

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**June 30, 2020 and 2019**

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## Independent Auditor's Report

Board of Directors  
Nevada City Nursing Home  
Nevada, Missouri

We have audited the accompanying financial statements of Nevada City Nursing Home, a component unit of the City of Nevada, Missouri, as of June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Nevada City Nursing Home's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nevada City Nursing Home, a component unit of the City of Nevada, Missouri, as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### **Required Supplementary Information**

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

#### **Other Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Nevada City Nursing Home's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management as was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other information has not been subjected to the auditing procedures applied by us in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**BKD, LLP**

Springfield, Missouri  
November 23, 2020

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2020 and 2019**

***Introduction***

This management's discussion and analysis of the financial performance of Nevada City Nursing Home (the "Nursing Home") provides an overview of the Nursing Home's financial activities for the years ended June 30, 2020 and 2019. It should be read in conjunction with the accompanying financial statements of the Nursing Home.

***Financial Highlights***

- The Nursing Home's cash increased in 2020 by \$878,662, or 29.9 percent, and decreased in 2019 by \$445,954, or 13.2 percent.
- The Nursing Home's net position decreased with a \$156,533 or 2.2 percent decrease in 2020 and decreased with a \$629,699 or 8.2 percent decrease in 2019.
- The Nursing Home reported an operating loss of \$379,950 in 2020 and an operating income of \$12,217 in 2019.

***Using this Annual Report***

The Nursing Home'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 Nursing Home, including resources held by the Nursing Home but restricted for specific purposes. The Nursing Home 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 Nursing Home's finances is "Is the Nursing Home 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 Nursing Home's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities and all deferred inflows and outflows of resources using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Nursing Home's net position and changes in it. The Nursing Home's total net position—the difference between assets, liabilities and deferred inflows and outflows of resources—is one measure of the Nursing Home's financial health or financial position. Over time, increases or decreases in the Nursing Home's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Nursing Home's patient base, community service, changes in legislation and regulations, measures of the quantity and quality of services it provides to its residents and local economic factors should also be considered to assess the overall financial health of the Nursing Home.

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***The Statement of Cash Flows***

The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting in three 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 changes in cash during the reporting period.

***The Nursing Home's Net Position***

The Nursing Home's net position is the difference between its assets, liabilities and deferred inflows and outflows of resources reported in the Balance Sheet. The Nursing Home's net position decreased by \$156,533 (2.2 percent) in 2020 from 2019, and by \$629,699 (8.2 percent) in 2019 over 2018, as shown in Table 1.

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>			
Cash	\$ 3,813,776	\$ 2,935,114	\$ 3,381,068
Patient accounts receivable, net	694,180	1,072,041	830,698
Other current assets	133,501	144,769	180,867
Capital assets, net	1,517,032	1,634,579	1,733,872
Other assets	1,023,174	1,112,412	1,201,080
Net pension asset	713,469	1,115,869	1,195,241
Total assets	<u>7,895,132</u>	<u>8,014,784</u>	<u>8,522,826</u>
<b>Deferred Outflows of Resources</b>	<u>221,924</u>	<u>74,281</u>	<u>113,662</u>
Total assets and deferred outflows of resources	<u>\$ 8,117,056</u>	<u>\$ 8,089,065</u>	<u>\$ 8,636,488</u>
<b>Liabilities and Deferred Inflows of Resources</b>			
Current liabilities	\$ 1,125,245	\$ 743,153	\$ 634,505
Unearned lease revenue	71,653	85,269	100,190
Total liabilities	<u>1,196,898</u>	<u>828,422</u>	<u>734,695</u>
<b>Deferred Inflows of Resources – Pension Plan</b>	<u>699</u>	<u>184,651</u>	<u>196,102</u>
<b>Net Position</b>			
Net investment in capital assets	1,517,032	1,634,579	1,733,872
Restricted-expendable for pension benefits	713,469	1,115,869	1,195,241
Unrestricted	4,688,958	4,325,544	4,776,578
Total net position	<u>6,919,459</u>	<u>7,075,992</u>	<u>7,705,691</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,117,056</u>	<u>\$ 8,089,065</u>	<u>\$ 8,636,488</u>

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A significant change in the Nursing Home's assets in 2020 is the increase in cash. Cash increased in 2020 due to multiple factors, including disbursements from the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) Provider Relief Funds (the "Funds"). The Funds were provided to help continue operations during COVID-19. In addition, current liabilities increased \$382,092 due to unearned revenue related to the Funds. Refer to *Note 12* for additional information on the financial impacts from COVID-19 and CARES Act Funding.

A significant change in the Nursing Home's assets in 2019 is the decrease in cash. Cash decreased in 2019 due to multiple factors, including a transfer of \$650,000 to the Nevada City Hospital, d/b/a Nevada Regional Medical Center (the "Medical Center"), as described in *Note 6*, under an ordinance issued by the City of Nevada, Missouri, which is reflected in the decrease in net position during 2019.

***Operating Results and Changes in the Nursing Home's Net Position***

In 2020, the Nursing Home's net position decreased by \$156,533 or 2.2 percent, as shown in Table 2. This is made up of several different components and represents an increase of \$473,166 or 75 percent compared with the decrease in net position from \$629,699 in 2019.

**Table 2: Operating Results and Changes in Net Position**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Operating Revenues</b>			
Net patient service revenue	\$ 7,589,117	\$ 7,926,899	\$ 7,482,800
Other revenue	86,795	101,778	100,329
Total operating revenues	<u>7,675,912</u>	<u>8,028,677</u>	<u>7,583,129</u>
<b>Operating Expenses</b>			
Professional services	3,832,282	3,956,471	3,584,600
Dietary services	829,001	816,125	752,217
General services	828,229	781,429	794,006
Administration services	2,359,682	2,231,164	2,407,518
Depreciation	206,668	231,271	291,336
Total operating expenses	<u>8,055,862</u>	<u>8,016,460</u>	<u>7,829,677</u>
<b>Operating Income (Loss)</b>	<u>(379,950)</u>	<u>12,217</u>	<u>(246,548)</u>
<b>Nonoperating Revenues</b>			
CARES Act – Provider Relief Fund revenue	212,775	-	-
Interest income	10,642	8,084	6,586
Total nonoperating revenues	<u>223,417</u>	<u>8,084</u>	<u>6,586</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>			
<b>Before Transfers</b>	(156,533)	20,301	(239,962)
<b>Transfers to Nevada City Hospital</b>	<u>-</u>	<u>650,000</u>	<u>1,000,000</u>
<b>Decrease in Net Position</b>	<u>\$ (156,533)</u>	<u>\$ (629,699)</u>	<u>\$ (1,239,962)</u>

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***Operating Income (Losses)***

The first component of the overall change in the Nursing Home's net position is its operating income or loss—generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The Nursing Home reported an operating loss for 2020 of \$379,950 and an operating income of \$12,217 in 2019. Operating income is critical for the continued health of the Nursing Home and is the catalyst for the Nursing Home to continue to produce cash to fund capital improvements and provide operating capital, which allows the Nursing Home to continue its mission.

