,925
Noncapital appropriations - sales tax	1,120,504	531,279
Total operating revenues	1,498,900	878,204
Operating Expenses	96,257	1,204,739
Operating Income (Loss)	1,402,643	(326,535)
Nonoperating Revenues (Expenses)		
Interest income	130,549	53,346
Interest expense	(256,632)	(85,223)
Change in interest in assets at Greater Salina		
Community Foundation	2,776	5,914
Noncapital grants and gifts	22,700	-
Contribution to Hospital for operations	(450,000)	(400,000)
Other	-	(49,786)
Total nonoperating expenses	(550,607)	(475,749)
Excess (Deficiency) of Revenues Over Expenses Before Capital Grants and Gifts, Net and Contributions to Hospital for Capital Assets	852,036	(802,284)
Capital Grants and Gifts, Net	64,534	208,148
Contributions to Hospital for Capital Assets	(1,657,075)	-
Decrease in Net Position	(740,505)	(594,136)
Net Position, Beginning of Year	900,997	1,495,133
Net Position, End of Year	\$ 160,492	\$ 900,997

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Statements of Cash Flows
Years Ended March 31, 2019 and 2018

	2019	2018
Operating Activities		
Receipts from Smith County	\$ 1,508,821	\$ 859,494
Other receipts (payments), net	(90,822)	(1,229,087)
Net cash provided by (used in) operating activities	1,417,999	(369,593)
Noncapital Financing Activities		
Noncapital grants and gifts	22,700	501,200
Contributions to Hospital for operations	(450,000)	(400,000)
Other	-	(49,786)
Net cash provided by (used in) noncapital financing	(427,300)	51,414
Capital and Related Financing Activities		
Capital grants and gifts	111,700	238,015
Contributions to Hospital for capital assets	(1,657,075)	-
Proceeds from issuance of note payable to bank	-	25,913,000
Principal paid on note payable to bank	(5,386,560)	(3,501,440)
Interest paid on note payable to bank	(256,632)	(85,223)
Net cash provided by (used in) capital and related financing activities	(7,188,567)	22,564,352
Investing Activities		
Interest received	130,549	53,346
Purchase of certificates of deposit	(2,215,954)	-
Payment of note receivable	-	(11,800,052)
Net cash used in investing activities	(2,085,405)	(11,746,706)
Increase (Decrease) in Cash and Cash Equivalents	(8,283,273)	10,499,467
Cash and Cash Equivalents, Beginning of Year	11,196,495	697,028
Cash and Cash Equivalents, End of Year	\$ 2,913,222	\$ 11,196,495

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Statements of Cash Flows (Continued)
Years Ended March 31, 2019 and 2018

	2019	2018
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	\$ 2,873,087	\$ 9,912,652
Cash in noncurrent cash	40,135	1,283,843
Total cash and cash equivalents	\$ 2,913,222	\$ 11,196,495
Reconciliation of Operating Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$ 1,402,643	\$ (326,535)
Changes in operating assets and liabilities		
Sales tax receivable	9,921	(18,710)
Interest receivable	-	(38,268)
Due to Hospital	19,355	-
Accrued interest payable	(13,920)	13,920
Net cash provided by (used in) operating activities	\$ 1,417,999	\$ (369,593)

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Notes to Financial Statements
March 31, 2019 and 2018

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

Nature of Operations

The Board of Trustees of Smith County Memorial Hospital (BOT) was organized by the County Commissioners of Smith County to operate a governmental hospital and to control the use of tax appropriations. The BOT is appointed by the County Commissioners of Smith County. The BOT is considered to be a component unit of Smith County, Kansas.

Great Plains of Smith County, Inc. (GPSC/Hospital) is located in Smith Center, Kansas and provides acute, swing-bed, long-term care and clinic services under a lease agreement entered into, pursuant to K.S.A. 19-4601 et. seq. with the BOT (*Note 2*). The operations of GPSC are reported on separately from the BOT due to this lease arrangement.

Smith County Memorial Hospital QALICB, Inc. (QALICB), is a 501(c)(3) nonprofit corporation. QALICB was established to facilitate the construction of a replacement hospital facility and to lease that facility to the BOT once construction is completed. GPSC management performs the day-to-day management of QALICB's operations and the debt of QALICB is expected to be repaid entirely with the resources of the BOT through lease payments made to QALICB for the use of the facility. QALICB is a separate legal entity but is financially integrated with the BOT and is reported as a blended component unit of the BOT and does not issue separate financial statements. The sole corporate member of QALICB is the BOT. QALICB has the same fiscal year as the BOT.

