

Cameron Memorial Community Hospital, Inc.

Financial Statements and Supplementary Information

Years Ended September 30, 2022 and 2021



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Cameron Memorial Community Hospital, Inc.

Years Ended September 30, 2022 and 2021

Table of Contents

Independent Auditor's Report.....	1
Financial Statements	
Consolidated Balance Sheets.....	4
Consolidated Statements of Operations and Changes in Net Assets.....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	9
Supplementary Information	
Consolidating Balance Sheets	32
Consolidating Statements of Operations and Changes in Net Assets.....	36
Compliance	
Schedule of Expenditures of Federal Awards.....	39
Notes to Schedule of Expenditures of Federal Awards.....	40
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	43
Schedule of Findings and Questioned Costs.....	45

Independent Auditor's Report

Board of Directors
Cameron Memorial Community Hospital, Inc.
Angola, Indiana

Report on the Audit of the Financials Statements

Opinion

We have audited the accompanying consolidated financials statements (the "financials statements") of Cameron Memorial Community Hospital, Inc. (the "Hospital"), which comprise the consolidated balance sheet as of September 30, 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financials statements.

In our opinion, the accompanying financials statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2022, and the results of its operations for the year then ended in accordance with GAAP ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financials Statements

Management is responsible for the preparation and fair presentation of the financials statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financials statements that are free from material misstatement, whether due to fraud or error.

In preparing the financials statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financials Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financials statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financials statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financials statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

The financial statements of the Hospital as of and for the year ended September 30, 2021, were audited by another auditor, whose report dated December 21, 2021, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financials statements as a whole. The accompanying consolidating balance sheets and statements of operations and changes in net assets, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financials statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financials statements. The information has been subjected to the auditing procedures applied in the audit of the financials statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financials statements or to the financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financials statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin
December 20, 2022

Cameron Memorial Community Hospital, Inc.

Consolidated Balance Sheets

September 30, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 21,670,988	\$ 25,254,866
Patient accounts receivable	11,881,560	10,803,145
Other receivables	647,623	658,157
Inventories	1,675,504	1,626,139
Prepaid expenses	2,613,081	890,001
Total current assets	38,488,756	39,232,308
Investments	24,115,444	26,826,290
Assets limited as to use	3,878,866	812,352
Property and equipment - Net	39,015,751	41,047,109
Other assets - Intangible assets and goodwill - Net	897,483	990,371
TOTAL ASSETS	\$ 106,396,300	\$ 108,908,430

Cameron Memorial Community Hospital, Inc.

Consolidated Balance Sheets

September 30, 2022 and 2021

Liabilities and Net Assets	2022	2021
Current liabilities:		
Current portion of long-term debt	\$ 960,667	\$ 930,373
Accounts payable	3,250,645	3,070,406
Accrued wages and benefits	6,391,118	6,461,094
Amounts payable to third-party reimbursement programs	231,096	7,385,569
Deferred revenue	743,489	194,634
Other	1,417,287	951,505
Total current liabilities	12,994,302	18,993,581
Long-term debt - Less current portion	39,830,403	40,763,326
Total liabilities	52,824,705	59,756,907
Net assets:		
Without donor restriction	53,157,597	48,748,470
With donor restriction	413,998	403,053
Total net assets	53,571,595	49,151,523
TOTAL LIABILITIES AND NET ASSETS	\$ 106,396,300	\$ 108,908,430

See accompanying notes to consolidated financial statements.

Cameron Memorial Community Hospital, Inc.

Consolidated Statements of Operations and Changes in Net Assets

Years Ended September 30, 2022 and 2021

	2022	2021
Revenue:		
Net patient service revenue	\$ 95,055,365	\$ 84,912,106
Other operating revenue	6,586,572	8,215,352
Total revenue	101,641,937	93,127,458
Expenses:		
Salaries and wages	36,501,310	32,744,765
Fringe benefits	10,444,289	10,020,100
Supplies and other	38,330,648	35,408,506
Depreciation	5,074,503	5,215,092
Interest	1,324,269	1,485,960
Total expenses	91,675,019	84,874,423
Income from operations	9,966,918	8,253,035
Other income:		
Contributions - Net	(145,877)	247,506
Investment income (loss)	(5,419,110)	4,748,167
Net assets released from donor restrictions	106,599	169,170
Other	(60,000)	-
Loss on disposal of property and equipment	(39,403)	(6,046)
Total other income (loss) - Net	(5,557,791)	5,158,796
Increase in net assets without donor restrictions	4,409,127	13,411,831
Change in net assets with donor restrictions:		
Contributions	117,544	28,136
Net assets released from restrictions	(106,599)	(169,170)
Increase (decrease) in net assets with donor restrictions	10,945	(141,034)
Increase in net assets	4,420,072	13,270,797
Net assets at beginning of year	49,151,523	35,880,726
Total net assets at end of year	\$ 53,571,595	\$ 49,151,523

See accompanying notes to consolidated financial statements.

Cameron Memorial Community Hospital, Inc.

Consolidated Statements of Cash Flows

Years Ended September 30, 2022 and 2021

	2022	2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 4,420,072	\$ 13,270,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,074,503	5,215,092
Amortization of deferred financing costs	27,743	27,743
Amortization of goodwill and intangible assets	92,888	3,236
Loss on disposal of property and equipment	39,403	6,046
Net realized and unrealized (gain) loss on investments	6,670,892	(4,727,115)
Restricted contributions	(117,544)	(28,136)
Changes in operating assets and liabilities:		
Patient and other accounts receivable	(1,067,881)	(2,254,168)
Other current assets	(1,772,445)	(262,224)
Accounts payable	334,318	738,081
Accrued and other current liabilities	395,806	2,972,853
Amounts payable to third-party reimbursement programs	(7,154,473)	(499,889)
Deferred revenue	548,855	(3,321,034)
Net cash provided by operating activities	7,492,137	11,141,282
Cash flows from investing activities:		
Increase (decrease) in investments and assets limited as to use	(7,026,560)	204,150
Purchases of property and equipment	(3,124,082)	(4,188,026)
Proceeds from disposals of property and equipment	5,000	-
Cash paid for intangible assets	-	(107,894)
Net cash used in investing activities	(10,145,642)	(4,091,770)

Cameron Memorial Community Hospital, Inc.