The operating loss for 2020 increased by \$392,167 as compared to 2019. The primary components of the increased operating loss are:

- A decrease in net patient service revenue of \$337,782 of 4.3 percent, due to a decrease in census.
- An increase in salaries and wages for the Nursing Home's employees of \$156,716 of 4.4 percent.

The improvement in operating results from 2018 to 2019 was due primarily to an increase in the Medicaid rate of \$8.37 per patient day that was effective July 1, 2018, and increases in operating revenues in excess of the increases in operating costs.

The pension expense in 2020 of \$214,612 includes \$143,807 of employer contributions, with the remaining resulting from actuarial assumptions. The pension expense in 2019 of \$230,730 includes \$123,428 of employer contributions, with the remaining resulting from actuarial assumptions.

***Nonoperating Revenues and Expenses***

Nonoperating revenues consist of interest income earned on the Nursing Home's deposits and disbursements from the CARES Act Provider Relief Funds, of which the Nursing Home recognized \$212,775 of additional revenue for the year ended June 30, 2020. Refer to *Note 12* for additional information on the financial impacts from COVID-19 and CARES Act funding.

***The Nursing Home's Cash Flows***

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

***Capital Asset and Debt Administration***

At the end of 2020 and 2019, the Nursing Home had \$1,517,032 and \$1,634,579, respectively, invested in capital assets, net of accumulated depreciation, as detailed in *Note 5* to the financial statements. In 2020, the Nursing Home invested in capital assets costing \$89,121. In 2019, the Nursing Home invested in capital assets costing \$131,978. The Nursing Home had no outstanding debt as of June 30, 2020 and 2019.



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***COVID-19***

During the last four months of fiscal 2020, the Nursing Home's operations were impacted by the COVID-19 outbreak and, as a result, the Nursing Home began seeing a significant reduction in occupancy. Management is working diligently to ensure the safety of patients and employees, in addition to evaluating the ongoing impact from the pandemic on operations. At this time, management is unable to evaluate what the long-term impact from the COVID-19 pandemic will be to ongoing operations and overall profitability. Refer to *Note 12* for additional information on the financial impacts from COVID-19.

***Contacting the Nursing Home's Financial Management***

This financial report is designed to provide our residents, suppliers and creditors with a general overview of the Nursing Home's finances and to show the Nursing Home's accountability for the money it receives. If you have questions about this report or need additional information, contact the Nevada City Nursing Home, 901 South Adams, Nevada, Missouri 64772.

**Nevada City Nursing Home**  
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**Balance Sheets**  
**June 30, 2020 and 2019**

**Assets and Deferred Outflows of Resources**

	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash	\$ 3,813,776	\$ 2,935,114
Patient accounts receivable, net of allowance; 2020 – \$370,000 and 2019 – \$350,000	694,180	1,072,041
Supplies	18,113	19,198
Net investment in capital lease, current	89,238	89,238
Prepaid expenses and other	26,150	36,333
Total current assets	4,641,457	4,151,924
 <b>Capital Assets, Net</b>	 1,517,032	 1,634,579
 <b>Net Pension Asset</b>	 713,469	 1,115,869
 <b>Other Assets</b>		
Funds held by Nevada Regional Medical Center Foundation	78,739	78,739
Net investment in capital lease	944,435	1,033,673
Total assets	7,895,132	8,014,784
 <b>Deferred Outflows of Resources</b>	 221,924	 74,281
Total assets and deferred outflows of resources	\$ 8,117,056	\$ 8,089,065

## Liabilities, Deferred Inflows of Resources, and Net Position

	<u>2020</u>	<u>2019</u>
<b>Current Liabilities</b>		
Accounts payable	\$ 145,042	\$ 216,957
Salaries and wages payable	160,346	152,377
Accrued payroll taxes	27,814	31,478
Due to Nevada Regional Medical Center	134,217	122,943
Accrued vacation pay	179,644	164,546
Resident patient funds payable	23,135	11,986
Other accrued expenses	5,777	-
Resident advance payments	19,800	28,035
Unearned lease revenue, current	13,707	14,831
Unearned revenue – CARES Act Provider Relief Funds	415,763	-
	<hr/>	<hr/>
Total current liabilities	1,125,245	743,153
<b>Unearned Lease Revenue</b>	71,653	85,269
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Total liabilities	1,196,898	828,422
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<b>Deferred Inflows of Resources – Pension Plan</b>	699	184,651
	<hr/>	<hr/>
<b>Net Position</b>		
Net investment in capital assets	1,517,032	1,634,579
Restricted-expendable for pension benefits	713,469	1,115,869
Unrestricted	4,688,958	4,325,544
	<hr/>	<hr/>
Total net position	6,919,459	7,075,992
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Total liabilities, deferred inflows of resources and net position	\$ 8,117,056	\$ 8,089,065
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**Nevada City Nursing Home**  
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**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating Revenues</b>		
Net patient service revenue, net of provision for uncollectible accounts; 2020 – \$206,268, 2019 – \$191,009	\$ 7,589,117	\$ 7,926,899
Other revenue	86,795	101,778
	<b>7,675,912</b>	<b>8,028,677</b>
<b>Operating Expenses</b>		
Professional services	3,832,282	3,956,471
Dietary services	829,001	816,125
General services	828,229	781,429
Administrative services	2,359,682	2,231,164
Depreciation	206,668	231,271
	<b>8,055,862</b>	<b>8,016,460</b>
<b>Operating Income (Loss)</b>	<b>(379,950)</b>	<b>12,217</b>
<b>Nonoperating Revenues</b>		
CARES Act – Provider Relief Fund revenue	212,775	-
Interest income	10,642	8,084
	<b>223,417</b>	<b>8,084</b>
<b>Excess (Deficiency) of Revenues Over Expenses Before Transfers</b>	<b>(156,533)</b>	<b>20,301</b>
<b>Transfers to Nevada Regional Medical Center</b>	<b>-</b>	<b>650,000</b>
<b>Decrease in Net Position</b>	<b>(156,533)</b>	<b>(629,699)</b>
<b>Net Position, Beginning of Year</b>	<b>7,075,992</b>	<b>7,705,691</b>
<b>Net Position, End of Year</b>	<b>\$ 6,919,459</b>	<b>\$ 7,075,992</b>