Basis of Accounting and Presentation

The financial statements of the BOT 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 county appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include tax appropriations and exchange transactions. Interest income, noncapital gifts and contributions to the Hospital for operations are included in nonoperating revenues (expenses). The BOT first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available. The BOT prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Board of Trustees of Smith County Memorial Hospital A Component Unit of Smith County, Kansas

Notes to Financial Statements

March 31, 2019 and 2018

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, 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 BOT considers all liquid investments with original maturities of three months or less to be cash equivalents. At March 31, 2019 and 2018, cash equivalents consisted entirely of money market accounts.

Deferred Inflows of Resources

The BOT 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 BOT is classified in two components. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the BOT. Unrestricted net position is the remaining net position that does not meet the definition of restricted net position.

Noncapital Appropriations – Smith County

The BOT receives noncapital appropriations from Smith County, Kansas in the form of property tax levy and sales tax revenue. Property taxes are assessed in November and are received beginning in January of the following year. Sales tax revenue is recognized based on sales tax collected by the County's retailers in the Hospital's accounting period. Noncapital appropriations revenue for both property and sales taxes are recognized in full in the year in which use is first permitted.

Income Taxes

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

Board of Trustees of Smith County Memorial Hospital A Component Unit of Smith County, Kansas

Notes to Financial Statements

March 31, 2019 and 2018

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Note 2: Lease and Management Agreement

The BOT controls facilities, including buildings, as well as equipment and other assets, which are owned by Smith County, Kansas, and leased to GPSC by the BOT. The lease agreement provides that GPSC will assume and continue the operations of the hospital and maintain all property and equipment in good operating condition. The original lease term was for a period of five years through December 5, 2005, with two renewal option periods of five years each, which ended December 5, 2015. GPSC extended the lease agreement another five years through December 1, 2020. The BOT leases the hospital facilities to GPSC for \$1. In connection with this lease, Great Plains Health Alliance, Inc. (GPHA), the sole member of GPSC, has a management agreement with GPSC. Either party has the option to terminate the lease at any time for a material breach of terms or provisions of the agreement with a 60-day notice. All assets and liabilities were transferred to GPSC upon commencement of the original term, December 5, 2000. At the end of the lease term, all assets, including working capital and liabilities, shall transfer back to the BOT.

Note 3: 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 BOT'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 acceptable collateral having an aggregate value at least equal to the amount of the deposits.

The BOT maintains its bank deposits (checking and savings accounts and certificates of deposit) with financial institutions which, at times, exceed federally insured limits. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the BOT is periodically reviewed and the BOT believes it is not exposed to any significant credit risk on these balances.

Board of Trustees of Smith County Memorial Hospital
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Notes to Financial Statements
March 31, 2019 and 2018

At March 31, 2019 and 2018, respectively, \$4,126,175 and \$10,697,427 of the BOT's bank balances of \$5,126,176 and \$11,197,427 were exposed to custodial credit risk as follows:

	2019	2018
Uninsured and uncollateralized	\$ 1,710,134	\$ 9,202,927
Uninsured and collateral held on behalf of the pledging financial institution in the Board of Trustees' name	2,416,041	1,494,500
	\$ 4,126,175	\$ 10,697,427

Summary of Carrying Values

The carrying values of deposits shown above are included in the balance sheets at March 31, 2019 and 2018, as follows:

	2019	2018
Carrying Value		
Cash	\$ 662,952	\$ 445,579
Restricted cash	2,210,135	9,467,073
Certificates of deposit	2,215,954	-
Noncurrent cash restricted by donors for capital acquisitions	40,135	1,283,843
	\$ 5,129,176	\$ 11,196,495

Note 4: Interest in Assets at Greater Salina Community Foundation

The BOT has entered into an Organization Fund Agreement (Agreement) with the Smith County Community Foundation, an affiliate of the Greater Salina Community Foundation (Foundation). In connection with the contribution and Agreement, the Foundation established the Smith County Memorial Hospital Fund (Fund). Per the Agreement, the Fund is to be held in perpetuity as a component fund of the Foundation with annual distributions from the Fund available for the benefit of the Smith County Memorial Hospital. Changes in the interest are included in nonoperating revenue.

The BOT did not contribute to the Foundation in either 2019 or 2018.

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Notes to Financial Statements
March 31, 2019 and 2018

Note 5: Contributions Receivable

The BOT has entered into a capital campaign that will help cover the costs to construct, furnish and equip a new hospital on a new site and demolish a portion of the existing facility.