Consolidated Statements of Cash Flows (Continued)

Years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from financing activities:		
Principal payments on long-term debt	\$ (930,372)	\$ (817,200)
Proceeds from issuance of long-term debt	-	61,119
Restricted contributions	117,544	28,136
Net cash used in financing activities	(930,372)	(727,945)
Net increase (decrease) in cash and cash equivalents	(3,583,878)	6,321,567
Cash and cash equivalents at beginning	25,254,866	18,933,299
Cash and cash equivalents at end	\$ 21,670,988	\$ 25,254,866
Supplemental cash flow information:		
Cash paid for interest	\$ 1,296,526	\$ 1,458,217
Property and equipment in accounts payable at year-end	72,867	153,804

See accompanying notes to consolidated financial statements.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

The Entity and Nature of Business

Cameron Memorial Community Hospital, Inc. (the "Hospital"), a not-for-profit organization, is a general acute care facility in Angola, Indiana with 25 licensed beds and associated ancillary service departments including outpatient services, an urgent care center, and several primary care and specialty physician offices. The Hospital provides health care services primarily in the northeast portion of Indiana.

Cameron Medical Outreach, Inc. ("CMO"), a not-for-profit organization, is a community outreach organization providing health care needs of indigent individuals, medically underserved areas, and the community as a whole. CMO earns revenue from rental and leasing arrangements and healthcare services which primarily include an assisted living facility and retail pharmacy in Angola, Indiana. The Hospital is the sole member of CMO.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital and CMO, after elimination of significant intercompany accounts and transactions. The organizations are collectively referred to as the Hospital throughout the accompanying consolidated financial statements and notes to the consolidated financial statements.

Consolidated Financial Statement Presentation

The Hospital follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of consolidated financial statements in conformity with GAAP.

Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash Equivalents

The Hospital considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts included in assets limited as to use.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy

Patient accounts receivable is reported at the amount that reflects the consideration to which the Hospital expects to be entitled, in exchange for providing patient care services. Patient accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and implicit price concessions which reflects management's estimate of the transaction price. The Hospital estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions and is recorded through a reduction of gross revenue and a credit to patient accounts receivable. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Hospital does not have a policy to charge interest on past due accounts.

Inventories

Inventory consists mainly of pharmaceuticals and medical supplies and is stated at the lower of cost, determined using the first-in, first-out (FIFO) method, or net realizable value.

Investments, Assets Limited As To Use, and Investment Income (Loss)

Investments, including assets limited as to use, are measured at fair value in the accompanying consolidated balance sheets.

Assets limited as to use consist of assets designated by the Board of Directors for future capital improvements, over which the Board of Directors retains control and may at its discretion subsequently be used for other purposes, and amounts restricted by donors.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in nonoperating income and included in revenue in excess of expenses unless the income or loss is restricted by donor or law. Realized gains and losses are determined by specific identification.

The Hospital monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than temporary results in an impairment and the Hospital reduces the investment's carrying value to fair value. A new cost basis is established for the investment and any impairment loss is recorded as a realized loss in investment income.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Hospital measures fair value of its financial instruments using a three-tier hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Property, Equipment and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, market value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Leasehold improvements are amortized over the shorter period of the estimated useful life or the remaining term of the lease. Assets acquired with capital lease obligations are included in property and equipment and the related obligation is included in long-term debt in the accompanying consolidated balance sheets and the related assets are amortized over the shorter period of the estimated useful life of the asset or the remaining lease term. Estimated useful lives of property and equipment range from 5 to 50 years for buildings and improvements and 3 to 20 years for fixed equipment.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property, Equipment and Depreciation (Continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from revenue in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Hospital reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

Maintenance and repair costs are charged to expense as incurred. Gains and losses on disposition of property and equipment are reflected in other income (loss).

Impairment of Long-Lived Assets

The Hospital evaluates the recoverability of its long-lived assets, which consist primarily of property and equipment with estimated useful lives, whenever events or changes in circumstance indicate that the carrying value may not be recoverable. If the recoverability of these assets is unlikely because of the existence of factors indicating impairment, an impairment analysis is performed using a projected undiscounted cash flow method. Management must make assumptions regarding estimated future cash flows and other factors to determine the fair value of these respective assets. If the carrying amounts of the assets exceed their respective fair values, the carrying value of the underlying assets would be adjusted to fair value and an impairment loss would be recognized. During 2022 and 2021, the Hospital determined that no evaluations of recoverability were necessary.

Intangible Assets

The intangible assets included in the accompanying consolidated financial statements include both intangible assets and goodwill.

Goodwill represents the excess of the total cost of an acquisition over the fair value of the underlying identifiable net assets at the date of an acquisition. Goodwill purchased by the Hospital relates to purchases of the operations of clinical practices. Prior to 2022, Goodwill was deemed to have an indefinite useful life; however, effective in 2022, the Hospital elected to amortize the previously acquired goodwill over a ten year period of time. Accumulated amortization of the goodwill totaled approximately \$89,000 at September 30, 2022.

During 2021, the Hospital purchased intangible assets of approximately \$108,000 related to a clinic practice acquisition, which being are amortized over a period of 25 years. Accumulated amortization was approximately \$7,300 and \$3,000 as of September 30, 2022 and 2021, respectively. Amortization expense is expected to be approximately \$4,300 annually for 2023 through 2026 and approximately \$83,500 thereafter.

Both goodwill and the intangible assets are reviewed at least annually for impairment. No impairment was noted in 2022 or 2021.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are amortized over the term of the respective debt. The deferred financing costs are classified with long-term debt and are amortized using over the respective term of the debt issues.

Net Assets with Donor Restrictions

Net assets without donor restrictions consist of investments and otherwise amounts that are available for use in carrying out the mission of the Hospital not subject to donor-imposed stipulations and include those expendable resources which have been designated for special use by the Board of Directors. Net assets with donor restrictions are those whose use by the Hospital has been limited by donors to a specific time period, purpose, or have been restricted by donors to be maintained by the Hospital in perpetuity.

Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Generally, the majority of patient care services provided in or by the Hospital, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed and recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

The Hospital uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The nature, amount, timing and uncertainty of revenue and cash flows are affected by several factors that the Hospital considers in its recognition of revenue. Following are some of the factors considered:

- Payors (for example, Medicare, Medicaid, managed care, other insurances, etc.) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care (i.e. inpatient, outpatient, emergency, clinic, etc.)
- Geography of the service location
- Organization's line of business that provided the service (i.e. hospital, clinics, etc.)

