Citizens Memorial Hospital District

Independent Auditor's Report and Financial Statements

May 31, 2023 and 2022

Citizens Memorial Hospital District
May 31, 2023 and 2022

Contents

Independent Auditor's Report

Board of Directors
Citizens Memorial Hospital District
Bolivar, Missouri

Opinion

We have audited the accompanying financial statements of Citizens Memorial Hospital District as of and for the years ended May 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Citizens Memorial Hospital District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Citizens Memorial Hospital District as of May 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Citizens Memorial Hospital District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2023, Citizens Memorial Hospital District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with the respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Citizens Memorial Hospital District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citizens Memorial Hospital District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Citizens Memorial Hospital District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Citizens Memorial Hospital District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion on it or provide any assurance on it.

FORVIS, LLP

Springfield, Missouri
September 13, 2023

Citizens Memorial Hospital District
Management Discussion and Analysis (Unaudited)
May 31, 2023 and 2022

Introduction

This management's discussion and analysis of the financial performance of Citizens Memorial Hospital District (the "Hospital") provides an overview of the Hospital's financial activities for the years ended May 31, 2023 and 2022. It should be read in conjunction with the accompanying financial statements of the Hospital.

Financial Highlights

- Cash and short-term investments decreased by $13,728,000 or 40 percent in 2023 and decreased by $6,433,000 or 16 percent in 2022. The Hospital received $0 and $5,905,000 of CARES Act Provider Relief funding in 2023 and 2022, respectively. In addition, in 2020, the Hospital received approximately $13,500,000 in funding from the CMS Accelerated and Advanced Payment Program. The Hospital repaid approximately $3,730,000 and $8,743,000 in 2023 and 2022, respectively. The repayment of CMS Accelerated and Advanced Payments in 2023 and 2022 significantly contributed to the decrease in cash and short-term investments.
- Patient accounts receivable increased by $1,308,000 or 8 percent in 2023 and decreased by $857,593 or 5 percent in 2022.
- Capital assets, net, increased by $2,555,000 or 11 percent in 2023 and decreased by $615,727 or 3 percent in 2022.
- The Hospital adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* during 2023 (see *Note 1*). Lease assets, net decreased by $1,585,000 or 6 percent in 2023 and increased by $27,671,000 or 100 percent in 2022. In addition, lease liabilities decreased by $1,296,000 in 2023 and increased by $25,240,000 or 100 percent in 2022.
- The Hospital's net position decreased in 2023 by $452,428 or 1.12 percent and increased in 2022 by $13,642,121 or 51 percent.

Using This Annual Report

The Hospital's financial statements consist of three statements—a balance sheet, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. These statements provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The Hospital is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

The Balance Sheet and Statement of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about any Hospital's finances is, "Is the Hospital as a whole better or worse off as a result of the year's activities?" The balance sheet 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, all liabilities, and all deferred inflows and outflows of resources using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's 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 it. The Hospital's total net position—the difference between assets, liabilities, and deferred inflows and outflows of resources—is one measure of the Hospital's financial health or financial position. Over time, increases or decreases in the Hospital's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Hospital's patient base, changes in legislation and regulations, measures of the quantity and quality of services provided to its patients, and local economic factors should also be considered to assess the overall financial health of the Hospital.

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from four defined types of 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 and cash equivalents during the reporting period.

The Hospital's Net Position

The Hospital's net position is the difference between its assets, liabilities, and deferred inflows and outflows of resources reported in the balance sheet. The Hospital's net position decreased by $452,428 (1.12 percent) in 2023 over 2022 and increased by $13,642,121 (53 percent) in 2022 over 2021, as shown in Table 1.

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

	2023	2022 (As Restated)	2021
Assets			
Patient accounts receivable, net	$ 19,688,443	$ 16,888,588	$ 17,746,181
Other current assets	32,049,983	45,018,212	50,911,189
Capital assets, net	25,033,300	22,478,262	23,093,989
Lease assets, net	26,085,322	27,671,213	-
Other noncurrent assets	11,609,103	6,253,867	2,016,242
Total assets	114,466,151	118,310,142	93,767,601
Deferred Outflows of Resources	80,299	97,375	112,154
Total assets and deferred outflows of resources	$ 114,546,450	$ 118,407,517	$ 93,879,755
Liabilities			
Current liabilities	$ 44,037,124	$ 43,644,086	$ 46,647,979
Long-term debt	6,741,010	8,526,148	13,454,882
Lease liabilities	23,944,202	25,240,345	-
Other long-term liabilities	-	720,396	7,142,473
Total liabilities	74,722,336	78,130,975	67,245,334
Net Position			
Net investment in capital assets	16,036,648	10,469,510	7,429,674
Restricted – expendable for debt service	1,062,995	1,243,935	203,019
Restricted nonexpendable	75,398	75,398	75,398
Unrestricted	22,649,073	28,487,699	18,926,330
Total net position	39,824,114	40,276,542	26,634,421
Total liabilities and net position	$ 114,546,450	$ 118,407,517	$ 93,879,755

Significant changes in the Hospital’s assets in 2023 include a decrease in cash and cash equivalents by $12,249,206 or 67 percent compared to 2022. The decrease in cash and cash equivalents is due to increased capital asset purchases and repayment of CMS Accelerated and Advance Payment Program in 2023.

Significant changes in the Hospital’s assets in 2022 include a decrease in cash and cash equivalents by $11,283,191 or 38 percent compared to 2021. The decrease in cash and cash equivalents is due to the repayment of CMS Accelerated and Advance Payment Program in 2022 and increased investment purchases during 2022. Additionally, the repayment of the advanced payments from CMS during 2022 has significantly decreased the Hospital’s long-term liabilities at May 31, 2022.

Citizens Memorial Hospital District

Management Discussion and Analysis (Unaudited)

May 31, 2023 and 2022

Operating Results and Changes in the Hospital's Net Position

In 2023, the Hospital's net position decreased by $452,428 or 1.12 percent and increased in 2022 by $13,642,121 or 51 percent, compared to a decrease in 2021 of $5,086,233 or 24 percent, as shown in Table 2.

Table 2: Operating Results and Changes in Net Position

	2023	2022 (As Restated)	2021
Operating Revenues			
Net patient service revenue	$ 175,239,680	$ 169,359,400	$ 152,008,114
Other operating revenue	33,259,282	28,712,964	31,725,331
Total operating revenues	208,498,962	198,072,364	183,733,445
Operating Expenses			
Nursing services	33,618,964	31,239,251	28,552,736
Other professional services	129,123,220	119,389,888	113,523,175
General services	10,205,212	8,778,604	7,605,942
Administrative services	28,898,195	27,308,607	27,224,575
Depreciation and amortization	8,690,390	8,155,653	5,129,067
Total operating expenses	210,535,981	194,872,003	182,035,495
Operating Income (Loss)	(2,037,019)	3,200,361	1,697,950
Nonoperating Revenues (Expenses)			
Investment income	648,642	566,220	497,560
Interest expense	(1,601,256)	(1,997,939)	(808,907)
Noncapital gifts	7,147	51,403	13,288
COVID-19 grant funding	2,511,449	12,069,537	4,198,753
Other	18,609	(777,035)	(512,411)
Total nonoperating revenues (expenses)	1,584,591	9,912,186	3,388,283
Excess (Deficiency) of Revenues Over Expenses Before Capital Grants and Gifts	(452,428)	13,112,547	5,086,233
Capital Grants and Gifts	-	529,574	-
Increase (Decrease) in Net Position	$ (452,428)	$ 13,642,121	$ 5,086,233

Operating Income (Loss)

The first component of the overall change in the Hospital's net position is its operating income or loss—generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services.

