Golden Valley Memorial Hospital District

Independent Auditor's Report and Financial Statements

March 31, 2024 and 2023

Golden Valley Memorial Hospital District

March 31, 2024 and 2023

Contents

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Financial Statements

Balance Sheets 9

Statements of Revenues, Expenses, and Changes in Net Position 10

Statements of Cash Flows 11

Notes to Financial Statements 13

Supplementary Information

Patient Accounts Receivable 41

Allowance for Uncollectible Accounts 41

FORVIS

910 E. St. Louis Street, Suite 200 / Springfield, MO 65806
P 417.865.8701 / **F** 417.865.0682
forvis.com

Independent Auditor's Report

Board of Directors
Golden Valley Memorial Hospital District
Clinton, Missouri

Opinion

We have audited the financial statements of Golden Valley Memorial Hospital District as of and for the years ended March 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Golden Valley 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 Golden Valley Memorial Hospital District as of March 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Golden Valley 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 fiscal year 2024, Golden Valley Memorial Hospital District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with 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 Golden Valley 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.

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

PRAXITY® A member of the Praxity Global Alliance

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 Golden Valley 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 Golden Valley 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 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 Golden Valley Memorial Hospital District's basic financial statements. The patient accounts receivable and allowance for uncollectible accounts schedules are presented for purposes of additional analysis and are 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
May 23, 2024

Golden Valley Memorial Hospital District

Management's Discussion and Analysis

Years Ended March 31, 2024 and 2023

Introduction

This management's discussion and analysis of the financial performance of Golden Valley Memorial Hospital District (the "Hospital") provides an overview of the Hospital's financial activities for the years ended March 31, 2024 and 2023. It should be read in conjunction with the accompanying financial statements of the Hospital. During 2024, the Hospital adopted Governmental Accounting Standards Board (GASB) Statement No. 86, *Subscription-Based Information Technology Arrangements*, retroactively restating the amounts reported in the 2023 financial statements. The summarized financial information for the year ended March 31, 2022, including in the management's discussion and analysis, was not restated for this adoption.

Financial Highlights

- Cash and investments, other than investments held for debt service or restricted by donors, decreased in 2024 by $1,489,280, or 2.1 percent, and increased in 2023 by $7,642,280, or 12.0 percent, respectively.
- The Hospital's net position increased by $11,239,949, or 8.5 percent, and $17,147,581, or 14.9 percent, in 2024 and 2023, respectively.
- The Hospital reported an operating income of $3,089,814 and $8,636,566 in 2024 and 2023, respectively. The operating results in 2024 declined by $5,546,752 from the operating income reported in 2023. The operating results in 2023 increased by $2,182,574 from the operating income reported in 2022.

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 and all liabilities 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 and liabilities–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 and liabilities reported in the balance sheet. The Hospital's net position increased by $11,239,949, or 8.5 percent, in 2024 over 2023, and increased by $17,147,581, or 14.9 percent, in 2023 over 2022, as shown in Table 1.

Table 1: Assets, Liabilities, and Net Position

	2024	2023 (Restated - *Note 1*)	2022
Assets			
Patient accounts receivable, net	$ 18,837,622	$ 14,998,734	$ 14,694,563
Other current assets	24,712,039	29,119,991	22,864,298
Capital assets, net	88,249,919	75,625,728	73,563,428
Other noncurrent assets	63,334,538	67,151,157	56,947,316
Total assets	$ 195,134,118	$ 186,895,610	$ 168,069,605
Liabilities			
Long-term debt	$ 31,656,135	$ 33,578,067	$ 33,778,000
Other current and noncurrent liabilities	18,596,802	19,492,265	17,597,634
Total liabilities	50,252,937	53,070,332	51,375,634
Deferred Inflows of Resources			
Leases	1,461,552	1,645,598	1,661,872
Net Position			
Net investment in capital assets	54,208,607	39,529,288	37,615,624
Restricted - expendable for			
Capital acquisitions	1,195,372	5,479,318	581,422
Specific operating activities	1,578,411	1,373,886	1,408,806
Restricted nonexpendable	80,165	80,165	80,165
Unrestricted	86,357,074	85,717,023	75,346,082
Total net position	143,419,629	132,179,680	115,032,099
Total liabilities and net position	$ 195,134,118	$ 186,895,610	$ 168,069,605

Significant changes in the Hospital's balance sheet in 2024 compared to 2023 include the following:

- An increase in capital assets of $12,624,191 due to the completion of the Hospital's new Radiation Oncology building.
- An increase in patient accounts receivable of $3,838,888, largely due to increased volumes.

There were some significant changes in the Hospital's balance sheet in 2023 compared to 2022, including:

- An increase in other receivables of $1,734,167, largely due to amounts due from the Federal Emergency Management Agency (FEMA) and the Hospital's 340B retail contract pharmacy program.
- An increase in restricted cash and investments of $2,356,786, due to the Hospital's capital campaign for a new Radiation Oncology building.

Operating Results and Changes in the Hospital's Net Position

In 2024, the Hospital's net position increased by $11,239,949, or 8.5 percent, as shown in Table 2. This increase is made up of several different components and represents a decrease of $5,907,632 from 2023 results. The Hospital's net position increased $17,147,581 in 2023, compared to an increase of $9,701,607 in 2022, representing an increase of $7,445,974 from 2022.

Table 2: Operating Results and Changes in Net Position

	2024	2023 (Restated - *Note 1*)	2022
Operating Revenues			
Net patient service revenue	$ 154,000,578	$ 139,797,846	$ 138,963,502
Other	11,394,451	14,547,567	13,377,806
Total operating revenues	165,395,029	154,345,413	152,341,308
Operating Expenses			
Nursing services	25,101,664	22,448,441	24,072,810
Other professional services	75,383,309	68,475,846	66,952,634
General services	6,330,237	5,749,381	5,173,676
Administrative services	46,154,735	40,110,189	41,295,161
Depreciation and amortization	9,335,270	8,924,990	8,393,035
Total operating expenses	162,305,215	145,708,847	145,887,316
Operating Income	3,089,814	8,636,566	6,453,992
Nonoperating Revenues (Expenses)			
Noncapital gifts	204,001	340,647	280,296
Investment income (loss)	3,315,446	(652,448)	(209,552)
Loss on disposal of capital assets	(13,396)	(32,170)	(38,153)
Interest expense	(1,012,229)	(1,064,697)	(1,092,470)
CARES Act and other grant funding	335,087	5,147,585	3,293,225
Total nonoperating revenues	2,828,909	3,738,917	2,233,346
Excess of Revenues Over Expenses Before Capital Grants and Gifts	5,918,723	12,375,483	8,687,338
Capital Grants and Gifts	5,321,226	4,772,098	1,014,269
Excess of Revenues Over Expenses and Increase in Net Position	$ 11,239,949	$ 17,147,581	$ 9,701,607

Operating Income

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.

Key factors in the operating results for 2024 include:

- Net patient service revenues increased by approximately $14,202,732, or 10.2 percent, from the prior year, while operating expenses increased by approximately $16,596,000, or 11.4 percent. The increase in net patient service revenue is primarily due to increases in volumes and the addition of a new service line, Radiation Oncology. The new service line also contributes to the increase in operating expenses, as well as increased pharmaceutical costs.

- There was an increase in overall outpatient volumes in 2024 compared to 2023. The number of outpatient visits increased approximately 10,925. Similarly, physician clinic visits saw an increase of approximately 2,675 in 2024 compared to 2023. Inpatient volume increased approximately 60 in 2024 compared to 2023.

The operating income for 2023 of $8,636,566 increased by $2,182,574 compared to the operating income of $6,453,992 recognized in 2022. Net patient service revenues increased by approximately $835,000, or 0.6 percent, from 2022 due primarily to changes in payer mix and level of care provided. Admissions increased in 2023 compared to 2022. Additionally, other operating revenue increased from 2022, primarily due to increases in revenue from the 340B retail contract pharmacy program.

Nonoperating Revenues and Expenses and Capital Grants and Gifts

Nonoperating revenues and expenses consist primarily of noncapital gifts, donations, investment income (loss), loss on disposal of capital assets, interest expense, and CARES Act and other grant funding. Nonoperating revenues and expenses decreased by $910,008 in 2024 compared to 2023. During 2024, CARES Act other grant funding revenue represented $335,087 of nonoperating revenues and expenses, compared to $5,147,585 in 2023, as detailed in *Note 2* to the financial statements. Investment income (loss) increased by $3,967,894 in 2024 compared to 2023 due to changes in the market value and increased interest income earned on the Hospital's investments. Interest expense was consistent year over year.

The Hospital received noncapital gifts of $204,001 and $340,647 in 2024 and 2023, respectively, compared to $280,296 in 2022. The Hospital also received capital grants and gifts of $5,321,226 during 2024, compared to $4,772,098 during 2023.

The Hospital's Cash Flows

Changes in the Hospital's cash flows are consistent with changes in operating income and nonoperating revenues and expenses for 2024, 2023, and 2022, discussed earlier.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the Hospital had $88,249,919 invested in capital assets, net of accumulated depreciation, as detailed in *Note 7* to the financial statements. In 2024, the Hospital purchased new property and equipment costing $21,673,853. In 2023, the Hospital purchased new property and equipment costing $10,194,571.

Debt Administration

At March 31, 2024 and 2023, the Hospital had $33,589,000 and $35,593,000, respectively, in revenue bonds and other debt outstanding. See *Note 10* for more information regarding the bonds and other debt.

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, 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 Hospital administration by telephoning 660.885.5511.

Golden Valley Memorial Hospital District
Balance Sheets
March 31, 2024 and 2023

Assets

	2024	2023 (Restated - *Note 1*)
Current Assets		
Cash and cash equivalents	$ 12,923,739	$ 14,643,656
Patient accounts receivable, net of allowance; 2024 – $12,132,390; 2023 – $10,054,496	18,837,622	14,998,734
Other receivables	3,971,596	6,621,983
Pledges receivable	392,572	528,596
Estimated amounts due from third-party payors	982,555	1,717,877
Leases receivable	232,892	224,125
Supplies	3,301,402	3,298,258
Prepaid expenses	2,907,283	2,085,496
Total current assets	43,549,661	44,118,725
Noncurrent Cash and Investments		
Held by trustee for workers' compensation	491,003	477,805
Held by trustee for debt service	1,920,627	1,800,356
Internally designated	56,515,539	56,298,100
Restricted by donors for capital acquisitions and specific operating activities	1,040,376	3,924,649
Externally restricted by donors	80,165	80,165
	60,047,710	62,581,075
Capital Assets, Net	88,249,919	75,625,728
Other Assets		
Leases receivable	1,228,660	1,421,473
Subscription assets, net	753,164	765,481
Other	1,305,004	2,383,128
Total other assets	3,286,828	4,570,082
Total assets	$ 195,134,118	$ 186,895,610

	2024	2023 (Restated - *Note 1*)
Current Liabilities		
Current maturities of long-term debt	$ 1,932,563	$ 2,014,932
Current maturities of subscription liabilities	331,014	272,698
Accounts payable	5,823,050	7,065,873
Accrued payroll	2,729,631	2,144,882
Accrued vacation pay	3,388,070	3,173,501
Deferred revenue	-	681,500
Payroll taxes payable and other accrued expenses	2,836,141	2,461,469
Total current liabilities	17,040,469	17,814,855
Long-Term Debt	31,656,135	33,578,067
Subscription Liabilities	268,333	442,665
Other Long-Term Liabilities	1,288,000	1,234,745
Total liabilities	50,252,937	53,070,332
Deferred Inflows of Resources		
Leases	1,461,552	1,645,598
Net Position		
Net investment in capital assets	54,208,607	39,529,288
Restricted - expendable for		
Capital acquisitions	1,195,372	5,479,318
Specific operating activities	1,578,411	1,373,886
Restricted nonexpendable	80,165	80,165
Unrestricted	86,357,074	85,717,023
Total net position	143,419,629	132,179,680
Total liabilities, deferred inflows of resources, and net position	$ 195,134,118	$ 186,895,610