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue (Continued)

The Hospital determines the transaction price, which involves significant estimates and judgement, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's policy, and implicit price concessions provided to patients. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Hospital determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type.

The Hospital has agreements with third-party payors that typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Hospital Services:

- Medicare: The Hospital is designated as a critical access hospital (CAH). As such, all inpatient, swing bed, and outpatient hospital services are paid based on a cost-reimbursement methodology, except for certain types of laboratory, radiology, and professional services provided to Medicare beneficiaries, which are reimbursed on prospectively determined fee schedules.
- Medicaid: The Hospital is a provider of services to patients entitled to coverage under Title XIX (Medicaid) of the Health Insurance Act. The Hospital is reimbursed for Medicaid inpatient services under a prospectively determined rate-per-discharge and Medicaid outpatient services based on a fixed price per clinical unit of service. Differences between the total program billed charges and the payments received are reflected as deductions from revenue. There is no cost settlement for either of the inpatient or outpatient programs.
- Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates, and fee schedules.

Clinic Services:

- Professional services to clinic patients are paid primarily under arrangements which include prospectively determined rates per visit or procedure or discounts from established charges.
- Certain physician and professional services rendered to Medicare and Medicaid beneficiaries in certain locations of the Hospital's clinics qualify for reimbursement as Medicare- and Medicaid-approved rural health clinic services. Qualifying services are reimbursed based on a cost-reimbursement methodology, with retrospective cost-settlement being applicable only to Medicare patients in these locations. All other physician and professional services rendered to Medicare and Medicaid beneficiaries are paid based on prospectively determined fee schedules.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue (Continued)

The Hospital also participates in the State of Indiana's Hospital Assessment Fee ("HAF") and Healthy Indiana Plan ("HIP") Programs. The purpose of the HAF Program is to fund the State of Indiana's share of enhanced Medicaid payments to hospitals and Medicaid Disproportionate Share Hospital payments. Previously, the State's share was funded by governmental entities through intergovernmental transfers. The Medicaid enhanced payments relate to both fee-for-service and managed care claims. The Medicaid enhanced payments are designed to follow the patients and result in increased Medicaid rates. Hospitals also fund HIP, the State's Medicaid expansion program. The payments related to the HIP Program mirror the Medicaid payments under the HAF Program, but the funding includes physician, State administration, and certain non-hospital expenditures.

During 2022 and 2021, the Hospital recognized HAF and HIP Program expense of approximately \$2,686,000 and \$2,552,000, respectively, which resulted in increased Medicaid reimbursement. The HAF and HIP Program expense is included in other expenses and the associated increase in Medicaid reimbursement is included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Because of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Hospital's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims, or penalties would have upon the Hospital. The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The Hospital has not been notified by the RAC of any potential significant reimbursement adjustments. In addition, the contracts the Hospital has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price, were not significant in 2022 and 2021. Medicare cost reports have been settled through September 30, 2020.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue (Continued)

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Hospital also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Hospital estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended September 30, 2022 and 2021, was not significant.

Consistent with the Hospital's mission, care is provided to patients regardless of their ability to pay. Therefore, the Hospital has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients. The Hospital's policy is to provide a 38% discount from established charges to uninsured patients. This policy did not change in 2022 and 2021.

The promised amount of consideration from patients and third-party payors have not been adjusted for the effects of a significant financing component due to the Hospital's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract other than in the cases of sales of some of the long-term payment agreements.

The Hospital previously entered into an arrangement with an unrelated party and sold certain patient accounts receivable with long-term payment agreements to the unrelated party. When sales of patient accounts receivable are completed, payment plans are established through the unrelated party. The payment plans offer 0% interest for terms of up to 12 months and 8% interest for terms ranging from 13 to 60 months. Any interest earned under the payment plans is retained by the unrelated party. The contract for the sale of the patient accounts is considered executed when a patient remits their initial payment to unrelated party and then at that time, the unrelated party purchases in cash the associated patient account receivable, with a recourse option in event of default, from the Hospital for either 86% or 80% of the balance (86% for 12–36 month loans and 80% for 37–60 month loans). The Hospital also then deposits 10% of the purchase into an escrow account to provide collateral protection for any potential defaults of account as the sale of the accounts receivable includes a recourse clause.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue (Continued)

As of September 30, 2022 and 2021, the escrow account related to the recourse obligation previously described was approximately \$80,000 and \$38,000, respectively, and is included within cash in the accompanying consolidated balance sheets. As of September 30, 2022 and 2021, total patient accounts outstanding with recourse held by the unrelated party were \$3,437,000 and \$1,249,000, respectively. Based on default history, term length, and other factors unique to the healthcare industry, the Hospital estimated and recorded a recourse obligation of \$301,000 and \$273,000 as of September 30, 2022 and 2021, respectively, which is included in other current liabilities in the accompanying consolidated balance sheets.

All incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Hospital otherwise would have recognized is one year or less in duration, including establishment of the estimated recourse obligation based on past historical experience as noted above.

Charity Care

The Hospital provides care to patients who meet criteria under its financial assistance policy without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as net patient service revenue.

The estimated cost of providing care to patients under the Hospital's financial assistance policy is calculated by multiplying the ratio of cost to gross charges for the Hospital times the gross uncompensated charges associated with providing charity care.

Retail Pharmacy Services

The Hospital operates a retail pharmacy in Angola, Indiana primarily for the convenience of its patients and area residents. Pharmaceuticals, supplies, and other services provided to retail pharmacy patients are primarily paid primarily under arrangements which include a markup based on average wholesale prices, fee schedules, or established prices above the cost of the pharmaceutical services, supplies, or services. Generally the contract rate or amount of collection for pharmaceutical services, supplies, or other services is determined at the point of sale in the retail pharmacy setting.

Revenue derived from retail pharmacy sales is included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets and totaled approximately \$2,412,000 and \$1,801,000 for the years ended September 30, 2022 and 2021, respectively.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Assisted Living Services

The Hospital also operates an assisted living facility in Angola, Indiana, which leases apartments under cancellable month-to-month lease terms. The facility provides room and board and nursing care to patients who meet certain criteria for admission.

Revenue derived from operations of the assisted living facility is included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets and totaled approximately \$1,221,000 and \$1,267,000 for the years ended September 30, 2022 and 2021, respectively.