The Hospital's operating financial performance decreased $5,237,380 from an operating income of $3,200,361 for the year ended May 31, 2022, to an operating loss of $2,037,019 for the year ended May 31, 2023.

The Hospital's operating financial performance increased $1,502,411 from an operating income of $1,697,950 for the year ended May 31, 2021, to an operating income of $3,200,361 for the year ended May 31, 2022. The primary component of the increase was an increase in volume as the Hospital continued recovering from the COVID-19 pandemic.

Total operating revenues increased in 2023 by $10,426,598 or 5 percent, and increased in 2022 by $14,338,919 or 8 percent.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist primarily of stimulus funding provided through the COVID-19 grant funding, investment income, and interest expense. Stimulus funds were provided to the Hospital to be used to pay for expenses and lost revenue related to COVID-19, of which the Hospital recognized revenue of $2,511,449 and $12,069,537 for the fiscal years ended 2023 and 2022, respectively.

Capital Grants and Gifts

The Hospital receives both capital and operating grants from various state and federal agencies for specific programs.

The Hospital's Cash Flows

Changes in the Hospital's cash flows are consistent with changes in operating performance and nonoperating revenues and expenses, discussed earlier.

Capital Asset and Debt Administration

Capital Assets

At the end of 2023 and 2022, the Hospital had $25,033,300 and $22,478,262, respectively, invested in capital assets, net of accumulated depreciation, as detailed in *Note 5* to the financial statements. Capital assets increased by $2,555,038 and decreased by $615,727 in 2023 and 2022, respectively.

Debt

At May 31, 2023 and 2022, the Hospital had $8,524,617 and $11,341,786, respectively, in revenue bonds and financed purchases. During 2023, long-term debt outstanding decreased $2,817,169 due to principal payments made. During 2022, long-term debt outstanding decreased $4,322,529 due to principal payments made.

The revenue bonds were classified as long-term liabilities due to covenant calculation compliance in all three years.

COVID-19

Since March 2020, the Hospital's operations have been significantly impacted by the COVID-19 pandemic. See *Note 18* in the accompanying financial statements for further details on the impact from the pandemic and subsequent legislation.

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Hospital's Chief Financial Officer by telephoning 417.328.6258.

Citizens Memorial Hospital District

Balance Sheets

May 31, 2023 and 2022

Assets and Deferred Outflows of Resources

	2023	2022 (Restated - *Note 1*)
Current Assets		
Cash and cash equivalents	$ 6,163,645	$ 18,412,851
Short-term investments	14,063,909	15,542,777
Restricted cash and investments – current	1,062,995	1,243,935
Patient accounts receivable, net of allowance; 2023 – $12,300,722, 2022 – $13,192,560	19,688,443	16,888,588
Other receivables	4,727,583	3,218,196
Supplies	2,276,729	2,348,702
Prepaid expenses and other	2,422,929	2,868,580
Due from related party – current	3,039	4,093
Estimated amount due from third-party payors	1,329,154	1,379,078
Total current assets	51,738,426	61,906,800
Due from Related Party – Long-Term	10,598,574	5,230,785
Restricted Cash and Investments		
Held under bond resolutions	1,992,835	2,187,025
Externally restricted by donor	80,689	79,992
	2,073,524	2,267,017
Less amount required to meet current obligations	1,062,995	1,243,935
	1,010,529	1,023,082
Capital Assets, Net	25,033,300	22,478,262
Lease Assets, Net	26,085,322	27,671,213
Total assets	114,466,151	118,310,142
Deferred Outflows of Resources – Debt Refunding	80,299	97,375
Total assets and deferred outflows of resources	$ 114,546,450	$ 118,407,517

Liabilities and Net Position

	2023	2022 (Restated - *Note 1*)
Current Liabilities		
Notes payable to banks	$ 3,000,000	$ -
Current maturities of long-term debt	1,783,607	2,815,638
Current portion of lease liabilities	2,995,618	2,853,280
Accounts payable	9,064,338	8,924,302
Other accrued expenses	5,721,513	6,477,384
Accrued payroll	3,686,876	3,334,264
Accrued vacation payable	7,774,886	7,494,606
Accrued interest payable	180,712	198,095
Estimated amount due to third-party payors	9,829,574	6,965,333
CMS Accelerated and Advance Payment Program – current	-	3,732,485
Deferred revenue	-	848,699
Total current liabilities	44,037,124	43,644,086
Other Long-Term Liabilities		
Lease liabilities	23,944,202	25,240,345
Other liabilities	-	720,396
	23,944,202	25,960,741
Long-Term Debt		
Revenue bonds	7,870,000	9,395,000
Financed purchases	654,617	1,946,786
	8,524,617	11,341,786
Less current maturities	1,783,607	2,815,638
	6,741,010	8,526,148
Total liabilities	74,722,336	78,130,975
Net Position		
Net investment in capital assets	16,036,648	10,469,510
Restricted – expendable for debt service	1,062,995	1,243,935
Restricted nonexpendable	75,398	75,398
Unrestricted	22,649,073	28,487,699
Total net position	39,824,114	40,276,542
Total liabilities and net position	$ 114,546,450	$ 118,407,517

Citizens Memorial Hospital District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended May 31, 2023 and 2022

	2023	2022 (Restated - *Note 1*)
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2023 – $14,174,669, 2022 – $14,581,584	$ 175,239,680	$ 169,359,400
Management fees	2,238,828	2,195,566
Other revenue	31,020,454	26,517,398
Total operating revenues	208,498,962	198,072,364
Operating Expenses		
Nursing services	33,618,964	31,239,251
Other professional services	129,123,220	119,389,888
General services	10,205,212	8,778,604
Administrative services	28,898,195	27,308,607
Depreciation and amortization	8,690,390	8,155,653
Total operating expenses	210,535,981	194,872,003
Operating Income (Loss)	(2,037,019)	3,200,361
Nonoperating Revenues (Expenses)		
Investment income	648,642	566,220
Interest expense	(1,601,256)	(1,997,939)
Noncapital gifts	7,147	51,403
CARES Act and other funding	2,511,449	12,069,537
Other	18,609	(777,035)
Total nonoperating revenues (expenses)	1,584,591	9,912,186
Excess (Deficiency) of Revenues Over Expenses Before Capital Grants and Gifts	(452,428)	13,112,547
Capital Grants and Gifts	-	529,574
Increase (Decrease) in Net Position	(452,428)	13,642,121
Net Position, Beginning of Year	40,276,542	26,634,421
Net Position, End of Year	$ 39,824,114	$ 40,276,542

