Independent Auditor's Report and Financial Statements

Lincoln County Hospital

March 31, 2021 and 2020

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Lincoln County Hospital
Management's Discussion and Analysis
Years ended March 31, 2021 and 2020

Our discussion and analysis of the financial performance of Lincoln County Hospital provides a narrative overview of the Hospital's financial activities for the years ended March 31, 2021 and 2020. Please read it in conjunction with the accompanying financial statements.

Financial highlights

The Hospital reported an operating loss of $850,215 in 2021, $1,343,903 in 2020, and $1,157,604 in 2019. After consideration of tax appropriations and other nonoperating revenues and expenses and capital contributions, the Hospital's net position increased by $386,816 in 2021 and decreased by $871,901 in 2020.

Using these financial statements

The Hospital's financial statements consist of three statements - a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. These financial statements and related notes provide information about the activities of the Hospital, and resources held by or for the benefit of the Hospital.

One of the most important questions asked about the Hospital's finances is, "Is the Hospital as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Hospital's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Hospital's net position and changes in them. The Hospital's net position - the difference between assets and liabilities may be thought of as one way to measure the financial health, or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. Consideration must also be given to other nonfinancial indicators, such as changes in the Hospital's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Hospital.

The final required statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It provides answers to such questions as "Where did cash come from?", "What was cash used for?", and "What was the change in cash balance during the reporting period?"

Assets, deferred outflows, liabilities, and net position

Table 1 below summarizes the Hospital's assets, deferred outflows, liabilities, and net position for the latest three fiscal years.

Table 1: Assets, Deferred Outflows, Liabilities, and Net Position

	2021	2020	2019
Assets			
Current assets	$ 6,493,779	$ 1,450,970	$ 2,190,051
Capital assets, net	2,862,068	3,216,135	3,663,283
Other noncurrent assets	483,041	479,588	516,968
Total assets	9,838,888	5,146,693	6,370,302
Deferred outflows of resources on advance refunding	179,766	204,149	230,233
Liabilities			
Current liabilities	5,255,995	1,198,549	1,236,957
Noncurrent liabilities	4,702,922	4,479,372	4,818,756
Total liabilities	9,958,917	5,677,921	6,055,713
Total net position	$ 59,737	$ (327,079)	$ 544,822

Beginning in March 2020, the Hospital, along with all health care providers in the United States, was negatively impacted by the worldwide coronavirus pandemic. Patient volumes and related revenues for the Hospital's services were impacted. Outpatient volumes decreased from stay at home practices. In response, the Coronavirus Aid, Relief, and Economic Security Act (CARES) and subsequent legislation has provided funding during these uncertain times. The Hospital was approved for a Paycheck Protection Program (PPP) loan and received several grants from Health and Human Services (HHS) to prevent, prepare for, and respond to the pandemic. In addition, the Hospital also received advanced payments from Medicare. Total assets and liabilities increased as a result of these funding mechanisms.

Our ratio of current assets to current liabilities was to 1.2 in 2021 and 2020, decreasing from 1.8 in 2019. Current assets are impacted by the payment position with Medicare, change in net accounts receivable, and the change in current liabilities. The Hospital's current assets and liabilities have increased as a result of the funding mechanisms previously noted. The Hospital's liquidity position continues to be a concern and it has been impacted by the items discussed related to operations.

The Hospital's capital acquisitions were $166,616, $123,700, and $68,777 during 2021, 2020, and 2019. The remaining change in capital assets, net, results from the normal annual depreciation provisions of $520,683, $570,848, and $626,938 during 2021, 2020, and 2019.

Other noncurrent assets consist of Board funds that are available to fund the continuing operation of the Hospital, a debt service reserve fund, funds set aside for future replacement of capital assets, and funds set aside for payment of future health claims expense. These balances will change as tax appropriations and contributions are received.

The board-designated funds decreased by $4,609 and $76,112 in 2021 and 2020, respectively. Also included in other noncurrent assets are funds held by the Lincoln County Public Building Commission (PBC) which are for current debt service requirements.

Operating results and changes in net position

In 2021, the Hospital's net position increased by $386,816. This change is made up of different components as displayed below in Table 2.

Table 2: Operating Results and Changes in Net Position

	2021	2020	2019
Operating revenues			
Net patient service revenue	$ 6,639,453	$ 6,555,780	$ 6,638,483
Other operating revenue	516,108	712,178	724,383
Total operating revenues	7,155,561	7,267,958	7,362,866
Operating expenses			
Salaries and benefits	4,178,074	4,851,846	4,565,220
Supplies and other	3,307,019	3,189,167	3,328,312
Depreciation and amortization	520,683	570,848	626,938
Total operating expenses	8,005,776	8,611,861	8,520,470
Operating loss	(850,215)	(1,343,903)	(1,157,604)
Nonoperating revenues net of expenses and contributions for capital	1,237,031	472,002	588,752
Change in net position	$ 386,816	$ (871,901)	$ (568,852)

The first component of the overall change in the Hospital's net position is its operating income (loss) - generally the difference between net patient service revenue and other operating revenues and the expenses incurred to generate those revenues. In 2021, the Hospital's operating loss decreased by $493,688 in comparison to 2020, while in 2020 the operating loss increased by $186,299 in comparison to 2019. The Hospital's net patient service revenue in 2021 increased by 1.3 percent and in 2020 decreased by 1.2 percent over the previous year. The change in net patient service revenue is affected by changes in charges to patients, payment rates by third-party payors, patient volumes, the type of services provided, bad debts, and to a greater extent, the change in Medicare reimbursable costs. The change in net revenues was accompanied with a 7.0 percent decrease in operating expenses during 2021, and a 1.1 percent increase in 2020.