Golden Valley Memorial Hospital District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended March 31, 2024 and 2023

	2024	2023 (Restated - *Note 1*)
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2024 – $10,601,000, 2023 – $9,212,000	$ 154,000,578	$ 139,797,846
Other	11,394,451	14,547,567
Total operating revenues	165,395,029	154,345,413
Operating Expenses		
Nursing services	25,101,664	22,448,441
Other professional services	75,383,309	68,475,846
General services	6,330,237	5,749,381
Administrative services	46,154,735	40,110,189
Depreciation and amortization	9,335,270	8,924,990
Total operating expenses	162,305,215	145,708,847
Operating Income	3,089,814	8,636,566
Nonoperating Revenues (Expenses)		
Noncapital gifts	204,001	340,647
Investment income (loss)	3,315,446	(652,448)
Loss on disposal of capital assets	(13,396)	(32,170)
Interest expense	(1,012,229)	(1,064,697)
CARES Act and other grant revenue	335,087	5,147,585
Total nonoperating revenues	2,828,909	3,738,917
Excess of Revenues Over Expenses Before Capital Grants and Gifts	5,918,723	12,375,483
Capital Grants and Gifts	5,321,226	4,772,098
Increase in Net Position	11,239,949	17,147,581
Net Position, Beginning of Year	132,179,680	115,032,099
Net Position, End of Year	$ 143,419,629	$ 132,179,680

Golden Valley Memorial Hospital District
Statements of Cash Flows
Years Ended March 31, 2024 and 2023

	2024	2023 (Restated - *Note 1*)
Operating Activities		
Receipts from and on behalf of patients	$ 153,547,399	$ 135,509,348
Payments to suppliers and contractors	(85,901,641)	(74,698,868)
Payments to employees	(67,516,845)	(61,546,169)
Other receipts, net	10,803,660	14,363,567
Net cash provided by operating activities	10,932,573	13,627,878
Noncapital Financing Activities		
Noncapital grants and gifts	204,001	340,647
CARES Act and other grant funding	335,087	5,701,576
Net cash provided by noncapital financing activities	539,088	6,042,223
Capital and Related Financing Activities		
Capital grants and gifts	5,834,874	2,496,580
Proceeds from issuance of long-term debt	-	1,860,000
Principal paid on long-term debt	(1,856,303)	(1,645,001)
Interest paid on long-term debt	(980,302)	(1,038,772)
Principal paid on subscription liabilities payable	(510,126)	(389,316)
Interest paid on subscription liabilities payable	(31,927)	(25,924)
Purchase of capital assets	(21,673,853)	(10,194,571)
Proceeds from sale of capital assets	177,248	12,200
Net cash used in capital and related financing activities	(19,040,389)	(8,924,804)
Investing Activities		
Purchase of investments	(14,421,994)	(14,884,726)
Interest, dividends, and losses on investments	3,278,781	(693,976)
Proceeds from disposition of investments	16,992,024	7,504,517
Net cash provided by (used in) investing activities	5,848,811	(8,074,185)
Increase (Decrease) in Cash and Cash Equivalents	(1,719,917)	2,671,112
Cash and Cash Equivalents, Beginning of Year	14,643,656	11,972,544
Cash and Cash Equivalents, End of Year	$ 12,923,739	$ 14,643,656

Golden Valley Memorial Hospital District
Statements of Cash Flows
Years Ended March 31, 2024 and 2023

	2024	2023 (Restated - *Note 1*)
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by Operating Activities		
Operating income	$ 3,089,814	$ 8,636,566
Depreciation and amortization	9,335,270	8,924,990
Changes in operating assets and liabilities		
Patient accounts receivable, net	(3,838,888)	(304,171)
Supplies	(3,144)	(551,024)
Prepaid expenses and other assets	2,012,646	(2,512,216)
Estimated third-party payor settlements	735,322	(1,150,467)
Accounts payable and accrued expenses	(398,447)	584,200
Net cash provided by operating activities	$ 10,932,573	$ 13,627,878
Noncash Investing, Capital, and Financing Activities		
Capital assets in accounts payable	$ 452,615	$ 503,440
Forgiveness of financed purchase	$ 147,998	$ 184,000
Donated capital assets	$ -	$ 596,530
Subscription obligation incurred	$ 394,110	$ 177,692

Golden Valley Memorial Hospital District

Notes to Financial Statements

March 31, 2024 and 2023

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

Nature of Operations and Reporting Entity

Golden Valley Memorial Hospital District (the "Hospital") is an acute care hospital located in Clinton, Missouri. The Hospital is a political subdivision of the state of Missouri. The Hospital primarily earns revenues by providing inpatient, outpatient, emergency care, and physician clinical services to patients in Clinton, Missouri, and the surrounding area.

The financial statements include Golden Valley Memorial Hospital District Foundation (the "Foundation") which is a separate legal entity. The Foundation is financially integrated with the Hospital and is reported as a blended component unit of the Hospital and therefore does not issue separate financial statements. The Foundation is governed by a separate Board of Directors approved by the Board of Directors of the Hospital. The Foundation's primary function is to promote and encourage health care services by providing fundraising assistance to the Hospital and to account for all gifts, memorials, bequests, and other donations to the Hospital. Although the Hospital does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the Hospital.

The financial statements also include Golden Valley Memorial Hospital District Auxiliary (the "Auxiliary") which is a legally separate entity. The Auxiliary is financially integrated with the Hospital and is reported as a blended component unit of the Hospital and therefore does not issue separate financial statements. The Auxiliary is governed by a separate Board of Directors approved by the Board of Directors of the Hospital. The Auxiliary's primary function is to operate a gift shop inside Golden Valley Memorial Hospital.

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, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and county appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated, or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific, 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 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 those estimates.

Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents, excluding certain money market accounts, certificates of deposits, and commercial paper that are held as noncurrent cash and investments. The Hospital does not consider uninvested cash held in investment accounts as cash or cash equivalents.
At March 31, 2024 and 2023, cash equivalents consisted primarily of repurchase agreements and money market accounts.

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 insurance. 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 workers' compensation and employee health claims. Annual estimated provisions are accrued for the self-insured portion of workers' compensation and employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Investments and Investment Income

Investments in non-negotiable certificates of deposits are carried at amortized cost. 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.

Other Receivables

Other receivables include amounts due from grants receivable, physicians, and due from contract pharmacies under the Hospital's 340B program.

Supplies

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

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 financing agreements 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	8 – 20 years
Buildings and leasehold improvements	10 – 40 years
Equipment	3 – 15 years

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital and Subscription Asset Impairment

The Hospital evaluates capital and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or subscription asset has occurred. If a capital or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected accumulated depreciation is increased by the amount of the impairment loss.

No asset impairment was recognized during the years ended March 31, 2024 and 2023.

Compensated Absences

Hospital policies permit most employees to accumulate paid hours off (PHO) that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as paid time off 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 assets net of accumulated depreciation 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. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Hospital. 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 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.

Estimated Self-Insurance Costs

The Hospital accrues estimated liabilities for self-insurance losses associated with workers' compensation and employee health insurance claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported. Costs resulting from self-insured losses are charged to expense when incurred. The Hospital has purchased insurance that limits its exposure for individual workers' compensation insurance claims and that limits its aggregate exposure to $400,000. The Hospital has also purchased insurance that limits its exposure for individual health insurance claims to $150,000 per occurrence.

Income Taxes

As a political subdivision of the state of Missouri, the Hospital is generally exempt from federal and state income taxes under applicable sections of the Internal Revenue Code and provisions of state law. However, the Hospital is subject to federal income tax on any unrelated business taxable income.

The Foundation and Auxiliary are exempt from income taxes under the provisions of Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation and Auxiliary are subject to federal income tax on any unrelated business taxable income. The Foundation and Auxiliary file tax returns in the U.S. federal jurisdiction.

Contract Pharmacy Program

The Hospital participates in the 340B outpatient drug discount program administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). The Hospital operates a 340B retail drug program by contracting with local pharmacies. The net revenue from this program for the years ended March 31, 2024 and 2023, was approximately $4,626,000 and $7,960,000, respectively, greater than the direct cost of operating the program. Laws and regulations surrounding the 340B drug program are complex and subject to interpretation and change.

Change in Accounting Principle

On April 1, 2023, the Hospital adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, using a retrospective method of adoption to all subscription-based information technology contracts in place and not yet completed at the beginning of the earliest period presented. The statement requires the Hospital to recognize a subscription liability, measured at the present value of the payments expected to be made during the contract term a subscription asset. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset. The 2023 financial statements and disclosures were restated to reflect the impact of the adoption.

	2023 (As Previously Reported)	Effect of Adoption	2023 (As Restated)
Statement of Net Position			
Current Assets			
Prepaid expenses	$ 2,283,892	$ (198,396)	$ 2,085,496
Noncurrent Assets			
Subscription Assets, net	-	765,481	765,481
Current Liabilities			
Current maturities of subscription liabilities	-	272,698	272,698
Noncurrent Liabilities			
Subscription Liability	-	442,665	442,665
Net Position			
Unrestricted	85,865,301	(148,278)	85,717,023
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses			
Administrative and fiscal services	40,327,033	(216,844)	40,110,189
Depreciation and amortization	8,585,793	339,197	8,924,990
Nonoperating Revenues (Expenses)			
Interest expense	(1,038,772)	(25,925)	(1,064,697)
Statement of Cash Flows			
Operating Activities			
Payments to suppliers and contractors	(75,114,108)	415,240	(74,698,868)
Capital and Related Financing Activities			
Principal paid on subscription liabilities payable	-	(389,316)	(389,316)
Interest paid on subscription liabilities payable	-	(25,924)	(25,924)
Cash Used in Operating Activities			
Operating income	8,758,919	(122,353)	8,636,566
Depreciation and amortization expense	8,585,793	339,197	8,924,990
Prepaid expenses and other assets	(2,710,612)	198,396	(2,512,216)
Noncash Investing, Capital, and Financing Activities			
Subscription obligation incurred	-	177,692	177,692

Subsequent Events

Subsequent events have been evaluated through May 23, 2024, which is the date the financial statements were available to be issued.

Note 2: COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

While the Hospital has resumed elective procedures and has continued to return to pre-pandemic operations, the extent of the COVID-19 pandemic's adverse effect on the Hospital's operating results and financial condition cannot be reasonably estimated at this time.

Because of these and other uncertainties, the Hospital cannot estimate the length or severity of the effect of the pandemic on the Hospital's business. Decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

Provider Relief Fund

During the years ended March 31, 2024 and 2023, the Hospital received $0 and $4,027,044 of distributions from the CARES Act Provider Relief Fund and American Rescue Plan ("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 (DHHS).

The Hospital is accounting for such payments as voluntary nonexchange transactions. Payments are recognized as 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 March 31, 2024, the Hospital recognized $0 and $2,527,044, respectively, during the years ended March 31, 2024 and 2023, related to the Provider Relief Fund. Additionally, during the years ended March 31, 2024 and 2023, respectively, the Hospital recognized $0 and $2,620,541 related to other COVID-19 related grants, of which approximately $0 and $1,863,000, respectively, relates to disaster relief funds from the Federal Emergency Management Agency (FEMA). These payments are recorded as nonoperating revenue CARES Act and other grant funding in our statement of revenues, expenses, and changes in net position.

The Hospital will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and FEMA payments. The terms and conditions governing the Provider Relief Funds and 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 affected. Additionally, the amounts recorded in the financial statements compared to the Hospital's Provider Relief Fund reporting could differ. Provider Relief Fund and FEMA payments are subject to government oversight, including potential audits.

Note 3: 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 services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient swing bed services are paid at prospectively determined per diem rates that are based on the patients' acuity. 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.