Citizens Memorial Hospital District

Statements of Cash Flows

Years Ended May 31, 2023 and 2022

	2023	2022 (Restated - *Note 1*)
Cash Flows from Operating Activities		
Receipts from and on behalf of patients	$ 171,621,505	$ 161,835,029
Payments to suppliers and contractors	(105,671,550)	(97,701,992)
Payments to employees	(101,399,089)	(92,982,829)
Other receipts, net	31,768,504	27,363,581
Net cash used in operating activities	(3,680,630)	(1,486,211)
Cash Flows from Noncapital Financing Activities		
Noncapital gifts	7,147	51,403
Proceeds from issuance of notes payable to bank	3,000,000	-
Interest paid on notes payable to bank	(79,722)	-
CARES Act and other funding	1,662,750	7,367,189
Net cash provided by noncapital financing activities	4,590,175	7,418,592
Cash Flows from Capital and Related Financing Activities		
Capital grants and gifts	-	529,574
Proceeds from issuance of long-term debt	-	9,395,000
Principal paid on long-term debt	(2,817,169)	(13,717,529)
Principal paid on lease liabilities	(2,936,127)	(2,846,742)
Interest paid on long-term debt	(307,922)	(789,922)
Interest paid on lease liabilities	(1,196,536)	(1,193,238)
Purchase of capital assets	(8,280,168)	(3,728,003)
Proceeds from sale of capital assets	39,559	42,005
Net cash used in capital and related financing activities	(15,498,363)	(12,308,855)
Cash Flows from Investing Activities		
Purchase of noncurrent cash and investments	(1,885,515)	(2,309,771)
Proceeds from sale of noncurrent cash and investments	2,034,604	2,257,919
Purchase of short-term investments	(6,970,605)	(15,011,668)
Proceeds from sale of short-term investments	8,449,473	10,161,008
Other payments, net	18,609	(574,521)
Income on investments	690,610	572,577
Net cash provided by (used in) investing activities	2,337,176	(4,904,456)
Decrease in Cash and Cash Equivalents	(12,251,642)	(11,280,930)
Cash and Cash Equivalents, Beginning of Year	18,415,287	29,696,217
Cash and Cash Equivalents, End of Year	$ 6,163,645	$ 18,415,287

Citizens Memorial Hospital District

Statements of Cash Flows

Years Ended May 31, 2023 and 2022

	2023	2022 (Restated - *Note 1*)
Reconciliation of Cash to the Balance Sheets		
Cash and cash equivalents in current assets	$ 6,163,645	$ 18,412,851
Cash and cash equivalents in restricted cash and investments	-	2,436
Total cash and cash equivalents	$ 6,163,645	$ 18,415,287
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	$ (2,037,019)	$ 3,200,361
Depreciation and amortization	8,690,390	8,155,653
Changes in operating assets and liabilities		
Patient accounts receivable, net	(2,799,855)	857,593
Estimated amounts due from and to third-party payors	2,914,165	360,751
CMS Accelerated and Advance Payment Program	(3,732,485)	(8,742,715)
Accounts payable and accrued expenses	(375,937)	(735,970)
Other assets and liabilities	(6,339,889)	(4,581,884)
Net cash used in operating activities	$ (3,680,630)	$ (1,486,211)
Noncash Investing, Capital, and Financing Activities		
Obligations incurred for lease liabilities	$ 1,782,322	$ 2,597,369
Capital asset acquisitions included in accounts payable	$ 391,736	$ 46,951

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

Nature of Operations and Reporting Entity

Citizens Memorial Hospital District (the "Hospital") operates an acute care hospital in Bolivar, Missouri. The Hospital primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in Bolivar and the surrounding area. The Hospital also provides ambulance and physician clinic services in the same geographic area.

As required by accounting principles generally accepted in the United States of America (GAAP), the financial statements present data for all departments and funds of the Hospital and for its component units, entities for which the Hospital is considered to be financially accountable.

The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

The following component unit is included within the financial statements:

Blended Component Unit – Riverside Management and Rehabilitation (Riverside) is a public benefit corporation organized under the Missouri Nonprofit Corporation Act and has no members. The Hospital and Riverside have substantially the same Board members. All significant intercompany accounts and transactions have been eliminated. Riverside is inactive as of and for the years ended May 31, 2023 and 2022. No separately issued financial statements are prepared for Riverside.

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions. Investment income and interest on capital assets-related debt are included in nonoperating revenues and expenses. The Hospital first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

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

Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents. The Hospital does consider uninvested cash held in certain bond resolution and externally restricted by donor investment accounts as cash or cash equivalents. At May 31, 2023, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

Risk Management

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

The Hospital is self-insured for a portion of its exposure to risk of loss from malpractice, workers' compensation, and employee health benefits. Annual estimated provisions are accrued for the self-insured portion of malpractice, workers' compensation, and employee health benefits and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term.

Investments and Investment Income

Investments in U.S. Treasury, agency, and instrumentality obligations with a remaining maturity of one year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. The investment in equity investee is reported on the equity method of accounting. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income, realized gains and losses on investments carried at other than fair value, and the net change for the year in the fair value of investments carried at fair value.

Patient Accounts Receivable

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

Supplies

Supply inventories are stated at the lower of cost or market, determined using the first-in, first-out method, or market.

Lease Assets

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

Capital Assets

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

Land improvements	15 to 20 years
Buildings and leasehold improvements	20 to 40 years
Equipment	4 to 10 years

Capital and Lease Asset Impairment

The Hospital evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended May 31, 2023 and 2022.

Deferred Outflows of Resources

The Hospital reports increases in net position that relate to future periods as deferred outflows of resources in a separate section on its balance sheet.

Compensated Absences

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

Net Position

Net position of the Hospital is classified in four components. Net investment in capital assets consists of capital and lease assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. 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 Hospital, including amounts deposited with trustees required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Hospital, such as permanent endowments. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

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

Charity Care

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

Income Taxes

The Hospital is exempt from federal income taxes as a political subdivision of the state of Missouri and the Hospital and Riverside have also received notification from the Internal Revenue Service that they are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) of the Code. However, the Hospital and Riverside are subject to federal income tax on any unrelated business taxable income.

Change in Accounting Principle

On June 1, 2022, the Hospital adopted GASB Statement No. 87, *Leases*, using a retrospective method of adoption to all leases in place and not yet completed at the beginning of the earliest period presented. The statement requires lessees to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset. The 2022 financial statements and disclosures were restated to reflect the impact of the adoption.

The effect of the restatement on the Hospital's 2022 financial statements was as follows:

	2022 (As Previously Reported)	Effect of Adoption	2022 (As Restated)
Statement of Net Position			
Noncurrent Assets			
Lease assets, net	$ -	$ 27,671,213	$ 27,671,213
Current Liabilities			
Current maturities of lease liabilities	$ -	$ 2,853,280	$ 2,853,280
Noncurrent Liabilities			
Lease liabilities	$ -	$ 25,240,345	$ 25,240,345
Net Position			
Net investment in capital assets	$ 10,992,150	$ (522,640)	$ 10,469,510
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses			
Nursing services	$ 31,715,718	$ (476,467)	$ 31,239,251
Other professional services	122,219,988	(2,830,100)	119,389,888
General services	8,818,085	(39,481)	8,778,604
Administrative services	27,902,310	(593,703)	27,308,607
Depreciation and amortization	4,886,499	3,269,154	8,155,653
Operating Income	$ 2,529,764	$ 670,597	3,200,361
Nonoperating Revenues (Expenses)			
Interest expense	$ (804,702)	$ (1,193,237)	$ (1,997,939)
Total Nonoperating Revenues (Expenses)	$ 11,105,423	$ (1,193,237)	9,912,186
Statement of Cash Flows			
Cash Flow from Operating Activities			
Payments to suppliers and contractors	$ (101,741,971)	$ 4,039,979	$ (97,701,992)
Cash Flows From Capital and Related Financing Activities			
Principal paid on lease liabilities	$ -	$ (2,846,742)	$ (2,846,742)
Interest paid on lease liabilities	$ -	$ (1,193,238)	(1,193,238)
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating loss	$ 2,529,764	$ 670,597	$ 3,200,361
Depreciation and amortization	$ 4,886,499	$ 3,269,154	$ 8,155,653
Accounts payable and accrued expenses	$ (836,198)	$ 100,228	$ (735,970)

Note 2: 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 rates. These payment arrangements include:

Medicare. Inpatient acute care and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. The Hospital is classified as a Sole Community Hospital by Medicare.