The Hospital received 81 percent of its net patient revenue from the Medicare program in both 2021 and 2020, with these revenues determined based on the Hospital's status as a critical access hospital provider. This designation results in Hospital services to Medicare beneficiaries being reimbursed primarily based upon allowable costs. This high concentration of Medicare revenues, however, makes it challenging for the Hospital to generate operating profits, as revenues from non-Medicare payers are not sufficient to cover the costs that are not reimbursed by the Medicare program. The Hospital's net revenues from Medicare were

reduced by approximately $8,000 and $95,000 in 2021 and 2020, respectively, due to the sequestration payment cuts implemented by Medicare which became effective on April 1, 2013. The sequestration cuts were suspended May 1, 2020, as a result of the coronavirus pandemic.

Employee salaries, wages, and benefits decreased by $673,772 or 13.9 percent in 2021, and increased by $286,626 or 6.3 percent in 2020, as compared with the previous year. The change in salaries is driven by two factors. The change in full-time equivalents employees (FTEs) and changes in employee hourly wages. The Hospital employed an average of 56 FTEs during 2021, a decrease of 10 FTEs from 2020. FTEs for 2020 were unchanged from 2019. FTEs were lower in 2021 due to staffing changes made in the clinic and several hospital departments. Salaries, wages, and employee benefits represent 63.5 percent, 74.0 percent, and 68.8 percent of total net patient service revenue in 2021, 2020, and 2019. Employee benefits as a percentage of salary and wage expense were 28.4 percent in 2021, 28.9 percent in 2020, and 29.1 percent in 2019.

Supplies and other expenses increased by $117,852 in 2021, decreased by $139,145 in 2020, and increased by $157,797 in 2019. The primary reason for the increase in costs since 2019 is the use of contract labor due to staff turnover.

Nonoperating revenues (expenses) include an annual tax appropriation from Lincoln County, noncapital grants and contributions, interest expense, gain (loss) on equity investment, and investment income earned on investments. The Hospital is highly dependent on these nonoperating revenues to offset operating losses and to maintain the financial health necessary to ensure that the Hospital continues to provide high-quality health care services to our patients. The tax appropriations received declined by $28,713 and noncapital grants and contributions increased by $79,249 in 2021 as compared to 2020. In addition, the Hospital recognized $588,769 of CARES Act provider relief funds in 2021.

This financial report is designed to provide a general overview of the Hospital's finances and to discuss the significant changes in our financial statements. If you have any questions about the report or need additional financial information, contact the Administration Office at Lincoln County Hospital, 624 N. 2nd, Lincoln, Kansas 67455.

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

Heather R. Eichem, CPA
Brian J. Florea, CPA
Eric L. Otting, CPA

Adam C. Crouch, CPA · Tyler R. Crow, CPA
Ashley R. Davis, CPA · Cameron L. Werth, CPA
John R. Helms, CPA

Independent Auditor's Report

Board of Trustees
Lincoln County Hospital

We have audited the accompanying financial statements of Lincoln County Hospital (the Hospital), and of its discretely presented component unit, as of and for the years ended March 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Hospital'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 audits. We conducted our audits 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 audits 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 business-type activity and discretely presented component unit of Lincoln County Hospital as of March 31, 2021 and 2020, and the changes in net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such 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 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln County Hospital's basic financial statements as a whole. The supplementary information presented on pages 25 and 26 is for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Wendling Noe Nelson & Johnson LLC

Topeka, Kansas
October 14, 2021

Financial Statements

Lincoln County Hospital
Statements of Net Position
March 31,

Assets and Deferred Outflows of Resources

	2021		2020	
	Hospital	Component unit	Hospital	Component unit
Current assets				
Cash	$ 5,518,611	$ 102,266	$ 254,255	$ 134,518
Certificates of deposit		5,975		5,883
Assets limited as to use	108,671		118,193	
Accounts receivable, net of allowance for uncollectible accounts of $96,688 in 2021 and $99,462 in 2020	695,202		833,034	
Other receivables	20,793		74,394	
Inventories	144,160		161,210	
Prepaid expenses and other	6,342		9,884	
Total current assets	6,493,779	108,241	1,450,970	140,401
Assets limited as to use				
By Board of Trustees				
For operations	14,255		12,206	
For debt service reserve	362,193		360,969	
For capital assets	50,561		50,380	
For health claims	13,046		21,109	
By Public Building Commission	95,625		97,085	
	535,680	-	541,749	-
Less amounts required to meet current obligations	108,671		118,193	
	427,009	-	423,556	-
Capital assets, net	2,862,068	88,885	3,216,135	90,477
Other assets	56,032	-	56,032	-
Total assets	9,838,888	197,126	5,146,693	230,878
Deferred outflows of resources				
Deferred outflows on advance refunding	179,766	-	204,149	-
Total assets and deferred outflows of resources	$ 10,018,654	$ 197,126	$ 5,350,842	$ 230,878

The accompanying notes are an integral part of these statements.

