

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Independent Auditor's Report and Financial Statements
June 30, 2021 and 2020

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
June 30, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Nevada City Hospital
d/b/a Nevada Regional Medical Center
Nevada, Missouri

We have audited the accompanying financial statements of Nevada City Hospital, d/b/a Nevada Regional Medical Center (the "Medical Center"), a component unit of the City of Nevada, Missouri, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Nevada Regional Medical Center'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 Hospital, d/b/a Nevada Regional Medical Center, a component unit of the City of Nevada, Missouri, as of June 30, 2021 and 2020, 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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Medical Center's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Springfield, Missouri
April 26, 2022

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Management's Discussion and Analysis
Years Ended June 30, 2021 and 2020

Introduction

This management's discussion and analysis of the financial performance of Nevada City Hospital, d/b/a Nevada Regional Medical Center (the "Medical Center"), provides an overview of the Medical Center's financial activities for the years ended June 30, 2021 and 2020. It should be read in conjunction with the accompanying financial statements of the Medical Center.

Financial Highlights

- Total cash and internally designated investments decreased by \$2,600,916 and increased by \$16,007,580 in 2021 and 2020, respectively. The increase in 2020 was due to the Medical Center receiving significant funding related to federal programs in response to the COVID-19 pandemic.
- The Medical Center reported operating losses of \$2,794,506 and \$786,511 in 2021 and 2020, respectively.

Using This Annual Report

The Medical Center'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 Medical Center, including resources held by the Medical Center but restricted for specific purposes by creditors, contributors, grantors, or enabling legislation. The Medical Center 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 medical center's finances is "Is the medical center 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 Medical Center'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 Medical Center's net position and changes in it. The Medical Center's total net position—the difference between assets, liabilities, and deferred inflows and outflows of resources—is one measure of the Medical Center's financial health or financial position. Over time, increases or decreases in the Medical Center's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Medical Center'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 Medical Center.

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 Medical Center's Net Position

The Medical Center's net position is the difference between its assets, liabilities, and deferred inflows and outflows of resources reported in the Balance Sheet. The Medical Center's net position increased by \$7,203,481 in 2021 over 2020, and decreased by \$895,236 in 2020 over 2019, as shown in Table 1.

	2021	2020	2019
Assets			
Cash	\$ 15,188,656	\$ 17,789,572	\$ 1,367,313
Patient and other accounts receivable, net	4,026,557	4,412,729	4,676,041
Other current assets	4,036,649	2,537,866	2,884,402
Capital assets, net	10,338,225	9,767,763	10,360,928
Net pension asset	14,200,890	5,265,795	6,978,146
Other noncurrent assets	2,086,591	2,140,539	2,581,982
	<hr/>	<hr/>	<hr/>
Total assets	49,877,568	41,914,264	28,848,812
Deferred Outflows of Resources	<hr/>	<hr/>	<hr/>
	1,125,261	2,286,788	1,654,474
	<hr/>	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 51,002,829	\$ 44,201,052	\$ 30,503,286
	<hr/>	<hr/>	<hr/>
Liabilities			
Long-term liabilities	\$ 13,906,119	\$ 15,749,013	\$ 16,675,050
Current liabilities	19,271,885	23,784,443	7,528,434
	<hr/>	<hr/>	<hr/>
Total liabilities	33,178,004	39,533,456	24,203,484
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources	6,736,398	782,650	1,519,620
	<hr/>	<hr/>	<hr/>
Net Position			
Net investment in capital assets	(1,481,012)	(2,512,139)	(2,610,952)
Restricted expendable	15,259,287	5,986,670	7,720,445
Unrestricted	(2,689,848)	410,415	(329,311)
	<hr/>	<hr/>	<hr/>
Total net position	11,088,427	3,884,946	4,780,182
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and net position	\$ 51,002,829	\$ 44,201,052	\$ 30,503,286
	<hr/>	<hr/>	<hr/>

A significant change in the Medical Center's assets in 2021 is the increase in net pension asset of \$8,935,095, due to actuarial changes. Cash also decreased in 2021, due to scheduled repayments of amounts received in 2020 from the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act).

A significant change in the Medical Center's assets in 2020 is the increase in cash of and investments of \$16,007,580. Cash increased due to amounts received from the CARES Act, including:

- Paycheck Protection Program loan of \$3,000,000
- Accelerated Medicare payments of \$2,744,222
- Provider Relief Fund distributions of \$9,708,508

Operating Results and Changes in the Medical Center's Net Position

The Medical Center's net position increased by \$7,203,481 in 2021, and decreased by \$895,236 in 2020, as shown in Table 2.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Net patient service revenue	\$ 35,835,736	\$ 33,877,055	\$ 35,256,525
Other operating revenues	<u>1,710,296</u>	<u>1,497,549</u>	<u>1,206,975</u>
Total operating revenues	<u>37,546,032</u>	<u>35,374,604</u>	<u>36,463,500</u>
Operating Expenses			
Nursing services	8,821,219	7,617,020	7,538,600
Other professional services	16,711,565	13,482,225	14,549,752
General services	3,324,575	2,767,527	2,574,539
Administrative services	10,139,636	10,871,574	11,431,882
Depreciation	<u>1,343,543</u>	<u>1,422,769</u>	<u>1,419,053</u>
Total operating expenses	<u>40,340,538</u>	<u>36,161,115</u>	<u>37,513,826</u>
Operating Loss	<u>(2,794,506)</u>	<u>(786,511)</u>	<u>(1,050,326)</u>
Nonoperating Revenues (Expenses)			
Contributions	94,638	65,960	75,076
Gain (loss) on sale of capital assets	(261,837)	352,520	-
Investment income	28,160	45,801	72,836
Sales tax revenue	918,415	164,461	-
Interest and amortization expense	(723,571)	(737,467)	(769,076)
CARES Act funding	<u>9,842,182</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>9,897,987</u>	<u>(108,725)</u>	<u>(621,164)</u>
Capital Grants and Gifts	<u>100,000</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>\$ 7,203,481</u>	<u>\$ (895,236)</u>	<u>\$ (1,671,490)</u>

Operating Loss

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

The operating results for 2021 decreased by \$2,007,995 compared to 2020. An increase in operating expense of \$4,179,423 compared to the prior year was offset by the \$2,171,428 increase in operating revenues. Higher expenses in 2021 were primarily a result of the Covid pandemic and required amounts to support operating revenues.

The operating results for 2020 increased by \$263,815 compared to 2019. One factor for the change was an increase in contract 340B pharmacy revenue of \$263,811. The \$1,352,711 decrease in operating expenses as compared to the prior year, was offset by the \$1,379,470 decrease in net patient service revenue.

Increase (Decrease) in Net Position, Nonoperating Revenues, and Expenses

During 2021, overall operating results improved from 2020 by \$8,098,717. Nonoperating revenues increased \$10,106,712 from 2020 due to CARES Act funding revenue recognized in 2021, compared to none recognized in 2020. An increase of \$753,954 in sales tax revenue also contributed to the improvement in increase in net position compared to 2020.

During 2020, overall operating results improved from 2019 by \$776,254. Nonoperating revenues increased \$480,830 from 2019 due to a gain on involuntary conversion of \$352,520 and sales tax revenues of \$164,461.