Deferred Revenue

Grants and fees are recognized as revenue in the year related expenditures are incurred. Funds received prior to providing the service are recorded as deferred revenue.

Grants and Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets are accrued at estimated fair values at the date each promise is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified as net assets without donor restriction and reported as an increase in net assets without donor restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as without donor restricted contributions. Receipts of contributions, which are conditional, are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor. The Hospital also evaluates whether a contribution is unconditional, or conditional based on the absence or presence of barriers and any right of return provisions.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

The Hospital and CMO are not-for-profit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code"). As such, the Hospital and CMO are generally exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital and CMO are also exempt from state income taxes on related income under similar state laws.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Real Estate Taxes

The majority of real estate owned by the Hospital is exempt from real estate taxes by the State of Wisconsin and its political subdivisions. The Hospital is responsible for paying real estate taxes on its assisted living facility and a portion of its medical office building facilities.

New Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The objective of this ASU is to assist organizations in recognizing the right to the use of an asset and its related liability or obligation when there is a contract in place which includes the right to control or direct the use of an identifiable asset. This ASU also includes provisions where the majority of leases that have lease terms greater than one year are to be recorded as capital leases in the consolidated balance sheet, whereas in the past, these leases may have been recorded as either capital leases or operating leases. This ASU is effective for the Hospital's year ending September 30, 2023.

Management is evaluating the impact the new accounting pronouncement will have on the Hospital.

Subsequent Events

Subsequent events have been evaluated through December 20, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2: COVID-19

Starting in March 2020, the nation in general, and healthcare-related entities specifically, have been faced with a global pandemic. As healthcare entities prepared for the crisis, operational changes were made to delay routine visits and elective procedures and reevaluate the entire care delivery model to care for patient needs, specifically those affected by COVID-19. The complete financial impact on the economy in general and healthcare-related entities specifically is undeterminable at this time; however, it was noted and is anticipated by the Hospital that both operational performance and cash flows for healthcare-related entities have been impacted since the start of the pandemic and will be impacted in future periods until the pandemic ends.

The federal and state governments, as well as other agencies, have been assisting many healthcare organizations to prevent significant financial constraints by providing supplemental payment programs in the forms of distributions which are intended to help in offsetting lost revenues as well as the cost of staffing, supplies, and equipment from treating patients impacted by or preparing for the pandemic's healthcare needs.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 2: COVID-19 (Continued)

Through September 30, 2022, the Hospital received approximately \$8,250,000 in funding from these programs between 2020, 2021, and 2022. The Hospital recognized approximately \$1,691,000 and \$2,504,000 as a component of other operating revenue based on the current terms and conditions of the programs in the accompanying consolidated statements of operations and changes in net assets during the years ended September 30, 2022 and 2021, respectively. The Hospital had previously recognized approximately \$3,312,000 as other operating revenue based on the terms and conditions of the program during the year ended September 30, 2020. Funds unexpended at each respective year end which may be utilized in subsequent years are included in deferred revenue in the accompanying consolidated balance sheets. Funding was received from multiple sources, including but not limited to approximately \$7,991,000 of provider relief funds from the U.S. Department of Health and Human Services ("HHS") Coronavirus Aid, Relief, and Economic Security ("CARES") and American Rescue Plan ("ARP") Acts and \$259,000 in other funding from the State of Indiana and other sources received related to COVID-19 assistance.

The Hospital also received approximately \$6,971,000 of accelerated payments from the Medicare program in 2020. The Medicare accelerated payments are considered to be an advance of funds which would have been paid to the Hospital in 2021 and 2022, and were repaid to the Medicare program between 2021 and 2022. The Hospital repaid approximately \$5,683,000 and \$1,288,000 in these advanced funds during the years ended September 30, 2022 and 2021, respectively. All amounts have been repaid to the Medicare program at September 30, 2022, and any amounts not repaid in 2021 were previously included in amounts payable to third-party reimbursement programs in the accompanying consolidated balance sheets at September 30, 2021.

These funds are subject to various financial and compliance guidelines for intended uses as published by the federal and state governments. Management is continuing to monitor compliance with the terms and conditions of the Provider Relief Fund as new guidance and clarification is released from HHS, the state of Indiana, and other agencies. If the Hospital is unable to attest to or comply with current or future terms and conditions as more information becomes available, the Hospital's ability to retain some or all of the distributions received may be impacted.

Note 3: Liquidity and Availability of Financial Resources

The Hospital does not have a formal liquidity policy but generally strives to maintain financial assets in liquid form such as cash and cash equivalents for at least approximately three to six months of operating expenses. Other funds, included in assets limited as to use in the accompanying consolidated balance sheets, are considered available for operational or capital needs, except for investments with restrictive redemption requirements. Occasionally, the Board of Directors designates a portion of operating surplus to be appropriated at its discretion for future operational initiatives and capital expenditures. These funds, at the discretion of the Board of Directors, could be released immediately or sold and redeemed prior to their maturity and are not considered available under the Hospital's general liquidity management. At September 30, 2022 and 2021, the balance of these funds was \$3,634,483 and \$409,299, respectively. The Hospital also has unrestricted long-term investments which are primarily held within an investment portfolio which are also available for use for the stated operating and capital expenditure purposes described above. The total of unrestricted long-term investments were \$24,115,444 and \$26,826,290 at September 30, 2022 and 2021, respectively. The long-term investments due include a debt reserve requirement to maintain the account at a specified balance as required under agreements with the U.S. Department of Agriculture as described in Note 8.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 3: Liquidity and Availability of Financial Resources (Continued)

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled debt service payments, and capital items, were as follows:

	2022	2021
Cash and cash equivalents	\$ 21,670,988	\$ 25,254,866
Patient accounts receivable	11,881,560	10,803,145
Other receivables	647,623	658,157
Total financial assets available for operations	34,200,171	36,716,168
Available line of credit (See Note 7)	5,000,000	5,000,000
Total financial assets and liquidity resources available for operations	\$ 39,200,171	\$ 41,716,168

Note 4: Investments, Assets Limited As To Use, and Investment Income (Loss)

Investments and assets limited as to use comprised the following, at September 30:

	2022	2021
Cash and cash equivalents	\$ -	\$ 130,468
Money market funds	1,541,591	943,691
Corporate Bonds	-	76,865
Mutual Funds	26,452,719	26,487,618
Totals	\$ 27,994,310	\$ 27,638,642