Liabilities and Net Position

	2021		2020	
	Hospital	Component unit	Hospital	Component unit
Current liabilities				
Current maturities of long-term obligations	$ 361,452	$ -	$ 435,189	$ -
SBA PPP loan payable to bank	678,787			
Accounts payable and other accrued liabilities	161,104		159,032	
Salaries payable	223,208		213,162	
Payroll taxes payable	77,700		98,928	
Vacation benefits payable	91,246		114,872	
Other accrued benefits	73,581		65,054	
Interest payable	10,413		11,225	
Unearned CARES Act grants	2,980,504			
Medicare accelerated payments	443,000			
Estimated third-party payor settlements	155,000		101,087	
Total current liabilities	5,255,995	-	1,198,549	-
Long-term liabilities				
Long-term obligations, less current maturities	4,117,920		4,479,372	
Medicare accelerated payments, excluding current portion	585,002			
Total long-term liabilities	4,702,922	-	4,479,372	-
Total liabilities	9,958,917	-	5,677,921	-
Net position				
Invested in capital assets net of related debt	(1,437,538)		(1,494,277)	
Restricted				
For debt service	95,625		97,085	
For specific operating activities		66,175		104,000
Unrestricted	1,401,650	130,951	1,070,113	126,878
Total net position	59,737	197,126	(327,079)	230,878
Total liabilities and net position	$ 10,018,654	$ 197,126	$ 5,350,842	$ 230,878

Lincoln County Hospital
Statements of Revenues, Expenses, and Changes in Net Position
Year ended March 31,

	2021		2020	
	Hospital	Component unit	Hospital	Component unit
Operating revenues				
Net patient service revenue	$ 6,639,453	$ -	$ 6,555,780	$ -
Other	516,108	6,658	712,178	8,082
Total operating revenues	7,155,561	6,658	7,267,958	8,082
Operating expenses				
Salaries and wages	3,254,891		3,763,564	
Employee benefits	923,183		1,088,282	
Supplies and other	3,307,019	39,145	3,189,167	3,267
Depreciation	520,683	1,592	570,848	1,592
Total operating expenses	8,005,776	40,737	8,611,861	4,859
Operating income (loss)	(850,215)	(34,079)	(1,343,903)	3,223
Nonoperating revenues (expenses)				
Tax appropriations	505,000		533,713	
Investment income	36,172	327	27,738	948
Interest expense	(143,282)		(153,318)	
Gain on investment in equity investee			4,596	
Noncapital grants and contributions	138,522		59,273	
Noncapital grants from CARES Act	588,769			
Total nonoperating revenues	1,125,181	327	472,002	948
Excess of revenues over expenses (expenses over revenues) before capital grants and contributions	274,966	(33,752)	(871,901)	4,171
Capital grants and contributions	37,825			
Capital grants from CARES Act	74,025			
Change in net position	386,816	(33,752)	(871,901)	4,171
Net position beginning of year	(327,079)	230,878	544,822	226,707
Net position end of year	$ 59,737	$ 197,126	$ (327,079)	$ 230,878

The accompanying notes are an integral part of these statements.

Lincoln County Hospital
Statements of Cash Flows
Year ended March 31,

	2021		2020	
	Hospital	Component unit	Hospital	Component unit
Cash flows from operating activities				
Receipts from and on behalf of patients	$ 6,831,198	$ -	$ 6,557,498	$ -
Payments to or on behalf of employees	(4,204,355)		(4,877,657)	
Payments for supplies and services	(3,284,355)	(39,145)	(3,261,549)	(3,267)
Other receipts and payments	1,597,711	6,658	685,472	8,082
Net cash provided (used) by operating activities	940,199	(32,487)	(896,236)	4,815
Cash flows from noncapital financing activities				
Tax appropriations	505,000		533,713	
Noncapital grants and contributions	138,522		59,273	
Proceeds from SBA PPP loan payable	678,787			
CARES Act grants received	3,569,273			
Net cash provided by noncapital activities	4,891,582	-	592,986	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(166,616)		(17,358)	(92,069)
Capital grants and contributions	111,850			
Principal paid on long-term debt obligations	(412,411)		(387,387)	
Interest paid on long-term debt obligations	(142,489)		(152,374)	
Net cash used by capital and related financing activities	(609,666)	-	(557,119)	(92,069)
Cash flows from investing activities				
Change in certificates of deposit		(92)		(81)
Investment income received	36,172	327	27,738	948
Net cash provided by investing activities	36,172	235	27,738	867
Change in cash and cash equivalents	5,258,287	(32,252)	(832,631)	(86,387)
Cash and cash equivalents at beginning of year	796,004	134,518	1,628,635	220,905
Cash and cash equivalents at end of year	$ 6,054,291	$ 102,266	$ 796,004	$ 134,518
Reconciliation of cash and cash equivalents				
Cash	$ 5,518,611	$ 102,266	$ 254,255	$ 134,518
Assets limited as to use	535,680		541,749	
	$ 6,054,291	$ 102,266	$ 796,004	$ 134,518

The accompanying notes are an integral part of these statements.

Lincoln County Hospital
Statements of Cash Flows - Continued
Year ended March 31,

	2021		2020	
	Hospital	Component unit	Hospital	Component unit
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (850,215)	$ (34,079)	$ (1,343,903)	$ 3,223
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	520,683	1,592	570,848	1,592
Provision for bad debts	148,309		138,639	
Changes in				
Accounts receivable	(10,477)		(185,631)	
Estimated third-party payor settlements	53,913		48,710	
Other receivables	53,601		(26,706)	
Inventories	17,050		(6,448)	
Prepaid expenses and other	3,542		28,572	
Medicare accelerated payments	1,028,002			
Accounts payable and accrued expenses	(24,209)		(120,317)	
Net cash provided (used) by operating activities	$ 940,199	$ (32,487)	$ (896,236)	$ 4,815
Noncash investing, capital, and financing activities				
Acquisition of capital assets through capital lease obligations	$ -	$ -	$ 106,342	$ -

The accompanying notes are an integral part of these statements.

