

A G E N D A
Lander County Hospital District – Board of Trustees
Regular Session
November 20, 2024 - 5:30 P.M.
John Peters Health Services Center
Board Room
555 West Humboldt Street
Battle Mountain, NV

5:30 PM Call to Order – Regular Session

Pledge of Allegiance

Public Comment

Persons are invited to submit comments in writing and/or attend and make comments on any non-agenda items at the Board Meeting. All public comment may be limited to three (3) minutes per person, at the discretion of the Board. Reasonable restrictions may be placed on public comments based upon time, place and manner, but public comment based upon viewpoint may not be restricted.

❖ **Motion to Consent** – (Matheus) - (Discussion for Possible Action)

- 1) November 20, 2024 Agenda Notice – Posted November 15, 2024
- 2) Infection Control – October 2024
- 3) Emergency Operations Program/Policy & Procedure – October 2024
- 4) Board Meeting Minutes – Regular Session October 9, 2024

Public Comment

❖ **Unfinished Business**

- 5) Critical Access Hospital Construction – (Matheus) – (Discussion for Possible Action)

The Board will review and discuss updates on the hospital construction project and all other matters properly related thereto.

Public Comment

❖ **New Business**

- 6) Clifton Larson Allen, LLP Financial Audit – (Matheus) – (Discussion for possible action)

Board presentation provided by Clifton Larson Allen, LLP for Fiscal Year 2023-2024 Financial Audit and all other matters properly related thereto.

Public Comment

❖ **Financials** - (Matheus) – (Discussion for Possible Action)

7) September 2024 Financial Reports

The Board will review and discuss financial reports for September 2024 and all other matters properly related thereto.

Public Comment

❖ **Chief Executive Officer Summary** – (Matheus) – (Discussion for Possible Action)

8) Summary Report

The Chief Executive Officer, Jason Bleak, will present a summary of hospital activities to the Board of Trustees, and all other matters properly related thereto.

Public Comment

❖ **Adjournment Regular Session**

This is the tentative schedule for the meeting. The Board reserves the right to take items out of order to accomplish business in the most efficient manner. The Board may combine two or more agenda items for consideration. The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

AFFIDAVIT OF POSTING

State of Nevada _____)
) ss
County of Lander _____)

Jessica Ceja, Recording Secretary of the Lander County Hospital District Board of Trustees, states that on the 15th day of November 2024, A.D., she was responsible for posting a notice, of which the attached is a copy, at the following locations: 1) Battle Mountain General Hospital, 2) Lander County Courthouse, 3) Battle Mountain Post Office, and 4) Austin Courthouse, all in said Lander County where the proceedings are pending.

RECORDING SECRETARY _____

Subscribed and sworn to before me on this 15th day of November 2024 _____

WITNESS Harry Heese _____

NOTICE TO PERSONS WITH DISABILITIES: Members of the public who wish to attend this meeting by teleconference or who may require assistance or accommodations at the meeting are required to notify the Hospital Board Recording Secretary in writing at Battle Mountain General Hospital, 535 South Humboldt Street, Battle Mountain, NV 89820, or telephone (775) 635-2550, Ext. 1111, at least two days in advance of pending meeting.

NOTICE: Any member of the public that would like to request any supporting material from the meeting, please contact, Jessica Ceja, Recording Secretary of the Lander County Hospital District Board of Trustees, 535 South Humboldt Street, Battle Mountain, NV 89820 (775) 635-2550, Ext. 1111.

INFECTION CONTROL REPORT MEDICAL STAFF MEETING

OCTOBER 2024

1. Clinic had 9 procedures with wound infection.
2. 0 Needle sticks in OCTOBER, a total of 1 for the year.
3. Immunization shots:
 - ❖ 77 of the BMGH employees received the flu shot.
 - ❖ 20 LTC Residents received any vaccinations.
4. Flu Test:
 - ❖ 0 Positive A; 0 Positive B
 - ❖ 0 RSV Positive
 - ❖ 28 Influenza-like symptoms
5. Yearly TB testing:
 - ❖ 1 New hire employee tested positive for TB Quantiferon/TST; X-ray is clear.
6. House Cultures site:
 - ❖ Working closely with Nursing and Environmental Services and Maintenance on insect control. Infection control rounds have been conducted in Long Term Care. Corrective actions have been applied.
7. Hand Hygiene monitor is ongoing in Hospital and Clinic.
8. Complete hand washing and PPE in-service for the LTC residents and staff, as well as additional training for the CNAs at meal times.
9. Total Long Term Care Residents: 23; 0 Infection/s 1 SSTI; 1 UTI.
10. OCT 3 Acute 0 Infection/s
11. OCT 1 Swing 0 Infection/s
12. Immunizations are recorded in Web IZ administered at BMGH. Required by State of Nevada.
13. Cultures need to be reported ASAP.
14. Infection Control – COVID-19 Reports:

Tested: 33 Negative: 31 Positives: 2 Invalid: 0

No COVID positive case for all LTC residents and employees for the month of OCTOBER
15. The policy in effect for masking during covid outbreak - if there is a positive employee or resident, whole facility needs to mask up.
16. As per CDC the 5 days' isolation for COVID positive patients is no longer mandatory; Less than 5 days of isolation is now allowed as long as the symptoms are resolved. This is for the general public only; no change on isolation policy for hospital settings, still 10 days for LTC.
17. Policy in effect for masking during Flu season- unvaccinated staff must wear mask around staff and patients.