**Nevada City Nursing Home**  
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**Statements of Cash Flows**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Receipts from and on behalf of patients	\$ 7,975,669	\$ 7,706,734
Payments to suppliers and contractors	(4,099,673)	(3,992,440)
Payments to employees	(3,708,686)	(3,560,772)
Other receipts and payments, net	86,795	101,778
Net cash provided by operating activities	254,105	255,300
<b>Noncapital Financing Activities</b>		
Cares Act – Provider Relief Funds	628,538	-
Transfers to affiliate	-	(650,000)
Net cash provided by (used in) noncapital financing activities	628,538	(650,000)
<b>Capital and Related Financing Activities</b>		
Purchase of capital assets	(89,121)	(131,978)
Net cash used in capital and related financing activities	(89,121)	(131,978)
<b>Investing Activities</b>		
Purchase of investments	-	(570)
Proceeds from capital lease payments	74,498	73,210
Interest income	10,642	8,084
Net cash provided by investing activities	85,140	80,724
<b>Increase (Decrease) in Cash</b>	878,662	(445,954)
<b>Cash, Beginning of Year</b>	2,935,114	3,381,068
<b>Cash, End of Year</b>	\$ 3,813,776	\$ 2,935,114
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating income (loss)	\$ (379,950)	\$ 12,217
Items not requiring cash		
Depreciation	206,668	231,271
Change in net pension asset	402,400	79,372
Deferred inflows of resources – pensions	(183,952)	(11,451)
Deferred outflows of resources – pensions	(147,643)	39,381
Changes in		
Patient accounts receivable, net and other resident payables	386,552	(220,165)
Supplies	1,085	(783)
Prepaid expenses and other	10,183	36,881
Accounts payable and accrued expenses	(41,238)	88,577
Net cash provided by operating activities	\$ 254,105	\$ 255,300

**Nevada City Nursing Home**  
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**Notes to Financial Statements**  
**June 30, 2020 and 2019**

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

***Nature of Operations and Reporting Unit***

The operations of Nevada City Nursing Home (the “Nursing Home”), a component unit of the City of Nevada, Missouri, (the “City”) consist of the following: Moore-Few Care Center, a 108-bed Medicaid-certified and Medicare-certified skilled nursing facility; Paul L. and Martha Barone Alzheimer’s Care Center, a 40-bed Medicaid-certified Alzheimer’s Unit; and certain property used for rental purposes. The financial statements include the accounts of all operations of Nevada City Nursing Home mentioned above.

***Basis of Accounting and Presentation***

The financial statements of the Nursing Home have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions 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 and investment income are included in nonoperating revenues and expenses. The Nursing Home first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

***Use of Estimates***

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

***Risk Management***

The Nursing Home is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions and natural disasters. Commercial insurance is purchased for claims arising from such matters. Claims have not exceeded coverage during the three preceding years.

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The Nursing Home is exposed to various risks of loss from employee health, dental and accident benefits. The Nursing Home is self-insured against these claims (see *Note 8*). Annual estimated provisions are accrued for the self-insured portion of the claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

***Patient Accounts Receivable***

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

***Supplies***

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

***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 leasehold improvements are depreciated over the shorter of the lease term or their respective useful lives. The following estimated asset lives are being used by the Nursing Home:

Land improvements	5 to 20 years
Buildings and leasehold improvements	3 to 40 years
Furnishings and equipment	3 to 20 years

***Capital Asset Impairment***

The Nursing Home evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, either accumulated depreciation is increased by the amount of the impairment loss or the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended June 30, 2020 and 2019.

***Deferred Outflows of Resources***

The Nursing Home reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its balance sheet.

**Nevada City Nursing Home**  
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***Compensated Absences***

Nursing Home policies permit most employees to accumulate vacation, holiday, personal and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as benefits are earned whether the employee is expected to realize the benefit as time off or in cash.

Expense and the related liability for sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized.

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 pension benefits, Social Security and Medicare taxes computed using rates in effect at that date.

***Deferred Inflows of Resources***

The Nursing Home reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheet.

***Net Position***

Net position of the Nursing Home is classified in three components on its balance sheets.

- Net investment in capital assets consist of capital assets net of accumulated depreciation.
- Restricted expendable net position is made up of noncapital assets that must be used for pension benefits.
- 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 Nursing Home has agreements with third-party payors that provide for payments to the Nursing Home 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 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.



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***Income Taxes***

As an essential government function of the City, the Nursing Home is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Nursing Home is subject to federal income tax on any unrelated business taxable income.

***Defined Benefit Pension Plan***

The Nursing Home participates in the agent defined benefit pension plan Missouri Local Government Employees Retirement System (LAGERS), (the “Plan”). For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Charity Care***

The Nursing Home provides charity care to patients who are unable to pay for services. The amount of charity care is included in net patient service revenue and is not separately classified from the provision for uncollectible accounts.

***Revisions***

Certain immaterial revisions have been made to the 2019 financial statements to present Deferred Inflows of Resources – Pension Plan below total liabilities on the balance sheets. The revisions had no effect on the changes in financial position, and did not have a significant impact on the financial statement line items impacted.