Lincoln County Hospital
Notes to Financial Statements
March 31, 2021 and 2020

Note A - Description of Reporting Entity and Summary of Significant Accounting Policies

1. Reporting entity

Lincoln County Hospital (the Hospital) is owned by Lincoln County, Kansas, and is operated by the Board of Trustees of the Hospital, a seven-member governing board appointed by the governing body of the County. The Hospital, which was organized in 1952, is a critical access hospital located in Lincoln, Kansas. The Hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the County. The Hospital is a component unit of the County.

2. Component unit

The financial statements include the discrete presentation of financial data of Lincoln County Hospital and Health Care Foundation (the Foundation). The component unit is reported separately to emphasize that it is legally separate from the Hospital.

The Foundation, which is a not-for-profit corporation, was established in 2005 for the purpose of providing financial assistance to the Hospital. The Foundation is administered by a self-perpetuating Board of Directors. One of the seven members of the Foundation's Board is also a member of the Hospital's Board of Trustees.

3. Use of estimates

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

4. Basis of accounting

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

5. Cash and cash equivalents

The Hospital considers all cash and highly-liquid debt instruments with maturities of three months or less, excluding any such amounts reported as certificates of deposit, to be considered cash equivalents for purposes of the cash flow statement.

6. Allowance for doubtful accounts

The Hospital provides for accounts receivable that could become uncollectible in the future by establishing an allowance to reduce the carrying value of such receivables to their estimated net realizable value. The Hospital estimates this allowance based on the balance of private pay receivables.

7. Inventories

Inventories are stated at the lower of cost or fair value with cost determined using the first-in, first-out method.

Note A - Description of Reporting Entity and Summary of Significant Accounting Policies - Continued

8. Assets limited as to use

Assets limited as to use include assets set aside by the Board of Trustees for on-going hospital operations, for the replacement of capital assets, for debt service reserve, and for payment of partially self-insured health claims, over which the Board retains control and may at its discretion subsequently use for other purposes; donor-restricted funds to be used for capital asset acquisitions; and assets under a bond indenture agreement that are held by the Lincoln County Public Building Commission. Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets.

9. Capital assets

Capital assets, including assets recorded as capital leases, are stated at cost. Depreciation and amortization of capital assets are provided on the straight-line method over the estimated useful lives of the assets which are substantially in conformity with the guidelines established by the American Hospital Association.

The costs of maintenance and repairs are charged to operating expenses as incurred. The costs of significant additions, renewals, and betterments to depreciable properties are capitalized and depreciated over the remaining or extended useful lives of the item or the properties.

10. Other assets

The Hospital has a 3.4 percent equity interest in Community Holdings LLC, which provides stop-loss insurance coverage to the Hospital's partially self-funded health insurance plan (see Note K). The activity for this entity is reported on the equity method. The Hospital did not recognize a gain or loss for 2021 but did recognize a gain of $4,596 in 2020.

11. Deferred outflows of resources

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

12. Vacation benefits payable

Employees of the Hospital are entitled to paid vacation depending on length of service and whether they are full or part time. Upon resignation, termination, or retirement from service with the Hospital, employees are entitled to payment for all vested accrued vacation, up to an allowable maximum. The Hospital accrues vacation benefits as earned.

13. Accrued health insurance claims

The Hospital was partially self-insured for health insurance claims of its employees through December 31, 2020. Management estimated the net liability for reported and unreported claims incurred as of the end of each reporting period. The estimate is based on known claims and historical claims experience. Although management believes the estimate for accrued health insurance claims is reasonable, it is possible that actual incurred claims expense may vary from the estimate.

Note A - Description of Reporting Entity and Summary of Significant Accounting Policies - Continued

14. Net position

Net position of the Hospital is classified into three components. "Net position invested in capital assets net of related debt" consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase of assets. "Restricted net position" is net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital, including amounts deposited with the Lincoln County, Kansas, Public Building Commission as required under the Pledge of Revenues and Operation Agreement signed in connection with the issuance of bonds by the Lincoln County, Kansas, Public Building Commission. "Unrestricted net position" is remaining net position that does not meet the definitions of the other two components of net position.

15. Operating revenues and expenses

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

16. Net patient service revenue

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

17. Cost of borrowing

Interest costs including amortization of bond premiums incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Deferred financing costs incurred in connection with the issuance of long-term debt are expensed as incurred.

18. Grants and contributions

From time to time, the Hospital receives grants and contributions from individuals and private organizations. Revenues from grants and contributions, including contributions of capital assets, are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Note A - Description of Reporting Entity and Summary of Significant Accounting Policies - Continued

19. Restricted resources

When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

20. Charity care

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

21. Income taxes

The Hospital is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

Note B - Net Patient Service Revenue

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

Medicare - Services rendered to Medicare program beneficiaries are paid under the provisions applicable to critical access hospitals. Payments to the Hospital under the critical access provisions for inpatient, outpatient, and swing-bed patient services are determined on the basis of allowable costs. The Hospital is paid for cost reimbursable and other services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits or reviews thereof by the Medicare administrative contractor. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. The Hospital's Medicare cost reports have been audited or reviewed by the Medicare administrative contractor through March 31, 2019.