Infection Surveillance Monthly Report

As of Nov 04, 2024 12:59 PM

User: jgreenhalgh

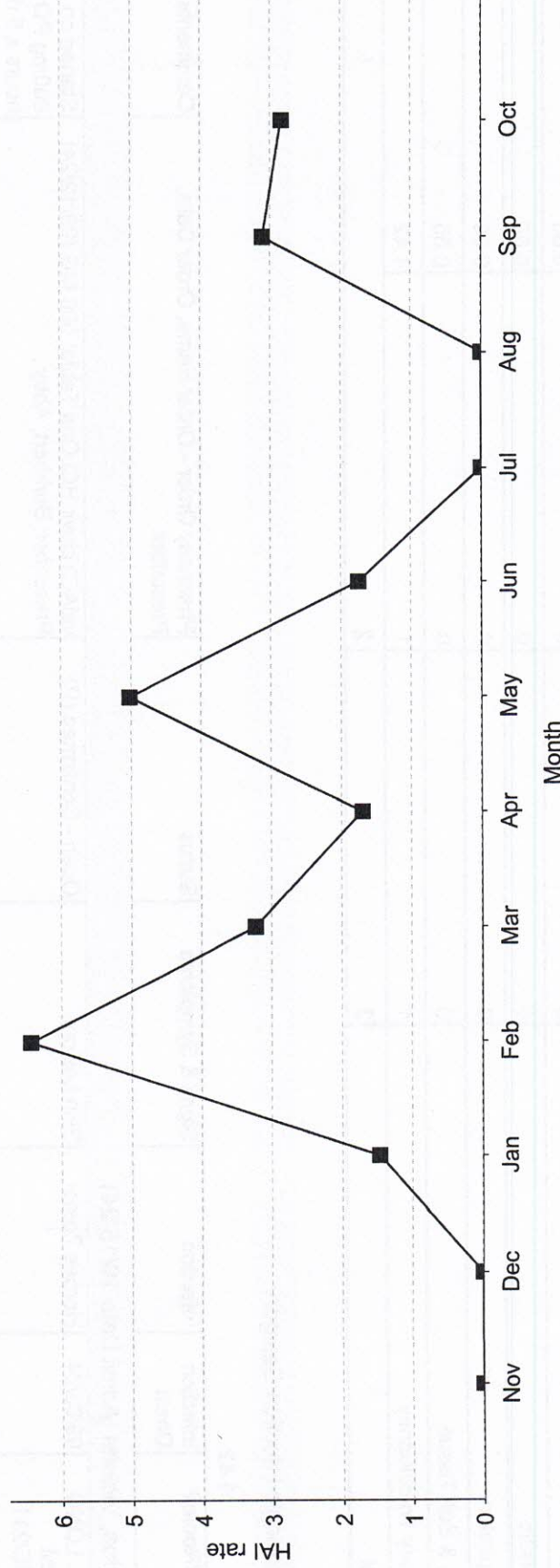
Facility: Battle Mountain General Hospital

October 2024

Summary

Total Infection	CAI	HAI	HAI Rate	Number Of MDRO
2	0	2	2.84	0

HAI Rate 12-Month Trend



Summary By Infection Category

Infection Category	Total	HAI	HAI Rate
Blood/Systemic	0	0	0.00
Bone & Joint	0	0	0.00
Cardiovascular	0	0	0.00
Ear Nose, Mouth & Throat	0	0	0.00
Eye	0	0	0.00

Infection Surveillance Monthly Report

As of Nov 04, 2024 12:59 PM

October 2024

Facility: Battle Mountain General Hospital

User: jgreenhalgh

Summary By Infection Category

Infection Category	Total	HAI	HAI Rate
Gastrointestinal	0	0	0.00
Genital	0	0	0.00
MDRO	0	0	0.00
Neurologic	1	1	1.42
Other	0	0	0.00
Parasitic	0	0	0.00
Respiratory	0	0	0.00
Skin & Soft Tissue	0	0	0.00
Urinary Tract/Kidney	1	1	1.42
Total	2	2	

Neurologic Infection Category

HAI 1.42

Unit/Room#	Infection Onset	Infection	Signs & Symptoms	Status	Pharmacy Order - Order Name, Order Date, Prescriber	Comments
Gaston, Victoria (Admit Date 10/15/24)						
LTC. LONG TERM CARE/211	09/03/24	Herpes Zoster	Skin Lesions	Open - Confirmed (P)	valACYclovir HCl Oral Tablet 500 MG (09/12/24) Prescriber: Burkhart, Abby	Started on Acyclovir 800mg PO every 5 hours x 5 days. Starting to come back, put on Valacyclovir 500mg PO QHS for preventative measures.

Infection Surveillance Monthly Report

As of Nov 04, 2024 12:59 PM

User: jgreenhalgh

Facility: Battle Mountain General Hospital

October 2024

Urinary Tract/Kidney Infection Category

HAI 1.42

Unit/Room#	Infection Onset	Infection	Signs & Symptoms	Status	Pharmacy Order - Order Name, Order Date, Prescriber	Comments
ORTIZ, JULIA (Admit Date 10/16/20)						
LTC. LONG TERM CARE/219	10/18/24	Urinary Tract Infection	Burning on urination, Urinary complaints, Urinary frequency	Closed (10/23/24) - Resolved	Macrobid Oral Capsule 100 MG (10/18/24) Prescriber: Burkhart, Abby	10/18/2024: started on Macrobid 100mg PO BID x 5 days.