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid based on a prospectively established per diem rate. Medicaid outpatient reimbursement is based on a prospective percentage payment rate, determined from the fourth, fifth, and sixth prior cost reports, regressed forward and fee schedule payments. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Approximately 66 percent and 61 percent of net patient service revenue for the Hospital is from participation in the Medicare and state-sponsored Medicaid programs for the years ended May 31, 2023 and 2022, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

Settlements with third-party payors for retroactive adjustments due to cost report or other audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known based on newly available information or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in these settlements were approximately $1,290,000 and $1,600,000 during 2023 and 2022, respectively.

The Hospital receives reimbursement from the Medicaid program in relation to the percentage of Medicaid and indigent population they serve. Funding received in excess of costs to provide these services may be refunded to the state. As of May 31, 2023 and 2022, the Hospital estimated a liability of approximately $7,000,000 and $2,310,000, respectively, for the portion of funding received in excess of costs. It is reasonably possible that this estimate could materially change in the near term.

Note 3: Deposits, Investments, and Investment Income

Deposits

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

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

At May 31, 2023 and 2022, respectively, $764,277 and $7,477,561 of the Hospital's bank balances of $23,315,919 and $36,685,797 were exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements.

At May 31, 2023 and 2022, the Hospital had the following investments and maturities:

	May 31, 2023				
		Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1–5**	**6–10**	**More than 10**
Negotiable certificates of deposit	$ 898,798	$ 214,599	$ 684,199	$ -	$ -
Money market mutual funds and other	1,094,037	1,094,037	-	-	-
	$ 1,992,835	$ 1,308,636	$ 684,199	$ -	$ -

	May 31, 2022				
		Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1–5**	**6–10**	**More than 10**
Negotiable certificates of deposit	$ 700,766	$ -	$ 700,766	$ -	$ -
Money market mutual funds and other	1,483,823	1,483,823	-	-	-
	$ 2,184,589	$ 1,483,823	$ 700,766	$ -	$ -

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Hospital's investment policy limits its investment portfolio to maturities of ten years or less. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Hospital's investment policy identifies U.S. Treasury securities, U.S. agencies obligations, and obligations of the state of Missouri as acceptable investments. The Hospital's money market mutual funds, held by its bond trustee, are not rated.

At May 31, 2023 and 2022, the Hospital's investments in negotiable certificates of deposit were not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Hospital's investment policy does not address custodial credit risk.

Concentration of Credit Risk – The Hospital places no limit on the amount that may be invested in any one issuer.

Summary of Carrying Values

The carrying values of deposits and investments are included in the balance sheets as follows:

	2023	2022
Carrying value		
Deposits	$ 20,308,243	$ 34,038,056
Investments	1,992,835	2,184,589
	$ 22,301,078	$ 36,222,645

	2023	2022
Included in the following balance sheet captions		
Cash and cash equivalents	$ 6,163,645	$ 18,412,851
Short-term investments	14,063,909	15,542,777
Restricted cash and investments – current	1,062,995	1,243,935
Restricted cash and investments	1,010,529	1,023,082
	$ 22,301,078	$ 36,222,645

Investment Income

Investment income for the years ended May 31, 2023 and 2022, consisted of:

	2023	2022
Interest and dividend income	$ 690,610	$ 572,577
Net decrease in fair value of investments	(41,968)	(6,357)
	$ 648,642	$ 566,220

Note 4: Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable at May 31, 2023 and 2022, consisted of:

	2023	2022
Medicare	$ 7,593,648	$ 7,220,400
Medicaid	4,642,369	2,724,896
Other third-party payors	7,451,419	5,999,896
Patients	12,301,729	14,135,956
	31,989,165	30,081,148
Less allowance for uncollectible accounts	12,300,722	13,192,560
	$ 19,688,443	$ 16,888,588

Citizens Memorial Hospital District
Notes to Financial Statements
May 31, 2023 and 2022

Note 5: Capital and Lease Assets

Capital assets activity for the years ended May 31, 2023 and 2022, was:

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 123,114	$ -	$ -	$ -	$ 123,114
Land improvements	1,667,511	71,536	-	-	1,739,047
Buildings and leasehold improvements	28,888,396	-	(45,532)	401,192	29,244,056
Equipment	69,467,785	5,849,874	(299,189)	439,695	75,458,165
Construction in progress	768,025	2,022,287		(840,887)	1,949,425
	100,914,831	7,943,697	(344,721)	-	108,513,807
Less accumulated depreciation					
Land improvements	1,470,889	-	-	-	1,470,889
Buildings and leasehold improvements	21,603,978	-	-	-	21,603,978
Equipment	55,361,702	5,322,177	(278,239)	-	60,405,640
	78,436,569	5,322,177	(278,239)	-	83,480,507
Capital assets, net	$ 22,478,262	$ 2,621,520	$ (66,482)	$ -	$ 25,033,300

	2022				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 123,114	$ -	$ -	$ -	$ 123,114
Land improvements	1,667,511	-	-	-	1,667,511
Buildings and leasehold improvements	27,625,265	1,263,131	-	-	28,888,396
Equipment	67,575,294	2,720,234	(1,480,365)	652,622	69,467,785
Construction in progress	1,080,375	1,420,385	(1,080,113)	(652,622)	768,025
	98,071,559	5,403,750	(2,560,478)	-	100,914,831
Less accumulated depreciation					
Land improvements	1,402,273	68,616	-	-	1,470,889
Buildings and leasehold improvements	20,781,666	822,312	-	-	21,603,978
Equipment	52,793,631	3,995,571	(1,427,500)	-	55,361,702
	74,977,570	4,886,499	(1,427,500)	-	78,436,569
Capital assets, net	$ 23,093,989	$ 517,251	$ (1,132,978)	$ -	$ 22,478,262

At May 31, 2023, the Hospital's construction in progress primarily consists of an expansion planned for the Hospital's emergency room and inpatient services, as well as clinic expansion. As the project is in preliminary design stages, there is not an estimated date of completion at this time. At May 31, 2023, no commitments for this project have been executed.