Assets limited as to use were designated or restricted for the following purposes as of September 30:

	2022	2021
Designated by the Board of Directors for capital improvements	\$ 3,634,483	\$ 409,299
Donor restricted funds	244,383	403,053
Totals	\$ 3,878,866	\$ 812,352

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 4: Investments, Assets Limited As To Use, and Investment Income (Loss)

(Continued)

Total investment income (loss), net of investment fees, is comprised of the following for the years ended September 30:

	2022	2021
Interest and dividends - Net of investment expenses	\$ 1,251,782	\$ 21,052
Net realized gain (loss) on investments	(1,041,080)	557,489
Net unrealized gain (loss) on investments	(5,629,812)	4,169,626
Totals	\$ (5,419,110)	\$ 4,748,167

Management assesses individual investment securities as to whether declines in market value are temporary or other than temporary. In assessing an issuer's financial condition, management evaluates various financial indicators (examples: the financial position and near term prospects of the issuer, conditions in the issuer's industry, liquidity of the investment, industry analysts' reports, and any recent downgrades of the issuer by a rating agency). The length of time and extent to which the fair value of the investment is less than cost and the Hospital's ability and intent to retain the investment to allow for any anticipated recovery of the investment's fair value are key components as to whether management deems declines in fair value as temporary or other than temporary. If declines are determined to be other than temporary, the Hospital records a realized loss in investment income. Management reviewed the investment portfolio at September 30, 2022 and 2021, and determined that all securities with a decline in value were not deemed other than temporary declines in value and, as such, there were no impairment losses recognized in the investments held at September 30, 2022 and 2021.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Note 5: Fair Value Measurements

The following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds are valued using a net asset value (NAV) of \$1.00. Quoted market prices are used to determine the fair value of investments in marketable equity securities, which consist primarily of publicly traded common and preferred stock. Mutual funds held by the Hospital are open-end mutual funds that are registered with the Securities and Exchange Commission. The funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Hospital are deemed to be actively traded. Fixed income, primarily debt securities in form of corporate bonds, are primarily valued using quotes from pricing vendors for identical or similar assets based on recent trading activity and other observable market data.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 5: Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Hospital's assets which are included in assets limited as to use and investments in the accompanying consolidated balance sheets, excluding cash and cash equivalents:

	Total Assets at Fair Value	Recurring 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)
As of September 30, 2022				
Money market funds	\$ 1,541,591	\$ -	\$ 1,541,591	\$ -
Mutual funds - Equity and fixed income securities	26,452,719	26,452,719	-	-
Total	\$ 27,994,310	\$ 26,452,719	\$ 1,541,591	\$ -

	Total Assets at Fair Value	Recurring 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)
As of September 30, 2021				
Money market funds	\$ 943,691	\$ -	\$ 943,691	\$ -
Mutual funds - Equity and fixed income securities	26,487,618	26,487,618	-	-
Fixed income securities - Corporate bonds	76,865	76,865	-	-
Total	\$ 27,508,174	\$ 26,564,483	\$ 943,691	\$ -

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 6: Property and Equipment - Net

A summary of property and equipment by major categories is as follows:

	2022	2021
Land	\$ 2,019,703	\$ 2,019,703
Buildings and improvements	67,498,427	65,691,535
Fixed equipment	19,993,743	19,610,841
Total property and equipment	89,511,873	87,322,079
Less - Accumulated depreciation	(50,766,059)	(46,448,484)
Net depreciated value	38,745,814	40,873,595
Construction in progress	269,937	173,514
Property and equipment - Net	\$ 39,015,751	\$ 41,047,109

Construction in progress at September 30, 2022, represents primarily initial costs of minor equipment and renovation projects. These projects are expected to be completed and placed into service in 2023, and there are no material commitments related to these projects at September 30, 2022.

Note 7: Line of Credit

The Hospital has a \$5,000,000 revolving bank line of credit expiring May 1, 2023. As of September 30, 2022 and 2021, there was no outstanding balance. The line of credit carries an interest rate, when the line is utilized, of the prime rate as published in the Wall Street Journal, plus 0.50%. The line of credit is unsecured.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 8: Long-Term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations consisted of the following at September 30:

	2022	2021
United States Department of Agriculture ("USDA") Direct Loan dated January 2016 with a term of 40 years at a fixed rate of 3.125% maturing in January 2056.	\$ 33,565,194	\$ 34,127,260
Farmers & Merchants State Bank ("Farmers & Merchants") loan dated December 2014 with a fixed interest rate of 3.10% maturing in December 2039.	7,218,681	7,529,233
Farmers & Merchants loan dated December 2014 with a variable interest rate of 2.88% as of September 30, 2022 that matures in December 2039. The variable interest rate is set at prime plus .5% changed quarterly with a floor of 2.75% and ceiling of 5.00%. This loan is under a guaranteed loan program with the USDA.	786,254	820,845
Other long-term debt	109,753	132,916
Totals	41,679,882	\$ 42,610,254
Less - Current portion	(960,667)	\$ (930,373)
Less - Unamortized debt issuance costs	(888,812)	\$ (916,555)
Long-term portion	\$ 39,830,403	\$ 40,763,326

The Hospital granted a security interest in its revenues and a mortgage on substantially all of its real property in order to secure obligations issued under the Master Trust Indenture related to the USDA Direct Loan and the Farmers & Merchant's bank loans. In addition to various financial covenants, the Hospital has agreed within the Master Trust Indenture that it will not permit any lien or security interest on the Hospital's property and equipment other than certain permitted encumbrances.