Board of Governance
Emergency Operation Program and Policy and Procedure Summary

Date: **October 11, 2024**

Policy and Procedure Committee Meeting Summary:

- **Long-Term Care Nursing:** Received LTC Policies will be working with Cayla for changes, updates and approvals.
- **Laboratory:** Approvals done verbally. Changes to **H. Pylori (PYLO PLUS+) SEND OUT**
- **EVS:** CDC Guidelines for googles use with chemicals, Care and use of equipment, updated
- **Pharmacy Reported:** Updated multi dose vial, Destruction of controlled substance

BMGH Policy and Procedure meeting meets CMS Conditions of Participation 42 CFR §485.635, (CAH Tag) & HIPAA Hi-Tech Regulations HIPAA 164.316 (a), [NIST SP 800-53 RA-1], [NIST SP 800-53 RA-3]

Emergency Operations Committee Meeting Summary:

The BMGH Emergency Operations Plan (EOP) is a key component of BMGH emergency Program that establishes the overall authority, roles and functions preformed during incidents.

- ◆ Assigns responsibility to organizations and individuals.
- ◆ Sets forth lines of authority and organizational relationships.
- ◆ Shows how all actions will be coordinated.
- ◆ Describes how people and property are protected.
- ◆ Identifies personnel, equipment, facilities, supplies, and other resources.
- ◆ Reconciles requirements with other jurisdictions.
- ◆ Is flexible enough for use in all emergencies.

Please review and send changes, questions and ideas.

Completed by: Holly Heese, Compliance Coordinator

- ◆ Policy and Procedure Coordinator
- ◆ Certified Hospital Emergency Coordinator

**LANDER COUNTY HOSPITAL DISTRICT BOARD OF TRUSTEES
REGULAR SESSION
JOHN PETERS HEALTH SERVICES CENTER
BOARD ROOM
555 W HUMBOLDT STREET
BATTLE MOUNTAIN, NV
October 9, 2024**

BOARD PRESENT:

James Matheus, Chairman
Marla Sam, Vice Chair via zoom
Mike Chopp, Commissioner Trustee

BOARD ABSENT:

Lyle Farr, Board Secretary
Paula Tomera, Trustee

STAFF PRESENT:

Jason Bleak, Chief Executive Officer
Wayne Allen, Chief Financial Officer
Cindy Fagg, Financial Controller

GUESTS:

Mike Sheppard
Karen Matheus
Jodi Price
Hope Bauer

CALL TO ORDER

Chairman Matheus called the October 9, 2024, Regular Session to order at 5:30 p.m.

PUBLIC COMMENT

No public comment.

MOTION TO CONSENT

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the Agenda Notice for the October 9, 2024, Regular Session was approved.

Addendum 1

Vice Chair Sam made a correction to the Infection Control report for September 2024. Number 14, needs to state September not March.

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the Infection Control report for September 2024, with correction, as discussed was approved.

Addendum 2

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the Emergency Operations and Policy and Procedure meeting minutes from September 11, 2024 was approved.

Addendum 3

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the Board Meeting Minutes for Regular Session September 11, 2024, was approved.

Addendum 4

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the Battle Mountain Clinic one-year appointment for Romeo Rosales, PA-C. Per CEO Bleak, Rosales is scheduled to work a 13-week period to assist with the holidays and time off for the Clinic Providers.

Tahoe Carson Radiology Teleradiology Services, one year provisional privileges for Dr. Thomas Powierza was approved and Direct Radiology Teleradiology Services, one year provisional privileges for Dr. Miriam B. Hulkower was as discussed was approved.

UNFINISHED BUSINESS

Critical Access Hospital Construction

Mike Sheppard, Project Manager, addressed the progress of the construction project. The revisions in the Admissions area have been approved and are waiting for State approval. CEO Bleak and CTA reviewed the results of the inspections by the State. Per Sheppard, BMGH is required to adjust the negative air by temporary air balance. Another concern is the Secure Holding Room does not comply with the regulations and will not be practical to remodel. The group will discuss and figure out if BMGH can apply for a waiver. This room will not be opened pending resolution of the issues at hand. CEO Bleak would like to go live with Phase 2 on November 18, 2024. The Physicist will be on site to approve the Radiology equipment on November 12, 2024. There are issues related to the wall coverings and some floor issues. Desert Design will be on site to discuss concerns.

Update of Agape Hospice Certification Progress

Chief Executive Officer Bleak reported on behalf of Agape Hospice. Per Steve Laarsgard, Agape Hospice is moving forward. To date, Agape Hospice has served four patients, in process of serving the fifth. The certification process is going well.

NEW BUSINESS

Establish a Board Policy Sub-Committee

Chief Executive Officer Bleak addressed the Board Policy Subcommittee. This committee is similar to the Financial and Construction subcommittees. This group will assist in reviewing and revising some of the Non-Clinical policies. Per CEO Bleak, Trustee Tomera volunteered to serve on the Board Policy subcommittee. Vice Chair Sam volunteered as well.

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed Paula Tomera to serve on the Board Policy subcommittee as discussed was approved.

By motion duly made (Chopp), seconded (Matheus), and the Board unanimously passed Marla Sam to serve on the Board Policy subcommittee as discussed was approved.

FINANCIALS

Chief Financial Officer Allen addressed the August 2024 Balance Sheet Summary for the Board. This report displayed a breakdown of BMGH's assets, cash and liquid capital, short term investments, long term investments and current liabilities.

The Income Statement displayed details against the budget. BMGH had a gross of 1,449,563, in total patient revenue. This amount was below last year and below the budget. Year to date displayed a total of 2,904,980. Non-operating revenue displayed an amount of 397,449, total operating expenses displayed an amount of 1,401,159, which was almost 200,000 below the budget. The Net income displayed an amount of 208,044, and 662,763, year to date, which is very strong per Chief Financial Officer Allen.

CFO Allen continued to address page 12 of the August 2024 Financial reports. The Schedule of Patient Revenue vs. Patient Payments for fiscal years ended June 30, 2024 and fiscal year 2025. This breakdown displayed the gross patient monthly revenue, three month rolling average, patient payments and the patient payment percentage versus monthly rolling average.