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are reimbursed based on a prospectively established per diem rate. Medicaid outpatient reimbursement is based on a prospective percentage rate determined from the fourth, fifth, and sixth prior cost reports regressed forward.

Approximately 65 percent and 62 percent, respectively, of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended March 31, 2024 and 2023. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The Hospital receives additional reimbursements from the Missouri 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 March 31, 2024 and 2023, the Hospital has not recorded a liability, as the Hospital believes costs are in excess of funding from the State. It is reasonably possible that this estimate could materially change in the near term. The 2024 and 2023 net patient service revenue increased approximately $200,000 and $1,950,000, respectively, due to final settlements of cost reports and accounts receivable balances collected in excess of amounts previously estimated.

Note 4: 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 March 31, 2024 and 2023, $46,217 and $154,883 of the Hospital's bank balances of $7,964,756 and $8,847,056, respectively, were exposed to custodial credit risk as uninsured or 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 March 31, 2024 and 2023, the Hospital had the following investments and maturities:

March 31, 2024

		Maturities in Years			
Type	Fair Value	Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	$ 17,020,770	$ 1,964,572	$ 15,056,198	$ -	$ -
U.S. agencies obligations	22,423,346	581,165	21,842,181	-	-
U.S. treasury obligations	2,678,561	-	2,678,561	-	-
Money market mutual funds	11,865,583	11,865,583	-	-	-
		$ 14,411,320	$ 39,576,940	$ -	$ -
Pooled investments	1,330,211				
	$ 55,318,471				

March 31, 2023

Type	Fair Value	Maturities in Years: Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	$ 19,295,224	$ 4,016,392	$ 15,278,832	$ -	$ -
U.S. agencies obligations	14,939,353	1,152,323	13,787,030	-	-
U.S. treasury obligations	3,551,669	-	3,551,669	-	-
Money market mutual funds	15,013,777	15,013,777	-	-	-
		$ 20,182,492	$ 32,617,531	$ -	$ -
Pooled investments	1,199,099				
	$ 53,999,122				

Interest Rate Risk – The Hospital's investment policy states that in order to minimize interest rate risk they will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and investments in operating funds will be primarily shorter-term securities. The money market mutual funds are presented as an investment with a maturity less than one year because the average maturity of the funds is less than one year.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Hospital's policy is to minimize credit risk by prequalifying the financial institutions with which the Hospital will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. At March 31, 2024 and 2023, the Hospital's investments not directly guaranteed by the U.S. government were rated as follows:

Investment	2024 Moody's	2024 S&P	2023 Moody's	2023 S&P
Money market mutual funds	Not rated to Aaa	Not rated to Aaa	Not rated to Aaa	Not rated to Aaa

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. All of the underlying securities for the Hospital's investments in repurchase agreements at March 31, 2024 and 2023, are held by the counterparties in other than the Hospital's name. The Hospital's investment policy does not address how securities underlying repurchase agreements are to be held.

Concentration of Credit Risk – The Hospital places a limit of only 5 percent of the total market value of the portfolio that can be invested in any one issuer of banker's acceptances of commercial paper. At March 31, 2024 and 2023, no investments exceeded 5 percent of the total fair value of all investments.

Summary of Carrying Values

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

	2024	2023
Carrying value		
Deposits	$ 17,652,978	$ 23,225,609
Investments	55,318,471	53,999,122
	$ 72,971,449	$ 77,224,731
Cash and cash equivalents	12,923,739	14,643,656
Noncurrent cash and investments	60,047,710	62,581,075
	$ 72,971,449	$ 77,224,731

Total investment return is reflected in the statements of operations and changes in net position as follows:

	2024	2023
Investment income (loss) consisted of		
Interest income	$ 2,540,020	$ 1,094,720
Net increase (decrease) in fair value of investments	775,426	(1,747,168)
	$ 3,315,446	$ (652,448)

Note 5: 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. Other receivables include amounts due from grants receivable, physicians, and due from contract pharmacies under the Hospital's 340B program. Patient accounts receivable at March 31, 2024 and 2023, consisted of:

	2024	2023
Medicare	$ 6,731,790	$ 4,897,058
Medicaid	3,546,238	3,187,161
Other third-party payors	7,387,972	6,959,092
Individual patients	13,304,012	10,009,919
	30,970,012	25,053,230
Less allowance for uncollectible accounts	12,132,390	10,054,496
	$ 18,837,622	$ 14,998,734

Note 6: Leases Receivable

The Hospital lease portions of its space to a third parties, the terms of which expire in various years through 2032. The leases were measured based upon the prime interest rate at lease commencement, as published by the Federal Reserve Bank of St. Louis. Annual payments remain the same over the course of the lease terms and do not include any variable payments.

The Hospital recognized a lease receivable and deferred inflow of resources of $1,461,552 and $1,645,598 as of March 31, 2024 and 2023, respectively. Revenue recognized under lease contract during the years ended March 31, 2024 and 2023, were $250,985 and $232,560, respectively, which are recorded in other operating revenue on the statement of revenue, expenses, and changes in net position. Revenue recognized includes both lease revenue and interest.

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

Year Ending March 31,	Total to be Received	Principal	Interest
2025	$ 232,892	$ 190,405	$ 42,487
2026	232,892	197,028	35,864
2027	232,892	203,927	28,965
2028	218,282	196,336	21,946
2029	197,828	181,335	16,493
2030 - 2032	511,056	492,521	18,535
	$ 1,625,842	$ 1,461,552	$ 164,290

Note 7: Capital and Subscription Assets

Capital assets activity for the years ended March 31, 2024 and 2023, was:

	March 31, 2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 2,554,625	$ -	$ 345,000	$ -	$ 2,209,625
Land improvements	3,782,813	39,650	-	1,616,554	5,439,017
Buildings and leasehold improvements	69,937,209	126,076	317,226	9,973,998	79,720,057
Equipment	75,254,896	2,505,680	1,678,844	10,123,610	86,205,342
Construction in progress	3,799,209	19,398,272	-	(21,714,162)	1,483,319
	155,328,752	22,069,678	2,341,070	-	175,057,360
Less accumulated depreciation					
Land improvements	2,342,892	258,701	-	-	2,601,593
Buildings and leasehold improvements	32,691,021	2,817,467	152,796	-	35,355,692
Equipment	44,669,110	5,833,675	1,652,629	-	48,850,156
	79,703,023	8,909,843	1,805,425	-	86,807,441
Capital assets, net	$ 75,625,729	$ 13,159,835	$ 535,645	$ -	$ 88,249,919

	March 31, 2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 1,926,540	$ 628,085	$ -	$ -	$ 2,554,625
Land improvements	3,420,275	99,710	-	262,830	3,782,815
Buildings and leasehold improvements	67,402,857	765,775	-	1,768,577	69,937,209
Equipment	71,639,601	3,447,062	1,842,234	2,010,464	75,254,893
Construction in progress	2,108,249	5,732,831	-	(4,041,871)	3,799,209
	146,497,522	10,673,463	1,842,234	-	155,328,751
Less accumulated depreciation					
Land improvements	2,130,002	212,890	-	-	2,342,892
Buildings and leasehold improvements	30,133,381	2,557,640	-	-	32,691,021
Equipment	40,670,711	5,796,263	1,797,864	-	44,669,110
	72,934,094	8,566,793	1,797,864	-	79,703,023
Capital assets, net	$ 73,563,428	$ 2,106,670	$ 44,370	$ -	$ 75,625,728

Construction in progress at March 31, 2024, primarily relates to construction and other costs related to building remodeling and equipment upgrade projects which are expected to be completed in fiscal year 2025 with the total expenditures remaining to complete anticipated to be approximately $635,000. These projects are being financed by cash from operations.

Subscription asset activity for the years ended March 31, 2024 and 2023, was:

	March 31, 2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	$ 1,104,678	$ 394,110	$ (152,519)	$ -	$ 1,346,269
Less accumulated amortization	339,197	406,427	(152,519)	-	593,105
Subscription assets, net	$ 765,481	$ (12,317)	$ -	$ -	$ 753,164

	March 31, 2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	$ 926,986	$ 177,692	$ -	$ -	$ 1,104,678
Less accumulated amortization	-	339,197	-	-	339,197
Subscription assets, net	$ 926,986	$ (161,505)	$ -	$ -	$ 765,481

Note 8: Medical Malpractice Claims

The Hospital purchases medical malpractice insurance under a claims-made policy on a retrospective-rated premium basis. Adjustments of estimated to actual expense, if any, after the policy term, are included in the period such adjustments are determined. 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. It is reasonably possible that this estimate could change materially in the near term.

Note 9: Other Liabilities

Substantially all of the Hospital's employees and their dependents are eligible to participate in the Hospital's employee health insurance plan. The Hospital is self-insured for health claims of participating employees and dependents. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual at March 31, 2024 and 2023, 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.

Activity in the Hospital's accrued employee health claims liability during 2024 and 2023, respectively, included in payroll taxes payable and other accrued expenses on the balance sheet, is summarized as follows:

	2024	2023
Balance, beginning of year	$ 1,475,000	$ 1,350,000
Current year claims and changes in estimates	10,499,365	7,489,926
Claim payments	(10,124,365)	(7,364,926)
Balance, end of year	$ 1,850,000	$ 1,475,000

The Hospital is self-insured for workers' compensation. An escrow reserve is required to be maintained in the amount of $425,000 as determined by the Division of Workers' Compensation of the state of Missouri. Annual estimated provisions are accrued for the self-insured portion of workers' compensation and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported, which is included in payroll taxes payable and other accrued expenses on the balance sheet.

	2024	2023
Balance, beginning of year	$ 177,400	176,200
Current year claims and changes in estimates	410,259	455,795
Claim payments	(391,184)	(454,595)
Balance, end of year	$ 196,475	$ 177,400

Note 10: Long-Term Obligations

The following is a summary of long-term obligation transactions for the Hospital for the years ended March 31, 2024 and 2023:

Golden Valley Memorial Hospital District
Notes to Financial Statements
March 31, 2024 and 2023

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Series 2014 Variable Rate Hospital Facilities Revenue Bonds	$ 28,720,000	$ -	$ 1,215,000	$ 27,505,000	$ 1,250,000
Series 2017 Hospital Facilities Revenue Bonds	4,865,000	-	485,000	4,380,000	495,000
Robotic Arm	148,000	-	148,000	-	-
Note Payable	1,860,000	-	156,303	1,703,698	187,563
Total long-term debt	35,593,000	-	2,004,303	33,588,698	1,932,563
Other Long-Term Liabilities					
Accrued malpractice costs	1,427,745	172,255	-	1,600,000	312,000
Subscription liabilities	715,364	394,109	510,126	599,347	331,014
Total other long-term liabilities	2,143,109	566,364	510,126	2,199,347	643,014
Total long-term obligations	$ 37,736,109	$ 566,364	$ 2,514,429	$ 35,788,045	$ 2,575,577

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Series 2014 Variable Rate Hospital Facilities Revenue Bonds	$ 29,895,000	$ -	$ 1,175,000	$ 28,720,000	$ 1,225,630
Series 2017 Hospital Facilities Revenue Bonds	5,335,000	-	470,001	4,864,999	485,000
Robotic Arm	332,000	-	184,000	148,000	148,000
Note Payable	-	1,860,000	-	1,860,000	156,302
Total long-term debt	35,562,000	1,860,000	1,829,001	35,592,999	2,014,932
Other Long-Term Liabilities					
Accrued malpractice costs	1,427,745	-	-	1,427,745	193,000
Subscription liabilities	926,987	177,692	389,315	715,364	272,698
Total other long-term liabilities	2,354,732	177,692	389,315	2,143,109	465,698
Total long-term obligations	$ 37,916,732	$ 2,037,692	$ 2,218,316	$ 37,736,108	$ 2,480,630

Series 2014 Variable Rate Hospital Facilities Revenue Bonds Payable

The Series 2014 Variable Rate Hospital Facilities Revenue Bonds have a maximum original amount of $36,240,000. The bonds bear interest at an initial rate of 3.0745 percent annually for the period from the closing date of October 1, 2014, to October 15, 2024. At the end of the initial rate period, the Hospital will be required to either redeem the bonds due to a mandatory tender clause, enter into a new indexed put-rate period with the current or a replacement financial institution, or seek other conversion modes. During the initial rate period, interest payments are due quarterly. Principal payments are due annually beginning May 1, 2016, through May 1, 2040. The Board of Directors has pledged the net income and revenues of the facility for the payment of such principal and interest. In addition the ordinance includes various covenants relating to operation and maintenance of the facility.