Lease assets activity for the years ended May 31, 2023 and 2022, was:

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and leasehold improvements	$ 30,924,131	$ 1,782,322	$ (368,824)	$ 32,337,629
Less accumulated amortization	3,252,918	3,368,213	(368,824)	6,252,307
Lease assets, net	$ 27,671,213	$ (1,585,891)	$ -	$ 26,085,322

	2022 (As Restated)			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and leasehold improvements	$ 28,342,998	$ 2,597,369	$ (16,236)	$ 30,924,131
Less accumulated amortization	-	3,269,154	(16,236)	3,252,918
Lease assets, net	$ 28,342,998	$ (671,785)	$ -	$ 27,671,213

Note 6: Notes Payable to Banks

The Hospital periodically borrows funds from banks to meet working capital needs. Maximum borrowings available under the lines of credit are $6,800,000 at May 31, 2023 and 2022, bearing variable rates of interest of 8.25 percent and 3.25 percent at May 31, 2023, and May 31, 2022, respectively. The lines of credit are secured by the Hospital's accounts receivable and certain certificates of deposits. The lines of credit are due on demand and mature June 8, 2023, and July 13, 2023, respectively. The lines of credit were extended subsequent to year-end through June 7, 2024, and December 13, 2024, respectively. There was $3,000,000 advanced to the lines of credit during the year, with $3,000,000 outstanding as of May 31, 2023, and no borrowings during the year ended May 31, 2022, or outstanding balances at May 31, 2022.

Citizens Memorial Hospital District
Notes to Financial Statements
May 31, 2023 and 2022

Note 7: Medical Malpractice Claims

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

Note 8: Workers' Compensation Insurance

The Hospital has workers' compensation insurance through membership in the Hospital Self-Insurance Fund of Missouri (the "Trust"), a trust formed for the benefit of qualified hospitals in the state of Missouri who wish to pool their resources to qualify as a group self-insurer as permitted under the Workmen's Compensation Law, Chapter 287 of the Revised Statutes of Missouri, as amended. The Trust and its members jointly and severally agree to assume and discharge, by payment, any lawful awards entered against any member of the Trust. Workers' compensation expense (net of dividends paid) through participation in the Trust was $441,813 and $511,303 for the years ended May 31, 2023 and 2022, respectively.

Note 9: Employee Health Benefits

The Hospital maintains self-insurance coverage for employee health benefits. Liabilities include an estimated accrual for the ultimate costs of both reported employee health claims and claims incurred but not reported. For the years ended May 31, 2023 and 2022, the Hospital purchased stop-loss coverage that limits its exposure to $275,000 per covered person from a commercial insurer.

Changes in the balance of claims liabilities, included in other accrued expenses on the balance sheets, during the years ended May 31, 2023 and 2022, are summarized as follows:

	2023	2022
Balance, beginning of year	$ 1,277,800	$ 1,040,640
Current year claims and changes in estimates for claims incurred in prior years	11,351,120	9,076,037
Claims and expenses paid	(11,322,840)	(8,838,877)
Balance, end of year	$ 1,306,080	$ 1,277,800

Citizens Memorial Hospital District
Notes to Financial Statements
May 31, 2023 and 2022

Note 10: Long-Term Obligations

The following is a summary of long-term obligation transactions for the Hospital for the years ended May 31, 2023 and 2022:

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Hospital Revenue Bonds, Series 2021 (B)	$ 9,395,000	$ -	$ 1,525,000	$ 7,870,000	$ 1,165,000
Financed purchases (C)	1,946,786	-	1,292,169	654,617	618,607
Total long-term debt	11,341,786	-	2,817,169	8,524,617	1,783,607
Other Long-Term Liabilities					
Other liabilities (D)	1,440,792	-	1,440,792	-	-
CMS Accelerated and Advance Payment Program (E)	3,732,485	-	3,732,485	-	-
Lease liabilities (*Note 11*)	28,093,625	1,782,322	2,936,127	26,939,820	2,995,618
Total long-term liabilities	33,266,902	1,782,322	8,109,404	26,939,820	2,995,618
Total long-term obligations	$ 44,608,688	$ 1,782,322	$ 10,926,573	$ 35,464,437	$ 4,779,225

	2022 (As Restated)				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Hospital Revenue Bonds, Series 2012 (A)	$ 11,145,000	$ -	$ 11,145,000	$ -	$ -
Hospital Revenue Bonds, Series 2021 (B)	-	9,395,000	-	9,395,000	1,525,000
Financed purchases (C)	4,519,315	-	2,572,529	1,946,786	1,290,638
Total long-term debt	15,664,315	9,395,000	13,717,529	11,341,786	2,815,638
Other Long-Term Liabilities					
Other liabilities (D)	2,700,832	-	1,260,040	1,440,792	1,440,792
CMS Accelerated and Advance Payment Program (E)	12,475,200	-	8,742,715	3,732,485	3,732,485
Lease liabilities (*Note 11*)	28,342,998	2,597,369	2,846,742	28,093,625	2,853,280
Total long-term liabilities	43,519,030	2,597,369	12,849,497	33,266,902	8,026,557
Total long-term obligations	$ 59,183,345	$ 11,992,369	$ 26,567,026	$ 44,608,688	$ 10,842,195

(A) Due in graduated annual installments to August 1, 2029; original amount of $21,265,000 plus annual interest at rates of 3.0 percent to 5.0 percent, payable semiannually each February 1 and August 1. During 2022, these bonds were paid in full with the proceeds of the Hospital's Series 2021 Hospital Revenue Bonds.

(B) Due in graduated annual installments to August 1, 2032; original amount of $9,395,000 plus annual interest at rates of 3.0 percent to 3.375 percent, payable semiannually each February 1 and August 1. At the time of issuance, the debt service reserve fund was funded in the amount of $939,500. The amount on deposit in the debt service reserve fund will be valued by the Trustee 45 days prior to February 1 and August 1 and if the amount on deposit is less than 90 percent of the debt service reserve requirement, the Hospital is required to make up the deficiency by making 12 equal monthly payments. All of the Bonds still outstanding may be redeemed at the Hospital's option on or after August 1, 2029, in whole or in part at a redemption price of 100 percent. The Bonds are secured by the net revenues of the Hospital. The Hospital is also required to meet certain covenants on an annual basis.

In November 2021, upon issuance and delivery of the bonds, proceeds were used to redeem the Series 2012 bonds at a redemption price equal to 100 percent of the principal amount plus accrued interest. The redemption resulted in an extinguishment of debt and the Hospital was legally released from its obligation on the Series 2012 bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $111,000. This difference, reported in the accompanying financial statements as deferred outflows of resources, is being charged to interest through the year 2033 using the straight-line method. The Hospital completed the advance refunding to reduce its total debt service payments over the next 11 years by approximately $2.8 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $2.8 million.

(C) Financed purchases for equipment at imputed rates of 3.63 percent to 4.05 percent, due through November 2024.

(D) Payroll tax liabilities bearing interest at 0 percent through December 31, 2022. The payment terms require 50 percent of the outstanding payroll tax liability to be paid by December 31, 2022. During 2023, amounts were paid in full.

(E) CMS accelerated and advance payments bearing interest at 0 percent. The payment terms require repayment to begin in April 2021 at 25 percent of the Medicare remittance advice payment for the first 11 months, followed by a six-month payback period at 50 percent of the Medicare remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to 29 months at a rate of 4 percent. During 2023, amounts were paid in full.