Other nonoperating revenues and expenses consisted of contributions, investment income, interest expense on debt, and capital grants and gifts. Amounts were consistent between 2019, 2020, and 2021.

The Medical Center's Cash Flows

Changes in the Medical Center's cash flows are consistent with timing of federal funding received in 2021 and 2020, changes in patient accounts receivable, deferred revenue, operating results, and nonoperating revenues and expenses discussed earlier.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021 and 2020, the Medical Center had \$10,338,225 and \$9,767,763, respectively, invested in capital assets, net of accumulated depreciation, as detailed in *Note 6* to the financial statements.

Debt

At June 30, 2021 and 2020, the Medical Center had approximately \$19.2 million and \$19.8 million in long-term debt, as detailed in *Note 9* to the financial statements.

During 2021, the Medical Center entered into new capital lease agreements for \$631,758.

COVID-19

During 2021 and the last four months of fiscal 2020, the Medical Center's operations were significantly impacted by the COVID-19 outbreak and, as a result, the Medical Center began seeing a significant volatility in inpatient and outpatient volume. 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 the long-term impact from the COVID-19 pandemic on ongoing operations and overall profitability. Refer to *Note 2* in the notes to the financial statements for additional information on the financial impacts of COVID-19.

Contacting the Medical Center's Financial Management

This financial report is designed to provide our patients, suppliers, and creditors with a general overview of the Medical Center's finances and to show the Medical Center's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to Medical Center administration by telephoning 417.667.3355.

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Balance Sheets
June 30, 2021 and 2020

Assets and Deferred Outflows of Resources

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 15,188,656	\$ 17,789,572
Restricted cash and investments – current	1,058,397	720,875
Patient and other accounts receivable, net of allowance; 2021 – \$6,087,716; 2020 – \$5,977,510	4,026,557	4,412,729
Estimated amounts due from third-party payors	744,064	232,172
Due from related party	133,638	134,218
Supplies	1,458,205	768,104
Prepaid expenses and other	<u>642,345</u>	<u>682,497</u>
Total current assets	<u>23,251,862</u>	<u>24,740,167</u>
Noncurrent Cash and Investments		
Restricted		
Held by trustee for debt service	2,605,944	2,269,269
Less amount required to meet current obligations	<u>1,058,397</u>	<u>720,875</u>
	1,547,547	1,548,394
Held by Foundation	<u>326,796</u>	<u>359,189</u>
	<u>1,874,343</u>	<u>1,907,583</u>
Capital Assets, Net	<u>10,338,225</u>	<u>9,767,763</u>
Other Assets	<u>212,248</u>	<u>232,956</u>
Net Pension Asset	<u>14,200,890</u>	<u>5,265,795</u>
Total assets	<u>49,877,568</u>	<u>41,914,264</u>
Deferred Outflows of Resources		
Debt refunding	1,057,600	1,160,781
Pension plan	<u>67,661</u>	<u>1,126,007</u>
Total deferred outflows of resources	<u>1,125,261</u>	<u>2,286,788</u>
Total assets and deferred outflows of resources	<u>\$ 51,002,829</u>	<u>\$ 44,201,052</u>

Liabilities, Deferred Inflows of Resources, and Net Position

	<u>2021</u>	<u>2020</u>
Current Liabilities		
Current maturities of long-term debt	\$ 5,891,224	\$ 4,057,449
Accounts payable	3,903,969	3,527,576
Accrued payroll and payroll taxes	1,171,339	834,710
Accrued vacation pay	863,562	728,876
Accrued expenses	297,560	601,413
Accrued interest payable	162,401	149,605
Estimated amounts due to third-party payors	4,721,427	1,351,950
Unearned revenue - provider relief funds	300,000	9,708,508
Medicare accelerated payments	1,880,269	2,744,222
Funds held for others	80,134	80,134
	<hr/>	<hr/>
Total current liabilities	19,271,885	23,784,443
Medicare Accelerated Payments	571,713	-
Long-Term Debt	<hr/>	<hr/>
	13,334,406	15,749,013
	<hr/>	<hr/>
Total liabilities	33,178,004	39,533,456
	<hr/>	<hr/>
Deferred Inflows of Resources - Pension Plan	6,736,398	782,650
	<hr/>	<hr/>
Net Position		
Net investment in capital assets	(1,481,012)	(2,512,139)
Restricted – expendable for		
Debt service	1,058,397	720,875
Pension benefits	14,200,890	5,265,795
Unrestricted	(2,689,848)	410,415
	<hr/>	<hr/>
Total net position	11,088,427	3,884,946
	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 51,002,829</u>	<u>\$ 44,201,052</u>

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2021 – \$6,790,101, 2020 – \$5,871,813	\$ 35,835,736	\$ 33,877,055
Other	1,710,296	1,497,549
Total operating revenues	37,546,032	35,374,604
Operating Expenses		
Nursing services	8,821,219	7,617,020
Other professional services	16,711,565	13,482,225
General services	3,324,575	2,767,527
Administrative services	10,139,636	10,871,574
Depreciation	1,343,543	1,422,769
Total operating expenses	40,340,538	36,161,115
Operating Loss	(2,794,506)	(786,511)
Nonoperating Revenues (Expenses)		
Contributions	94,638	65,960
Gain (loss) on sale of capital assets	(261,837)	352,520
Investment income	28,160	45,801
Sales tax revenue	918,415	164,461
Interest and amortization expense	(723,571)	(737,467)
CARES Act funding	9,842,182	-
Total nonoperating revenues (expenses)	9,897,987	(108,725)
Income (Loss) Before Capital Grants and Gifts	7,103,481	(895,236)
Capital Grants and Gifts	100,000	-
Increase (Decrease) in Net Position	7,203,481	(895,236)
Net Position, Beginning of Year	3,884,946	4,780,182
Net Position, End of Year	\$ 11,088,427	\$ 3,884,946

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Receipts from and on behalf of patients	\$ 38,215,540	\$ 37,339,099
Payments to suppliers and contractors	(18,356,426)	(13,836,695)
Payments to and on behalf of employees	(22,158,953)	(20,076,385)
Other receipts, net	<u>1,710,876</u>	<u>1,485,070</u>
Net cash provided by (used in) operating activities	<u>(588,963)</u>	<u>4,911,089</u>
Noncapital Financing Activities		
Proceeds from issuance of long-term debt	-	3,000,000
Sales tax revenue	918,415	164,461
Provider relief funds	433,674	9,708,508
Contributions	<u>94,638</u>	<u>65,960</u>
Net cash provided by noncapital financing activities	<u>1,446,727</u>	<u>12,938,929</u>
Capital and Related Financing Activities		
Capital grants and gifts	100,000	-
Principal payments on long-term debt	(1,212,590)	(1,056,104)
Interest paid on long-term debt	(586,886)	(622,860)
Proceeds from gain on involuntary conversion	-	352,520
Purchase of capital assets	<u>(1,483,082)</u>	<u>(589,276)</u>
Net cash used in capital and related financing activities	<u>(3,182,558)</u>	<u>(1,915,720)</u>
Investing Activities		
Purchase (proceeds) from disposition of investments	<u>(276,122)</u>	<u>487,961</u>
Net cash provided by (used in) investing activities	<u>(276,122)</u>	<u>487,961</u>
Increase (Decrease) in Cash	(2,600,916)	16,422,259
Cash, Beginning of Year	<u>17,789,572</u>	<u>1,367,313</u>
Cash, End of Year	<u><u>\$ 15,188,656</u></u>	<u><u>\$ 17,789,572</u></u>