On page 13, this report displayed the two month, year to date for 2023 sum of charges compared to the two month, year to date for 2024. Per CFO Allen the Laboratory displayed a decrease of 57,815.58 (-9%), Physical Therapy is down 69,841.90 (-32%) and the Emergency Department is down 131,258.84 (-21%). CT services displayed an increase of 13,366.20, which is 3%, Infusion displayed an increase of 12,150.02, which is 111% and the Pharmacy Department displayed an increase of 47,204.25, which is 46%.

By motion duly made (Chopp), seconded (Sam), and the Board unanimously passed the financial reports for August 2024 as discussed was approved.

Addendum 5

Chief Executive Officer Summary

Chief Executive Officer Bleak presented a summary of hospital activities to the Board of Trustees.

Community Health Fair: The annual health fair is scheduled for October 26, 2024, from 7a – 11a. It will be held at the Lander County Recreation Center. The theme of the event is Stronger Together: A Community Focus on Health. BMGH is planning to have many different participants from the community in a unified effort to promote good health and wellness. **Austin Labs:** November 5, 2024, from 8a – 12p at the Austin Fire Hall.

Grand Re-Opening: BMGH is planning to have a grand re-opening for the public to see the new facilities that are available for their care. The date of this is a little fluid because it is dependent upon the State Inspection that will occur at the end of October. More information will be coming soon.

Facility Communications: Resulting from the leadership training meetings, BMGH has begun the practice of meeting three times per week as managers coordinate efforts. Monday is the normal Department Manager Meeting in which the managers coordinate for the week and also participate in training and discussion. On Wednesday and Friday, the managers have added Vitals Check Meetings to further coordinate services. The Vitals Check Meetings are stand up meetings that last approximately 10 minutes. The group looks back two days to tie up loose ends and then look forward two days to prepare. These meetings will help to grow the team culture and unity.

Department Staff Meetings: Last month, the Board asked how CEO Bleak was going to get the information of the Skip-Level / Leadership Growth Meetings out to all of the staff. This has begun as CEO Bleak attended all of the Department Staff Meetings to present some of the key pieces of the information. It has been well received as CEO Bleak has obtained signed team commitments from all employees so far. The Department Managers will also have an important piece in getting the information to all of the staff. In a combined effort, the group will continue to push the principles learned with consistency.

BMGH Influencers: CEO Bleak is opening the opportunity for two employees to be BMGH Influences on the facility's social media forums and web site. The two influencers will be expected to post two posts per week to promote the hospital's positive team atmosphere, education, patient focuses, employee accomplishments, community support, and show the positive impact of the profession. The Department Managers and CEO Bleak will also help throughout the year with various postings.

Locum Tenens Provider: To facilitate the requested holiday time off for the clinic providers, Battle Mountain Clinic will be bringing in a Physician Assistant to ensure coverage through the holiday season.

NRHA Conference: CEO Bleak was fortunate to attend the NRHA Conference last month in which very specific education was received for improved RHC and CAH operations / compliance. The valuable information that was received is being pushed out to the appropriate attention.

American College of Healthcare Executives(ACHE): CEO Bleak will be using some of his continuing education funds to attend classes that will help maintain his fellowship in the ACHE. This credential is a very prominent credential that only approximately 9000 healthcare executives possess. Through years of work experience, service and education, CEO Bleak is fortunate to have satisfied the requirements to hold this credential. Like the NRHA conference, the ACHE is another source of valuable education and assistance for CEO Bleak and the facility.

Holiday Events: BMGH is beginning the planning process for the holiday events and activities that BMGH will be providing for the LTC. BMGH is also planning to hold a few different activities for the employees to celebrate. As details come forward, CEO Bleak will push them out to the staff and the Board.

Addendum 6

PUBLIC COMMENT

No public comment.

ADJOURNMENT

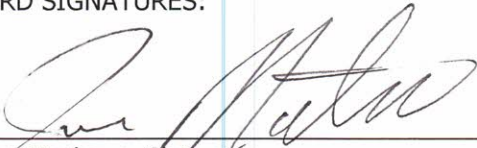
With no further business, Chairman Matheus adjourned the Regular Session at 6:38 p.m.

Respectfully Submitted,

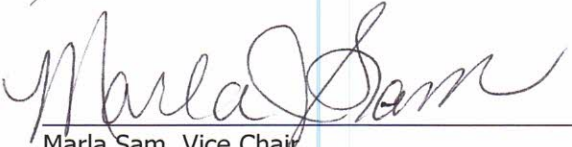


Jessica Ceja, Recording Secretary

BOARD SIGNATURES:




James Matheus, Chairman



Marla Sam, Vice Chair

ABSENT

Lyle Farr, Board Secretary

APPROVED VIA ZOOM 

Paula Tomera, Trustee

ABSENT

Mike Chopp, Commissioner Trustee

LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2024 AND 2023

DRAFT REPORT
FOR DISCUSSION PURPOSES ONLY

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
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**DRAFT REPORT
FOR DISCUSSION PURPOSES ONLY**

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Lander County Hospital District
dba: Battle Mountain General Hospital
Battle Mountain, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lander County Hospital District dba: Battle Mountain General Hospital (the Hospital), which comprises the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lander County Hospital District dba: Battle Mountain General Hospital as of June 30, 2024 and 2023, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lander County Hospital District dba: Battle Mountain General Hospital's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lander County Hospital District dba: Battle Mountain General 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lander County Hospital District dba: Battle Mountain General 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension information and budget comparison listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

Board of Trustees
Lander County Hospital District
dba: Battle Mountain General Hospital

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The auditor's comments listed in the table of contents are included to comply with Nevada Statutes 354.624.5(a) and 354.624.1. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of Lander County Hospital District dba: Battle Mountain General 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 Lander County Hospital District dba: Battle Mountain General 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 Lander County Hospital District dba: Battle Mountain General Hospital's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Roseville, California
REPORT DATE

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Introduction

This management's discussion and analysis of the financial performance of Lander County Hospital District dba: Battle Mountain General Hospital (the Hospital) provides an overview of the Hospital's financial activities for the years ended June 30, 2024 and 2023. It should be read in conjunction with the accompanying financial statements of the Hospital.