Contributions receivable consisted of the following at March 31, 2019 and 2018:

	2019	2018
Due within one year	\$ 65,670	\$ 75,406
Due in one to five years	34,656	78,437
Due in more than five years	1,000	2,000
	101,326	155,843
Less		
Allowance for uncollectible contributions	10,133	15,585
Unamortized discount	2,445	4,344
	12,578	19,929
	\$ 88,748	\$ 135,914

Discount rate was 4% in 2019 and in 2018.

Note 6: Trusts

The BOT is a beneficiary under a remainder trust and a perpetual trust administered by outside parties. The BOT received the remainder trust of \$501,200 in June 2017, which approximated fair value at March 31, 2017. The fair value of the perpetual trust was \$463,850 and \$473,121 at March 31, 2019 and 2018, respectively. Under the terms of the perpetual trust, the BOT has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the principal held in the trust. The estimated value of the expected future cash flows is \$463,850, which represents the fair value of the trust assets at March 31, 2019. The income (loss) from the perpetual trust was \$(9,271) and \$(6,947) for 2019 and 2018, respectively. The BOT received income earned on the trust of \$22,700 during 2018, which is included in noncapital grants and gifts in the accompanying statements of revenues, expenses and changes in net position.

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas

Notes to Financial Statements

March 31, 2019 and 2018

Note 7: Leverage Loan Receivable

The BOT entered into an agreement on February 15, 2018, to lend \$11,800,052 to USBCDC Investment Fund 203, LLC. Interest of 1% accrues on the loan receivable balance from the date of the issuance through maturity, with interest only payments beginning March 14, 2018, and paid quarterly through March 10, 2025. Beginning on April 1, 2025, and continuing until the maturity date of December 31, 2052, USBCDC Investment Fund 203, LLC will make quarterly payments sufficient to amortize the notes by the maturity date. The note is secured by equity interests of 99.99% of both CHHS Subsidiary CDE 37, LLC and CBKC CDC Sub-CDE 46, LLC.

The BOT used the proceeds of the Bridge Loan received in 2018 (see *Note 8*) to fund \$8,800,052 of this leverage loan receivable.

Note 8: Long-term Debt

The following is a summary of long-term debt transactions for the BOT for the years ended March 31:

	2019				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Board of Trustees					
Bridge loan payable	\$ 5,386,560	\$ -	\$ (5,386,560)	\$ -	\$ -
QALICB					
Note payable A	8,321,466	-	-	8,321,466	-
Note payable B	3,803,534	-	-	3,803,534	-
Note payable C	3,478,586	-	-	3,478,586	-
Note payable D	1,421,414	-	-	1,421,414	-
	\$ 22,411,560	\$ -	\$ (5,386,560)	\$ 17,025,000	\$ -
	2018				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Board of Trustees					
Bridge loan payable	\$ -	\$ 8,888,000	\$ (3,501,440)	\$ 5,386,560	\$ -
QALICB					
Note payable A	-	8,321,466	-	8,321,466	-
Note payable B	-	3,803,534	-	3,803,534	-
Note payable C	-	3,478,586	-	3,478,586	-
Note payable D	-	1,421,414	-	1,421,414	-
	\$ -	\$ 25,913,000	\$ (3,501,440)	\$ 22,411,560	\$ -

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Notes to Financial Statements
March 31, 2019 and 2018

BOT Bridge Loan Payable

The BOT entered into a note payable to bank (Bridge Loan) on February 15, 2018. The BOT will make monthly payments of interest only on the outstanding principal balance accrued and accruing through the last day of the month at a rate of 5%. The Bridge Loan was paid in full as of March 31, 2019, prior to the scheduled maturity date of August 15, 2019.

QALICB Notes Payable A, B, C and D

QALICB (a qualified active low-income community business) executed loan agreements on February 15, 2018, that provide for borrowing of \$8,321,466 (Note A) and \$3,803,534 (Note B) from CHHS Subsidiary CDE 37, LLC as well as provide for a borrowing of \$3,478,586 (Note C) and \$1,421,414 (Note D) from CBKC CDC Sub-CDE 46, LLC. The loans financed the construction of a new replacement hospital facility. The notes are secured by a leasehold mortgage on the property.

Under the terms of the loan agreements, the loans have an interest rate of 1.43%, payable quarterly. QALICB is not permitted to prepay any portion of the principal of the loans until the seventh anniversary date. For Notes A, B, C and D, interest only is payable quarterly in arrears beginning March 31, 2018 through March 31, 2025. For the period April 1, 2025 through December 1, 2052, principal and interest of \$44,184 is due for Notes A and B and \$17,856 for Notes C and D, respectively.