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash Provided By (Used In) Operating Activities		
Operating loss	\$ (2,794,506)	\$ (786,511)
Depreciation	1,343,543	1,422,769
Changes in operating assets and liabilities		
Patient accounts receivable, net and other receivables	386,172	263,312
Supplies	(690,101)	50,480
Prepaid expenses and other assets	40,732	(59,571)
Pension - Deferred inflows, outflows and pension asset	(1,923,001)	239,887
Estimated amounts due from and to third-party payors	2,857,585	454,510
Medicare accelerated payments	(863,953)	2,744,222
Accounts payable, accrued expenses, and other liabilities	1,054,566	581,991
Net cash provided by (used in) operating activities	\$ (588,963)	\$ 4,911,089
Supplemental Cash Flows Information		
Capital assets acquired through capital lease obligation	\$ 631,758	\$ 174,949
Capital asset acquisitions in accounts payable	\$ 61,002	\$ 65,571

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Notes to Financial Statements
June 30, 2021 and 2020

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

Nature of Operations and Reporting Entity

Nevada City Hospital, d/b/a Nevada Regional Medical Center (the “Medical Center”), is a component unit of the City of Nevada, Missouri, which owns and operates an acute care hospital in Nevada, Missouri. The Medical Center primarily earns revenue by providing inpatient, outpatient, and emergency care services to patients in Nevada, Missouri, and the surrounding area. The Medical Center also operates a psychiatric unit and provides physician clinic services in the same geographic area.

As required by accounting principles generally accepted in the United States of America, these financial statements present the Medical Center and its component units, entities for which the Medical Center is considered to be financially accountable.

The determination of financial accountability includes consideration of a number of criteria, including: (1) the Medical Center’s ability to appoint a voting majority of another entity’s governing body and to impose its will on that entity, (2) the potential for that entity to provide specific financial benefits to or impose specific financial burdens on the Medical Center, and (3) that entity’s fiscal dependency on the Medical Center.

The Nevada Regional Medical Center Foundation, Inc. (Foundation) is included in the Medical Center’s financial statements as a component unit. The Foundation is a legally separate not-for-profit Medical Center that is, in substance, a part of the Medical Center’s operations. It is organized exclusively to benefit the Medical Center by raising charitable contributions on behalf of and holding the proceeds thereof for the Medical Center. Board members include the Medical Center’s chief executive officer, a member of the Medical Center’s Board of Directors, a member of the Nevada Regional Medical Center Auxiliary, and between 15 and 19 elected members who are nominated by an appointed nominating committee.

Data of the Foundation is combined with data of the Medical Center for financial reporting purposes using the blending method. Transactions between the Medical Center and the Foundation are eliminated in combination.

Separate financial statements of the Foundation can be obtained by calling 417.667.3355 or writing to Nevada Regional Medical Center Foundation, 800 South Ash, Nevada, Missouri 64772.

Basis of Accounting and Presentation

The financial statements of the Medical Center 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

Nevada City Hospital
d/b/a Nevada Regional Medical Center
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Notes to Financial Statements
June 30, 2021 and 2020

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 Medical Center 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.

Sales Tax Revenue

The Medical Center began receiving sales tax revenues from the City of Nevada in April 2020. The Medical Center recognized approximately \$918,415 and \$164,461 for the years ended June 30, 2021 and 2020, respectively. The sales tax will terminate when the Series 2007 bonds are retired, or can be terminated by the Nevada City Council.

Risk Management

The Medical Center 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 coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center is self-insured for a portion of its exposure to risk of loss from employee health claims. The Medical Center self-insures against these claims (see *Note 7*). 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.

Investments and Investment Income

Investments in U.S. Treasury, agency, and instrumentality obligations with a remaining maturity of one year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. 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.

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Notes to Financial Statements
June 30, 2021 and 2020

Patient Accounts Receivable

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

Supplies

Supply inventories are valued 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 capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the Medical Center:

Land and land improvements	15 to 20 years
Buildings	20 to 40 years
Equipment	3 to 10 years

Capital Asset Impairment

The Medical Center evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital assets 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, 2021 and 2020.

Deferred Outflows of Resources

The Medical Center 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.

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Compensated Absences

Medical Center 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. 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 and retirement computed using rates in effect at that date.

Defined Benefit Pension Plan

The Medical Center provides pension benefits to its employees through an agent multiple-employer defined benefit pension plan. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS), and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

Deferred Inflows of Resources

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

Conditional Grants

The Medical Center received conditional grant funds during the years ended June 30, 2021 and 2020, that are not recognized in the financial statements (see *Note 2*).

Net Position

Net position of the Medical Center is classified in three components on its balance sheets.

- Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets.

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- Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Medical Center, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings and 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 Medical Center has agreements with third-party payors that provide for payments to the Medical Center 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 Medical Center provides charity care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Income Taxes

As an essential government function of the County, the Medical Center is generally exempt from federal and state income taxes under applicable sections of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income.

340B Drug Pricing Program

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

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Revisions

Certain immaterial revisions have been made to the 2020 financial statements to correct the provision for uncollectible accounts. The 2020 financial statements included a provision of \$6,000,626, which was revised to \$5,87,813 in 2021. The revision did not have an impact on the financial statement line items, nor did they impact the overall change in net position.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation. The reclassifications had no effect on the changes in financial position.

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 some of these policies have been eased and states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments reimposed certain restrictions due to increasing rates of COVID-19 cases prior to the widespread availability of a vaccine.

The Hospital's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Hospital has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its business.

The extent of the COVID-19 pandemic's adverse effect on the Hospital's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Hospital's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

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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 the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

CARES Act

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

Provider Relief Funds

The Medical Center received \$10,242,182 in federal and other grants from the CARES Act Provider Relief Fund distributions through June 30, 2021. These funds are treated as conditional contributions and included in nonoperating revenue in the statements of revenues, expenses, and changes in net position as the terms and conditions of the contributions are met. Additionally, these funds are subject to government oversight, including potential audits. During the year ended June 30, 2021, the Medical Center recognized \$9,842,182 as nonoperating revenues. As of June 30, 2021 and 2020, the Medical Center recorded \$300,000 and \$9,708,508 as unearned revenue on the balance sheets.

The Medical Center will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the impact of the pandemic on the Medical Center's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Medical Center is unable to attest to or comply with current or future terms and conditions, the Medical Center's ability to retain some or all of the distributions received may be impacted.

Medicare Accelerated and Advanced Payment Program

During the year ended June 30, 2020, the Medical Center requested accelerated Medicare payments of \$2,744,222 as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. Accelerated payments received will be required to be repaid, based on current enacted legislation, and included in current liabilities in the accompanying financial statements. During the year ended June 30, 2021, the Medical Center repaid \$292,240 of the accelerated payments. The remaining balance due is included in current and long-term Medicare accelerated payments at June 30, 2021 and 2020.