Medicaid - Services rendered to Medicaid program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

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

Note B - Net Patient Service Revenue - Continued

A summary of gross and net patient service revenue follows:

	2021	2020
Gross patient service revenue		
Inpatient	$ 3,325,379	$ 2,659,346
Outpatient	3,325,042	4,049,770
Physician services	236,064	253,208
Rural health clinic	407,884	590,700
	7,294,369	7,553,024
Third-party contractual adjustments	(471,888)	(764,541)
Charity care	(14,931)	(16,823)
Other discounts and allowances	(19,788)	(77,241)
Provision for bad debts	(148,309)	(138,639)
Net patient service revenue	$ 6,639,453	$ 6,555,780

Revenue from the Medicare program accounted for approximately 81 percent of the Hospital's net patient service revenue during both 2021 and 2020. Laws and regulations governing the Medicare program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

The Hospital maintains records to identify and monitor the level of charity care it provides. Charges foregone for services and supplies furnished under its charity care policy for 2021 and 2020 were $14,931 and $16,823, respectively. The Hospital estimates that the cost of providing charity care, based on overall cost-to-charge ratios obtained from the Hospital's cost report, was $15,891 and $18,310 for 2021 and 2020, respectively.

Note C - Allowance for Uncollectible Accounts

The Hospital's allowance for uncollectible accounts on amounts due from patients was 71 and 73 percent of self-pay accounts receivable as of March 31, 2021 and 2020, respectively. The Hospital's net bad debt write-offs were $128,610 and $164,380 for the years ended March 31, 2021 and 2020, respectively. The Hospital did not change its charity care or uninsured discount policies during the years ended March 31, 2021 or 2020. The Hospital does not maintain a material allowance for uncollectible accounts from third-party payors, nor has it incurred any significant bad debt write-offs from third-party payors.

Note D - Deposits with Financial Institutions

Kansas statutes authorize the Hospital with certain restrictions, to deposit or invest in open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury bills and notes, and the State Treasurer's investment pool. Kansas statutes also require that collateral be pledged for bank deposits with a fair value equal to total deposits in excess of F.D.I.C. coverage at any given time and the securities pledged be deposited with a Kansas state or national bank or trust company, the Federal Reserve Bank, or the Federal Home Loan Bank.

At March 31, 2021, the carrying amount of the Hospital's bank deposits were $5,958,520 and the bank balances were $6,077,769. Of the bank balances, $263,046 was covered by federal depository insurance and $5,814,723 was collateralized with securities held by a third-party bank.

Note E - Assets Limited as to Use

The composition of assets limited as to use which are invested in cash, is as follows:

	2021	2020
Board of Trustee funds	$ 440,055	$ 444,664
Under bond agreements	95,625	97,085
Total assets limited as to use	$ 535,680	$ 541,749

Assets limited as to use by bond agreements are held by the Lincoln County Public Building Commission for the repayment of principal and interest on the bonds.

Note F - Capital Assets

	Balance March 31, 2020	Transfers and additions	Retirements	Balance March 31, 2021
Land	$ 19,725	$ -	$ -	$ 19,725
Land improvements	193,089			193,089
Buildings	2,171,741			2,171,741
Fixed equipment	5,483,671	11,126		5,494,797
Movable equipment	3,021,104	155,490		3,176,594
	10,889,330	166,616	-	11,055,946
Less accumulated depreciation and amortization				
Land improvements	131,345	12,843		144,188
Buildings	1,561,079	64,488		1,625,567
Fixed equipment	3,401,588	258,103		3,659,691
Movable equipment	2,579,183	185,249		2,764,432
	7,673,195	520,683	-	8,193,878
Capital assets, net	$ 3,216,135	$ (354,067)	$ -	$ 2,862,068

	Balance March 31, 2019	Transfers and additions	Retirements	Balance March 31, 2020
Land	$ 19,725	$ -	$ -	$ 19,725
Land improvements	187,289	5,800		193,089
Buildings	2,171,741			2,171,741
Fixed equipment	5,483,671			5,483,671
Movable equipment	2,903,204	117,900	-	3,021,104
	10,765,630	123,700	-	10,889,330
Less accumulated depreciation and amortization				
Land improvements	118,790	12,555		131,345
Buildings	1,490,446	70,633		1,561,079
Fixed equipment	3,106,741	294,847		3,401,588
Movable equipment	2,386,370	192,813	-	2,579,183
	7,102,347	570,848	-	7,673,195
Capital assets, net	$ 3,663,283	$ (447,148)	$ -	$ 3,216,135

The Foundation's capital assets consist of land and a house located adjacent to the Hospital.