Financial Highlights

- Total cash and cash equivalents increased by approximately \$17,900,000 or 191% in 2024 and decreased by approximately \$21,645,000 or 70% in 2023, while total investments decreased by approximately \$19,026,000 or 44% in 2024 and increased by approximately \$22,991,000 or 114% in 2023.
- Net patient accounts receivable decreased by approximately \$253,000 or 17% in 2024 and decreased by approximately \$330,000 or 18% in 2023.
- Net patient service revenue decrease by approximately \$49,000 or -1% in 2024 and increased by approximately \$517,000 or 4% in 2023.
- Operating expenses increased by approximately \$40,000 or 0.23% in 2024 and increased by approximately \$2,290,000 or 15% in 2023.
- The Hospital reported operating loss in 2024 of \$4,247,000 and operating loss in 2023 of \$4,042,000. The operating loss increased in 2024 by approximately \$204,000 or 5% from the operating loss reported in 2023. The operating loss increased in 2023 by approximately \$1,564,000 or 63% from the operating loss reported in 2022.
- Tax revenue increased by approximately \$2,603,000 or 43% in 2024 and decreased by approximately \$2,577,000 or 30% in 2023.
- The Hospital's change in net position increased by approximately \$2,927,000 or 76% in 2024 and decreased by approximately \$1,477,000 or 28% in 2023.

Using This Annual Report

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

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

One of the most important questions asked about any hospital's finances is "Is the Hospital as a whole better or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses, and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets, all liabilities and all deferred inflows and outflows of resources using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position (Continued)

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

The Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash and cash equivalents during the reporting period.

The Hospital's Net Position

The Hospital's net position is the difference between its assets and liabilities reported in the statement of net position. The Hospital's net position increased by approximately \$6,798,000 or 10% in 2024 over 2023 and increased by approximately \$3,871,000 or 6% in 2023 over 2022, as shown in Table 1.

Table 1: Condensed Statements of Net Position

	2024	2023	2022
Assets and Deferred Outflows of Resources			
Cash and Cash Equivalents	\$ 27,281,127	\$ 9,381,342	\$ 31,026,820
Patient Accounts Receivable, Net	1,262,496	1,515,251	1,845,726
Short-Term Investments	3,102,882	26,880,459	3,196,517
Other Current Assets	6,878,809	3,338,963	5,363,567
Long-Term Investments	20,987,000	16,235,813	16,929,183
Capital Assets, Net	30,082,081	24,623,249	20,166,797
Deferred Outflows of Resources - Pension	4,975,083	4,781,599	4,085,452
Total Assets and Deferred Outflows of Resources	\$ 94,569,478	\$ 86,756,676	\$ 82,614,062
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 1,863,119	\$ 1,689,114	\$ 988,194
Unearned Revenue	952,000	-	994,219
Net Pension Liability	14,124,223	13,964,667	7,185,248
Deferred Inflow of Resources - Pension	483,667	754,839	6,969,320
Total Liabilities and Deferred Inflow of Resources	17,423,009	16,408,620	16,136,981
Net Position			
Net Investment in Capital Assets	29,108,731	24,623,249	20,166,797
Unrestricted	48,037,738	45,724,807	46,310,284
Total Net Position	77,146,469	70,348,056	66,477,081
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 94,569,478	\$ 86,756,676	\$ 82,614,062

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The Hospital had four significant changes in its assets and liabilities during 2024, as shown in Table 1:

- Cash and cash equivalents increased by approximately \$17,900,000 or 191%.
- Unearned revenue increased by approximately \$952,000 or 100%.
- Investments decreased by approximately \$19,026,000 or 44%.
- Other current assets increased by approximately \$3,540,000 or 106%.

The increase in cash and cash equivalents, increase in unearned revenue, and increase in other current assets is related primarily to:

- Increase in cash reserve of TBILL during 2024 for approximately \$17,524,000 which leads to the decrease of investments.
- The hospital was awarded a private grant of \$1,035,000 for medical equipment during 2024 where part of the grant funds were used to make a payment towards a medical equipment which leads remaining grant funds of \$952,000 as unearned revenue.

Changes in deposits and investments are explained in Note 4 to these financial statements. Changes in capital assets are explained in Note 6 to these financial statements. Amounts received from private grant are explained in Note 7 to these financial statements. Further detail is also included in the required supplementary information section of these financial statements.

The Hospital had five significant changes in its assets and liabilities during 2023, as shown in Table 1:

- Cash and cash equivalents decreased by approximately \$21,645,000 or 70%.
- Net patient accounts receivable decreased by approximately \$330,000 or 18%.
- Unearned revenue decreased by approximately \$994,000 or 100%.
- Investments increased by approximately \$22,991,000 or 114%.
- Capital assets increase by approximately \$4,456,000 or 22%.

The decrease in cash and cash equivalents, decrease in net patient accounts receivable, and decrease in unearned revenue is related primarily to:

- Increase in investment of TBILL during 2023 for approximately \$23,000,000 which leads to the decrease of cash and cash equivalents.
- PRF revenue recognized for approximately \$515,000 during 2023 which leads to the decrease of unearned revenue. In addition, there was no additional PRF funding received during the year.