Equipment includes the following property under financed purchases:

	2023	2022
Equipment	$ 7,205,904	$ 7,205,904
Less accumulated depreciation	4,953,658	3,925,614
	$ 2,252,246	$ 3,280,290

The debt service requirements as of May 31, 2023, for the Hospital Revenue Bonds based on stated maturities in the bond indenture documents are as follows:

Year Ending May 31,	Total to be Paid	Principal	Interest
2024	$ 1,397,006	$ 1,165,000	$ 232,006
2025	1,795,456	1,605,000	190,456
2026	649,031	490,000	159,031
2027	649,106	505,000	144,106
2028–2032	3,241,506	2,780,000	461,506
2033	1,347,359	1,325,000	22,359
	$ 9,079,464	$ 7,870,000	$ 1,209,464

The debt service requirements for 2024 were paid by the Hospital before May 31, 2023.

The debt service requirements as of May 31, 2023, for the financed purchase obligations are as follows:

May 31,	Paid	Principal	Interest
2024	$ 631,415	$ 618,607	$ 12,808
2025	36,555	36,010	545
	$ 667,970	$ 654,617	$ 13,353

Note 11: Lease Liabilities

The Hospital leases office space, the terms of which expire in various years through 2042. These leases generally contain renewal options for periods of 1 to 25 years. The Hospital has included all periods covered by their option to extend the lease if it is reasonably certain, based on all relevant factors, that the Hospital will exercise that option. The Hospital has no leases with variable payments for the fiscal years ended May 31, 2023 and 2022. Lease liabilities includes a 20-year lease with CMH Properties for a medical office building previously executed in August 2012 with the Foundation and transferred to CMH Properties in May 2016, at an annual rent of $1,358,880. See related party portion of lease payments in *Note 15*.

The following is a schedule of payments by year under the leases as of May 31, 2023:

Year Ending May 31,	Total to be Paid	Principal	Interest
2024	$ 4,114,977	$ 2,995,618	$ 1,119,359
2025	4,002,557	3,008,947	993,610
2026	3,918,537	3,052,012	866,525
2027	3,276,387	2,530,058	746,329
2028	2,669,674	2,022,619	647,055
2029-2033	10,315,564	8,249,097	2,066,467
2034-2038	5,013,939	4,533,817	480,122
2039-2042	595,000	547,652	47,348
	$ 33,906,635	$ 26,939,820	$ 6,966,815

Note 12: Charity Care

The costs of charity care provided under the Hospital's charity care policy were approximately $423,000 and $611,000 for 2023 and 2022, respectively.

Note 13: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2023 and 2022:

		Fair Value Measurements Using		
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
May 31, 2023				
Negotiable certificates of deposit	$ 898,798	$ 898,798	$ -	$ -
Money market mutual funds and other	1,094,037	1,094,037	-	-
May 31, 2022				
Negotiable certificates of deposit	$ 700,766	$ 700,766	$ -	$ -
Money market mutual funds and other	1,483,823	1,483,823	-	-

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Hospital has no securities classified as Level 3.

Note 14: Pension Plans

The Hospital contributes to a 403(b) defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by an administrative committee. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Employee contributions are discretionary. The contribution rate for the Hospital expressed as a percentage of covered payroll was 4 percent for 2023 and 2022. In addition, the Hospital matches 25 percent of the first 4 percent of the employee contributions. Contributions actually made by plan members and the Hospital aggregated $5,495,668 and $3,174,798 during 2023, respectively, and $5,003,934 and $3,221,708 during 2022, respectively.

The Hospital also offers its employees the opportunity to participate in a 457(b) defined contribution pension plan which it administers. The 457(b) plan permits eligible employees to defer a portion of their salary until future years. The deferred compensation is not available to employees or their beneficiaries until termination, retirement, death, or approval for hardship cases. The plan is administered and operated by the Hospital through a Retirement Plan Committee. An agreement was established between the Hospital and a third party to invest the plan assets and for assistance in administering the plan. The Hospital does not contribute to the 457(b) plan; accordingly, there is no pension expense recorded for the plan for the years ended May 31, 2023 and 2022, respectively.

Note 15: Related Party Transactions

Citizens Memorial Health Care Foundation (Foundation) operates nursing and residential care facilities and related companies in the Hospital's service area. CMH Properties' mission and principal activities are to own real estate developments and other properties to benefit healthcare-related entities. The Hospital, Riverside, CMH Properties, and the Foundation have some common management employees and Board members. At May 31, 2023 and 2022, the Hospital had recorded a receivable from the Foundation of $10,598,573 and $5,230,785, respectively. The Hospital provides dietary, laundry, data processing, and various administrative services to the Foundation and is reimbursed the estimated cost of providing such services. The Foundation was charged $2,238,828 and $2,195,568 in management fees for the years ended May 31, 2023 and 2022, respectively, by the Hospital.

The Hospital rents clinic buildings, medical office buildings, and other administrative buildings from the Foundation. The Hospital has a master lease agreement with site-specific addendums that have an initial term of five years with an option to renew at the end of that term. Total amount paid to the Foundation for these properties was $1,999,965 and $1,886,556 for the years ended May 31, 2023 and 2022, respectively.

Effective June 1, 2016, the Hospital entered into a lease with CMH Properties for space in the Medical Office Building and the Bolivar Technical College. The Hospital has a lease agreement with site-specific addendums for both locations that have initial terms of twenty years with an option to renew for an additional five years at the end of those terms. The amount paid to CMH Properties for the years ended May 31, 2023 and 2022, is $1,548,480 and $1,502,680, respectively. At May 31, 2023 and 2022, the Hospital has recorded a receivable from CMH Properties of $3,039 and $4,093, respectively.

The Foundation (Lessor) entered into a ground lease with a for-profit corporation (Lessee) in July 2006. A cancer center, owned by the Lessee, was constructed on the leased land. Upon three years from the date of occupancy (August 2008) the Lessee has the right to require the Hospital or Foundation to purchase the tangible and intangible assets of the Cancer Center at the then fair market value as defined by the lease agreement. However, this option shall not be exercised by the Lessee any time where profits (after payment of reasonable professional salaries) from the prior 12 months' operation of the Cancer Center exceed a stated threshold.

The Hospital and the Foundation operate an oncology support department that is located on the first floor of the Cancer Center. The Hospital and the Foundation share the operating costs of this department equally. For the years ended May 31, 2023 and 2022, the Hospital had expenses of $251,348 and $341,706, respectively, related to this department. This space is leased from the Cancer Center owner under a 25-year lease with monthly payments of $6,700.

Note 16: Contingencies

Litigation

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

Note 17: Risks and Uncertainties

Investments

The Hospital invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

340B Drug Pricing Program

The Hospital participates in the 340B Drug Pricing Program (340B Program) enabling the Hospital to receive discounted prices from drug manufacturers on outpatient pharmaceutical purchases. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA is currently conducting routine audits of these programs at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to financial statement amounts related to the 340B Program could occur in the near term.

The Hospital also contracts with certain local pharmacies to assist them in providing outpatient drugs to the Hospital's patients. The Hospital purchases outpatient drugs at 340B outpatient drug discount prices to replenish those dispensed to outpatients on the Hospital's behalf. The Hospital recognized revenue from these contracts of $20,460,425 and $17,807,934, with associated costs of $10,993,216 and $10,434,859 in 2023 and 2022, respectively.

Note 18: COVID-19 Pandemic and CARES Act Funding

The COVID-19 pandemic caused significant business disruption to the Hospital's operations, including reduce patient revenue and increased expenses for preparation and adjustments to the Hospital's operations. There is a considerable uncertainty around the duration and magnitude of the impact of COVID-19. The matter has and could have future negative impacts on the Hospital's financial condition and operating results. The magnitude of the financial impact cannot be reasonably estimated at this time.