Note G - Long-Term Obligations

Long-term obligations are summarized as follows:

	2021	2020
Capital lease obligation with the Lincoln County, Kansas Public Building Commission Refunding Revenue Bonds, Series 2016; interest rate of 2.00% to 3.00%; issued on October 6, 2016; in the original amount of $5,330,000; due serially through March 1, 2035	$ 4,165,000	$ 4,490,000
Capital lease obligation; imputed interest rate of 2.135%; payable in monthly installments of $5,881 through March 2022; collateralized by leased equipment with an amortized cost of $66,983 at March 31, 2021	69,763	138,053
Capital lease obligation; imputed interest rate of 7.174%; payable in monthly installments of $2,114 through August 2024; collateralized by leased equipment with an amortized cost of $72,749 at March 31, 2021	76,683	95,804
	4,311,446	4,723,857
Add net unamortized premium of bonds	167,926	190,704
Less current maturities of long-term debt	(361,452)	(435,189)
Long-term debt, net of current maturities	$ 4,117,920	$ 4,479,372

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

	Capital lease obligations	Capital lease with PBC	Total long-term obligations
Outstanding at March 31, 2019	$ 204,902	$ 4,800,000	$ 5,004,902
Capital lease obligation incurred	106,342		106,342
Principal payments	(77,387)	(310,000)	(387,387)
Outstanding at March 31, 2020	233,857	4,490,000	4,723,857
Principal payments	(87,411)	(325,000)	(412,411)
Outstanding at March 31, 2021	$ 146,446	$ 4,165,000	$ 4,311,446

On December 15, 2008, the Lincoln County, Kansas, Public Building Commission (PBC) issued Revenue Bonds, Series 2008 (the Bonds), in the amount of $6,300,000, on behalf of the Hospital pursuant to a bond resolution dated December 1, 2008. The proceeds were used, together with other available funds of the Hospital, for the purpose of renovating the Hospital building (the Project). In 2016, these bonds were legally defeased when a portion of the proceeds from the 2016 bond issue was placed into a separate trust for the benefit of the 2008 bond holders.

Note G - Long-Term Obligations - Continued

On October 6, 2016, the Lincoln County, Kansas, PBC issued $5,330,000 in Refunding Revenue Bonds, Series 2016, on behalf of the Hospital. The proceeds of these bonds were used to advance refund $5,145,000 of the Series 2008 bonds. As a part of this transaction, the Hospital recognized a deferred refunding loss which is reported as a deferred outflow. The refunding loss will be systematically amortized through March 1, 2035.

The proceeds from this issue were placed in escrow and were used to (1) on March 1, 2018, advance refund Series 2008 bonds scheduled to mature, inclusive, in the aggregate principal amount of $5,145,000, and (2) pay certain costs related to the issuance of the 2016 bonds.

The PBC is a municipal corporation created by the County to issue the Bonds. In connection with the issuance of the Bonds, the PBC, the County, and the Hospital entered into a lease agreement in which the PBC leased the Project to the County and the Hospital for rental payments sufficient to provide for the payment of principal and interest on the Bonds. The lease contains a covenant by the County to make all rental payments required under the lease from whatever source of revenues is legally available and to levy ad valorem taxes without limit if necessary to make such payments.

In connection with the issuance of the Bonds, the Hospital and the County entered into a pledge of revenues agreement. Under the agreement, the Hospital pledged its net revenues to the County to secure the payment of principal and interest on the Bonds. The pledge of revenues agreement requires the Hospital to set aside certain amounts sufficient to pay principal and interest on the Bonds as payments are due. Such reserves were maintained and are included with assets limited as to use in the financial statements. The pledge of revenues agreement also contains a debt service coverage requirement that was not met by the Hospital in 2020.

Scheduled annual debt service requirements on the lease with the Public Building Commission are as follows:

	Principal	Interest	Total
2022	$ 250,000	$ 124,950	$ 374,950
2023	250,000	117,450	367,450
2024	255,000	109,950	364,950
2025	265,000	102,300	367,300
2026	270,000	94,350	364,350
2027-2031	1,505,000	343,950	1,848,950
2032-2035	1,370,000	104,550	1,474,550
	$ 4,165,000	$ 997,500	$ 5,162,500

The following is a schedule of future minimum lease payments under capital leases, excluding the lease with the Public Building Commission, as of March 31, 2021:

	Principal	Interest	Total
2022	$ 90,301	$ 5,644	$ 95,945
2023	22,062	3,312	25,374
2024	23,697	1,675	25,372
2025	10,386	187	10,573
	$ 146,446	$ 10,818	$ 157,264

Note G - Long-Term Obligations - Continued

Total interest costs are summarized as follows:

	2021	2020
Interest incurred	$ 141,676	$ 151,600
Amortization of bond premium	(22,777)	(24,366)
Amortization of deferred outflows on advanced refunding	24,383	26,084
Interest expense	$ 143,282	$ 153,318

Note H - SBA PPP Loan Payable

On April 7, 2020, the Hospital was granted a $678,787 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Hospital is eligible for loan forgiveness of up to 100 percent of the loan, upon meeting certain requirements, including maintaining employment levels during the covered period and using the funds for certain payroll, rent, and utility expenses. The Hospital has recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. The Hospital received notification in April 2021 of SBA's approval of the loan forgiveness application.