Series 2017 Hospital Facilities Revenue Bonds Payable

The Series 2017 Hospital Facilities Revenue Bonds in the original amount of $7,445,000 dated March 1, 2017, bear interest at 2.79 percent per annum. Principal payments are due annually beginning May 1, 2017, through May 1, 2031. The Series 2017 Hospital Facilities Revenue Bonds are subject to special mandatory redemption, in whole, on March 2, 2027. The Board of Directors has pledged the net income and revenues of the facility for the payment of such principal and interest. In addition, the ordinance includes various covenants relating to operation and maintenance of the facility.

Note Payable

The Hospital obtained a note payable dated March 28, 2023, from Osage Valley Electric Cooperative (Cooperative) bearing no interest, with principal payments of $15,360 that are due in monthly installments beginning May 2023. Payments are to be paid until the principal sum has been paid in full or the tenth anniversary of the date of the loan, whichever occurs first.

Debt Service Requirements

The debt service requirements as of March 31, 2024, that include the scheduled contractual maturities of the Series 2014 and 2017 bonds and notes payable are as follows:

Year Ending March 31,	Total to be Paid	Bonds		Note Payable	
		Principal	Interest	Principal	Interest
2025	$ 2,862,509	$ 1,745,000	$ 929,946	$ 187,563	$ -
2026	2,861,439	1,800,000	873,876	187,563	-
2027	2,861,032	1,855,000	818,469	187,563	-
2028	2,859,150	1,910,000	761,587	187,563	-
2029	2,862,014	1,970,000	704,451	187,563	-
2030 - 2034	12,903,610	9,520,000	2,617,727	765,883	-
2035 - 2039	10,317,215	9,055,000	1,262,215	-	-
2040 - 2042	4,123,258	4,030,000	93,258	-	-
	$ 41,650,227	$ 31,885,000	$ 8,061,529	$ 1,703,698	$ -

The debt service requirements as of March 31, 2024, that include the mandatory redemption requirements of the Series 2014 and 2017 bonds and notes payable are as follows:

Year Ending March 31,	Total to be Paid	Bonds		Note Payable	
		Principal	Interest	Principal	Interest
2025	$ 26,336,451	$ 25,460,000	$ 688,888	$ 187,563	$ -
2026	794,219	510,000	96,656	187,563	-
2027	3,705,632	3,375,000	143,069	187,563	-
2028	187,563	-	-	187,563	-
2029	187,563	-	-	187,563	-
2030 - 2034	765,883	-	-	765,883	-
	$ 31,977,311	$ 29,345,000	$ 928,613	$ 1,703,698	$ -

Financed Purchases

Robotic Arm

Payable in annual installments of $144,000, including 2 percent interest, commencing September 1, 2020, collateralized by equipment. The financed purchase was paid in full during 2024.

Note 11: Subscription Liabilities

The Hospital has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

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

Year Ending March 31,	Total to be Paid	Principal	Interest
2025	$ 370,109	$ 331,014	$ 39,095
2026	245,978	226,962	19,016
2027	44,583	41,371	3,212
	$ 660,670	$ 599,347	$ 61,323

Note 12: Restricted Net Position

At March 31, 2024 and 2023, restricted expendable net position, which is recorded within the Foundation's financial statements, was available for the following purposes:

	2024	2023
Capital acquisitions - radiation oncology	$ 1,195,372	$ 5,479,318
Specific operating activities		
Cardiac rehab	29,610	31,691
Diabetes	23,352	22,333
Employee recognition	6,897	5,675
Home health	37,860	66,373
Hospice	1,325,904	1,101,222
Oncology	59,366	65,472
Other operating events and activities	62,670	50,549
Rehab	5,616	6,178
Sandy Houchen Hope Fund	10,939	12,197
Transportation – van services	16,197	12,196
	$ 1,578,411	$ 1,373,886

Note 13: Charity Care

The costs of charity care provided under the Hospital's charity care policy were $1,850,166 and $1,652,479 for 2024 and 2023, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges from actual charity care applications that have been approved and written off.

Note 14: Pension Plan

The Hospital contributes to a 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 the Board of Directors. The plan provides retirement 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 Board of Directors. Contribution rates for plan members and the Hospital expressed as a percentage of covered payroll were 4.0 percent and 5.0 percent for 2024 and 2023, respectively. Contributions made by the Hospital aggregated approximately $1,720,000 and $2,655,000 during 2024 and 2023, respectively.

Note 15: 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 March 31, 2024 and 2023:

		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)
March 31, 2024				
Negotiable certificates of deposit	$ 17,020,770	$ -	$ 17,020,770	$ -
U.S. agencies obligations	22,423,346	-	22,423,346	-
U.S. Treasury obligations	2,678,561	-	2,678,561	-
Money market mutual funds	11,865,583	-	11,865,583	-
Pooled investments	1,330,211	-	-	1,330,211
	$ 55,318,471			
March 31, 2023				
Negotiable certificates of deposit	$ 19,295,224	$ -	$ 19,295,224	$ -
U.S. agencies obligations	14,939,353	-	14,939,353	-
U.S. Treasury obligations	3,551,669	-	3,551,669	-
Money market mutual funds	15,013,777	-	15,013,777	-
Pooled investments	1,199,099	-	-	1,199,099
	$ 53,999,122			

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.

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 the Hospital's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practice 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.

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 changes could materially affect the amounts reported in the accompanying consolidated balance sheets.

Note 17: Condensed Combining Information

The following tables include condensed combining balance sheet information for the Hospital and its blended component units as of March 31, 2024 and 2023:

	March 31, 2024			
	Hospital	Foundation	Auxiliary	Total
Assets				
Current assets	$ 42,340,891	$ 1,200,550	$ 8,220	$ 43,549,661
Noncurrent cash and investments	58,566,921	1,480,789	-	60,047,710
Capital assets, net	88,223,389	26,530	-	88,249,919
Other assets	2,026,158	1,260,670	-	3,286,828
Total assets	$ 191,157,359	$ 3,968,539	$ 8,220	$ 195,134,118
Liabilities				
Current liabilities	$ 17,040,469	$ -	$ -	$ 17,040,469
Long-term debt	31,656,135	-	-	31,656,135
Subscription liabilities	268,333	-	-	268,333
Other long-term liabilities	1,288,000	-	-	1,288,000
Total liabilities	50,252,937	-	-	50,252,937
Deferred Inflows of Resources	1,461,552	-	-	1,461,552
Net Position				
Net investment in capital assets	54,208,607	-	-	54,208,607
Restricted expendable	-	2,773,783	-	2,773,783
Restricted nonexpendable	-	80,165	-	80,165
Unrestricted	85,234,263	1,114,591	8,220	86,357,074
Total net position	139,442,870	3,968,539	8,220	143,419,629
Total liabilities and net position	$ 191,157,359	$ 3,968,539	$ 8,220	$ 195,134,118

Golden Valley Memorial Hospital District

Notes to Financial Statements

March 31, 2024 and 2023

	March 31, 2023 (Restated - *Note 1*)			
	Hospital	Foundation	Auxiliary	Total
Assets				
Current assets	$ 43,315,019	$ 785,954	$ 17,752	$ 44,118,725
Noncurrent cash and investments	58,216,013	4,365,062	-	62,581,075
Capital assets, net	75,029,198	596,530	-	75,625,728
Other assets	2,250,288	2,319,794	-	4,570,082
Total assets	$ 178,810,518	$ 8,067,340	$ 17,752	$ 186,895,610
Liabilities				
Current liabilities	$ 17,133,355	$ 681,500	$ -	$ 17,814,855
Long-term debt	33,578,067	-	-	33,578,067
Subscription liabilities	442,665	-	-	442,665
Other long-term liabilities	1,234,745	-	-	1,234,745
Total liabilities	52,388,832	681,500	-	53,070,332
Deferred Inflows of Resources	1,645,598	-	-	1,645,598
Net Position				
Net investment in capital assets	39,529,288	-	-	39,529,288
Restricted expendable	-	6,853,204	-	6,853,204
Restricted nonexpendable	-	80,165	-	80,165
Unrestricted	85,246,800	452,471	17,752	85,717,023
Total net position	124,776,088	7,385,840	17,752	132,179,680
Total liabilities and net position	$ 178,810,518	$ 8,067,340	$ 17,752	$ 186,895,610

Golden Valley Memorial Hospital District

Notes to Financial Statements

March 31, 2024 and 2023

The following tables include condensed combining statements of revenues, expenses, and changes in net position information for the Hospital and its blended component units for the years ended March 31, 2024 and 2023:

	March 31, 2024				
	Hospital	Foundation	Auxiliary	Eliminations	Total
Operating Revenues					
Net patient service revenue	$ 154,000,578	$ -	$ -	$ -	$ 154,000,578
Other	11,394,451	-	-	-	11,394,451
Total operating revenues	165,395,029	-	-	-	165,395,029
Operating Expenses					
Nursing services	25,101,664	-	-	-	25,101,664
Other professional services	75,383,309	-	-	-	75,383,309
General services	6,330,237	-	-	-	6,330,237
Administrative services	45,946,908	232,799	49,540	(74,512)	46,154,735
Depreciation and amortization	9,335,270	-	-	-	9,335,270
Total operating expenses	162,097,388	232,799	49,540	(74,512)	162,305,215
Operating Income (Loss)	3,297,641	(232,799)	(49,540)	74,512	3,089,814
Nonoperating Revenues (Expenses)					
Noncapital gifts	20,683	217,832	79,998	(114,512)	204,001
Donations	-	-	(40,000)	40,000	-
Investment income	3,113,996	201,440	10	-	3,315,446
Loss on disposal of capital assets	(13,396)	-	-	-	(13,396)
Interest expense	(1,012,229)	-	-	-	(1,012,229)
Other grant revenue	335,087	-	-	-	335,087
Total nonoperating revenues	2,444,141	419,272	40,008	(74,512)	2,828,909
Excess (Deficiency) of Revenues Over Expenses and Increase in Net Position Before Capital Grants and Gifts	5,741,782	186,473	(9,532)	-	5,918,723
Capital Grants and Gifts and Transfers	8,925,000	(3,603,774)	-	-	5,321,226
Net Position, Beginning of Year	124,776,088	7,385,840	17,752	-	132,179,680
Net Position, End of Year	$ 139,442,870	$ 3,968,539	$ 8,220	$ -	$ 143,419,629