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Paycheck Protection Program

In April 2020 the Medical Center entered into a \$3,000,000 loan through the Small Business Administration (SBA) *Paycheck Protection Program and Health Care Enhancement Act*, as part of the government's response to the spread of the SARS-CoV-2 virus and the incidence of COVID-19. See *Note 9* for more information. Subsequent to June 30, 2021, the loan was forgiven.

Note 3: Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center 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 or procedure. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Swing bed services are paid at prospectively determined per diem rates that are based on the patients' acuity. The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor. Effective March 7, 2019, the Medical Center was designated as a sole-community hospital.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively established rates.

The Medical Center receives reimbursement from the Medicaid program in relation to the percentage of Medicaid and indigent population they serve. Funding received in excess of costs to provide these services may be refunded. As of June 30, 2021 and 2020, a liability of \$4,336,123 and \$750,000, respectively, has been recorded for estimated repayments. The liability as of June 30, 2021 and 2020, is based on four open years of related audits. The Medical Center received approximately \$450,000 during 2021 related to settlements on years prior to fiscal 2021.

Approximately 56 and 63 percent of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2021 and 2020, 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 Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

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Note 4: Deposits and Investments

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 Medical Center 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, 2021 and 2020, none of the Medical Center's bank balances of \$16,347,081 and \$18,472,584, respectively, were exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to the principal by the U.S. Treasury and U.S. agencies and instrumentalities in bank repurchase agreements. It may also invest to a limited extent in equity securities.

At June 30, 2021 and 2020, the Medical Center had the following investments and maturities:

Type	Fair Value	June 30, 2021			
		Less Than 1	1-5	6-10	More Than 10
Money market mutual funds	\$ 2,226,656	\$ 2,226,656	\$ -	\$ -	\$ -
U.S. government agency debt securities	378,325	-	378,325	-	-
Equity mutual funds	180,375	180,375	-	-	-
	<u>\$ 2,785,356</u>	<u>\$ 2,407,031</u>	<u>\$ 378,325</u>	<u>\$ -</u>	<u>\$ -</u>

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Type	Fair Value	June 30, 2020			
		Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Money market mutual funds	\$ 1,505,178	\$ 1,505,178	\$ -	\$ -	\$ -
U.S. government agency debt securities	764,090	379,771	384,319	-	-
Equity mutual funds	157,535	157,535	-	-	-
	<u>\$ 2,426,803</u>	<u>\$ 2,042,484</u>	<u>\$ 384,319</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Medical Center's investment policy limits its investment portfolio to maturities of less than one year. The money market and equity mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Medical Center does not have a written policy addressing credit risk. At June 30, 2021, the Medical Center's money market mutual funds, held by its bond trustee, were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service, and the equity mutual funds were not rated.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Medical Center will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Certain Medical Center investments are held by the counterparties in other than the Medical Center's name.

Concentration of Credit Risk

The Medical Center places no limit on the amount that may be invested in any one issuer. At June 30, 2021 and 2020, the Medical Center's investment in one money market fund constituted 80 percent and 62 percent, respectively, of its total investments.

Due to the level of risk associated with certain investment securities, including the underlying securities held by mutual funds, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

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Summary of Carrying Values

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

	2021	2020
Carrying value		
Deposits	\$ 15,336,040	\$ 17,991,227
Investments	<u>2,785,356</u>	<u>2,426,803</u>
	<u>\$ 18,121,396</u>	<u>\$ 20,418,030</u>
Included in the following balance sheet captions		
Cash	\$ 15,188,656	\$ 17,789,572
Restricted cash and investments – current	1,058,397	720,875
Noncurrent cash and investments	<u>1,874,343</u>	<u>1,907,583</u>
	<u>\$ 18,121,396</u>	<u>\$ 20,418,030</u>

Investment Income

Investment income consisted of interest income in the amounts of \$28,160 and \$45,801 for the years ended June 30, 2021 and 2020, respectively.

Note 5: Patient and Other Accounts Receivable

The Medical Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. Other receivables include amounts due from physicians and miscellaneous receivables. Accounts receivable at June 30, 2021 and 2020, consisted of:

	2021	2020
Medicare	\$ 2,467,362	\$ 2,540,356
Medicaid	2,161,401	2,225,344
Other third-party payors	3,206,649	3,301,513
Patients	<u>2,224,603</u>	<u>2,290,416</u>
	10,060,015	10,357,629
Less allowance for uncollectible accounts	<u>6,087,716</u>	<u>5,977,510</u>
	3,972,299	4,380,119
Other receivables	<u>54,258</u>	<u>32,610</u>
	<u>\$ 4,026,557</u>	<u>\$ 4,412,729</u>

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Note 7: Medical Malpractice Claims

The Medical Center 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 incident. Based upon the Medical Center’s claim experience, \$20,000 has been accrued at June 30, 2021 and 2020, respectively. It is reasonably possible that this estimate could change materially in the near term.

Note 8: Employee Health Benefits

The Medical Center maintains self-insurance coverage for employee health benefits. Liabilities include an estimated accrual for the ultimate costs of both reported employee health claims and claims incurred but not reported and are included in accrued expenses in the accompanying financial statements. 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 Medical Center’s estimate will change by a material amount in the near term. For the years ended June 30, 2021 and 2020, the Medical Center purchased stop-loss coverage of \$100,000 per employee from a commercial insurer.

Changes in the balance of claims liabilities, which are included in accrued expenses, during the years ended June 30 are summarized as follows:

	2021	2020
Balance, beginning of year	\$ 565,000	\$ 660,000
Estimated current year claims incurred	2,440,999	2,428,405
Claims and expenses paid	<u>(2,705,999)</u>	<u>(2,523,405)</u>
Balance, end of year	<u>\$ 300,000</u>	<u>\$ 565,000</u>

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Note 9: Long-Term Obligations

The following is a summary of long-term obligation transactions for the Medical Center for the years ended June 30, 2021 and 2020:

	2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Series 2007 Hospital					
Refunding and improvement					
Revenue bonds	\$ 13,895,000	\$ -	\$ 925,000	\$ 12,970,000	\$ 965,000
Paycheck protection program loan	3,000,000	-	-	3,000,000	3,000,000
Capital lease obligations	1,261,462	631,758	287,590	1,605,630	276,224
Nursing home loan	1,650,000	-	-	1,650,000	1,650,000
	<u>\$ 19,806,462</u>	<u>\$ 631,758</u>	<u>\$ 1,212,590</u>	<u>\$ 19,225,630</u>	<u>\$ 5,891,224</u>
Total long-term debt	<u>\$ 19,806,462</u>	<u>\$ 631,758</u>	<u>\$ 1,212,590</u>	<u>\$ 19,225,630</u>	<u>\$ 5,891,224</u>