Note I - Unearned CARES Act Revenue

Unearned revenue consists of federal financial assistance through the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act, received from the United States Department of Health and Human Services (HHS). The provider relief funds are to be used to prevent, prepare for, and respond to coronavirus and to reimburse the Hospital for health care related expenses and lost revenues as defined by HHS, that are attributable to coronavirus, until such eligibility requirements are met. The rural health clinic testing grants are to be used to support coronavirus testing and related expenses in the rural health clinic. These funds are considered voluntary nonexchange transactions subject to eligibility requirements and are recognized as unearned income until the conditions have been satisfied. The Hospital has determined based on current guidance from HHS that the conditions have been met for recognizing revenue of $588,769 related to the provider relief funds. These amounts are included in nonoperating revenues and expenses as noncapital grants from the CARES Act. The terms and conditions of the programs are complex and subject to interpretation and evolving guidance. As a result, there is a reasonable possibility that recorded amounts could change by a material amount in the near term. The following table provides information about significant changes in unearned revenue for the year ended March 31, 2021:

Unearned revenue at beginning of year	$ -
HHS Provider relief funds received	3,450,852
HHS Rural health clinic testing funds received	98,923
HHS Provider relief funds earned	(588,769)
Interest earned on funds received	19,498
Unearned revenue at end of year	$ 2,980,504

Note J - Medicare Accelerated Payments

The CARES Act provided for a temporary expansion of Medicare's ability to provide accelerated (advance) payments due to claim disruption or unusual operating circumstances. In April 2020, the Hospital requested and received advances under this program in response to the coronavirus pandemic totaling $1,028,002. Medicare will recoup the payments by offsetting future claim and settlement payments due to the Hospital for services rendered to Medicare beneficiaries. The Continuing Appropriations Act, 2021 and Other Extensions Act amended the repayment (recoupment) terms of the accelerated payments. Recoupment will begin one year from the date payments were received. For the first 11 months, the recoupment rate will be 25 percent of Medicare payments. The recoupment rate will increase to 50 percent for the next 6 months. If the full amount has not been recovered during the recoupment period, the remaining portion will be due in full on demand. If the demanded amount is not paid within 30 days, interest will be charged at 4 percent. The Hospital has recorded the accelerated payment liabilities as current and noncurrent based on estimated payments to be recouped using prior claim reimbursement history.

Note K - Pension Plan

Employees of the Hospital participate in the Lincoln County Hospital Employees' Pension Plan (the Plan), which is a defined contribution plan. The payroll for employees covered by the Plan for the years ended March 31, 2021 and 2020, was $2,558,522 and $2,636,570, respectively. Substantially all employees of the Hospital who are 21 years of age or older and work over 1,000 hours are eligible to participate in the Plan after one year of employment. Covered employees are required under the terms of the Plan to contribute 2.5 percent of the first $7,800 of covered compensation plus 5 percent of the covered compensation exceeding $7,800. Under the terms of the Plan, the Hospital contributes 4.5 percent of the first $7,800 of covered compensation, plus 9 percent of the covered compensation exceeding $7,800. Contributions to the Plan made by employees vest immediately, and contributions to the Plan made by the Hospital vest based upon the Plan's vesting schedule and the employees' years of service with the Hospital. The total cost of the Plan for the years ended March 31, 2021 and 2020, was $203,979 and $213,228, respectively.

Note L - Concentration of Credit Risk

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

	2021		2020	
Medicare	50.3	%	65.9	%
Medicaid	2.9		3.8	
Blue Cross	15.8		10.1	
Commercial insurance	16.0		6.4	
Self-pay	15.0		13.8	
	100.0	%	100.0	%

Note M - Risk Management

For the years ended March 31, 2021 and 2020, the Hospital was insured for hospital professional liability under a comprehensive hospital liability policy provided by an independent insurance carrier with limits of $200,000 per occurrence up to an annual aggregate of $600,000 for all claims made during the policy year. The Hospital is further covered by the Kansas Health Care Stabilization Fund for claims in excess of its comprehensive hospital liability policy up to $300,000 pursuant to any one judgment or settlement against the Hospital for any one party, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the policy year in the amount of $900,000. All coverage is on a claims-made basis. The above policies were renewed on April 1, 2021, for the policy period from April 1, 2021 to April 1, 2022.

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

Note N - Employee Health Insurance Claims

The Hospital partially self-insured health insurance claims of its employees though December 31, 2020. The Hospital has reinsured a portion of its risk for such claims. The reinsurance arrangement covers annual claims in excess of $32,500 for each covered individual. Covered employees also provide part of the funds to pay claims through monthly contributions at predetermined rates. The Hospital has retained a third-party administrator to process and settle claims. The Hospital reimburses the agent weekly for the amount of claims paid by the agent net of any amounts recovered by reinsurance. The following is a summary of activity under this arrangement:

	2021	2020
Estimated employee health insurance claims payable at the beginning of the year	$ 24,961	$ 55,244
Provision for employer's share of incurred claims and reinsurance expense for the period, net of any reinsurance proceeds	324,412	557,716
Employee contributions	25,073	39,001
Payments made for claims and reinsurance, net of reinsurance recoveries	(327,705)	(627,000)
Estimated employee health insurance claims payable at the end of the year	$ 46,741	$ 24,961

The Hospital had a 3.3 percent interest in Community Holdings LLC, which provides individual stop-loss coverage for incurred claims expense in excess of $32,500 for each covered individual. The Hospital's equity in the undistributed net earnings since acquisition was $56,032. The Hospital paid Community Holdings LLC approximately $204,000 and $320,000 in 2021 and 2020, respectively, for premiums under its partially self-insured health insurance plan. Effective January 1, 2021, the Hospital terminated participation in the partially self-insured health insurance plan and now sponsors a fully insured health plan through a commercial insurance provider. The Hospital's ownership interest in Community Holdings LLC will terminate once final accounting is completed for the latest plan year. At that time, any undistributed earnings will be returned to the Hospital.

Note O - Related Party Transactions

Lincoln County levies and collects property taxes for the benefit of the Hospital. The Hospital received $505,000 and $533,713 in tax appropriations from Lincoln County in 2021 and 2020, respectively. The Hospital also received $38,108 in contributions from the Foundation during 2021.