In addition to certain financial and restrictive covenants under the terms of the Master Trust Indenture, loan agreements, and USDA Rural Development loan agreement, the Hospital is required to fund a reserve in a bank account reserve with monthly deposits of \$13,917 toward the annual debt service requirement until the total amount on deposit equals or exceeds approximately \$1,670,000. Funding was required to start in the year following the completion of the construction projects that were financed by the USDA loan and loan guarantee programs. The USDA approved the designation of a portion of the Hospital's existing operating reserve accounts, included in cash and cash equivalents and investments, in the accompanying consolidated balance sheets to meet these reserve requirements.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 8: Long-Term Debt and Capital Lease Obligations (Continued)

Scheduled principal payments on long-term debt, including current portions, are summarized as follows at September 30, 2022:

2023	\$	960,667
2024		988,800
2025		1,001,228
2026		1,032,868
2027		1,065,507
Thereafter		36,630,812
<hr/>		
Total	\$	41,679,882

Note 9: Net Assets With Donor Restrictions

Net assets with donor restrictions as of September 30 are available for the following purpose:

	2022	2021
Home health care services	\$ 244,383	\$ 278,289
Other	169,615	124,764
<hr/>		
Total	\$ 413,998	\$ 403,053

During 2022 and 2021, net assets were released from donor restrictions by incurring expenses or satisfying the restricted purposes primarily related to the purchase of equipment and other services of approximately of \$169,000 and \$169,000, respectively.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 10: Net Patient Service Revenue

The composition of net patient service revenue including the timing of revenue recognition and the geographic region the Hospital operates in is outlined in Note 1. The Hospital's major line of business for the years ended September 30 was comprised primarily of hospital and clinic services.

Patient service revenue (net of contractual allowances, discounts, and implicit price concessions) consisted of the following for the year ended September 30 by major payor source:

	2022	2021
Medicare and Medicare advantage plans	\$ 41,329,542	\$ 37,817,436
Medicaid and Medicaid managed care plans	10,016,793	8,376,720
Blue Cross Blue Shield of Indiana	15,670,896	14,551,152
Other third-party payors	25,073,951	23,163,566
Patients	2,964,183	849,634
Total	\$ 95,055,365	\$ 84,758,508

Note 11: Charity Care

The Hospital provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community, including the health of low-income patients. Consistent with the mission of the Hospital, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or who are underinsured.

Patients who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care without charge or at a reduced rate, determined based on qualifying criteria as defined in the Hospital's charity care policy and from applications completed by patients and their families.

The estimated cost of providing care to patients under the Hospital's charity care policy aggregated approximately \$709,000 and \$786,000 in 2022 and 2021, respectively.

Other benefits for the community for which the Hospital is not compensated, or for which compensation is below cost, include health screenings, community education through seminars and classes, and other health related services.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 12: Self-Funded Health Insurance

The Hospital has established a self-funded health care (including pharmaceuticals) plan to provide medical benefits to employees and their dependents. Employees share in the cost of health benefits. Health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Hospital buys reinsurance to cover catastrophic individual claims over specific individual and aggregate amounts.

Health care expense, including pharmaceuticals, related to the self-funded health plan totaled approximately \$6,742,000 and \$6,664,000 in 2022 and 2021, respectively. A liability of \$1,370,000 and \$985,000 for claims outstanding for the years ended September 30, 2022 and 2021, respectively, has been recorded within accrued wages and benefits in the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated claims, including claims incurred but not yet reported as of September 30, 2022 and 2021, respectively.

Note 13: Professional Liability Insurance

The Hospital purchases professional and general liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients.

The Hospital participates in the Indiana Medical Malpractice Act, IC 34-18 (the "Act"), which provides a maximum recovery of \$1,800,000. The Act requires the Hospital to maintain medical malpractice liability insurance in the amount of at least \$500,000 per occurrence (\$10,000,000 in the annual aggregate). The Act also requires the Hospital to pay a surcharge to the State Patient's Compensation Fund (the "Fund"). The Fund is used to pay medical malpractice claims in excess of per occurrence and the annual aggregate amounts as noted above, under certain terms and conditions. The Fund is on a claims-made basis and as long as this coverage is continuous or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be insured. The Hospital has purchased the required liability insurance coverages to conform with the Act and has paid the required amount of premiums to the Fund during the years ended September 30, 2022 and 2021.

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

Note 14: Pension Plan

The Hospital has a defined contribution pension plan covering substantially all employees. The Hospital contributes 4% of eligible employees' compensation as a profit-sharing contribution. The Hospital can also make a discretionary matching contribution as determined by the Board of Directors. There was no discretionary matching contribution in 2022 and 2021. Pension expense was approximately \$1,030,000 and \$934,000 in 2022 and 2021, respectively.

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 15: Operating Leases - Lessee

Noncancelable operating leases include leases for certain diagnostic equipment, computer software and hardware, and clinic and administrative office space expire in various years through 2028. Rental payments include minimum rentals, plus contingent rentals based on the number of procedures performed using the equipment. Future minimum lease payments under non-cancelable operating leases as of September 30, 2022, that have initial or remaining lease terms in excess of one year are as follows:

2023	\$ 1,219,114
2024	511,324
2025	172,974
2026	150,880
2027	150,880
Thereafter	188,591
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Total	\$ 2,393,763

Rental and lease expense for all operating leases for 2022 and 2021 was approximately \$1,793,000 and \$1,927,000, respectively.

Note 16: Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location as described in Note 1. The accompanying consolidated statements of operations and changes in net assets present certain expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis. Employee benefits are allocated based on factors of either salary expense or actual employee expense. Overhead costs that include things such as professional services, office expenses, information technology, insurance, and other similar expenses are allocated on a variety of factors including revenues and departmental expense. Costs related to building and equipment usage include depreciation and interest and are allocated on a square footage or direct assignment basis. Expenses related to providing these services for the years ended September 30, 2022 and 2021, are as follows:

	2022				2021			
	Healthcare Services	General and Administrative	Fundraising	Total	Healthcare Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 28,512,510	\$ 7,843,984	\$ 144,816	\$36,501,310	\$ 27,413,271	\$ 5,204,642	\$ 126,852	\$32,744,765
Employee benefits	7,802,195	2,590,978	51,116	10,444,289	8,474,323	1,506,439	39,338	10,020,100
Supplies and other	29,320,203	8,847,051	163,394	38,330,648	24,523,385	10,617,849	267,272	35,408,506
Depreciation	4,604,604	463,383	6,516	5,074,503	4,715,593	499,499	-	5,215,092
Interest	1,201,642	120,927	1,700	1,324,269	1,343,635	142,325	-	1,485,960
<hr/>								
Total	\$ 71,441,154	\$ 19,866,323	\$ 367,542	\$91,675,019	\$ 66,470,207	\$ 17,970,754	\$ 433,462	\$84,874,423

Cameron Memorial Community Hospital, Inc.

Notes to Consolidated Financial Statements

Note 17: Concentration of Credit Risk

Financial instruments that potentially subject the Hospital to possible credit risk consist principally of patient accounts receivable, cash deposits in excess of insured limits, and investments.