	2020				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-Term Debt					
Series 2007 Hospital					
Refunding and improvement					
Revenue bonds	\$ 14,795,000	\$ -	\$ 900,000	\$ 13,895,000	\$ 925,000
Paycheck protection program loan	-	3,000,000	-	3,000,000	1,312,504
Capital lease obligations	1,242,616	174,949	156,103	1,261,462	169,945
Nursing home loan	1,650,000	-	-	1,650,000	1,650,000
	<u>\$ 17,687,616</u>	<u>\$ 3,174,949</u>	<u>\$ 1,056,103</u>	<u>\$ 19,806,462</u>	<u>\$ 4,057,449</u>
Total long-term debt	<u>\$ 17,687,616</u>	<u>\$ 3,174,949</u>	<u>\$ 1,056,103</u>	<u>\$ 19,806,462</u>	<u>\$ 4,057,449</u>

Revenue Bonds Payable

The Series 2007 Revenue Bonds payable consists of Health Facilities Revenue Bonds (Bonds) in the original amount of \$21,730,000 dated March 15, 2007, which bear interest at 3.700 percent to 4.375 percent. The Bonds are payable in graduated annual installments commencing October 1, 2009, and ending October 1, 2031. The Medical Center is required to make minimum monthly deposits of one-sixth of the amount of interest becoming due on all Bonds on the next succeeding interest payment date and one-twelfth of the principal of the Bonds becoming due on the next October 1 to the debt service fund held by the trustee. The Bonds are payable, both as to principal and interest, solely out of the net income and revenues arising from the operation of the Medical Center facility after providing for the costs of operation and maintenance thereof, and from all

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other income made available to the Board of Directors including investment income and gifts, bequests, contributions, grants, and all other monies, except to the extent otherwise limited by the donor or grantor. The City of Nevada and Board of Directors have pledged said net Medical Center income and revenues and other income for the payment of such principal and interest. Payments of bond principal are also secured by an insurance policy issued by a commercial insurer.

The indenture agreement requires that certain funds be established with the trustee. Accordingly, these funds are included as assets held by trustee for debt service in the balance sheets. The indenture agreement also requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a historical debt-service coverage ratio of at least 1.15, certain days cash on hand, and restrictions on incurrence of additional debt.

The debt service requirements as of June 30, 2021, on the Bonds are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2022	\$ 1,504,766	\$ 965,000	\$ 539,766
2023	1,503,145	1,005,000	498,145
2024	1,499,583	1,045,000	454,583
2025	1,494,049	1,085,000	409,049
2026	1,486,534	1,125,000	361,534
2027 – 2031	7,351,408	6,330,000	1,021,408
2032	1,445,953	1,415,000	30,953
	<u>\$ 16,285,438</u>	<u>\$ 12,970,000</u>	<u>\$ 3,315,438</u>

Paycheck Protection Program (PPP) Loan

Note payable dated April 30, 2020, in the amount of \$3,000,000 at 1.0 percent interest, monthly payments of \$167,971 payable for a period of seventeen months beginning on November 30, 2020, with a final payment on April 30, 2022. These proceeds were issued by the Small Business Administration (SBA) through the Paycheck Protection Program (*Note 2*).

Subsequent to June 30, 2021, the loan was forgiven. Any forgiveness of the loan is recognized as a gain in the financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized.

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Capital Lease Obligations

The Medical Center is obligated under leases for buildings and equipment that are accounted for as capital leases. The capital leases are secured by the related assets as collateral. Assets under capital leases at June 30, 2021 and 2020, totaled \$1,829,160 and \$1,316,110, respectively, net of accumulated depreciation of \$545,894 and \$154,878, respectively. The following is a schedule by year of future minimum lease payments under the capital lease including interest at rates of 1.50 percent to 6.71 percent together with the present value of the future minimum lease payments as of June 30, 2021:

Year Ending June 30,	
2022	\$ 322,202
2023	275,216
2024	270,084
2025	233,920
2026	154,638
2027 – 2031	446,190
2032 – 2035	52,055
Total minimum lease payments	1,754,305
Less amount representing interest	148,675
Present value of future minimum lease payments	\$ 1,605,630

Nursing Home Loan

The Medical Center received loans totaling \$1,650,000 from Nevada City Nursing Home, d/b/a Moore-Few Care Center and Barone Care Center (the “Nursing Home”), which is also a component unit of the City of Nevada, Missouri. The Medical Center is required to pay the full amount to the Nursing Home if it meets certain days cash on hand amounts. The loan is unsecured with no interest. See *Note 13* for additional information.

The debt service requirements on the Nursing Home loan as of June 30, 2021, are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2022	\$ 1,650,000	\$ 1,650,000	\$ -

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Note 10: Charity Care

The costs of charity care provided under the Medical Center's charity care policy were approximately \$747,000 and \$1,132,000 for the years ended June 30, 2021 and 2020, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Note 11: Commitments

The Medical Center has entered into an agreement with a software provider related to an information technology system. Under this agreement the Medical Center is required to make payments for items such as remote hosting fees, maintenance and support, service agreements, etc., of approximately \$750,000 each year through 2022. Payments are anticipated to be made from the Medical Center's operating cash flows. Expenses to the software providers were \$1,257,793 and \$1,125,742 in 2021 and 2020, respectively.

As of June 30, 2021 and 2020, the Medical Center owed the software provider approximately \$1,367,000 and \$647,000, respectively, which is included in accounts payable in the accompanying financial statements.

Note 12: Pension Plan

Plan Description

The Medical Center's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Medical Center 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.

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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 on 5 years of average salary and a benefit multiplier of 1.25 percent. 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.

Benefit terms provide for annual postretirement 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.

The employees covered by the Plan at June 30, 2021 and 2020, are:

	2021	2020
Inactive employees or beneficiaries currently receiving benefits	196	196
Inactive employees entitled to but not yet receiving benefits	108	104
Active employees	261	245
	565	545

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, 2021 and 2020, the employer contribution rate was 3.6 percent and 3.4 percent, respectively.

Net Pension Asset

The Medical Center's net pension asset was measured as of June 30, 2021 and 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2021, and February 28, 2020, rolled forward to June 30, 2021 and 2020, respectively.

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The total pension liability in the February 29, 2021, and February 28, 2020, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2021	
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% average, including inflation
Investment rate of return	7.00%, net of investment and administrative expenses
2020	
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% average, including wage inflation
Investment rate of return	7.25% net of investment expenses

For 2021, the healthy retiree mortality tables for post-retirement mortality, used in evaluating allowances to be paid were 115 percent of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115 percent of the PubNS-2010 Disabled Retiree Table.

Mortality table for males and females. The preretirement mortality tables used were 75 percent of the PubG-2010 Employee Mortality Table for males and females of general groups and 75 percent of the PubS-2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

For 2020, 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.

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.

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The actuarial assumptions used in the February 28, 2021, and February 29, 2020, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 28, 2021, and the period March 1, 2010, through February 28, 2015, respectively.

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:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent and 7.25 percent for the years ended June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumes that employer 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 payments to determine the total pension liability.