**Note 2: Net Patient Service Revenue**

The Nursing Home has agreements with third-party payers that provide for payments to the Nursing Home at amounts different from its established rates. These payment arrangements include:

*Medicare.* The Nursing Home is paid under a prospective payment system for Medicare Part A services. Under the prospective payment system, there will be no additional settlement on the difference between the per diem rates paid and actual costs. The Nursing Home is paid on a fee schedule basis for Medicare Part B therapy services; therefore, there will be no additional settlement on the difference between payments received and actual costs for Part B therapy services.

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*Medicaid.* The Nursing Home is reimbursed for services rendered to Title XIX Medicaid patients on the basis of estimated per diem rates. The reimbursement plan is on a prospective basis, and no additional settlement will be made on the difference between the per diem rates paid and actual costs.

Approximately 72 percent and 69 percent of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2020 and 2019, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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

**Note 3: Deposits and Interest 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. While the Nursing Home does not have a written deposit policy, its practice has been to comply with the provisions of state law with regard to custodial credit risk.

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 or 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 June 30, 2020 and 2019, none of the Nursing Home's bank balances of \$3,836,945 and \$2,973,148, respectively, were exposed to custodial credit risk as uninsured and uncollateralized.

***Summary of Carrying Values***

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

	<b>2020</b>	<b>2019</b>
Carrying value		
Deposits	\$ 3,813,776	\$ 2,935,114
Included in the following balance sheet captions		
Cash	\$ 3,813,776	\$ 2,935,114

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***Interest Income***

Interest income for the years ended June 30, 2020 and 2019, consisted of:

	<b>2020</b>	<b>2019</b>
Interest income	\$ 10,642	\$ 8,084

**Note 4: Patient Accounts Receivable**

The Nursing Home grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at June 30, 2020 and 2019, consisted of:

	<b>2020</b>	<b>2019</b>
Medicare	\$ 93,628	\$ 159,922
Medicaid	366,101	373,984
Other third-party payors	117,968	209,497
Patients	486,483	678,638
Total patient accounts receivable	1,064,180	1,422,041
Less allowance for uncollectible accounts	370,000	350,000
Patient accounts receivable, net	\$ 694,180	\$ 1,072,041

# Nevada City Nursing Home

## A Component Unit of the City of Nevada, Missouri

### Notes to Financial Statements

June 30, 2020 and 2019

#### Note 5: Capital Assets

Capital assets activity for the years ended June 30, 2020 and 2019, was:

	2020				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land and land improvements	\$ 333,962	\$ -	\$ -	\$ -	\$ 333,962
Buildings and leasehold improvements	6,313,117	47,112	338,582	-	6,021,647
Furnishings and equipment	1,989,291	7,083	1,061,471	24,988	959,891
Construction in progress	-	34,926	-	(24,988)	9,938
	<u>8,636,370</u>	<u>89,121</u>	<u>1,400,053</u>	<u>-</u>	<u>7,325,438</u>
Less accumulated depreciation					
Land improvements	283,870	1,970	-	-	285,840
Buildings and leasehold improvements	5,018,499	124,191	338,582	-	4,804,108
Furnishings and equipment	1,699,422	80,507	1,061,471	-	718,458
	<u>7,001,791</u>	<u>206,668</u>	<u>1,400,053</u>	<u>-</u>	<u>5,808,406</u>
	<u>\$ 1,634,579</u>	<u>\$ (117,547)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517,032</u>
	2019				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land and land improvements	\$ 304,962	\$ 29,000	\$ -	\$ -	\$ 333,962
Buildings and leasehold improvements	6,313,117	-	-	-	6,313,117
Furnishings and equipment	1,886,313	102,978	-	-	1,989,291
Construction in progress	-	35,847	-	(35,847)	-
	<u>8,504,392</u>	<u>167,825</u>	<u>-</u>	<u>(35,847)</u>	<u>8,636,370</u>
Less accumulated depreciation					
Land improvements	282,142	1,728	-	-	283,870
Buildings and leasehold improvements	4,884,700	133,799	-	-	5,018,499
Furnishings and equipment	1,603,678	95,744	-	-	1,699,422
	<u>6,770,520</u>	<u>231,271</u>	<u>-</u>	<u>-</u>	<u>7,001,791</u>
	<u>\$ 1,733,872</u>	<u>\$ (63,446)</u>	<u>\$ -</u>	<u>\$ (35,847)</u>	<u>\$ 1,634,579</u>

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**Note 6: Related Party Transactions**

The Nursing Home and the Medical Center are both component units of the City of Nevada, Missouri.

***Operations***

The Nursing Home has contracted with the Medical Center for dietary, maintenance and payroll services and purchases various medicines and supplies from the Medical Center. Expenses for such services and supplies for the years ended June 30, 2020 and 2019, were approximately \$1,755,000 and \$1,511,000, respectively. Amounts payable to the Medical Center for such services and supplies were \$134,217 and \$122,943 at June 30, 2020 and 2019, respectively.

***Transfers to the Medical Center***

The Nursing Home transferred funds to the Medical Center of \$0 and \$650,000 in 2020 and 2019, respectively, to support operations under directions of ordinances by the City of Nevada. The transfers are to be repaid when the days cash on hand covenant required by the Medical Center's outstanding hospital revenue bonds is met. The transfers are recorded as transfers of net position for the years ended June 30, 2020 and 2019, as repayment is contingent upon the Medical Center's financial performance and improvements in liquidity.

***Leases***

The Nursing Home leases a building to the Medical Center under an operating lease. Total rental income for each of the years ended June 30, 2020 and 2019, was \$14,980. The cost of the building that was being leased at June 30, 2020 and 2019, was \$85,954. The building had accumulated depreciation of \$61,252 and \$58,989 as of June 30, 2020 and 2019, respectively.

The Nursing Home leases another building to the Medical Center, as further described in *Note 10*.

***Investments***

The Nursing Home has invested funds held by the Nevada Regional Medical Center Foundation, a component unit of the Medical Center. The balance of such funds being held by the Foundation for the Nursing Home as of June 30, 2020 and 2019, was \$78,739 for both years.

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**Note 7: Medical Malpractice Claims**

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

**Note 8: Employee Health Claims**

Substantially all of the Nursing Home's employees and their dependents are eligible to participate in the Nursing Home's employee health insurance plan. The Nursing Home is self-insured for health claims of participating employees and dependents.