Golden Valley Memorial Hospital District

Notes to Financial Statements

March 31, 2024 and 2023

	March 31, 2023 (Restated - *Note 1*)				
	Hospital	Foundation	Auxiliary	Eliminations	Total
Operating Revenues					
Net patient service revenue	$ 139,797,846	$ -	$ -	$ -	$ 139,797,846
Other	14,547,567	-	-	-	14,547,567
Total operating revenues	154,345,413	-	-	-	154,345,413
Operating Expenses					
Nursing services	22,448,441	-	-	-	22,448,441
Other professional services	68,475,846	-	-	-	68,475,846
General services	5,749,381	-	-	-	5,749,381
Administrative services	40,090,918	145,654	51,065	(177,448)	40,110,189
Depreciation and amortization	8,924,990	-	-	-	8,924,990
Total operating expenses	145,689,576	145,654	51,065	(177,448)	145,708,847
Operating Income (Loss)	8,655,837	(145,654)	(51,065)	177,448	8,636,566
Nonoperating Revenues (Expenses)					
Noncapital gifts	79,088	208,408	77,151	(24,000)	340,647
Donations	-	(3,163)	(20,000)	23,163	-
Investment income	(562,817)	(89,639)	8	-	(652,448)
Loss on disposal of capital assets	(32,170)	-	-	-	(32,170)
Interest	(1,064,697)	-	-	-	(1,064,697)
CARES Act and other grant revenue	5,147,585	-	-	-	5,147,585
Total nonoperating revenues (expenses)	3,566,989	115,606	57,159	(837)	3,738,917
Excess (Deficiency) of Revenues Over Expenses and Increase in Net Position Before Capital Grants and Gifts and Special Item	12,222,826	(30,048)	6,094	176,611	12,375,483
Capital Grants and Gifts	-	4,948,709	-	(176,611)	4,772,098
Net Position, Beginning of Year	112,553,262	2,467,179	11,658	-	115,032,099
Net Position, End of Year	$ 124,776,088	$ 7,385,840	$ 17,752	$ -	$ 132,179,680

Golden Valley Memorial Hospital District

Notes to Financial Statements

March 31, 2024 and 2023

The following tables include condensed combining statements of cash flows information for the Hospital and its blended component units for the years ended March 31, 2024 and 2023:

	Hospital	Foundation	March 31, 2024 Auxiliary	Eliminations	Total
Net Cash Provided By (Used in)					
Operating activities	$ 11,140,400	$ (232,799)	$ (49,540)	$ 74,512	$ 10,932,573
Noncapital financing activities	355,770	217,832	39,998	(74,512)	539,088
Capital and related financing activities	(16,520,263)	(2,520,126)	-	-	(19,040,389)
Investing activities	2,763,088	3,085,713	10	-	5,848,811
Cash and cash equivalents, beginning of year	14,368,546	257,358	17,752	-	14,643,656
Cash and cash equivalents, end of year	$ 12,107,541	$ 807,978	$ 8,220	$ -	$ 12,923,739

	Hospital	Foundation	March 31, 2023 (Restated - *Note 1*) Auxiliary	Eliminations	Total
Net Cash Provided By (Used in)					
Operating activities	$ 13,647,150	$ (145,654)	$ (51,065)	$ 177,448	$ 13,627,879
Noncapital financing activities	5,780,664	205,245	57,151	(837)	6,042,223
Capital and related financing activities	(11,275,683)	2,527,489	-	(176,611)	(8,924,805)
Investing activities	(5,627,768)	(2,446,425)	8	-	(8,074,185)
Cash and cash equivalents, beginning of year	11,844,183	116,703	11,658	-	11,972,544
Cash and cash equivalents, end of year	$ 14,368,546	$ 257,358	$ 17,752	$ -	$ 14,643,656

Supplementary Information

Golden Valley Memorial Hospital District

Patient Accounts Receivable

Years Ended March 31, 2024 and 2023

	2024		2023	
	Amount	Percent	Amount	Percent
Aging of Patient Accounts				
Dismissed in month of				
March	$ 37,283,981	55.1%	$ 31,662,015	59.1%
February	9,878,255	14.6%	7,708,112	14.4%
January	5,295,144	7.8%	4,712,873	8.8%
December	3,359,028	5.0%	2,162,521	4.0%
Prior to December	12,253,218	18.1%	7,766,417	14.5%
	68,069,626	100.6%	54,011,938	100.8%
Payments received, not yet applied to individual accounts	(421,620)	-0.6%	(412,060)	-0.8%
	67,648,006	100.0%	53,599,878	100.0%
Patient Notes Receivable	1,013,489		1,058,277	
Allowance for Uncollectible Accounts	(12,132,390)		(10,054,496)	
Allowance for Contractual Adjustments	(37,691,483)		(29,604,925)	
	$ 18,837,622		$ 14,998,734	

Allowance for Uncollectible Accounts

Years Ended March 31, 2024 and 2023

		2024	2023
Balance, Beginning of Year		$ 10,054,496	$ 9,915,456
Add:	Provision for year	10,601,977	9,216,458
	Collections on accounts previously charged off	1,174,235	1,220,402
		21,830,708	20,352,316
Less:	Accounts charged off during year	9,698,318	10,297,820
Balance, End of Year		$ 12,132,390	$ 10,054,496

FORVIS

Report to the Board of Directors and Management

Golden Valley Memorial Hospital District

Results of the 2024 Financial Statement Audit, Including Required Communications

Period Ended March 31, 2024



FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Contents

Audit Summary 1
Summarized Financial Information and Ratios 2
Other Analysis 8
FORward VISion 9
Required Communications Regarding Our Audit Strategy & Approach (AU-C 260) 10
Overview & Responsibilities 10
Qualitative Aspects of Significant Accounting Policies & Practices 13
Significant Accounting Policies & Alternative Treatments – Details 15
Adjustments Identified by Audit 16
Other Required Communications 18
Attachments 19

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Audit Summary

Highlights of the 2024 Audit

- Excellent cooperation in the audit process from everyone throughout the Hospital.
- Continued positive operations and overall financial strength.
- Completion of Radiation Oncology building

Our Financial Statement Opinion

We have issued an unmodified opinion as to whether the financial statements of Golden Valley Memorial Hospital District, as of and for the year ended March 31, 2024, are fairly presented, in all material respects.

Corrected & Uncorrected Misstatements

There were no adjustments identified during the audit proposed by us that were corrected by management.

Some adjustments proposed were **not recorded** because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

In summary, there was one misstatement identified during the audit and not recorded by management. See the Required Communications section for more information.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Summarized Financial Information and Ratios

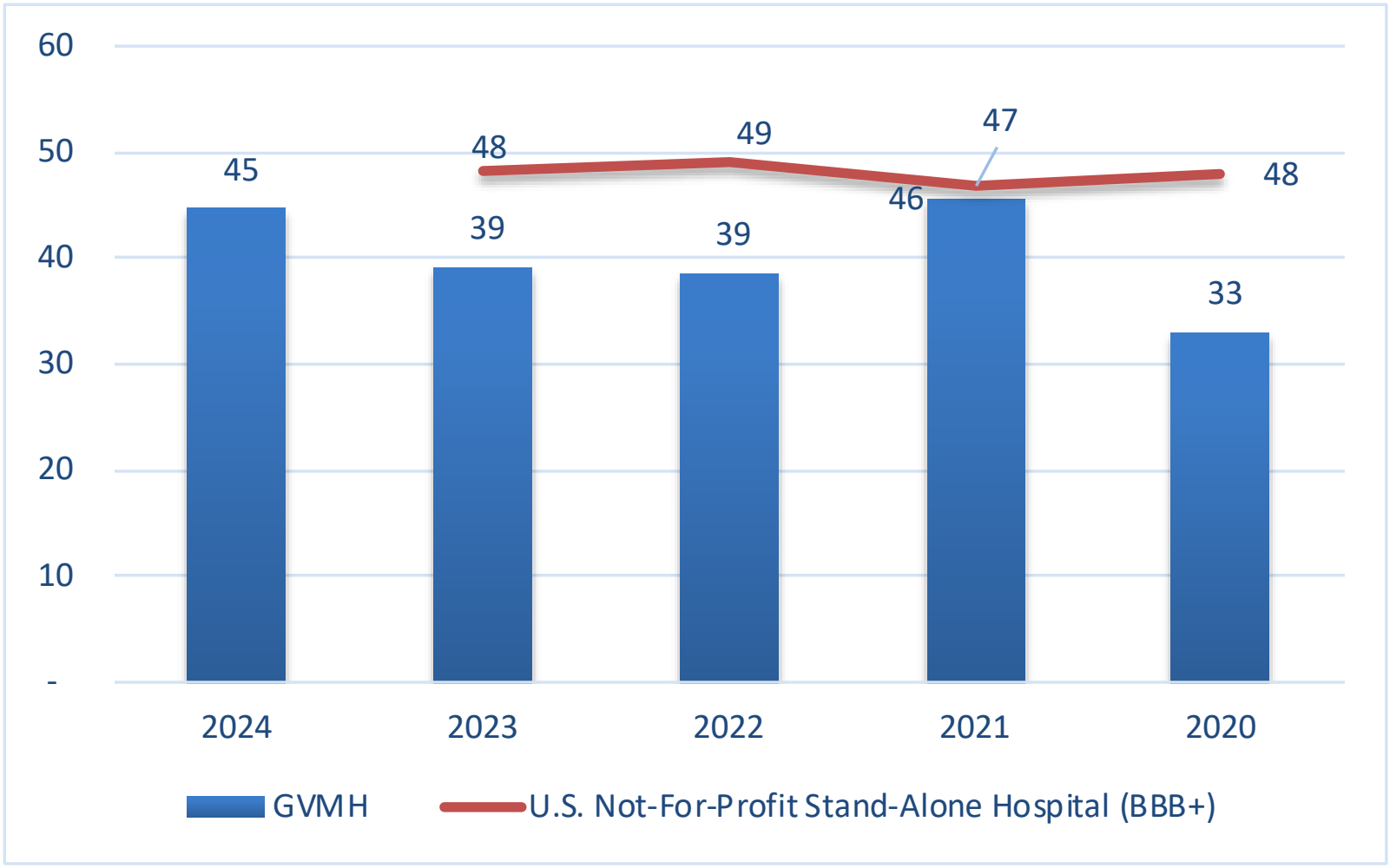
Condensed Balance Sheets

	2024	2023	2022	2021	2020
Assets					
Current Assets					
Cash and cash equivalents	$ 12,923,739	14,643,656	$ 11,972,544	$ 10,452,243	$ 10,391,096
Patient accounts receivable, net	18,837,625	14,998,734	14,694,563	15,414,742	10,304,324
Other current assets	11,788,297	14,476,335	10,891,754	8,334,616	7,182,369
Total current assets	43,549,661	44,118,725	37,558,861	34,201,601	27,877,789
Noncurrent Cash and Investments	60,047,710	62,581,075	55,159,338	55,825,840	39,601,087
Capital Assets, Net	88,249,919	75,625,728	73,563,428	72,975,581	72,916,021
Lease Receivable	1,228,660	1,421,473	1,464,044	-	-
Subscription Assets, Net	753,164	765,481	-	-	-
Other Assets	1,305,004	2,383,128	323,934	101,334	120,334
Total assets	$ 195,134,118	$ 186,895,610	168,069,605	$ 163,104,356	$ 140,515,231
Liabilities and Net Assets					
Current Liabilities	$ 17,040,469	$ 17,814,855	16,362,889	$ 18,880,792	$ 12,579,469
Long-term Debt & Other Liabilities	32,944,135	34,812,812	35,012,745	38,893,072.00	38,059,745
Subscription Liabilities	268,333	442,665	-	-	-
Deferred Inflows of Resources - Leases	1,461,552	1,645,598	1,661,872	-	-
Net Position	143,419,629	132,179,680	115,032,099	105,330,492	89,876,017
Total liabilities, deferred inflows of resources, and net position	$ 195,134,118	186,895,610	$ 168,069,605	$ 163,104,356	$ 140,515,231