CARES Act

On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was signed into law. The following summarizes significant CARES Act programs impacting the Hospital.

Provider Relief Fund

During the years ended May 31, 2023 and 2022, the Hospital received $0 and $5,905,000, respectively, of distributions from the CARES Act Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services. In addition, during 2022 the Hospital received $1,300,000 in Rural Health Clinic COVID-19 Testing and Mitigation Program funding made available through the *American Rescue Plan Act of 2021*.

The Hospital is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the

Provider Relief Fund and the effect of the pandemic on the Hospital's operating revenues and expenses, through May 31, 2023 and 2022, the Hospital recognized $0 and $10,813,948, respectively, related to the Provider Relief Fund. In addition, based on analysis of qualifying expenditures, as defined by the Department of Health and Human Services, the Hospital recognized $848,699 and $1,094,300, respectively, in Rural Health Clinic COVID-19 Testing and Mitigation Program funding through May 31, 2023 and 2022. These payments are recorded as nonoperating revenue in its statement of revenues, expenses, and changes in net position. The unrecognized amount of Provider Relief Fund distributions and Rural Health Clinic COVID-19 Testing and Mitigation Program funding are recorded as current liabilities in the accompanying balance sheets.

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

CMS Accelerated and Advanced Payment Program

During the year ended May 31, 2020, the Hospital received $13,520,000 in accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to payback provisions.

During 2021, the payback provisions were revised to extend the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25 percent of the remittance advice payment followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29th month at a rate of 4 percent.

During the years ended May 31, 2023 and 2022, the Hospital paid back approximately $3,730,000 and $8,740,000, respectively, from these accelerated Medicare payment requests. The unapplied amount of accelerated Medicare payment requests for the year ended May 31, 2022, is recorded in CMS Accelerated and Advance Payment Program receipts in the accompanying balance sheets. The balance was paid in full during 2023.

Payroll Tax Deferral

The CARES Act provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes be deferred until December 2021 and the remaining half until December 2022. At May 31, 2022, the Hospital had deferred $1,440,792 of payroll taxes recorded as a part of other liabilities in the accompanying balance sheets. The balance was paid in full during 2023.

Federal Emergency Management Agency (FEMA) Public Assistance

On March 13, 2020, a nationwide emergency declaration was declared for COVID-19. Under this emergency declaration, and subsequent major disaster declarations, certain organizations are eligible to apply for funding through FEMA's public assistance program. Funds are to be utilized to combat certain expenses to navigate the impact of the COVID-19 outbreak.

During the years ended May 31, 2023 and 2022, the Hospital was obligated $2,042,750 and $0, respectively, of funding to reimburse for eligible costs under the FEMA COVID-19 Public Assistance Program. These amounts obligated are included in nonoperating revenue – COVID relief revenue on the statement of revenues, expenses, and changes in net position. As of May 31, 2023 and 2022, $1,610,417 and $0 of obligated amounts had not yet been received by the Hospital and are included as other receivables on the accompanying balance sheets.

These obligations from FEMA were received based on project applications for reimbursement of eligible COVID-19 costs and are not expected to be subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the amounts received do not duplicate assistance received by any other parties. In October 2022, FEMA issued clarifying guidance with respect to its COVID-19 patient care revenue duplication of benefits policy introducing a risk-based approach to their audits of these projects bringing additional scrutiny to these payments. The Hospital will continue to monitor compliance with the terms and conditions of the FEMA payments, and the effect of the pandemic on the Hospital's expenses. The terms and conditions governing FEMA payments are complex and subject to interpretation and change. If the Hospital is unable to attest to or comply with current or future terms and conditions, the Hospital's ability to retain some or all of the distributions received may be impacted. Additionally, FEMA payments are subject to government oversight, including potential audits.

Note 19: Future Change in Accounting Principle

The Governmental Accounting Standards Board recently issued its Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement defines subscription-based information technology arrangements (SBITAs) and the related changes in accounting surrounding these contracts. The Hospital expects to first apply GASB No. 96 during the year ending May 31, 2024. The impact of applying the Statement has not been determined.

Supplementary Information

Citizens Memorial Hospital District

Accounts Receivable

May 31, 2023 and 2022

	2023		2022	
	Amount	Percent	Amount	Percent
Patient Accounts				
In-house and unbilled	$ 9,100,768	25.2%	$ 7,938,121	24.5%
Medicare	4,935,896	13.7%	4,534,640	14.0%
Medicaid	1,773,509	4.9%	717,931	2.2%
Commercial insurance	8,633,085	23.9%	6,772,617	20.9%
Self-pay	11,616,870	32.3%	12,496,682	38.4%
Total patient accounts	36,060,128	100.0%	32,459,991	100.0%
Unapplied Medicare and Medicaid Payments Applied	128,769		85,600	
Physician Clinic Receivables, Net	7,931,963		6,919,372	
Allowance for Contractual Adjustments	(12,131,695)		(9,383,815)	
Allowance for Uncollectible Accounts	(12,300,722)		(13,192,560)	
	$ 19,688,443		$ 16,888,588	
Aging of Self-Pay Accounts				
0–30 days	$ 892,473	7.7%	$ 1,165,503	9.3%
31–60 days	1,445,809	12.4%	1,770,764	14.2%
61–90 days	1,257,764	10.8%	1,934,648	15.5%
Over 90 days	8,020,824	69.1%	7,625,767	61.0%
	$ 11,616,870	100.0%	$ 12,496,682	100.0%

Citizens Memorial Hospital District

Net Patient Service Revenue

Years Ended May 31, 2023 and 2022

	2023 Inpatient	2023 Outpatient	2023 Total
Daily Patient Services			
Acute care	$ 8,148,864	$ 4,206,353	$ 12,355,217
Intensive care	6,050,055	2,727,306	8,777,361
Wellness center	6,242,234	-	6,242,234
Nursery	882,231	-	882,231
	21,323,384	6,933,659	28,257,043
Other Nursing Services			
Operating/recovery/outpatient services	14,626,843	19,673,812	34,300,655
Ambulatory surgical center	375,395	40,560,167	40,935,562
Labor and delivery rooms	1,379,259	310,023	1,689,282
Central services and supply	591,187	246,384	837,571
Emergency room	2,913,920	21,203,147	24,117,067
	19,886,604	81,993,533	101,880,137
Other Professional Services			
Laboratory	4,521,310	25,518,165	30,039,475
Transfusion service	179,740	286,037	465,777
Sleep lab	8,862	2,955,999	2,964,861
Cardiac rehabilitation	1,197	3,267,397	3,268,594
Cardiac cath lab	8,107,509	19,367,098	27,474,607
Radiology	2,394,002	96,757,789	99,151,791
Pharmacy	6,057,901	28,078,274	34,136,175
Anesthesiology	3,012,216	21,442,844	24,455,060
Respiratory therapy	2,165,145	2,091,445	4,256,590
Physical/occupational/speech therapy	2,274,785	18,780,259	21,055,044
Home health	-	-	-
Emergency room physicians	-	6,170,639	6,170,639
Ambulance	(84)	24,676,206	24,676,122
Diabetic education	-	88,961	88,961
Infusion	271,944	2,570,479	2,842,423
Physician clinics	-	138,680,531	138,680,531
Sports medicine clinic	-	17,122	17,122
Pathology	221,369	2,665,228	2,886,597
Telemed	-	2,013	2,013
	29,215,896	393,416,486	422,632,382
Gross Patient Service Revenue	$ 70,425,884	$ 482,343,678	552,769,562
Less Allowances			
Medicare contractual allowances			170,656,803
Medicaid contractual allowances			47,723,574
Clinic allowances			79,196,294
Other allowances			64,378,007
Charity care			1,400,535
Provision for uncollectible accounts			14,174,669
			377,529,882
Net Patient Service Revenue			$ 175,239,680