Changes in deposits and investments are explained in Note 4 to these financial statements. Amounts received from governmental agencies are explained in Note 7 to these financial statements. Further detail is also included in the required supplementary information section of these financial statements.

Operating Results and Changes in the Hospital's Net Position

In 2024, the Hospital's net position increased by approximately \$6,798,000, as shown in Table 2. This increase is made up of several different components and represents an increase of 10% in net position.

In 2023, the Hospital's net position increased by approximately \$3,871,000, as shown in Table 2. This increase is made up of several different components and represents an increase of 14% in net position.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

In 2022, the Hospital's net position increased by approximately \$5,348,000, as shown in Table 2. This increase is made up of several different components and represents an increase of 8% in net position.

Table 2: Operating Results and Changes in Net Position

	2024	2023	2022
Operating Revenues			
Net Patient Service Revenue	\$ 12,490,498	\$ 12,539,884	\$ 12,022,557
Other Revenue	598,777	713,527	504,575
Total Operating Revenues	<u>13,089,275</u>	<u>13,253,411</u>	<u>12,527,132</u>
Operating Expenses			
Salaries, Wages, and Employee Benefits	9,554,912	9,574,325	7,400,656
Physician Services, Purchased Services, Professional Fees	3,606,368	3,505,642	3,366,785
Depreciation	1,903,726	1,949,755	2,069,963
Other Operating Expenses	2,270,727	2,266,168	2,168,528
Interest Expense	500	-	-
Total Operating Expenses	<u>17,336,233</u>	<u>17,295,890</u>	<u>15,005,932</u>
Operating Loss	(4,246,958)	(4,042,479)	(2,478,800)
Nonoperating Revenues			
Tax Revenue	8,691,793	6,088,808	8,665,371
Investment Income (Loss)	2,343,210	780,931	(1,042,433)
Other Noncapital Grants, Contributions, and Expenses	10,368	1,043,715	203,555
Total Nonoperating Revenues	<u>11,045,371</u>	<u>7,913,454</u>	<u>7,826,493</u>
Increase in Net Position	<u>\$ 6,798,413</u>	<u>\$ 3,870,975</u>	<u>\$ 5,347,693</u>

Operating Loss

The first component of the overall change in the Hospital's net position is its operating income or loss - generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. In each of the past three years, the Hospital has reported an operating loss. This is consistent with the Hospital's recent operating history. The Hospital receives a significant portion of its total revenues from taxes and grants to subsidize operating losses and provide funds to improve the Hospital's facilities. Tax revenue accounted for 43%, 77%, and 43%, of the total revenue in 2024, 2023, and 2022, respectively.

2024

Operating revenues for 2024 decreased by \$164,000 or 1%, as compared to 2023. This decrease was mostly due to decrease in other revenue of \$115,000 or 16%.

Operating expenses increase in 2024 by \$40,000 or 1%. The largest increase in operating expenses is related to professional fees which increased by \$101,000 or 3% due to billing fee increases for third party services.

Combined, the operating income for 2024 decreased by \$204,000 as compared to 2023.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

2023

Operating revenues for 2023 increased by \$726,000 or 6%, as compared to 2022. This increase was mostly due to increase in net patient service revenue of \$517,000 or 4%.

Operating expenses increase in 2023 by \$2,290,000 or 15%. The largest increase in operating expenses is related to salaries, wages and employee benefits which increased by \$2,174,000 or 29% due to merit increases across the Hospital as operations have resumed to normal after the pandemic.

Combined, the operating loss for 2023 decreased by \$721,000 as compared to 2022.

Nonoperating Revenues

Nonoperating revenues consist of tax revenue, investment return, and grant revenue. In 2024, tax revenues increased by approximately \$2,603,000 or 43% primarily related to the fluctuation in net proceeds tax revenue from year to year. Investment return increased by approximately \$1,562,000 due to changes in fair market value. Other noncapital grants, contributions, and other expenses decreased by \$1,033,000 in 2024, primarily related to expenditures recognized from COVID-19 pandemic funding.

The Hospital's Cash Flows

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

Capital Asset and Debt Administration

Capital Assets

At the end of 2024, the Hospital had approximately \$30,082,000 invested in capital assets, net of accumulated depreciation, as detailed in Note 6 to the financial statements. An increase of approximately \$5,459,000 or 22% is related to construction in progress additions related to BMGH Acute Expansion/ER & Business Office Renovation/Lab and Radiology updating in 2024.

At the end of 2023, the Hospital had approximately \$24,623,000 invested in capital assets, net of accumulated depreciation, as detailed in Note 6 to the financial statements. An increase of approximately \$4,456,000 or 22% is related to construction in progress additions related to BMGH Acute Expansion/ER & Business Office Renovation/Lab and Radiology updating in 2023.

Debt

During 2024 and 2023, the Hospital had no outstanding long-term debt.

LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Hospital Administration by telephoning 775-635-2550.