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to patients. The majority of the Hospital's patients are from Angola, Indiana, and the surrounding area.

The mix of receivables from patients and third-party payors were as follows at September 30:

	2022	2021
Medicare and Medicare Advantage Plans	44 %	42 %
Medicaid and Medicaid managed care plans	10	9
Other third-party payors	13	14
Blue Cross Blue Shield of Indiana	20	30
Uninsured patients	13	5
Totals	100 %	100 %

The Hospital maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts are insured by the FDIC up to \$250,000. Operating cash needs often require that amounts on deposit exceed FDIC limits. Management has also entered into pledging and collateral agreements with one financial institution to assist in providing additional coverage above the FDIC limits. At September 30, 2022, the Hospital's bank account balances were approximately \$145,000 above the FDIC limits and over collateral protection coverage limits. Management believes the depository account risk of these institutions that hold bank balances of the Hospital above the FDIC covered limits and other collateral arrangements is minimal at this time and reviews the financial institutions on a regular basis.

Note 18: Reclassifications

Certain reclassifications have been made to the 2021 consolidated financial statements to conform to the 2022 presentation.

Supplemental Information

Cameron Memorial Community Hospital, Inc.

Consolidating Balance Sheet

September 30, 2022

Assets	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	\$ 21,564,054	\$ 106,934	\$ -	\$ 21,670,988
Patient accounts receivable	11,881,560	-	-	11,881,560
Other receivables	1,320,702	496,025	(1,169,104)	647,623
Inventories	1,529,058	146,446	-	1,675,504
Prepaid expenses	2,613,081	-	-	2,613,081
Total current assets	38,908,455	749,405	(1,169,104)	38,488,756
Investments	27,444,465	-	(3,329,021)	24,115,444
Assets limited as to use	3,878,866	-	-	3,878,866
Property and equipment - Net	35,436,274	3,579,477	-	39,015,751
Other assets - Intangible assets and goodwill - Net	897,483	-	-	897,483
TOTAL ASSETS	\$ 106,565,543	\$ 4,328,882	\$ (4,498,125)	\$ 106,396,300

Cameron Memorial Community Hospital, Inc.

Consolidating Balance Sheet (Continued)

September 30, 2022

Liabilities and Net Assets	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Current liabilities:				
Current portion of long-term debt	\$ 960,667	\$ -	\$ -	\$ 960,667
Accounts payable	3,141,788	1,277,961	(1,169,104)	3,250,645
Accrued wages and benefits	6,391,118	-	-	6,391,118
Amounts payable to third-party reimbursement programs	231,096	-	-	231,096
Deferred revenue	743,489	-	-	743,489
Other	1,417,287	-	-	1,417,287
Total current liabilities	12,885,445	1,277,961	(1,169,104)	12,994,302
Long-term debt - Less current portion	39,830,403	-	-	39,830,403
Total liabilities	52,715,848	1,277,961	(1,169,104)	52,824,705
Net assets:				
Without donor restrictions	53,435,697	3,050,921	(3,329,021)	53,157,597
With donor restrictions	413,998	-	-	413,998
Total net assets	53,849,695	3,050,921	(3,329,021)	53,571,595
TOTAL LIABILITIES AND NET ASSETS	\$ 106,565,543	\$ 4,328,882	\$ (4,498,125)	\$ 106,396,300

See Independent Auditor's Report on Supplementary Information.

Cameron Memorial Community Hospital, Inc.

Consolidating Balance Sheet (Continued)

September 30, 2021

Assets	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	\$ 25,211,040	\$ 43,826	\$ -	\$ 25,254,866
Patient accounts receivable	10,803,145	-	-	10,803,145
Other receivables	930,598	283,443	(555,884)	658,157
Inventories	1,529,187	96,952	-	1,626,139
Prepaid expenses	890,001	-	-	890,001
Total current assets	39,363,971	424,221	(555,884)	39,232,308
Investments	30,155,311	-	(3,329,021)	26,826,290
Assets limited as to use	812,352	-	-	812,352
Property and equipment - Net	37,315,424	3,731,685	-	41,047,109
Other assets - Intangible assets and goodwill - Net	990,371	-	-	990,371
TOTAL ASSETS	\$ 108,637,429	\$ 4,155,906	\$ (3,884,905)	\$ 108,908,430

Cameron Memorial Community Hospital, Inc.

Consolidating Balance Sheet (Continued)

September 30, 2021

Liabilities and Net Assets	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Current liabilities:				
Current portion of long-term debt	\$ 930,373	\$ -	\$ -	\$ 930,373
Accounts payable	2,922,951	703,339	(555,884)	3,070,406
Accrued wages and benefits	6,461,094	-	-	6,461,094
Amounts payable to third-party reimbursement programs	7,385,569	-	-	7,385,569
Deferred revenue	194,634	-	-	194,634
Other	951,505	-	-	951,505
Total current liabilities	18,846,126	703,339	(555,884)	18,993,581
Long-term debt - Less current portion	40,763,326	-	-	40,763,326
Total liabilities	59,609,452	703,339	(555,884)	59,756,907
Net assets:				
Without donor restrictions	48,624,924	3,452,567	(3,329,021)	48,748,470
With donor restrictions	403,053	-	-	403,053
Total net assets	49,027,977	3,452,567	(3,329,021)	49,151,523
TOTAL LIABILITIES AND NET ASSETS	\$ 108,637,429	\$ 4,155,906	\$ (3,884,905)	\$ 108,908,430

See Independent Auditor's Report on Supplementary Information.