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

	2021		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balance, beginning of year	<u>\$ 33,928,286</u>	<u>\$ 39,194,081</u>	<u>\$ (5,265,795)</u>
Changes for the year			
Service cost	793,708	-	793,708
Interest	2,429,735	-	2,429,735
Differences between expected and actual experience	(428,904)	-	(428,904)
Contributions – employer	-	527,353	(527,353)
Net investment income	-	10,455,321	(10,455,321)
Changes in assumptions	(1,188,065)	-	(1,188,065)
Benefit payments, including refunds of employee contributions	(1,637,877)	(1,637,877)	-
Administrative expense	-	(55,685)	55,685
Other	-	(385,420)	385,420
Net changes	<u>(31,403)</u>	<u>8,903,692</u>	<u>(8,935,095)</u>
Balance, end of year	<u><u>\$ 33,896,883</u></u>	<u><u>\$ 48,097,773</u></u>	<u><u>\$ (14,200,890)</u></u>

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	2020		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balance, beginning of year	\$ 32,992,323	\$ 39,970,469	\$ (6,978,146)
Changes for the year			
Service cost	780,750	-	780,750
Interest	2,362,289	-	2,362,289
Differences between expected and actual experience	(593,711)	-	(593,711)
Contributions – employer	-	445,235	(445,235)
Net investment income	-	523,292	(523,292)
Benefit payments, including refunds of employee contributions	(1,613,365)	(1,613,365)	-
Administrative expense	-	(71,129)	71,129
Other	-	(60,421)	60,421
Net changes	<u>935,963</u>	<u>(776,388)</u>	<u>1,712,351</u>
Balance, end of year	<u>\$ 33,928,286</u>	<u>\$ 39,194,081</u>	<u>\$ (5,265,795)</u>

The net pension asset of the Medical Center has been calculated using a discount rate of 7.00 percent. The following presents the net pension asset using a discount rate 1 percent higher and 1 percent lower than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u></u>	<u></u>	<u></u>
Medical Center's net pension asset	\$ 9,477,928	\$ 14,200,890	\$ 18,083,637

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

For the years ended June 30, 2021 and 2020, the Medical Center recognized pension expense (credit) of \$(1,395,648) and \$685,122, respectively. At June 30, 2021 and 2020, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,661	\$ 817,319
Assumption changes	-	931,097
Net difference between projected and actual earnings on pension plan investments	-	4,987,982
Total	\$ 67,661	\$ 6,736,398
	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,025	\$ 782,650
Assumption changes	19,880	-
Net difference between projected and actual earnings on pension plan investments	1,003,102	-
Total	\$ 1,126,007	\$ 782,650

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Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021, will be recognized in pension expense as follows:

2022	\$ (1,944,509)
2023	(1,465,878)
2024	(1,506,524)
2025	<u>(1,751,826)</u>
	<u><u>\$ (6,668,737)</u></u>

Payable to LAGERS

At June 30, 2021 and 2020, the Medical Center reported a payable of \$0 and \$36,108 for the outstanding amount of contributions to the pension plan required for both years ended June 30, 2021 and 2020, which is included in accrued expenses in the accompanying financial statements.

Note 13: Related Party Transactions

Nevada City Nursing Home, d/b/a Moore-Few Care Center and Barone Care Center

The Medical Center provides dietary, maintenance, and administrative services to the Nursing Home. Approximately \$1,675,000 and \$1,755,000, respectively, of other expenses are directly allocated to the Nursing Home. Included in due from related party is unsecured noninterest bearing amounts of \$133,638 and \$134,218 due from the Nursing Home at June 30, 2021 and 2020, respectively, related to these services.

During 2017, the Nursing Home purchased property and two clinics for \$1,198,000 which it then leased to the Medical Center. The Medical Center accounted for the transaction as a capital lease obligation (*Note 9*). 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 1.50 percent. Beginning three years from the inception of the lease and every three years thereafter, monthly lease payments shall be adjusted based on a three-year United States Treasury rate, with a floor of 1.50 percent.

The Nursing Home has loaned \$1,650,000 to the Medical Center. See *Note 9* for the related terms.

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Foundation

The Nursing Home has transferred funds to the Foundation for investment. The balance of such funds being held for the Nursing Home at June 30, 2021 and 2020, is \$80,134 for both years, and is included in current liabilities as funds held for others.

Management Agreement

The Medical Center has entered into a management agreement, with support provided by a nearby health system. The initial term of the agreement was two years beginning on November 1, 2017, with an automatic two-year renewal on November 1, 2019. The management agreement expired after June 30, 2021. The annual fee under the agreement is \$200,000, plus reimbursement for executive's compensation. As of June 30, 2021 and 2020, the Medical Center owed the health system approximately \$1,766,000 and \$1,672,000, respectively, which is included in accounts payable in the accompanying financial statements. The Medical Center recorded \$202,608 and \$205,786 in management fee expenses at June 30, 2021 and 2020, respectively.

Note 14: Contingencies

Litigation

In the normal course of business, the Medical Center 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 Medical Center's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Medical Center 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.

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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 June 30, 2021 and 2020:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021				
Money market mutual funds	\$ 2,226,656	\$ 2,226,656	\$ -	\$ -
U.S. government agency debt securities	378,325	-	378,325	-
Equity mutual funds	180,375	180,375	-	-
June 30, 2020				
Money market mutual funds	1,505,178	1,505,178	-	-
Corporate bonds	764,090	-	764,090	-
Equity mutual funds	157,535	157,535	-	-

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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: Subsequent Events

Subsequent events have been evaluated through April 26, 2022, which is the date the financial statements were available to be issued.

Required Supplementary Information

Nevada City Hospital
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Required Supplementary Information
Schedule of Changes in the Net Pension Asset and Related Ratios

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 793,708	\$ 780,750	\$ 778,440	\$ 752,518	\$ 705,588	\$ 659,381	\$ 803,506
Interest on total pension liability	2,429,735	2,362,289	2,246,734	2,185,342	2,092,854	1,926,517	1,901,312
Changes in assumptions	(1,188,065)	-	-	-	-	1,181,100	-
Difference between expected and actual experience	(428,904)	(593,711)	173,753	(659,631)	(206,621)	(228,887)	(486,068)
Change in benefit terms	-	-	-	-	-	-	(621,081)
Benefit payments	(1,637,877)	(1,613,365)	(1,599,276)	(1,294,408)	(1,382,404)	(1,154,593)	(1,202,988)
Net Change in Total Pension (Asset) Liability	(31,403)	935,963	1,599,651	983,821	1,209,417	2,383,518	394,681
Total Pension Liability – Beginning	<u>33,928,286</u>	<u>32,992,323</u>	<u>31,392,672</u>	<u>30,408,851</u>	<u>29,199,434</u>	<u>26,815,916</u>	<u>26,421,235</u>
Total Pension Liability – Ending (a)	<u>33,896,883</u>	<u>33,928,286</u>	<u>32,992,323</u>	<u>31,392,672</u>	<u>30,408,851</u>	<u>29,199,434</u>	<u>26,815,916</u>
Fiduciary Net Position							
Employer contributions	527,353	445,235	477,031	410,332	345,604	459,442	594,985
Net investment income	10,455,321	523,292	2,502,067	4,332,089	3,895,180	(79,813)	656,037
Benefit payments	(1,637,877)	(1,613,365)	(1,599,276)	(1,294,408)	(1,382,404)	(1,154,593)	(1,202,988)
Administrative expenses	(55,685)	(71,129)	(61,579)	(44,049)	(43,069)	(43,493)	(46,042)
Other	(385,420)	(60,421)	(208,849)	(387,772)	(122,608)	24,293	(41,044)
Net Change in Fiduciary Net Position	8,903,692	(776,388)	1,109,394	3,016,192	2,692,703	(794,164)	(39,052)
Fiduciary Net Position – Beginning	<u>39,194,081</u>	<u>39,970,469</u>	<u>38,861,075</u>	<u>35,844,883</u>	<u>33,152,180</u>	<u>33,946,344</u>	<u>33,985,396</u>
Fiduciary Net Position – Ending (b)	<u>48,097,773</u>	<u>39,194,081</u>	<u>39,970,469</u>	<u>38,861,075</u>	<u>35,844,883</u>	<u>33,152,180</u>	<u>33,946,344</u>
Medical Center’s Net Pension Asset, Ending = (a) - (b)	<u>\$ (14,200,890)</u>	<u>\$ (5,265,795)</u>	<u>\$ (6,978,146)</u>	<u>\$ (7,468,403)</u>	<u>\$ (5,436,032)</u>	<u>\$ (3,952,746)</u>	<u>\$ (7,130,428)</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	141.89%	115.52%	121.15%	123.79%	117.88%	113.54%	126.57%
Covered Payroll	\$ 14,695,387	\$ 13,113,471	\$ 13,350,685	\$ 13,168,042	\$ 12,399,005	\$ 11,684,198	\$ 11,090,655
Medical Center’s Net Pension Asset as a Percentage of Covered Payroll	-96.64%	-40.16%	-52.27%	-56.72%	-43.84%	-33.83%	-64.29%