Lander County Hospital District
dba: Battle Mountain General Hospital

/s/ Jason Bleak
Jason Bleak
Administrator and CEO

/s/ Cindy Fagg
Cindy Fagg
Controller

DRAFT REPORT
FOR DISCUSSION PURPOSES ONLY

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 27,281,127	\$ 9,381,342
Short-Term Investments	3,102,882	26,880,459
Patient Accounts Receivable, Net of Allowance; 2024 - \$3,904,000, 2023 - \$4,227,000	1,262,496	1,515,251
Taxes and Other Receivable	5,170,076	2,333,140
Estimated Amounts Due from Third-Party Payors	1,014,625	442,557
Supplies	593,324	487,556
Prepaid Expenses and Other	100,784	75,710
Total Current Assets	38,525,314	41,116,015
LONG-TERM INVESTMENTS	20,987,000	16,235,813
CAPITAL ASSETS, NET	30,082,081	24,623,249
Total Assets	89,594,395	81,975,077
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS		
	4,975,083	4,781,599
Total Assets and Deferred Outflows of Resources	\$ 94,569,478	\$ 86,756,676
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,470,964	\$ 1,313,877
Accrued Payroll and Benefits Payable	392,155	375,237
Unearned Revenue	952,000	-
Total Current Liabilities	2,815,119	1,689,114
NET PENSION LIABILITY	14,124,223	13,964,667
DEFERRED INFLOWS OF RESOURCES - PENSIONS		
	483,667	754,839
Total Liabilities and Deferred Inflows of Resources	17,423,009	16,408,620
NET POSITION		
Net Investment in Capital Assets	29,108,731	24,623,249
Unrestricted	48,037,738	45,724,807
Total Net Position	77,146,469	70,348,056
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 94,569,478	\$ 86,756,676

See accompanying Notes to Financial Statements.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
OPERATING REVENUES		
Net Patient Service Revenue, Net of Provision for Uncollectible Accounts; 2024 - \$1,365,000, 2023 - \$956,000	\$ 12,490,498	\$ 12,539,884
Other Revenue	598,777	713,527
Total Operating Revenues	13,089,275	13,253,411
OPERATING EXPENSES		
Salaries and Wages	7,600,628	7,398,939
Employee Benefits	1,954,284	2,175,386
Purchased Services and Other Professional Services	3,606,368	3,505,642
Supplies and Other	2,270,727	2,266,168
Depreciation	1,903,726	1,949,755
Interest Expense	500	-
Total Operating Expenses	17,336,233	17,295,890
OPERATING LOSS	(4,246,958)	(4,042,479)
NONOPERATING REVENUES		
Tax Revenue	8,691,793	6,088,808
Investment Income (Loss)	2,343,210	780,931
Other Noncapital Grants, Contributions, and Expenses	10,368	1,043,715
Total Nonoperating Revenues	11,045,371	7,913,454
INCREASE IN NET POSITION	6,798,413	3,870,975
Net Position - Beginning of Year	70,348,056	66,477,081
NET POSITION - END OF YEAR	\$ 77,146,469	\$ 70,348,056

See accompanying Notes to Financial Statements.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on Behalf of Patients	\$ 12,171,185	\$ 12,647,868
Payments to Suppliers and Contractors	(5,851,351)	(5,129,336)
Payments to Employees	(9,843,093)	(9,725,508)
Other Receipts, Net	598,777	713,527
Net Cash Used by Operating Activities	(2,924,482)	(1,493,449)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxes Supporting Operations	5,854,857	8,414,323
Other Noncapital Grants, Contributions, and Expenses	962,368	49,496
Net Cash Provided by Noncapital Financing Activities	6,817,225	8,463,819
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(7,362,558)	(6,406,207)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchase) of Investments	19,026,390	(22,990,572)
Interest Income (Loss)	2,343,210	780,931
Net Cash Provided (Used) by Investing Activities	21,369,600	(22,209,641)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,899,785	(21,645,478)
Cash and Cash Equivalents - Beginning of Year	9,381,342	31,026,820
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 27,281,127	\$ 9,381,342
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (4,246,958)	\$ (4,042,479)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	1,903,726	1,949,755
Provision for Uncollectible Accounts	1,364,928	955,939
Changes in Operating Assets and Liabilities:		
Patient Accounts Receivable	(1,112,173)	(625,464)
Estimated Amounts Due from Third-Party Payors	(572,068)	(222,491)
Accounts Payable and Accrued Expenses	174,005	700,920
Net Pension Liability	159,556	6,779,419
Deferred Outflows of Resources	(193,484)	(696,147)
Deferred Inflows of Resources	(271,172)	(6,214,481)
Other Assets and Liabilities	(130,842)	(78,420)
Net Cash Used by Operating Activities	\$ (2,924,482)	\$ (1,493,449)
SUPPLEMENTAL CASH FLOW INFORMATION		
Capital Assets Acquisition Included in Accounts Payable	\$ 973,350	\$ -

See accompanying Notes to Financial Statements.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

Lander County Hospital District dba: Battle Mountain General Hospital (the Hospital) is a hospital district formed under the provisions of the Nevada Revised Statutes. The Hospital primarily earns revenues by providing inpatient, outpatient, long-term care and emergency care services to patients in Battle Mountain, Nevada. It also operates a primary care clinic in Battle Mountain.

Basis of Accounting and Presentation

The financial statements of the Hospital have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as county appropriations), property taxes, and investment income are included in nonoperating revenues and expenses. The Hospital first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

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

Cash Equivalents

The Hospital considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

Risk Management

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

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income

The Hospital maintains fixed income investments and certificate of deposits with an investment broker. Investments are carried at fair value. Fair value is determined using quoted market prices. Investment income includes dividend and interest income and the net change for the year in fair value of investments carried at fair value.

Fair Value Measurements

To the extent available, the Hospital's investments are recorded at fair value. GASB Statement No. 72 – *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources.

In contrast, unobservable inputs reflect an entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Hospital has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Accounts Receivable

Patient accounts receivable are obligations that are stated at the amount management expects to collect for outstanding balances. These obligations are primarily from patients whom are insured under third-party payor agreements. The District bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on patient receivables are applied to the specific claim identified on the remittance advice or statement. The district does not have a policy to charge interest on past due accounts.