A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Nursing Home's estimate will change by a material amount in the near term. For the years ended June 30, 2020 and 2019, the Nursing Home purchased stop-loss coverage of \$100,000 per employee and dependent from a commercial insurer.

Claims liabilities are included in accounts payable on the accompanying balance sheets. Changes in the balance of claims liabilities during the years ended June 30, 2020 and 2019, are summarized as follows:

	<b>2020</b>	<b>2019</b>
Balance, beginning of year	\$ 69,000	\$ 62,401
Estimated current year claims incurred	478,442	361,391
Claims and expenses paid	(501,442)	(354,792)
Balance, end of year	\$ 46,000	\$ 69,000

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**Note 9: Defined Benefit Pension Plan**

***Plan Description***

The Nursing Home’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Nursing Home participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600 – 70.755. As such, it is LAGERS’ responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

***Benefits Provided***

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after five years of credited service. Employees who retire on or after age 60 with five or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of five years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>Valuation</u>
Benefit multiplier	1.25%
Final average salary	5 Years

Benefit terms provide for annual post-retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4 percent per year.

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The employees covered by the plan at June 30, 2020 and 2019, are:

	<b>2020</b>	<b>2019</b>
Inactive employees or beneficiaries currently receiving benefits	64	63
Inactive employees entitled to but not yet receiving benefits	62	55
Active employees	74	70
	200	188

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. For the years ended June 30, 2020 and 2019, the employer contribution rate was 5.17 percent and 5.04 percent of annual covered payroll.

**Net Pension Liability**

The Nursing Home’s net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of February 29, 2020 and February 28, 2019, respectively. Update procedures were used to roll forward the total pension liability to the measurement date.

The total pension liability in the February 29, 2020 and February 28, 2019, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55%, including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.



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Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2020 and February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	39.00%	4.16%
Fixed income	28.00%	0.89%
Real assets	33.00%	2.09%
	100.00%	

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25 percent, for both of the years ended June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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Changes in the total pension liability, plan fiduciary net position and the net pension liability are:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>2020</b>			
Balance, beginning of year	\$ 6,112,311	\$ 7,228,180	\$ (1,115,869)
Changes for the year			
Service cost	182,298	-	182,298
Interest	441,167	-	441,167
Difference between expected and actual experience	(940)	-	(940)
Contributions – employer	-	143,807	(143,807)
Net investment income	-	92,029	(92,029)
Benefit payments	(237,774)	(237,774)	-
Administrative expense	-	(23,396)	23,396
Other changes	-	7,685	(7,685)
Net changes	<u>384,751</u>	<u>(17,649)</u>	<u>402,400</u>
Balance, end of year	<u>\$ 6,497,062</u>	<u>\$ 7,210,531</u>	<u>\$ (713,469)</u>
<b>2019</b>			
Balance, beginning of year	\$ 5,705,718	\$ 6,900,959	\$ (1,195,241)
Changes for the year			
Service cost	171,860	-	171,860
Interest	411,728	-	411,728
Difference between expected and actual experience	49,240	-	49,240
Contributions – employer	-	123,428	(123,428)
Net investment income	-	450,773	(450,773)
Benefit payments	(226,235)	(226,235)	-
Administrative expense	-	(19,681)	19,681
Other changes	-	(1,064)	1,064
Net changes	<u>406,593</u>	<u>327,221</u>	<u>79,372</u>
Balance, end of year	<u>\$ 6,112,311</u>	<u>\$ 7,228,180</u>	<u>\$ (1,115,869)</u>

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The net pension asset of the Nursing Home has been calculated using a discount rate of 7.25 percent. The following presents the net pension asset using a discount rate 1 percent higher and 1 percent lower than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Nursing Home's net pension asset (liability)	\$ (306,503)	\$ 713,469	\$ 1,537,252

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the years ended June 30, 2020 and 2019, the Nursing Home recognized pension expense of \$214,612 and \$230,730, respectively. At June 30, 2020 and 2019, the Nursing Home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2020</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,553	\$ 699
Net difference between projected and actual earnings on pension plan investments	184,371	-
Total	\$ 221,924	\$ 699
	<b>2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 68,827	\$ 2,180
Changes of assumptions	5,454	-
Net difference between projected and actual earnings on pension plan investments	-	182,471
Total	\$ 74,281	\$ 184,651

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Amounts reported as deferred outflows (inflows) of resources and deferred inflows of resources at June 30, 2020, related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2021	\$ (124)
2022	40,978
2023	94,751
2024	<u>85,620</u>
	<u><u>\$ 221,225</u></u>

**Payable to LAGERS**

At June 30, 2020 and 2019, the Nursing Home had a payable for the outstanding amount of contributions to the pension plan required of \$0 and \$9,462 for the years then ended, respectively.

**Note 10: Net Investment in Capital Lease**

In February of 2017, the Nursing Home (Lessor) purchased property and two clinics for \$1,198,000 which it leases to the Medical Center (Lessee). The fifteen-year lease began on February 2, 2017, and upon expiration of the lease the Nursing Home will transfer the property to the Medical Center. The Medical Center makes monthly lease payments of \$7,437 which includes interest of 1.5 percent. Beginning three years from the inception of the lease and every three years thereafter, monthly lease payments shall be adjusted based on the three-year Treasury note rate, with a floor of 1.5 percent.

The following is a summary of long-term unearned lease revenue for the Nursing Home for the years ended June 30, 2020 and 2019:

	<b>2020</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Unearned lease revenue	<u>\$ 100,100</u>	<u>\$ -</u>	<u>\$ 14,740</u>	<u>\$ 85,360</u>	<u>\$ 13,707</u>
	<b>2019</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Unearned lease revenue	<u>\$ 116,128</u>	<u>\$ -</u>	<u>\$ 16,028</u>	<u>\$ 100,100</u>	<u>\$ 14,831</u>

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At June 30, 2020, the net future minimum lease payments to be received are:

2021	\$	89,238
2022		89,238
2023		89,238
2024		89,238
2025		89,238
Thereafter		587,483
Future minimum lease payments		1,033,673
Less current portion		89,238
Net investment in capital lease, noncurrent	\$	944,435

**Note 11: Resident Patient Funds Payable**

The Nursing Home is the trustee of \$23,135 and \$11,986 at June 30, 2020 and 2019, respectively, in funds received on behalf of various residents. The Nursing Home has fiduciary responsibility for the administration of the bank account and the distribution of the funds to residents.