Under the terms of the loan agreements, QALICB has certain compliance requirements, including compliance reporting and maintaining its status as a qualified active low-income community business as defined by the Internal Revenue Code.

At the end of the seven-year term, a put/call agreement may be exercised, whereby U.S. Bancorp Community Development Corporation's interest in the USBCDC Investment Fund 203, LLC (member of both CHHS Subsidiary CDE 37, LLC and CBKC CDC Sub-CDE 46, LLC) is sold to QALICB.

Board of Trustees of Smith County Memorial Hospital
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Notes to Financial Statements
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The debt service requirements for Notes A, B, C and D as of March 31 are as follows:

Year Ending March 31,	Total to be Paid	Principal	Interest
2020	\$ 246,963	\$ -	\$ 246,963
2021	246,288	-	246,288
2022	246,288	-	246,288
2023	246,288	-	246,288
2024	246,288	-	246,288
2025-2029	3,224,183	2,070,926	1,153,257
2030-2034	3,722,369	2,736,154	986,215
2035-2039	3,722,370	2,941,356	781,014
2040-2044	3,722,367	3,161,701	560,666
2045-2049	3,722,369	3,399,189	323,180
2050-2053	<u>2,791,776</u>	<u>2,715,674</u>	<u>76,102</u>
	<u>\$ 22,137,549</u>	<u>\$ 17,025,000</u>	<u>\$ 5,112,549</u>

Note 9: Restricted Cash

Reserve Funds

As a requirement of loan closing for the Bridge Loan and Notes A, B, C and D (discussed in Note 8), reserve funds were created to pay the annual compliance, audit and tax fees as well as fund the BOT's Bridge Loan principal and interest payments. The funds are pledged to the lender as additional security for the loans. At March 31, 2019 and 2018, the balance of the reserve funds was \$2,210,135 and \$9,467,073, respectively.

Note 10: Fair Value Measurement of Assets

The BOT categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The beneficial interest in trust is considered a Level 2 measurement as its fair value is based on the fair values of the underlying assets, which include cash, money markets, municipal bonds, corporate bonds and equities.

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Notes to Financial Statements
March 31, 2019 and 2018

Note 11: Condensed Combining Information

The following tables include condensed combining balance sheet information for the BOT and its blended component unit, QALICB, as of March 31, 2019 and 2018:

	March 31, 2019			
	BOT	QALICB	Eliminations	Total
Assets				
Current assets	\$ 2,384,480	\$ 1,554,479	\$ -	\$ 3,938,959
Noncurrent cash restricted by donors for capital acquisitions	40,135	-	-	40,135
Certificates of deposit restricted by donors for capital acquisitions	1,373,758	-	-	1,373,758
Contributions receivable	29,645	-	-	29,645
Interest in assets at Greater Salina Community Foundation	22,298	-	-	22,298
Beneficial interest in trust	463,850	-	-	463,850
Leverage loan receivable	11,800,052	-	-	11,800,052
Total assets	\$ 16,114,218	\$ 1,554,479	\$ -	\$ 17,668,697
Liabilities				
Current liabilities	\$ 19,355	\$ -	\$ -	\$ 19,355
Long-term debt	-	17,025,000	-	17,025,000
Total liabilities	19,355	17,025,000	-	17,044,355
Deferred Inflows of Resources	463,850	-	-	463,850
Net Position (Deficit)	15,631,013	(15,470,521)	-	160,492
Total liabilities, deferred inflows of resources and net position	\$ 16,114,218	\$ 1,554,479	\$ -	\$ 17,668,697

Board of Trustees of Smith County Memorial Hospital
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March 31, 2019 and 2018

	March 31, 2018			
	BOT	QALICB	Eliminations	Total
Assets				
Current assets	\$ 702,084	\$ 9,452,927	\$ -	\$ 10,155,011
Noncurrent cash restricted by donors for capital acquisitions	1,283,843	-	-	1,283,843
Contributions receivable	68,049	-	-	68,049
Interest in assets at Greater Salina Community Foundation	19,522	-	-	19,522
Beneficial interest in trust	473,121	-	-	473,121
Leverage loan receivable	11,800,052	-	-	11,800,052
Total assets	<u>\$ 14,346,671</u>	<u>\$ 9,452,927</u>	<u>\$ -</u>	<u>\$ 23,799,598</u>
Liabilities				
Current liabilities	\$ -	\$ 13,920	\$ -	\$ 13,920
Long-term debt	5,386,560	17,025,000	-	22,411,560
Total liabilities	<u>5,386,560</u>	<u>17,038,920</u>	<u>-</u>	<u>22,425,480</u>
Deferred Inflows of Resources	<u>473,121</u>	<u>-</u>	<u>-</u>	<u>473,121</u>
Net Position	<u>8,486,990</u>	<u>(7,585,993)</u>	<u>-</u>	<u>900,997</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 14,346,671</u>	<u>\$ 9,452,927</u>	<u>\$ -</u>	<u>\$ 23,799,598</u>