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

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Required Supplementary Information
Schedule of Medical Center Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2012	864,409	747,598	116,811	11,681,208	6.40%
2013	806,960	806,960	-	12,044,180	6.70%
2014	755,140	755,140	-	11,622,204	6.50%
2015	595,335	594,985	350	11,376,911	5.23%
2016	458,710	459,442	(732)	12,071,323	3.81%
2017	458,710	345,604	113,106	12,071,323	2.86%
2018	408,560	410,332	(1,772)	13,180,613	3.11%
2019	477,094	477,031	63	12,894,421	3.70%
2020	442,910	445,235	(2,325)	13,026,771	3.42%
2021	529,034	527,353	1,681	14,695,387	3.59%

Notes to Schedule:

Valuation Date: February 28, 2021

The rollforward of total pension liability from February 29, 2021, to June 30, 2021, reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

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	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.75%, including wage inflation
Net investment rate of return	7.00%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups.
	Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other information	None

Supplementary Information

Nevada City Hospital
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Patient Accounts Receivable
June 30, 2021 and 2020

	2021		2020	
	Amount	Percent	Amount	Percent
Patient Accounts				
Medicare	\$ 4,270,674	20.9%	\$ 4,260,315	21.4%
Medicaid	3,817,967	18.7%	4,858,275	24.4%
Private insurance	4,758,078	23.2%	4,287,537	21.6%
Self-pay	7,613,059	37.2%	6,473,992	32.6%
	<u>20,459,778</u>	<u>100.0%</u>	<u>19,880,119</u>	<u>100.0%</u>
Other Receivables	<u>54,258</u>		<u>32,610</u>	
	20,514,036		19,912,729	
Allowance for Contractual Adjustments	(10,399,763)		(9,522,490)	
Allowance for Uncollectible Accounts	<u>(6,087,716)</u>		<u>(5,977,510)</u>	
	<u>\$ 4,026,557</u>		<u>\$ 4,412,729</u>	
Aging of Patient Accounts				
Discharged during the month of				
June (includes in-house and unbilled accounts)	\$ 9,272,047	45.3%	\$ 10,213,529	51.4%
May	2,328,400	11.4%	1,264,881	6.3%
April	1,518,314	7.4%	1,294,540	6.5%
March	1,094,352	5.3%	1,192,496	6.0%
Prior to March	6,246,666	30.6%	5,914,673	29.8%
	<u>\$ 20,459,778</u>	<u>100.0%</u>	<u>\$ 19,880,119</u>	<u>100.0%</u>

Nevada City Hospital
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Net Patient Service Revenue
Years Ended June 30, 2021 and 2020

	2021	2020
Daily Patient Services		
Medical/surgical and swing bed	\$ 2,352,646	\$ 2,259,313
Obstetrics	2,020,094	1,611,783
Intensive care	2,234,055	1,800,000
Behavioral health unit	11,700,244	11,613,790
Senior psych	-	623,534
Hospitalist	663,465	601,967
Nursery	901,601	963,742
	<u>19,872,105</u>	<u>19,474,129</u>
Other Nursing Services		
Operating rooms	7,414,760	6,884,998
Recovery rooms	1,197,492	1,175,164
Delivery and labor rooms	1,462,589	1,496,093
Emergency service	9,635,194	8,858,821
	<u>19,710,035</u>	<u>18,415,076</u>
Other Professional Services		
Laboratory	717,447	665,076
Gastrointestinal lab	3,001,041	2,728,735
Transfusion service	588,898	517,771
Electrocardiology	1,187,272	914,891
Electroencephalography	-	-
Cardiac rehabilitation	277,534	244,141
Radiology	3,971,521	3,533,100
Nuclear medicine	1,029,140	718,931
Ultrasound	3,135,227	2,749,039
Computerized tomography	9,835,474	8,358,963
Magnetic resonance imaging	2,544,358	2,229,043
Pharmacy	5,744,073	5,310,553
Anesthesiology	2,458,458	2,398,217
Respiratory therapy	2,062,543	1,980,743
Physical therapy	1,513,732	1,374,758
Occupational therapy	559,036	533,620
Speech therapy	153,172	178,038
Occupational medicine	19,481	20,561
Wound/ostomy	933,597	1,163,748
Emergency room physicians	5,469,966	5,234,641
Ambulatory care	883,547	838,414
Rich Hill clinic	401,482	382,920
Orthopedic/specialty clinics	1,481,443	1,629,493
Physicians clinic	5,728,297	3,600,041
NowCare clinic	1,670,193	1,604,021
Wellness	573,936	475,194
Microbiology	3,618,112	1,860,952
Hematology	5,256,804	3,410,623
Chemistry	7,167,102	6,086,902
NRPCC	2,448,568	2,132,768
Acceleration program	394,804	471,012
	<u>74,826,258</u>	<u>63,346,909</u>

Nevada City Hospital
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Net Patient Service Revenue
Years Ended June 30, 2021 and 2020

	2021	2020
Gross Patient Service Revenue	\$ 114,408,398	\$ 101,236,114
Less Allowances		
Medicare contractual allowances	29,386,189	26,820,313
Medicaid contractual allowances	20,193,605	15,300,572
Other allowances	19,391,535	16,260,262
Charity care	2,811,232	3,106,099
Provision for uncollectible accounts	6,790,101	5,871,813
	78,572,662	67,359,059
Net Patient Service Revenue	\$ 35,835,736	\$ 33,877,055