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

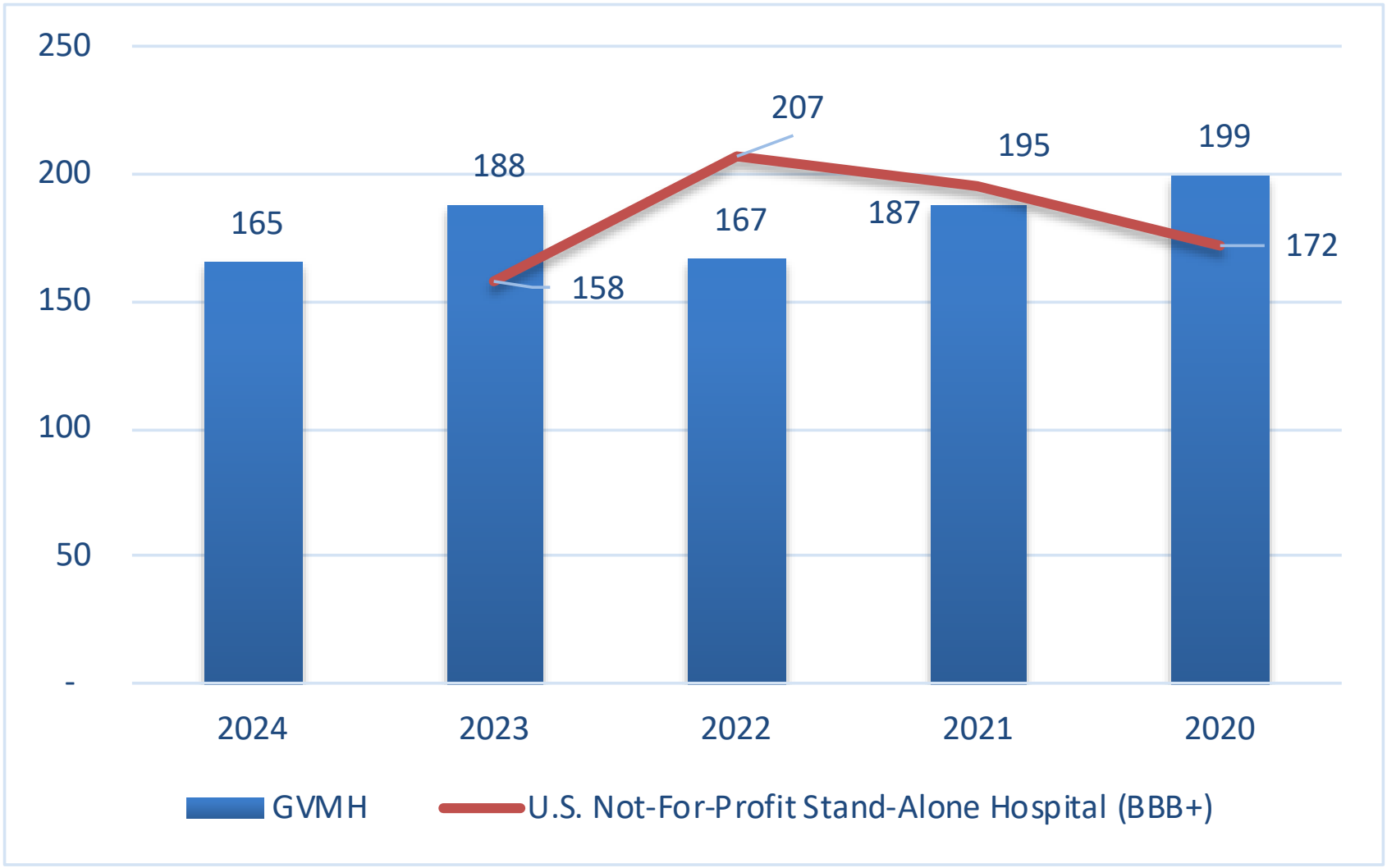
Days in Accounts Receivable



FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Days Cash on Hand



FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

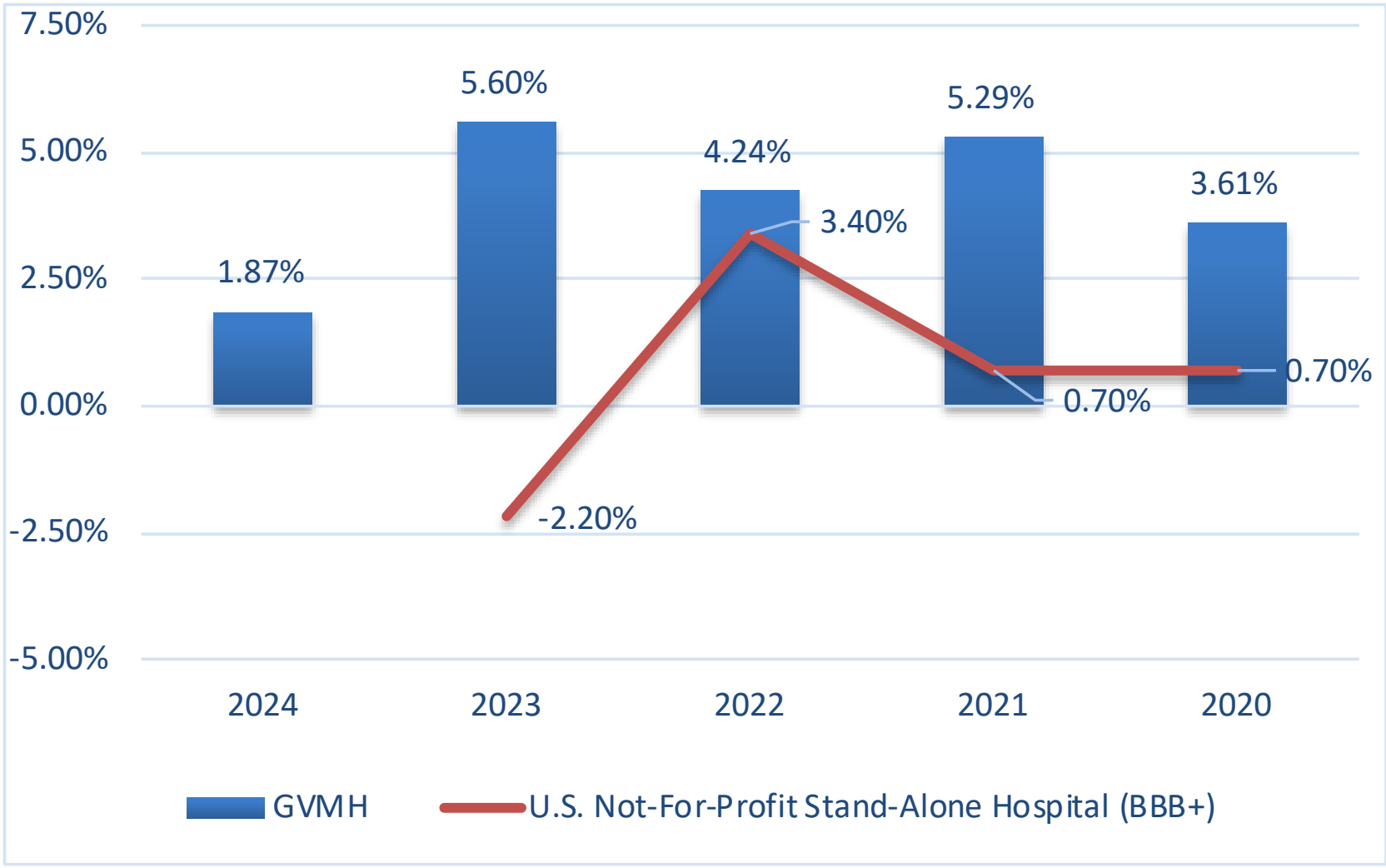
Condensed Statements of Revenues, Expenses, & Changes in Net Position

	2024	2023	2022	2021	2020
Operating Revenues					
Net patient service revenue	$ 154,000,578	139,797,846	$ 138,963,502	$ 123,508,263	$ 113,796,689
Other	11,394,451	14,547,567	13,377,806	13,578,579	10,497,739
Total operating revenues	165,395,029	154,345,413	152,341,308	137,086,842	124,294,428
Operating Expenses					
Nursing services	25,101,664	22,448,441	24,072,810	21,705,394	20,326,066
Other professional services	75,383,309	68,475,846	66,952,635	58,724,483	53,180,256
General services	6,330,237	5,749,381	5,173,676	4,897,065	4,758,291
Administrative services	46,154,735	40,110,189	41,295,160	36,188,409	33,537,256
Depreciation and amortization	9,335,270	8,924,990	8,393,035	8,313,231	8,002,764
Total operating expenses	162,305,215	145,708,847	145,887,316	129,828,582	119,804,633
Operating Income	3,089,814	8,636,566	6,453,992	7,258,260	4,489,795
CARES Act and Other Grant Revenue	335,087	5,147,585	3,293,225	7,802,297	-
Other Nonoperating Revenue (Expenses)	2,493,822	(1,408,668)	(1,059,879)	(73,604)	425,743
Excess of Revenues over Expenses Before Capital Grants and Gifts	5,918,723	12,375,483	8,687,338	14,986,953	4,915,538
Capital Grants and Gifts	5,321,226	4,772,098	1,014,269	467,522	-
Increase in Net Position	$ 11,239,949	$ 17,147,581	$ 9,701,607	$ 15,454,475	$ 4,915,538

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

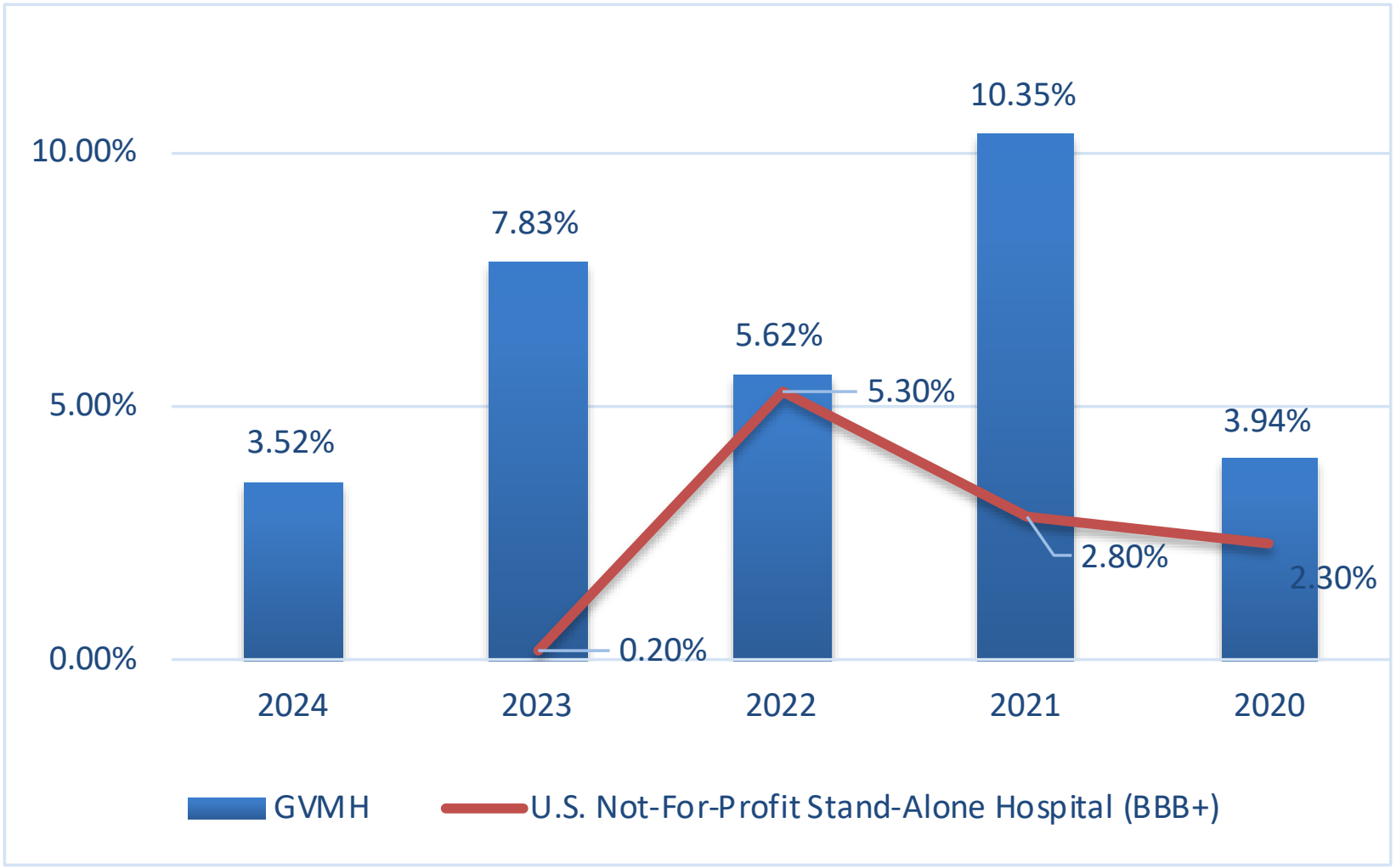
Operating Margin



FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Total Margin



FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Other Analysis

Peer Comparisons & Trends

The following displays certain performance measures of Golden Valley Memorial Hospital District with comparisons to peer hospitals via S&P's Stand-Alone Hospital BBB+ rating categories, and certain other financial information.