**Note 12: Financial Impacts from COVID-19 and CARES Act Funding**

In March 2020, as a result of the spread of the SARS-CoV-2 virus and the incident of COVID-19, the state of Missouri issued shelter-in-place orders and other measures around public gatherings and business operations to slow the spread of the virus. As a result of this guidance, the Nursing Home experienced declines in occupancy as a result of reduced admissions and additional operating costs as a result of increased regulations in an attempt to reduce residents' exposure to the virus. The duration of uncertainties from impacts to operations, which could include the potential for future government intervention if the pandemic persists, the potential for longer term suppressed occupancy, additional costs incurred for preparation and personal protective equipment, etc., are still unknown at this time.

As a help to the economy, on March 27, 2020 President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), which provide relief funds to certain healthcare providers on the front lines of the coronavirus response.

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CARES Act and Enhancement Act funding is restricted for healthcare-related expenses or lost revenue attributable to COVID-19. These funds are treated as conditional contributions and included in nonoperating revenue in the statement of revenues, expenses, and changes in net position as the terms and conditions of the contributions are met. Through June 30, 2020, the Nursing Home received \$628,538 in CARES Act relief funding as part of the general distribution fund and certain targeted funds. For the year ended June 30, 2020, the Nursing Home recognized \$212,775 of the CARES Act funding on the statement of revenues, expenses, and changes in net position within nonoperating revenues, as the Nursing Home had met the terms and conditions for this portion of the funds. The remaining funds received of \$415,763 are included as unearned revenue on the balance sheets, and the Nursing Home will recognize this revenue as the terms and conditions are met from healthcare-related expenses or lost revenue attributable to COVID-19. In the event the Nursing Home cannot meet the terms and conditions of the proceeds, these amounts will have to be repaid. Refer to *Note 13* for additional CARES Act funding received subsequent to year end.

**Note 13: Subsequent Event**

On September 19, 2020, HHS issued Post Payment Notice of the Reporting Requirements and additional clarifying guidance was issued on October 22, 2020. The guidance outlined a two-step approach to support the funds received and also limits the amount of lost revenue claimed to any negative change in net patient care operating income from calendar year 2019 to 2020. Additional guidance is expected and guidance may change. As a result, the amounts recorded in the financial statements compared to the Nursing Home's Provider Relief Fund reporting could differ. This difference cannot be currently estimated but could be material. The Nursing Home received a total of \$203,000 in additional CARES Act relief funding as part of targeted distributions related to infection control in August and November 2020. The Nursing Home will recognize this nonoperating revenue as the terms and conditions are met. In the event the Nursing Home cannot meet the terms and conditions of the proceeds, these amounts will have to be repaid.

Subsequent events have been evaluated through November 23, 2020, which is the date the financial statements were available to be issued.

## **Required Supplementary Information**

**Nevada City Nursing Home**  
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**Schedule of Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total Pension Liability</b>			
Service cost	\$ 182,298	\$ 171,860	\$ 164,009
Interest on total pension liability	441,167	411,728	382,311
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(940)	49,240	62,473
Changes of assumptions	-	-	-
Benefit payments	(237,774)	(226,235)	(188,223)
<b>Net Change in Total Pension Liability</b>	384,751	406,593	420,570
<b>Total Pension Liability – Beginning</b>	6,112,311	5,705,718	5,285,148
<b>Total Pension Liability – Ending (a)</b>	6,497,062	6,112,311	5,705,718
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	143,807	123,428	97,581
Net investment income	92,029	450,773	775,710
Benefit payments	(237,774)	(226,235)	(188,223)
Administrative expense	(23,396)	(19,681)	(13,915)
Other	7,685	(1,064)	14,920
<b>Net Change in Plan Fiduciary Net Position</b>	(17,649)	327,221	686,073
<b>Plan Fiduciary Net Position – Beginning</b>	7,228,180	6,900,959	6,214,886
<b>Plan Fiduciary Net Position – Ending (b)</b>	7,210,531	7,228,180	6,900,959
<b>Net Pension Asset – Ending (a) – (b)</b>	\$ (713,469)	\$ (1,115,869)	\$ (1,195,241)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	110.98%	118.26%	120.95%
<b>Covered-Employee Payroll</b>	\$ 2,779,718	\$ 2,448,595	\$ 2,438,774
<b>Net Pension Asset as a Percentage of Covered-Employee Payroll</b>	-25.67%	-45.57%	-49.01%

**Notes to Schedule:**

***Changes of Assumptions***

The changes to actuarial assumptions used in the June 30, 2016, valuation included decreasing the inflation rates for wage, price and salary increases which were updated as a result of the five-year Experience Study conducted in 2015.

This schedule is required to present ten years of information under GASB 68. However, in accordance with GASB 68, the Nursing Home has included only the information that is measured in accordance with its provisions that are available.



	<b>2017</b>	<b>2016</b>	<b>2015</b>
	\$ 152,672	\$ 137,862	\$ 121,838
	358,732	320,792	304,982
	-	-	-
	(12,632)	77,205	(30,689)
	-	170,022	-
	(170,330)	(208,676)	(163,990)
	<u>328,442</u>	<u>497,205</u>	<u>232,141</u>
	<u>4,956,706</u>	<u>4,459,501</u>	<u>4,227,360</u>
	<u>5,285,148</u>	<u>4,956,706</u>	<u>4,459,501</u>
	65,626	87,199	118,799
	676,249	(12,452)	112,006
	(170,330)	(208,676)	(163,990)
	(13,148)	(11,860)	(13,701)
	(26,666)	(12,464)	(57,596)
	<u>531,731</u>	<u>(158,253)</u>	<u>(4,482)</u>
	<u>5,683,155</u>	<u>5,841,408</u>	<u>5,845,890</u>
	<u>6,214,886</u>	<u>5,683,155</u>	<u>5,841,408</u>
	<u>\$ (929,738)</u>	<u>\$ (726,449)</u>	<u>\$ (1,381,907)</u>
	117.59%	114.66%	130.99%
	\$ 2,217,679	\$ 2,076,702	\$ 1,977,861
	-41.92%	-34.98%	-69.87%