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Other Revenue
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cafeteria	\$ 214,114	\$ 222,675
Miscellaneous	195,200	60,269
Contract 340B pharmacy revenue	1,288,037	1,200,485
Rental of office space	<u>12,945</u>	<u>14,120</u>
	<u>\$ 1,710,296</u>	<u>\$ 1,497,549</u>

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Expenses
Years Ended June 30, 2021 and 2020

	Salaries	2021 Supplies and Expense	Total
Nursing Services			
Nursing administration	\$ 578,681	\$ 49,138	\$ 627,819
Medical and surgical	462,514	97,420	559,934
Obstetrics	730,512	115,163	845,675
Intensive care	403,782	7,682	411,464
Behavioral health unit	1,884,946	238,497	2,123,443
Senior pysch	9,004	8,066	17,070
Nursery	-	4,965	4,965
Operating and recovery rooms	523,172	659,740	1,182,912
Central service	21,546	77,935	99,481
Emergency service	1,400,929	1,168,459	2,569,388
Admissions	359,631	19,437	379,068
	<u>6,374,717</u>	<u>2,446,502</u>	<u>8,821,219</u>
Other Professional Services			
Laboratory	501,418	1,177,774	1,679,192
Gastrointestinal lab	34,806	110,996	145,802
Transfusion service	-	68,622	68,622
Electrocardiology	-	82,808	82,808
Clinic administration	-	4,650	4,650
Cardiac rehabilitation	89,094	2,035	91,129
Radiology	352,040	133,834	485,874
Nuclear medicine	69,070	82,002	151,072
Ultrasound	122,759	41,743	164,502
Computerized tomography	48,436	159,719	208,155
Magnetic resonance imaging	37,840	84,372	122,212
Pharmacy	247,751	1,574,294	1,822,045
Anesthesiology	608,884	69,921	678,805
Respiratory therapy	283,933	92,281	376,214
Physical therapy	327,584	16,973	344,557
Occupational therapy	181,707	3,061	184,768
Speech therapy	76,734	1,307	78,041
Sports medicine	38,425	30	38,455
Acceleration program	30,973	37,097	68,070
Wound/ostomy	177,147	102,966	280,113
Disaster recovery	342,431	735,402	1,077,833
Medical records	480,590	11,443	492,033
Emergency room physicians	15,940	1,601,002	1,616,942
Social service	91,950	492	92,442
Ambulatory care	147,045	51,474	198,519
Clinic administration	159,618	-	159,618
Rich Hill clinic	184,561	37,074	221,635
Sheldon clinic	203,411	2,402	205,813
Orthopedic/specialty clinics	4,798	452,733	457,531
Physicians clinic	1,621,420	540,652	2,162,072
NowCare clinic	691,840	53,278	745,118
Psych/Op	-	-	-
Hyperbaric	33,187	229	33,416
Hospitalist	349,318	56,631	405,949
Wellness	54,066	100,141	154,207
Microbiology	-	273,175	273,175
Hematology	-	107,476	107,476
Chemistry	-	147,128	147,128
NRPCC	985,550	100,022	1,085,572
Medical stability	-	-	-
	<u>8,594,326</u>	<u>8,117,239</u>	<u>16,711,565</u>

2020		
Salaries	Supplies and Expense	Total
\$ 580,594	\$ 44,509	\$ 625,103
552,587	72,822	625,409
600,951	83,879	684,830
258,576	21,438	280,014
1,788,534	498,814	2,287,348
154,046	12,164	166,210
-	9,519	9,519
424,466	642,629	1,067,095
655	69,496	70,151
1,145,640	284,566	1,430,206
355,247	15,888	371,135
<u>5,861,296</u>	<u>1,755,724</u>	<u>7,617,020</u>
485,469	402,632	888,101
65,029	98,401	163,430
-	67,692	67,692
-	59,462	59,462
-	-	-
86,182	4,891	91,073
309,231	77,948	387,179
64,362	79,285	143,647
154,821	66,712	221,533
55,748	163,555	219,303
46,819	94,133	140,952
181,736	1,505,614	1,687,350
646,380	78,031	724,411
238,569	80,428	318,997
329,993	9,475	339,468
123,454	404	123,858
75,413	96	75,509
40,477	-	40,477
36,833	41,236	78,069
114,176	142,669	256,845
-	-	-
465,980	7,488	473,468
79,370	1,718,074	1,797,444
91,665	457	92,122
150,487	46,873	197,360
126,014	-	126,014
180,335	34,619	214,954
162,670	2,259	164,929
15,409	615,096	630,505
961,549	316,414	1,277,963
675,664	96,223	771,887
1,703	-	1,703
47,860	241	48,101
117,673	60,518	178,191
62,605	107,868	170,473
-	160,380	160,380
-	72,413	72,413
-	138,211	138,211
859,827	78,924	938,751
-	-	-
<u>7,053,503</u>	<u>6,428,722</u>	<u>13,482,225</u>

Nevada City Hospital
d/b/a Nevada Regional Medical Center
A Component Unit of the City of Nevada, Missouri
Expenses
Years Ended June 30, 2021 and 2020

	Salaries	2021 Supplies and Expense	Total
General Services			
Dietary	\$ 439,817	\$ 459,676	\$ 899,493
Laundry	23,429	182,173	205,602
Plant operation and maintenance	372,995	1,328,335	1,701,330
Housekeeping	445,311	71,499	516,810
Intercompany	-	462	462
Transportation	-	878	878
	<u>1,281,552</u>	<u>2,043,023</u>	<u>3,324,575</u>
Administrative Services			
Foundation	-	16,702	16,702
General accounting	300,518	342,922	643,440
Business office	451,686	248,928	700,614
Data processing	314,453	1,286,408	1,600,861
Administrative	1,002,523	810,711	1,813,234
Medicaid provider assessment	-	2,113,799	2,113,799
Personnel	62,173	73,591	135,764
Employee health	28,053	22,838	50,891
Storeroom	161,091	(49,981)	111,110
Insurance	-	549,186	549,186
Employee benefits	-	2,404,035	2,404,035
	<u>2,320,497</u>	<u>7,819,139</u>	<u>10,139,636</u>
Depreciation	<u>-</u>	<u>1,343,543</u>	<u>1,343,543</u>
	<u>\$ 18,571,092</u>	<u>\$ 21,769,446</u>	<u>\$ 40,340,538</u>

2020		
Supplies		
Salaries	and Expense	Total
\$ 449,317	\$ 443,034	\$ 892,351
30,173	172,690	202,863
309,385	903,560	1,212,945
406,476	51,455	457,931
-	-	-
-	1,437	1,437
<u>1,195,351</u>	<u>1,572,176</u>	<u>2,767,527</u>
-	54,340	54,340
267,442	268,155	535,597
376,184	204,198	580,382
259,504	1,140,272	1,399,776
860,571	784,977	1,645,548
-	1,666,288	1,666,288
59,306	68,028	127,334
22,354	16,469	38,823
155,715	6,146	161,861
-	399,442	399,442
-	4,262,183	4,262,183
<u>2,001,076</u>	<u>8,870,498</u>	<u>10,871,574</u>
-	1,422,769	1,422,769
<u>\$ 16,111,226</u>	<u>\$ 20,049,889</u>	<u>\$ 36,161,115</u>