	2024	2023	2022	2021	2020	U.S. Not-For-Profit Stand-Alone Hospital (BBB+) (Unaudited)
Operational Ratios						
Operating margin	1.9%	5.6%	4.2%	5.3%	3.6%	-2.2%
Total margin	3.5%	7.8%	5.6%	10.3%	3.9%	0.2%
Inpatient revenue percentage	8.7%	9.5%	11.7%	11.5%	10.9%	N/A
Outpatient revenue percentage	91.3%	90.5%	88.3%	88.5%	89.1%	N/A
Contractual allowance percent	64.7%	64.0%	62.1%	61.7%	61.9%	N/A
Charity care percentage	1.2%	1.2%	1.8%	1.9%	1.2%	N/A
Performance Ratios						
Salary and benefits as a percent of patient service revenue	54.7%	53.7%	53.1%	53.1%	55.1%	55.6%
Employee benefits percentage	32.3%	28.7%	34.0%	31.2%	32.5%	N/A
Occupancy percent	44.1%	41.3%	40.8%	43.0%	42.0%	N/A
Average length of stay acute care	3.6 days	3.6 days	3.3 days	3.1 days	3.2 days	N/A
Medicare percent of total patient days	32.1%	35.7%	47.5%	47.5%	43.2%	N/A
Liquidity Ratios						
Net days in accounts receivable	44.6	39.2	38.6	45.6	33.1	48.4
Days cash on hand	165	188	167	187	199	158
Current ratio	2.6	2.5	2.3	1.8	2.2	N/A
Capital Structure						
Net position to total assets	73.5%	70.7%	68.4%	64.6%	64.0%	N/A

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

FORward VISion



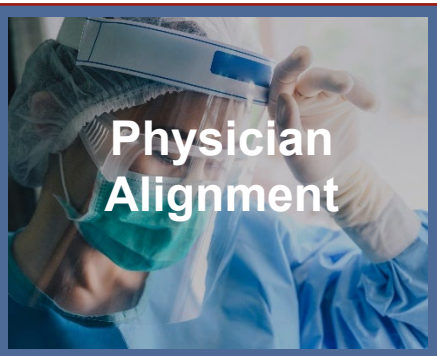
Rising healthcare costs are a growing burden on many providers, making improved supply chain management an essential area for **cost reduction**.

Supply chain, which is vast and complex, can include non-labor expenses, supplies, purchased services, technology, and capital. With the right strategy and resources, your supply chain can become a reliable value generator.



With the pressures on margin, the 340B program often "**saves the bottom line**" for hospital and other healthcare organizations.

With increasing costs and pressures on reimbursement, healthcare organizations can't afford not to focus on 340B from a strategy perspective.



As healthcare organizations continue to manage their provider relationships and workforce, the increasingly dynamic healthcare landscape may cause some to rethink their strategy.

The right physician alignment strategy enables organizations to **engage physicians** and enhance clinical and financial performance.



As organizations adopt innovative and disruptive technologies, effective IT governance, risk management, and compliance programs become **imperative to maintaining data sensitivity** and uninterrupted **business operations**.

In an uncertain and changing business environment, increased reliance upon technologies introduces new risks, as well as more compliance.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended March 31, 2024 • Conducted in accordance with our contract dated February 13, 2024
Our Responsibilities	FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to *Reasonable Assurance*	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Matter	Discussion
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • The Board of Directors and Management • Others within the Hospital

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of March 31, 2024, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

Significant Accounting Policies

Significant accounting policies are described in *Note 1* of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- GASB 96, *Subscription-Based Information Technology Arrangements*

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for contractual adjustments and uncollectible accounts
- Estimates of third-party payer settlements
- Estimated self-insurance costs
- Estimated professional liability costs

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Net patient service revenue
- Self-insured employee health expense
- Loss contingencies

Our Judgment About the Quality of the Hospital's Accounting Principles

During the course of the audit, we made the following observations regarding the Hospital's application of accounting principles:

- Adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Significant Accounting Policies & Alternative Treatments – Details

GASB 96, *Subscription-Based Information Technology Arrangements*

Effective April 1, 2023, the Hospital adopted GASB 96, *Subscription-Based Information Technology Arrangements*. GASB 96 creates one model for recognizing subscription-based information technology commitments. In the activity statement, certain subscription-based information technology arrangements no longer report information technology expense for the previously classified arrangements but instead report interest expense on the liability and amortization expense related to the asset. The Hospital recognizes a subscription liability, measured at the present value of the payments expected to be made during the subscription term and a subscription asset. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Adoption of GASB 96 required significant time to identify a complete list of subscription-based information technology contracts for consideration of adoption and measure the subscription-based information technology assets and liabilities for recognition. In addition, due to adoption of the standard, the Hospital's key performance indicators related to the statement of net position (such as the current ratio) are likely not comparable to historical results.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Entry to record certificate of deposit

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- See Schedule of Uncorrected Misstatements (attached)

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Other Required Communications

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- Adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Grants and contribution accounting
- Missouri Medicaid disproportionate share liabilities, rural health clinic settlements, and third-party payor liability estimates

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements

The details of uncorrected misstatements identified as a result of our engagement are included herein.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Attachment A

Management Representation Letter

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Representation of:
Golden Valley Memorial Hospital District
1600 N. Second Street
Clinton, Missouri 64735-1197

Provided to:
FORVIS, LLP
Certified Public Accountants
P.O. Box 1190
Springfield, Missouri 65801

The undersigned ("We") are providing this letter in connection with FORVIS' audits of our financial statements as of and for the years ended March 31, 2024 and 2023.

Our representations are current and effective as of the date of FORVIS' report: May 23, 2024.

Our engagement with FORVIS is based on our contract for services dated: February 13, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. The financial statements referred to above are fairly presented in conformity with accounting principles prescribed or permitted by the accounting principles generally accepted in the United States of America.

3. We acknowledge our responsibility for the design, implementation, and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

    b. Internal control to prevent and detect fraud.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

4. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d. All minutes of directors' meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.

    e. All significant contracts and grants.

5. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

6. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.

7. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

8. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

9. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.

10. We have a process to track the status of audit findings and recommendations.

11. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

12. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Federal Awards Programs (Uniform Guidance)

13. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.

14. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

15. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.

16. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.

17. We have evaluated all recipient organizations that received federal funding and have correctly identified all subrecipients on the schedule of expenditures of federal awards.

Misappropriation, Misstatements, & Fraud

18. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

    a. Misappropriation of assets.

    b. Misrepresented or misstated assets, liabilities, deferred inflows of resources, or net position.

19. We have no knowledge of fraud or suspected fraud affecting the entity involving:

    a. Management or employees who have significant roles in internal control, or

    b. Others when the fraud could have a material effect on the financial statements.

20. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.

21. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, regulators, citizens, short-sellers, suppliers, or others.

22. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Ongoing Operations

23. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, difficulty obtaining financing or bonding, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and contributions receivable, capital, net realizable value of inventory, etc., that could negatively impact the entity's ability to meet debt covenants or maintain sufficient liquidity.

    We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

Related Parties

24. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

    In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

    Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

25. We understand that the term related party refers to:

    - Affiliates
    - Entities for which investments are accounted for by the equity method
    - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
    - Management and members of their immediate families
    - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

    Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

    The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Litigation, Laws, Rulings & Regulations

26. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

27. We have provided you with all examination reports, agreements, and related correspondence from regulatory agencies and any related findings.

28. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.

29. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.

30. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

31. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

32. You have provided nonattest services, including the following, during the period of this engagement:

    - Preparing a draft of the financial statements and related notes and supplementary information
    - Preparing the Medicare and Medicard cost reports
    - Assistance with adoption of GASB 96, Subscription-Based Information Technology Arrangements

33. With respect to these services:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

e. We have established and maintained internal controls, including monitoring ongoing activities.

f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

34. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

35. With regard to supplementary information:

    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

    b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

    c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

36. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

37. All transactions have been recorded in the accounting records and are reflected in the financial statements.

38. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

39. We have everything we need to keep our books and records.

40. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

41. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity's accounts.

42. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Healthcare Matters

43. We have provided you with all peer review organizations, administrative contractor, and third-party payer reports and information.

44. We have informed you of all pending or completed investigations by regulatory authorities of which we are aware. There are no known circumstances that could jeopardize the entity's participation in the Medicare or other governmental healthcare programs.

45. Adequate provisions and allowances have been accrued for any material losses from Medicare/Medicaid and other third-party payer contractual, audit, or other adjustments.

46. With respect to the entity's possible exposure to past or future medical malpractice assertions:

    a. We have disclosed to you all incidents known to us that could possibly give rise to an assertion of malpractice.

    b. All known incidents have been reported to the appropriate medical malpractice insurer and are appropriately considered in our malpractice liability accrual.

    c. There is no known lapse in coverage, including any lapse subsequent to the fiscal year-end, that would result in any known incidents being uninsured.

    d. Management does not expect any claims to exceed malpractice insurance limits.

    e. We believe our accruals for malpractice claims are sufficient for all known and probable potential claims.

47. Billings to third-party payers comply in all material respects with applicable coding guidelines, laws, and regulations. Billings reflect only charges for goods and services that were medically necessary; properly approved by regulatory bodies, if required; and properly rendered.

48. With regard to cost reports filed with Medicare, Medicaid, or other third parties:

    a. All required reports have been properly filed.

    b. Management is responsible for the accuracy and propriety of those reports.

    c. All costs reflected on such reports are appropriate and allowable under applicable reimbursement rules and regulations and are patient-related and properly allocated to applicable payers.

    d. The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations.

    e. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.

    f. Recorded third-party settlements include differences between filed (and to be filed) cost reports and calculated settlements, which are necessary based upon historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all the amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

49. With respect to the entity's possible exposure to past or future workers' compensation assertions:

    a. We have disclosed to you all incidents known to us that could possibly give rise to workers' compensation assertion.

    b. All known incidents have been reported to the appropriate workers' compensation insurer.

    c. There is no known lapse in coverage, including any lapse subsequent to the fiscal year-end, that would result in any known incidents being uninsured.

    d. Management does not expect any claims to exceed workers' compensation insurance limits.

50. There are no instances of noncompliance with laws or regulations with respect to Medicare and Medicaid antifraud and abuse statutes, in any jurisdiction, whose effects we believe should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, other than those disclosed or accrued in the financial statements. This is including, but not limited to, the Anti-Kickback statute of the *Medicare and Medicaid Patient and Program Protection Act of 1987*, limitations on certain physician referrals (the Stark law), and the *False Claims Act*.