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Schedule of Required Supplementary Information**  
**Schedule of Nursing Home Contributions**

<b>Fiscal Year Ending June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Employee Payroll</b>	<b>Contribution as a % of Covered Employee Payroll</b>
2011	\$ 148,696	\$ 109,044	\$ 39,652	\$ 1,982,616	5.50%
2012	142,028	131,883	10,145	2,028,965	6.50%
2013	119,341	119,341	-	1,836,009	6.50%
2014	115,670	115,670	-	1,865,639	6.20%
2015	118,799	118,799	-	1,977,861	6.01%
2016	87,199	87,199	-	2,076,702	4.20%
2017	65,626	65,626	-	2,217,679	2.96%
2018	97,581	97,581	-	2,438,774	4.00%
2019	123,428	123,428	-	2,448,595	5.04%
2020	143,807	143,807	-	2,779,718	5.17%

**Notes to Schedule:**

**Valuation Date: February 29, 2020**

The roll-forward of total pension liability from February 29, 2020 to June 30, 2020, reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Schedule of Required Supplementary Information**  
**Schedule of Nursing Home Contributions**

Actuarial cost method	Entry age normal and modified terminal funding
Amortization methods	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market, 20% corridor
Inflation	3.25% wage inflation, 2.5% price inflation
Salary increases	3.25% to 6.55%, including wage inflation
Net investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.</p> <p>Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
Other Information	None

## **Other Information**

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule – Statement of Revenues, Expenses**  
**and Changes in Net Position Information**  
**Year Ended June 30, 2020**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
<b>Operating Revenues</b>			
Net patient service revenue	\$ 5,150,932	\$ 2,438,185	\$ 7,589,117
Other revenue	62,658	24,137	86,795
	<u>5,213,590</u>	<u>2,462,322</u>	<u>7,675,912</u>
<b>Operating Expenses</b>			
Professional services	2,715,722	1,116,560	3,832,282
Dietary services	587,693	241,308	829,001
General services	521,069	307,160	828,229
Administrative services	1,616,008	743,674	2,359,682
Depreciation	135,597	71,071	206,668
	<u>5,576,089</u>	<u>2,479,773</u>	<u>8,055,862</u>
<b>Operating Loss</b>	<u>(362,499)</u>	<u>(17,451)</u>	<u>(379,950)</u>
<b>Nonoperating Revenues</b>			
CARES Act Funding	190,527	22,248	212,775
Interest income	10,642	-	10,642
	<u>201,169</u>	<u>22,248</u>	<u>223,417</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ (161,330)</u>	<u>\$ 4,797</u>	<u>(156,533)</u>
<b>Net Position, Beginning of Year</b>			<u>7,075,992</u>
<b>Net Position, End of Year</b>			<u>\$ 6,919,459</u>

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule – Statement of Revenues, Expenses**  
**and Changes in Net Position Information**  
**Year Ended June 30, 2019**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
<b>Operating Revenues</b>			
Net patient service revenue	\$ 5,551,028	\$ 2,375,871	\$ 7,926,899
Other revenue	71,053	30,725	101,778
	<u>5,622,081</u>	<u>2,406,596</u>	<u>8,028,677</u>
<b>Operating Expenses</b>			
Professional services	2,943,796	1,012,675	3,956,471
Dietary services	593,663	222,462	816,125
General services	492,110	289,319	781,429
Administrative services	1,501,214	729,950	2,231,164
Depreciation	145,637	85,634	231,271
	<u>5,676,420</u>	<u>2,340,040</u>	<u>8,016,460</u>
<b>Operating Income (Loss)</b>	(54,339)	66,556	12,217
<b>Nonoperating Revenues</b>			
Interest income	8,084	-	8,084
	<u>8,084</u>	<u>-</u>	<u>8,084</u>
<b>Excess (Deficiency) of Revenues Over Expenses Before Transfers</b>	<u>\$ (46,255)</u>	<u>\$ 66,556</u>	20,301
<b>Transfer to Nevada City Hospital</b>			<u>(650,000)</u>
<b>Decrease in Net Position</b>			(629,699)
<b>Net Position, Beginning of Year</b>			<u>7,705,691</u>
<b>Net Position, End of Year</b>			<u>\$ 7,075,992</u>

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule of Net Patient Service Revenue**  
**Year Ended June 30, 2020**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
Routine	\$ 4,440,490	\$ 2,456,312	\$ 6,896,802
Pharmacy	104,475	-	104,475
Therapies	1,122,023	109	1,122,132
Medical supplies/other	120,212	21,390	141,602
Contractual allowances	(445,200)	(24,426)	(469,626)
Provision for uncollectible accounts	(191,068)	(15,200)	(206,268)
	<u>\$ 5,150,932</u>	<u>\$ 2,438,185</u>	<u>\$ 7,589,117</u>

**Combining Schedule of Net Patient Service Revenue**  
**Year Ended June 30, 2019**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
Routine	\$ 4,576,882	\$ 2,403,496	\$ 6,980,378
Pharmacy	195,511	-	195,511
Therapies	1,436,125	228	1,436,353
Medical supplies/other	159,378	22,076	181,454
Contractual allowances	(653,164)	(22,624)	(675,788)
Provision for uncollectible accounts	(163,704)	(27,305)	(191,009)
	<u>\$ 5,551,028</u>	<u>\$ 2,375,871</u>	<u>\$ 7,926,899</u>

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule of Other Revenue**  
**Year Ended June 30, 2020**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
Personal laundry	\$ 23,712	\$ 21,470	\$ 45,182
Rental	29,820	-	29,820
Other	9,126	2,667	11,793
	<u>\$ 62,658</u>	<u>\$ 24,137</u>	<u>\$ 86,795</u>

**Combining Schedule of Other Revenue**  
**Year Ended June 30, 2019**

	<b>Moore-Few Care Center</b>	<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	<b>Total</b>
Personal laundry	\$ 30,397	\$ 28,562	\$ 58,959
Rental	31,133	-	31,133
Other	9,523	2,163	11,686
	<u>\$ 71,053</u>	<u>\$ 30,725</u>	<u>\$ 101,778</u>