Note P - Coronavirus Pandemic

On March 11, 2020, the World Health Organization designated coronavirus (COVID-19) as a global pandemic. Various policies were implemented by federal, state, and local governments in response to the pandemic that caused people to stay home, forced closure and limitations on some businesses, and suspended elective procedures at health care facilities. Patient volumes and related revenues for the Hospital's services were impacted during 2021. Outpatient volumes decreased significantly due to stay at home practices. While many restrictions have been eased and communities have opened up, the pandemic continues to impact Hospital operations after year-end. The impact on future operations is driven by numerous factors, which are beyond management's control and management's ability to forecast the total impact on operations. The Hospital is unable to estimate the length of time or financial impact the pandemic will have on operations.

The CARES Act and subsequent legislation enacted by the federal government has provided funding during these uncertain times. See Note H, Note I, and Note J pertaining to the SBA PPP loan, HHS grant funds, and the Medicare accelerated payments.

Note Q - Subsequent Events

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

Subsequent to year-end, the Hospital purchased a new CT machine for $360,000. In addition, the Hospital entered into a lease agreement to purchase radiology equipment valued at $140,000.

Supplementary Information

Lincoln County Hospital
Patient Service Revenue
Year ended March 31,

	2021			2020
	Inpatient	Outpatient	Total	Total
Routine services				
Adults and pediatrics	$ 2,335,090	$ -	$ 2,335,090	$ 1,593,868
Ancillary services				
Operating room	4,029		4,029	1,756
Radiology, ultrasound, nuclear medicine, echocardiography, vascular studies, and mammography	50,368	315,435	365,803	449,581
CT scan and MRI	41,550	483,930	525,480	731,868
Laboratory and blood	158,870	978,847	1,137,717	1,288,798
Physical therapy	138,252	347,444	485,696	643,840
Occupational therapy	148,357	144,972	293,329	407,137
Speech therapy	8,458	7,397	15,855	25,711
Electrocardiology	5,836	60,805	66,641	83,395
Medical supplies	171,014	8,898	179,912	182,888
Pharmacy	241,130	258,914	500,044	676,643
Sleep lab				20,250
Emergency room	10,205	573,948	584,153	487,990
Treatment room		86,031	86,031	52,257
Observation care	12,220	58,421	70,641	63,134
Clinic and physician		643,948	643,948	843,908
	990,289	3,968,990	4,959,279	5,959,156
	$ 3,325,379	$ 3,968,990	7,294,369	7,553,024
Less				
Contractual adjustments			(471,888)	(764,541)
Charity care			(14,931)	(16,823)
Administrative discounts			(19,788)	(77,241)
Provision for bad debts			(148,309)	(138,639)
Net patient service revenue			$ 6,639,453	$ 6,555,780

Lincoln County Hospital
Operating Expenses by Functional Division
Year ended March 31,

	2021			2020		
	Salaries	Supplies and other, employee benefits, and depreciation	Total	Salaries	Supplies and other, employee benefits, and depreciation	Total
Routine services						
Adults and pediatrics	$ 708,331	$ 462,479	$ 1,170,810	$ 657,577	$ 430,438	$ 1,088,015
Ancillary services						
Operating room						
Radiology, ultrasound, nuclear medicine, echocardiography, vascular studies, and mammography	97,776	359,279	457,055	123,783	257,981	381,764
CT scan and MRI	9,990	21,735	31,725	13,135	36,766	49,901
Laboratory and blood	90,355	381,025	471,380	134,236	182,171	316,407
Physical therapy		161,899	161,899		215,559	215,559
Occupational therapy		115,597	115,597		162,593	162,593
Speech therapy		13,605	13,605		25,206	25,206
Electrocardiology	912		912	1,953		1,953
Medical supplies	28,189	47,654	75,843	30,346	50,902	81,248
Pharmacy		284,588	284,588		261,923	261,923
Sleep lab					4,650	4,650
340B drug program		430,231	430,231		507,546	507,546
Emergency room	495,752	159,119	654,871	555,153	187,279	742,432
Clinic and physician	844,301	201,530	1,045,831	1,231,306	242,841	1,474,147
Other	3,985		3,985	2,354		2,354
	1,571,260	2,176,262	3,747,522	2,092,266	2,135,417	4,227,683
General services						
Administration and general	99,396	429,807	529,203	92,878	378,438	471,316
Accounting	240,883	354,241	595,124	200,495	337,494	537,989
Plant operations and maintenance	57,828	223,379	281,207	59,903	241,315	301,218
Laundry	29,407	35,752	65,159	29,960	22,120	52,080
Housekeeping	56,604	32,533	89,137	69,292	29,664	98,956
Dietary	163,657	115,786	279,443	176,954	131,984	308,938
Nursing administration	88,936	22,611	111,547	131,551	36,789	168,340
Medical records	100,483	59,035	159,518	114,990	49,503	164,493
Education and activities	52,206	21,243	73,449	48,445	20,348	68,793
Patient care coordination	85,900	25,996	111,896	89,253	20,483	109,736
Employee benefits - other		271,078	271,078		443,456	443,456
Depreciation		520,683	520,683		570,848	570,848
	975,300	2,112,144	3,087,444	1,013,721	2,282,442	3,296,163
	$ 3,254,891	$ 4,750,885	$ 8,005,776	$ 3,763,564	$ 4,848,297	$ 8,611,861