51. With regards to the payments received from the Provider Relief Fund established by the CARES Act, we represent the following:

    a. To the extent revenue has been recognized, we believe we have met the eligibility requirements as outlined in the U.S. Department of Health and Human Services' (HHS) terms and conditions for the Provider Relief Fund.

    b. We believe the method we have utilized to recognize revenue associated with the Provider Relief Fund is consistent with acceptable methods outlined in HHS' terms and conditions and other guidance available as of March 31, 2024.

    c. Consistent with the terms and conditions established by HHS and other guidance available as of March 31, 2024, Provider Relief Fund payments were not used to reimburse expenses or losses that have been reimbursed or are obligated to be reimbursed by other sources, including payments from insurance and/or patients and amounts received from federal, state, or local governments.

    d. We acknowledge that HHS may issue new guidance that could have a material impact on the amount of revenue recognized from the Provider Relief Fund as of March 31, 2024.

    e. We understand that amounts recognized on the Schedule of Expenditures of Federal Awards may differ from amounts recognized on the financial statements.

Governmental Accounting & Disclosure Matters

52. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

53. With regard to deposit and investment activities:

    a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.

    b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

54. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

55. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

56. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.

57. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

58. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

59. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

Nonprofit Accounting & Disclosure Matters

60. Adequate provisions and allowances have been accrued for any material losses from uncollectible pledges.

61. Golden Valley Memorial Hospital District Foundation (Foundation) and Golden Valley Memorial Hospital District Auxiliary (Auxiliary) are both exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.

Accounting & Disclosure

62. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

63. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, deferred inflows of resources, or net position.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

    f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.

    g. Guarantees, whether written or oral, under which the entity is contingently liable.

    h. Known or anticipated asset retirement obligations.

    i. Supplier finance arrangements.

64. Except as disclosed in the financial statements, the entity has:

    a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.

    b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

65. We agree with the findings of specialists in evaluating the self-insurance liability and investment valuations and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

66. Adequate provisions and allowances have been accrued for any material losses from:

    a. Uncollectible receivables.

    b. Excess or obsolete inventories.

    c. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Estimates

67. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.

68. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

69. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

    a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.

    b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

    c. The significant assumptions appropriately reflect market participant assumptions.

    d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.

    e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

70. Tax-exempt bonds issued have retained their tax-exempt status.

71. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

GASB Statement 96, Subscription-Based Information Technology Arrangements

72. In connection with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), we represent the following:

    a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.

    b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.

d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.

e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.

f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.

g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.

Other Matters

73. With regards to the obligations received from the Federal Emergency Management Agency (FEMA) COVID-19 Public Assistance Program, we represent the following:

a. We acknowledge the clarified guidance issued by FEMA in October 2022, and amended in December 2023, related to its COVID-19 patient care revenue duplication of benefits policy and believe we have appropriately reserved for any potential amounts that may be disallowed by FEMA, if any.

b. We acknowledge that FEMA may issue new guidance that could have a material impact on the amount of revenue recognized in FEMA in prior periods.

c. We understand the amounts recognized on the Schedule of Expenditures of Federal Awards may differ from the amounts recognized on the consolidated financial statements.

DocuSigned by:
868B0E3FAE68486...
Craig Thompson, Chief Executive Officer
cthompson@gvmh.org

DocuSigned by:
Tammy Nadler
F22F95DF3F1D4FB...
Tammy Nadler, Chief Financial Officer
tnadler@gvmh.org

DocuSigned by:
Tricia Harvey
DC7C4DD037B942B...
Tricia Harvey, Director of Finance
tharvey@gvmh.org

Attachment:

- Schedule of Uncorrected Misstatements and Omitted Disclosures

Attachment B

Schedule of Uncorrected Misstatements

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

DocuSign Envelope ID: 3BC27A33-9E14-4F1A-BF0D-D424C5A7002B

Appendix B
Golden Valley Memorial Hospital
Summary of Uncorrected Misstatements and Omitted Disclosures, as applicable
As of and for the Year Ended March 31, 2024

Summary of Misstatements in the Financial Statements

	Debit (Credit) Required to Correct the Financial Statements					
Description	**Assets and Deferred Outflows**	**Liabilities and Deferred Inflows**	**Net Position**	**Revenue**	**Expenses**	**Change in Net Position**
Unrecorded misstatements - factual	-	-	-	270,163	-	270,163
Unrecorded misstatements - projected	-	-	-	-	-	-
Unrecorded misstatements - judgmental	-	-	-	-	-	-
Total uncorrected misstatements (Iron Curtain)	-	-	-	270,163	-	270,163
Impact of correcting prior period misstatements in prior periods (From Prior Period Table Below)				-	-	(112,125)
Total uncorrected misstatements, assuming prior year misstatements were corrected in prior periods (Rollover)				270,163	-	382,288

Uncorrected misstatements from prior periods

Prior Period Uncorrected Misstatement (debit/credit from prior year)	**Assets and Deferred Outflows**	**Liabilities and Deferred Inflows**	**Net Position**	**Revenue**	**Expenses**	**Change in Net Position**
PY turnaround effect from FY23 to record difference between client recording of donors on the initial pledge schedule vs. the updated pledge schedule that wasn't properly recorded by client.	-	-	112,125	-	-	(112,125)
Total pre tax Income Statement				-	-	(112,125)
Total pre tax Balance Sheet	-	-	112,125			

Attachment C

Industry Insights

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Margin Challenges & Improvement Opportunities



Rising healthcare costs are a growing burden on many providers, making improved supply chain management an essential area for cost reduction. Supply chain, which is vast and complex, can include non-labor expenses, supplies, purchased services, technology, and capital. With the right strategy and resources, your supply chain can become a reliable value generator. As we open 2024, providers are looking to rebound by implementing both cost and revenue initiatives.

Expense Management	Labor Costs	Revenue
Benchmarked spend data is the most objective way to identify savings and negotiate from a position of strength. Providers should consider the following expense management opportunities: • Pharmaceutical costs • PBM rebates • Ancillary benefits • Stop-loss insurance • Medical supplies & implantable devices	Contract labor activity has slowed but increases to employee hourly rates and payment mechanisms should be calibrated against post-pandemic benchmarks and projected revenues. Consider assessing: • Departmental productivity • Staffing mix changes • Converting repetitive data entry duties to automation • Cost structure changes to account for site of care transitions	Reducing denials and renegotiating payor contracts are top priorities for finance and revenue cycle leaders. Insufficient data analytics, staffing issues, and lack of training have led to reduced payment yield
FORVIS' proprietary *Intellisource*™ database can support benchmarking efforts in each of these areas and help position providers for successful cost reduction.	Post-pandemic labor ratios range from 50% to 60% and should be calculated to identify areas where labor efficiencies can be converted to savings.	FORVIS' Denials Management Monitoring platform can help providers reduce revenue loss and collection re-work costs from insurance denials. This platform provides actionable data that allows for deeper analysis to share an effective prevention strategy.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

C-Suite & Governance Questions to Ask	How Can FORVIS Help?
What are you doing to manage labor and nonlabor expenses while focusing on quality care?	**SUBSCRIBE:** **Healthcare FORsights** – Timely insights straight to your inbox on the most relevant topics in healthcare **REQUEST:** **Jean Nyberg**, your FORVIS coordinating partner, to arrange a discussion on these topics with our **Margin Improvement Subject Matter Resources**
Do you have the right KPIs and strategy to monitor and optimize workforce productivity?	
Do you have the right tools and resources to effectively manage insurance claim denials?	

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

340B Program Optimization

With 340B proceeds often “saving the bottom line,” healthcare organizations can’t afford not to focus on 340B from a strategy perspective.



Essential	Complex	Compliance
The 340B program often “makes” the margin for hospital and other healthcare organizations, and with increasing costs and pressures on reimbursement, healthcare organizations can’t afford not to focus on 340B	The program is very complex, continuously under scrutiny, and regularly the focus of governmental bodies and media attention	Balancing compliance to safeguard current reimbursement and optimize opportunities for the future is critical

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

C-Suite & Governance Questions to Ask	How Can FORVIS Help?
When considering pharmacy and 340B performance for the upcoming year, what is your top priority to expand 340B and improve pharmacy spending?	
Have you assessed the margin improvement opportunity associated with expanding provider-based clinics and 340B expansion for contract pharmacy and clinic-administered drugs?	**SUBSCRIBE:** **Healthcare FORsights** – Timely insights straight to your inbox on the most relevant topics in healthcare **REQUEST:** **Jean Nyberg**, your FORVIS coordinating partner, to arrange a discussion on these topics with our **340B Subject Matter** resources
Have you assessed your 340B program for compliance and optimization in the past year?	
Have you assessed the opportunity associated with opening/expanding entity-owned retail and/or specialty pharmacies?	
Have you assessed the risk for opioid diversion and over-prescribing in the last year?	

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Physician Alignment



As healthcare organizations continue to manage their provider relationships and workforce, the increasingly dynamic healthcare landscape may cause some to rethink their strategy. The right physician alignment strategy enables organizations to engage physicians and enhance clinical and financial performance.

Physician Alignment	Physician & Clinical Integration	Physician Compensation
Physicians are the core of care delivery, and their operations, compensation, incentives, and retention are becoming more volatile, demanding, and complex. Industry trends such as the rise of value-based payment models, amplified costs, and person-centered care are rapidly changing the healthcare environment.	As the shift towards value-based care accelerates, this requires providers to adapt with increased collaboration and coordination. Clinical integration serves as the keystone to controlling costs and improving quality. Across the continuum, physicians, patients, and employers can realize additional value through CI strategies.	Each organization is unique, meaning the way they engage and incentivize their physicians must be customized to attain and align with the system's strategic goals. Organizations are looking at their physician compensation strategy to retain staff, enhance quality, and generate cost saving opportunities.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

C-Suite & Governance Questions to Ask	How Can FORVIS Help?
How are we managing patient populations, utilization and physician productivity?	**SUBSCRIBE:** **Healthcare FORsights** – Timely insights straight to your inbox on the most relevant topics in healthcare **REQUEST:** **Jean Nyberg**, your FORVIS coordinating partner, to arrange a discussion on these topics with our **Physician Alignment** resources
How are we monitoring quality and measuring value-based care of our physicians?	
What is our current contracting and compensation models for physician?	
Have we performed a physician needs assessment to understand our short-term and long-term physician needs?	

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

Cybersecurity, Privacy & Business Continuity



As organizations adopt innovative and disruptive technologies, effective IT governance, risk management, and compliance programs become imperative to maintaining data sensitivity and uninterrupted business operations. In an uncertain and changing business environment, increased reliance upon technologies introduces new risks, as well as more compliance.

Cybersecurity	HIPAA & Privacy	Business Continuity
Ransomware attacks are on the rise and healthcare organizations and providers are prime targets. Ransomware risk assessments are the foundation of a cybersecurity program, and may include: • Vulnerability, penetration and network scanning • Wireless network assessments • Web application testing • Mobile and equipment application testing • Social engineering	Healthcare organizations have a responsibility to protect their patients' health information. Safeguarding and protecting this data is important as breaches can be critical to an organizations name and reputation in its community. HIPAA risk assessments should include an: • Analysis of critical assets, security requirements, and potential threats, including ePHI being stored • Evaluation of infrastructure, systems, and process vulnerabilities • Evaluation of process maturity and implementation status	Organizations should have a strategy and business plan to be ready to respond in the case of an event. An incident response or disaster recovery plan is crucial to minimize any operational and patient care delivery interruptions. Additionally, having a plan for actions needed after an event will allow an organization to be prompt in taking the next steps to begin assessing the event.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.

C-Suite & Governance Questions to Ask	How Can FORVIS Help?
Do we have a business continuity plan document outlining our incident response or disaster recovery plan or procedures & action steps post-incident?	**SUBSCRIBE:** **Healthcare FORsights** – Timely insights straight to your inbox on the most relevant topics in healthcare **REQUEST:** **Jean Nyberg**, your FORVIS coordinating partner, to arrange a discussion on these topics with our **Information Technology Risk Services** team
Are we performing risk assessments at least annually, including HIPAA, ransomware, threat & vulnerability, and social engineering?	
What are our policies and procedures for managing our vendors, including how they are storing any of our protected data?	

FORVIS

FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.