**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule of Operating Expenses**  
**Year Ended June 30, 2020**

	<b>Moore-Few Care Center</b>		<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	
	<b>Salaries</b>	<b>Supplies and Expenses</b>	<b>Salaries</b>	<b>Supplies and Expenses</b>
<b>Professional Services</b>				
Nursing	\$ 1,756,805	\$ 193,056	\$ 1,005,321	\$ 19,996
Pharmacy	-	87,339	-	8,791
Therapies	-	432,971	-	-
Central supply	-	62,941	-	20,552
Medical records	25,256	219	3,141	-
Patient recreation	82,797	6,735	28,260	3,949
Social services	53,937	1,933	26,450	100
Laboratory	-	7,462	-	-
Radiology	-	4,271	-	-
	<u>1,918,795</u>	<u>796,927</u>	<u>1,063,172</u>	<u>53,388</u>
<b>Dietary Services</b>	<u>187,539</u>	<u>400,154</u>	<u>50,137</u>	<u>191,171</u>
<b>General Services</b>				
Housekeeping	153,722	39,819	64,544	17,950
Laundry	-	134,864	-	87,827
Plant operation and maintenance	39,296	153,368	17,745	119,094
	<u>193,018</u>	<u>328,051</u>	<u>82,289</u>	<u>224,871</u>
<b>Administrative Services</b>				
Administrative	185,725	350,683	51,078	149,640
Medicaid provider assessment	-	379,332	-	198,240
Employee benefits	-	538,695	-	291,677
Pension expense	-	161,573	-	53,039
	<u>185,725</u>	<u>1,430,283</u>	<u>51,078</u>	<u>692,596</u>
<b>Depreciation</b>	<u>-</u>	<u>135,597</u>	<u>-</u>	<u>71,071</u>
	<u><u>\$ 2,485,077</u></u>	<u><u>\$ 3,091,012</u></u>	<u><u>\$ 1,246,676</u></u>	<u><u>\$ 1,233,097</u></u>

<b>Salaries</b>	<b>Combined Supplies and Expenses</b>	<b>Total</b>
\$ 2,762,126	\$ 213,052	\$ 2,975,178
-	96,130	96,130
-	432,971	432,971
-	83,493	83,493
28,397	219	28,616
111,057	10,684	121,741
80,387	2,033	82,420
-	7,462	7,462
-	4,271	4,271
<u>2,981,967</u>	<u>850,315</u>	<u>3,832,282</u>
<u>237,676</u>	<u>591,325</u>	<u>829,001</u>
218,266	57,769	276,035
-	222,691	222,691
<u>57,041</u>	<u>272,462</u>	<u>329,503</u>
<u>275,307</u>	<u>552,922</u>	<u>828,229</u>
236,803	500,323	737,126
-	577,572	577,572
-	830,372	830,372
-	214,612	214,612
<u>236,803</u>	<u>2,122,879</u>	<u>2,359,682</u>
-	206,668	206,668
<u>\$ 3,731,753</u>	<u>\$ 4,324,109</u>	<u>\$ 8,055,862</u>

**Nevada City Nursing Home**  
**A Component Unit of the City of Nevada, Missouri**  
**Combining Schedule of Operating Expenses**  
**Year Ended June 30, 2019**

	<b>Moore-Few Care Center</b>		<b>Paul L. and Martha Barone Alzheimer's Care Center</b>	
	<b>Salaries</b>	<b>Supplies and Expenses</b>	<b>Salaries</b>	<b>Supplies and Expenses</b>
<b>Professional Services</b>				
Nursing	\$ 1,778,614	\$ 253,766	\$ 887,361	\$ 26,839
Pharmacy	-	156,687	-	14,127
Therapies	-	506,014	-	-
Central supply	-	70,586	-	18,265
Medical records	26,678	959	6,941	22
Patient recreation	85,982	11,942	26,073	6,515
Social services	34,436	1,934	25,879	653
Laboratory	-	11,543	-	-
Radiology	-	4,655	-	-
	<u>1,925,710</u>	<u>1,018,086</u>	<u>946,254</u>	<u>66,421</u>
<b>Dietary Services</b>	<u>181,687</u>	<u>411,976</u>	<u>33,599</u>	<u>188,863</u>
<b>General Services</b>				
Housekeeping	131,633	36,949	73,407	13,197
Laundry	-	132,431	-	86,304
Plant operation and maintenance	35,734	155,363	9,578	106,833
	<u>167,367</u>	<u>324,743</u>	<u>82,985</u>	<u>206,334</u>
<b>Administrative Services</b>				
Administrative	159,740	397,334	77,695	136,516
Medicaid provider assessment	-	385,860	-	198,945
Employee benefits	-	389,891	-	254,453
Pension expense	-	168,389	-	62,341
	<u>159,740</u>	<u>1,341,474</u>	<u>77,695</u>	<u>652,255</u>
<b>Depreciation</b>	<u>-</u>	<u>145,637</u>	<u>-</u>	<u>85,634</u>
	<u><u>\$ 2,434,504</u></u>	<u><u>\$ 3,241,916</u></u>	<u><u>\$ 1,140,533</u></u>	<u><u>\$ 1,199,507</u></u>

<b>Salaries</b>	<b>Combined Supplies and Expenses</b>	<b>Total</b>
\$ 2,665,975	\$ 280,605	\$ 2,946,580
-	170,814	170,814
-	506,014	506,014
-	88,851	88,851
33,619	981	34,600
112,055	18,457	130,512
60,315	2,587	62,902
-	11,543	11,543
-	4,655	4,655
<u>2,871,964</u>	<u>1,084,507</u>	<u>3,956,471</u>
<u>215,286</u>	<u>600,839</u>	<u>816,125</u>
205,040	50,146	255,186
-	218,735	218,735
<u>45,312</u>	<u>262,196</u>	<u>307,508</u>
<u>250,352</u>	<u>531,077</u>	<u>781,429</u>
237,435	533,850	771,285
-	584,805	584,805
-	644,344	644,344
-	230,730	230,730
<u>237,435</u>	<u>1,993,729</u>	<u>2,231,164</u>
<u>-</u>	<u>231,271</u>	<u>231,271</u>
<u>\$ 3,575,037</u>	<u>\$ 4,441,423</u>	<u>\$ 8,016,460</u>