Board of Trustees of Smith County Memorial Hospital
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The following tables, which include condensed combining statements of revenues, expenses and changes in net position information for the BOT and its blended component unit, SCMH QALICB, for the years ended March 31, 2019 and 2018, were previously presented in the report dated July 17, 2019, and were revised due to a clerical error. The following tables include condensed combining statements of revenues, expenses and changes in net position information for the BOT and its blended component unit, SCMH QALICB, for the years ended March 31, 2019 and 2018, as revised:

	March 31, 2019			Total
	BOT	QALICB	Eliminations	
Operating Revenues	\$ 1,498,900	\$ -	\$ -	\$ 1,498,900
Operating Expenses	(35,560)	(60,697)	-	(96,257)
Nonoperating Revenues (Expenses)	(321,614)	(228,993)	-	(550,607)
Capital Grants and Gifts, Net	64,534	-	-	64,534
Contributions to Hospital for Capital Assets	(1,657,075)	-	-	(1,657,075)
Transfers	7,594,838	(7,594,838)	-	-
Increase (Decrease) in Net Position	7,144,023	(7,884,528)	-	(740,505)
Net Position, Beginning of Year	8,486,990	(7,585,993)	-	900,997
Net Position, End of Year	<u>\$ 15,631,013</u>	<u>\$ (15,470,521)</u>	<u>\$ -</u>	<u>\$ 160,492</u>

Board of Trustees of Smith County Memorial Hospital
A Component Unit of Smith County, Kansas
Notes to Financial Statements
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	March 31, 2018			Total
	BOT	QALICB	Eliminations	
Operating Revenues	\$ 878,204	\$ -	\$ -	\$ 878,204
Operating Expenses	(149,876)	(1,054,863)	-	(1,204,739)
Nonoperating Revenues (Expenses)	(396,059)	(79,690)	-	(475,749)
Capital Grants and Gifts, Net	208,148	-	-	208,148
Contributions to Hospital for Capital Assets	-	-	-	-
Transfers	6,451,440	(6,451,440)	-	-
Decrease in Net Position	6,991,857	(7,585,993)	-	(594,136)
Net Position, Beginning of Year	1,495,133	-	-	1,495,133
Net Position, End of Year	<u>\$ 8,486,990</u>	<u>\$ (7,585,993)</u>	<u>\$ -</u>	<u>\$ 900,997</u>

The following tables include condensed combining statements of cash flows information for the BOT and its blended component unit, QALICB, as of March 31, 2019 and 2018:

	March 31, 2019			Total
	BOT	QALICB	Eliminations	
Net cash provided by (used in):				
Operating Activities	\$ 1,492,616	\$ (74,617)	\$ -	\$ 1,417,999
Noncapital Financing Activities	7,167,538	(7,594,838)	-	(427,300)
Capital and Related Financing Activities	(6,959,574)	(228,993)	-	(7,188,567)
Investing Activities	(2,085,405)	-	-	(2,085,405)
Increase in Cash and Cash Equivalents	(384,825)	(7,898,448)	-	(8,283,273)
Cash and Cash Equivalents, Beginning of Year	1,743,568	9,452,927	-	11,196,495
Cash and Cash Equivalents, End of Year	<u>\$ 1,358,743</u>	<u>\$ 1,554,479</u>	<u>\$ -</u>	<u>\$ 2,913,222</u>

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	March 31, 2018			Total
	BOT	QALICB	Eliminations	
Net cash provided by (used in):				
Operating Activities	\$ 671,350	\$ (1,040,943)	\$ -	\$ (369,593)
Noncapital Financing Activities	6,552,854	(6,501,440)	-	51,414
Capital and Related Financing Activities	5,569,042	16,995,310	-	22,564,352
Investing Activities	<u>(11,746,706)</u>	<u>-</u>	<u>-</u>	<u>(11,746,706)</u>
Decrease in Cash and Cash Equivalents	1,046,540	9,452,927	-	10,499,467
Cash and Cash Equivalents, Beginning of Year	<u>697,028</u>	<u>-</u>	<u>-</u>	<u>697,028</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,743,568</u>	<u>\$ 9,452,927</u>	<u>\$ -</u>	<u>\$ 11,196,495</u>