Cameron Memorial Community Hospital, Inc.
Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30, 2022

	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Revenue:				
Net patient service revenue	\$ 95,055,365	\$ -	\$ -	\$ 95,055,365
Other operating revenue	3,214,745	3,771,262	(399,435)	6,586,572
Total revenue	98,270,110	3,771,262	(399,435)	101,641,937
Expenses:				
Salaries and wages	35,722,993	778,317	-	36,501,310
Fringe benefits	10,444,289	-	-	10,444,289
Supplies and other	35,541,148	3,188,935	(399,435)	38,330,648
Depreciation	4,868,847	205,656	-	5,074,503
Interest	1,324,269	-	-	1,324,269
Total expenses	87,901,546	4,172,908	(399,435)	91,675,019
Income (loss) from operations	10,368,564	(401,646)	-	9,966,918
Other income (loss):				
Contributions - Net	(145,877)	-	-	(145,877)
Investment loss	(5,419,110)	-	-	(5,419,110)
Net assets released from donor restrictions	106,599	-	-	106,599
Other	(60,000)	-	-	(60,000)
Loss on disposal of property and equipment	(39,403)	-	-	(39,403)
Total other income (loss) - Net	(5,557,791)	-	-	(5,557,791)
Increase (decrease) in net assets without donor restrictions	4,810,773	(401,646)	-	4,409,127
Changes in net assets with donor restrictions:				
Contributions	117,544	-	-	117,544
Net assets released from restrictions	(106,599)	-	-	(106,599)
Increase in net assets with donor restrictions	10,945	-	-	10,945
Increase (decrease) in net assets	4,821,718	(401,646)	-	4,420,072
Net assets at beginning of year	49,027,977	3,452,567	(3,329,021)	49,151,523
Total net assets at end of year	\$ 53,849,695	\$ 3,050,921	\$ (3,329,021)	\$ 53,571,595

See Independent Auditor's Report on Supplementary Information.

Cameron Memorial Community Hospital, Inc.

Consolidating Statement of Operations and Changes in Net Assets (Continued)

Year Ended September 30, 2021

	Cameron Memorial Community Hospital	Cameron Medical Outreach	Eliminations	Consolidated
Revenue:				
Net patient service revenue	\$ 84,912,106	\$ -	\$ -	\$ 84,912,106
Other operating revenue	5,414,744	3,206,183	(405,575)	8,215,352
Total revenue	90,326,850	3,206,183	(405,575)	93,127,458
Expenses:				
Salaries and wages	31,988,538	756,227	-	32,744,765
Employee benefits	10,020,100	-	-	10,020,100
Supplies and other	33,111,078	2,703,002	(405,575)	35,408,506
Depreciation	5,009,776	205,316	-	5,215,092
Interest	1,485,960	-	-	1,485,960
Total expenses	81,615,453	3,664,546	(405,575)	84,874,423
Income (loss) from operations	8,711,397	(458,363)	-	8,253,035
Other income (loss):				
Contributions	247,506	-	-	247,506
Investment income	4,748,167	-	-	4,748,167
Net assets released from donor restrictions	169,170	-	-	169,170
Loss on disposal of property and equipment	(6,046)	-	-	(6,046)
Total other income (loss) - Net	5,158,797	-	-	5,158,797
Changes in net assets with donor restrictions:				
Contributions	28,136	-	-	28,136
Net assets released from restrictions	(169,170)	-	-	(169,170)
Decrease in net assets with donor restrictions	(141,034)	-	-	(141,034)
Net assets at beginning of year	35,298,817	3,910,930	(3,329,021)	35,880,726
Total net assets at end of year	\$ 49,027,977	\$ 3,452,567	\$ (3,329,021)	\$ 49,151,523

See Independent Auditor's Report on Supplementary Information.

Compliance

Cameron Memorial Community Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Federal Grantor/Program Title	Contract Number	Entity Passed Through	Federal Assistance Listing Number	Grantor's Time Period	Federal Expenditures
U.S. Department of Agriculture:					
Community Facilities Loans and Grants - USDA Direct Loan	N/A	Direct	10.766	October 1, 2021 - September 30, 2022	\$ 34,127,260
Community Facilities Loans and Grants - USDA Guaranteed	N/A	Direct	10.766	October 1, 2021 - September 30, 2022	7,529,233
Total U.S. Department of Agriculture					41,656,493
U.S. Department of Health and Human Services:					
COVID 19 - Testing for the Uninsured	N/A	Direct	93.461	October 1, 2021 - September 30, 2022	440,305
RHC Testing and Mitigation	N/A	Direct	93.697	October 1, 2021 - September 30, 2022	3,110
Rural Health Research Centers	N/A	Indiana Hospital Association	93.155	January 1, 2021 - April 30, 2022	252,916
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	1 G29RH42999-01-00	Direct	93.912	July 1, 2021 - June 30, 2022	109,385
Telehealth Programs	5 H2ARH30298-06-00	Indiana Rural Health Association	93.211	September 1 2021 - August 31, 2024	24,999
Total U.S. Department of Health and Human Services					830,715
Total expenditures of federal awards					\$ 42,487,208

Cameron Memorial Community Hospital, Inc.

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Cameron Memorial Community Hospital (the "Hospital"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Hospital, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Hospital.

Note 2: Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the accrual basis of accounting and are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost

The Hospital has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Subrecipients

The Hospital passed no federal awards through to subrecipients.

Note 5: Balance of Outstanding Loans

The loan balances outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule. There were no new loans received during the year ended September 30, 2022, and the balance of the outstanding loans and guaranteed loan balances under the Community Facilities Loans and Grant Program at September 30, 2022 were as follows:

Program Title	Federal CFDA Number	Amount Outstanding
Community Facilities Loans and Grants	10.766	\$40,783,875

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Cameron Memorial Community Hospital, Inc.
Angola, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financials statements of Cameron Memorial Community Hospital, Inc. (the "Hospital"), as of and for the year ended September 30, 2022 and the related notes to the consolidated financials statements, which collectively comprise the the Hospital's basic financials statements, and have issued our report thereon dated December 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financials statements, we considered the Hospital's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financials statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Hospital's consolidated financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Eau Claire, Wisconsin
December 20, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

Board of Directors
Cameron Memorial Community Hospital, Inc.
Angola, Indiana

Report on Compliance for Each Major Federal Program

We have audited Cameron Memorial Community Hospital, Inc.'s (the "Hospital") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended September 30, 2022. The Hospital's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Hospital's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Hospital's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Hospital's compliance.

Opinion

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each its major federal program for the year ended September 30, 2022.

Report on Internal Control Over Compliance

Management of the Hospital is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hospital's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major or federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

Eau Claire, Wisconsin
December 20, 2022

Cameron Memorial Community Hospital, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? yes X no

Significant deficiency(ies) identified ? yes X none reported

Noncompliance material to the financial statements? yes X no

Federal Awards

Internal control over compliance:

Material weakness identified? yes X no

Significant deficiency(ies) identified ? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance [2 CFR 200.516(a)]? yes X no

Identification of major federal program:

Federal Assistance Listing Number	Name of Federal Program or Cluster
10.766	Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? X yes no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Schedule of Prior Year Findings and Questioned Costs

None