	2022	
Inpatient	Outpatient	Total
$ 9,399,901	$ 2,851,898	$ 12,251,799
8,274,515	1,290,293	9,564,808
5,815,242	-	5,815,242
831,149	-	831,149
24,320,807	4,142,191	28,462,998
13,685,226	17,237,481	30,922,707
613,361	40,458,559	41,071,920
1,436,643	268,788	1,705,431
888,647	185,429	1,074,076
3,065,534	20,816,441	23,881,975
19,689,411	78,966,698	98,656,109
5,647,947	25,302,424	30,950,371
161,879	250,630	412,509
4,328	2,715,993	2,720,321
7,090	3,228,788	3,235,878
6,919,150	18,433,666	25,352,816
3,065,751	89,235,998	92,301,749
10,078,135	23,382,714	33,460,849
2,961,813	20,084,720	23,046,533
3,869,297	1,866,377	5,735,674
2,464,452	16,530,016	18,994,468
-	-	-
728	6,472,477	6,473,205
-	23,421,981	23,421,981
-	77,629	77,629
310,599	3,409,866	3,720,465
-	125,597,925	125,597,925
-	41,114	41,114
192,951	2,469,059	2,662,010
-	-	-
35,684,120	362,521,377	398,205,497
$ 79,694,338	$ 445,630,266	525,324,604
		160,582,973
		40,995,994
		71,759,286
		66,107,461
		1,937,906
		14,581,584
		355,965,204
		$ 169,359,400

Citizens Memorial Hospital District

Other Revenue

Years Ended May 31, 2023 and 2022

	2023	2022
Cafeteria	$ 1,469,276	$ 1,160,708
Grants	854,930	372,698
Laundry	355,658	370,033
Rehab center	-	5,234
Contract pharmacy	20,460,425	17,807,934
Miscellaneous clinic revenue	3,752,272	2,819,968
Electronic health records incentive payments	-	90,667
Reference lab	2,268,763	2,057,527
Other miscellaneous revenue	1,859,130	1,832,629
	$ 31,020,454	$ 26,517,398

Citizens Memorial Hospital District

Expenses

Years Ended May 31, 2023 and 2022

	2023		
	Salaries	Supplies and Expense	Total
Nursing Services			
Nursing administration	$ 736,605	$ 241,013	$ 977,618
Medical and surgical	5,072,328	2,028,538	7,100,866
Intensive care	1,460,965	582,449	2,043,414
Wellness center	2,004,076	1,461,824	3,465,900
Operating/recovery/outpatient services	1,097,689	7,627,813	8,725,502
Ambulatory surgical center	2,133,620	4,988,607	7,122,227
Central supply	-	59,866	59,866
Emergency service	2,524,487	1,599,084	4,123,571
	15,029,770	18,589,194	33,618,964
Other Professional Services			
Laboratory	2,591,825	4,206,132	6,797,957
Transfusion service	-	304,800	304,800
Sleep lab	262,746	163,683	426,429
Cardiac cath lab	763,602	1,842,780	2,606,382
Cardiac rehabilitation	388,938	147,186	536,124
Radiology	5,140,359	3,163,040	8,303,399
Pharmacy	1,783,096	6,792,782	8,575,878
Anesthesiology	2,733,381	732,819	3,466,200
Respiratory therapy	668,134	705,708	1,373,842
Physical/occupational/speech therapy	2,866,987	1,009,276	3,876,263
Medical records	1,633,243	775,398	2,408,641
Emergency room physicians	2,268,873	1,485,898	3,754,771
Ambulance	3,171,860	1,678,576	4,850,436
Diabetic education	36,137	11,087	47,224
Physician clinics	43,082,401	25,150,104	68,232,505
Sports medicine	353,409	124,387	477,796
Senior health center	30,198	30,457	60,655
Infusion	532,632	559,800	1,092,432
Credentialing and managed care	102,531	61,422	163,953
Central sterile	234,538	78,913	313,451
Employee and contract pharmacies	138,688	11,027,838	11,166,526
COVID-19	36,219	23,238	59,457
Telemedicine	-	6,525	6,525
Emergency medical services	145,886	75,688	221,574
	68,965,683	60,157,537	129,123,220

	2022	
Salaries	Supplies and Expense	Total
$ 631,749	$ 185,672	$ 817,421
4,921,470	1,888,646	6,810,116
1,713,541	801,830	2,515,371
2,087,648	1,132,713	3,220,361
941,216	6,499,812	7,441,028
2,116,243	4,575,865	6,692,108
-	55,194	55,194
2,199,548	1,488,104	3,687,652
14,611,415	16,627,836	31,239,251
2,521,197	4,175,520	6,696,717
-	251,839	251,839
281,820	136,441	418,261
733,168	1,599,358	2,332,526
356,351	125,087	481,438
4,670,299	2,610,825	7,281,124
1,469,085	6,649,828	8,118,913
2,575,178	712,238	3,287,416
694,401	855,423	1,549,824
2,491,991	1,016,116	3,508,107
1,640,073	755,841	2,395,914
589,303	3,473,908	4,063,211
3,104,682	1,538,500	4,643,182
44,713	14,054	58,767
39,352,711	21,763,502	61,116,213
283,395	96,781	380,176
-	-	-
495,099	563,146	1,058,245
123,528	111,392	234,920
208,472	55,158	263,630
126,493	10,494,146	10,620,639
267,846	119,030	386,876
-	-	-
164,901	77,049	241,950
62,194,706	57,195,182	119,389,888

Citizens Memorial Hospital District
Expenses
Years Ended May 31, 2023 and 2022

	2023		
	Salaries	Supplies and Expense	Total
General Services			
Dietary	$ 1,690,821	$ 2,161,378	$ 3,852,199
Plant operation and maintenance	1,695,187	2,022,856	3,718,043
Housekeeping	1,384,775	697,032	2,081,807
Laundry and linen	275,864	277,299	553,163
	5,046,647	5,158,565	10,205,212
Administrative Services	12,356,989	16,541,206	28,898,195
Depreciation	-	5,322,177	5,322,177
Amortization	-	3,368,213	3,368,213
	$ 101,399,089	$ 109,136,892	$ 210,535,981

2022 Salaries	2022 Supplies and Expense	2022 Total
$ 1,378,749	$ 1,703,497	$ 3,082,246
1,378,541	1,858,517	3,237,058
1,345,712	613,709	1,959,421
243,475	256,404	499,879
4,346,477	4,432,127	8,778,604
11,830,231	15,478,376	27,308,607
-	4,886,499	4,886,499
-	3,269,154	3,269,154
$ 92,982,829	$ 101,889,174	$ 194,872,003