Patient accounts receivable are recorded on the accompanying financial statements at an amount net of contractual adjustments and an allowance for doubtful accounts, which reflect management's estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patients accounts receivable.

In addition, management provides for probable uncollectible amounts, primarily for uninsured patient and amounts for which patient are personally responsible, through a reduction of gross revenue and a credit to an allowance for doubtful accounts.

In evaluating the collectability of patient accounts receivable, the District analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, the district analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid for payors who are known to be having financial difficulties that make the realization of amounts due unlikely.

For receivables associated with self-pay patients (which includes patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which that are financially responsible. The difference between the standard rates and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Supplies

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

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Buildings and Leasehold Improvements	5 to 40 Years
Equipment	3 to 20 Years

Compensated Absences

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in other long-term liabilities.

Pension Plan

The Hospital participates in the Public Employees Retirement System of the state of Nevada, (PERS), a cost-sharing multiple employer defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflow of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Deferred Inflow of Resources

Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of pension related deferred inflows.

Unearned Revenue

Revenue received in advance of the performance of services deemed to be exchange transactions are deferred until such time as related expenditures are incurred and then recognized as revenue.

Net Position

Net position of the Hospital is classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts.

Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

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

Income Taxes

As an essential government function, the Hospital is generally exempt from federal income taxes under Section 115 of the Internal Revenue Code. However, the Hospital is subject to federal income tax on any unrelated business taxable income.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events are events or transactions that occur after the statement of net position date but before financial statements are issued. The Hospital recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process of preparing the financial statements.

The Hospital's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position but arose after the statement of net position date and before financial statements are issued. The Hospital has evaluated subsequent events through REPORT DATE, which is the date the financial statements were available to be issued.

NOTE 2 NET PATIENT SERVICE REVENUE

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

Medicare – The Hospital is certified as a Medicare critical access hospital. The Hospital is reimbursed under a cost reimbursement methodology for inpatient and most outpatient services. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. The Hospital's Medicare cost reports have been audited by the Medicare administrative contractor through June 30, 2023.

Medicaid – Inpatient and nursing home services rendered to Medicaid program beneficiaries are reimbursed under cost reimbursement methodologies. Outpatient services are reimbursed at prospectively determined rates. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid administrative contractor. The Hospital's Medicaid cost reports have been audited by the Medicaid administrative contractor through June 30, 2023.

Approximately 50% and 44% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2024 and 2023, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

**LANDER COUNTY HOSPITAL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

The Hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements is primarily discounts from established charges.

Net patient service revenues are comprised of the following for the years ended June 30:

	2024		Total
	Inpatient	Outpatient	
DAILY PATIENT SERVICES			
Acute Care	\$ 49,682	\$ 1,042	\$ 50,724
Extended Care	2,494,601	-	2,494,601
Swing Bed	184,338	-	184,338
Total Daily Patient Services	<u>2,728,621</u>	<u>1,042</u>	<u>2,729,663</u>
OTHER NURSING SERVICES			
Emergency, Observation, and Treatment Clinic	-	3,901,887	3,901,887
	-	1,937,977	1,937,977
Total Other Nursing Services	-	<u>5,839,864</u>	<u>5,839,864</u>
OTHER PROFESSIONAL SERVICES			
Central Services and Supply	-	11,728	11,728
Laboratory	950,958	2,707,691	3,658,649
Pharmacy	266,529	386,689	653,218
Physical Therapy	35,535	999,215	1,034,750
Physician Services	82,700	35	82,735
Radiology	1,199	3,421,990	3,423,189
Respiratory Therapy	217,354	56,127	273,481
Ultrasound	25,007	202,419	227,426
Emergency Medical Services Treatment	-	1,368	1,368
	-	118	118
Infusion	17,954	661,808	679,762
Nutritional Services	-	-	-
Total Other Professional Services	<u>1,597,236</u>	<u>8,449,188</u>	<u>10,046,424</u>
GROSS PATIENT SERVICE REVENUE	<u>\$ 4,325,857</u>	<u>\$ 14,290,094</u>	18,615,951
LESS ALLOWANCES			
Medicare Contractual Allowances			158,159
Medicaid Contractual Allowances			(424,159)
Other Allowances			5,026,525
Provision for Uncollectible Accounts			1,364,928
Total Allowances			<u>6,125,453</u>
NET PATIENT SERVICE REVENUE			<u>\$ 12,490,498</u>

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

	2023		
	Inpatient	Outpatient	Total
DAILY PATIENT SERVICES			
Acute Care	\$ 172,588	\$ -	\$ 172,588
Extended Care	2,540,894	-	2,540,894
Swing Bed	103,242	-	103,242
Total Daily Patient Services	<u>2,816,724</u>	<u>-</u>	<u>2,816,724</u>
OTHER NURSING SERVICES			
Emergency, Observation, and Treatment Clinic	-	4,441,344	4,441,344
	-	2,043,771	2,043,771
Total Other Nursing Services	<u>-</u>	<u>6,485,115</u>	<u>6,485,115</u>
OTHER PROFESSIONAL SERVICES			
Central Services and Supply	-	10,303	10,303
Laboratory	1,067,614	2,528,345	3,595,959
Pharmacy	302,517	179,702	482,219
Physical Therapy	28,327	1,174,370	1,202,697
Physician Services	98,597	934	99,531
Radiology	9,540	3,297,971	3,307,511
Respiratory Therapy	252,057	64,385	316,442
Ultrasound	42,903	185,245	228,148
Emergency Medical Services Treatment	-	4,003	4,003
	-	1,532	1,532
Infusion	36,652	634,599	671,251
Nutritional Services	-	-	-
Total Other Professional Services	<u>1,838,207</u>	<u>8,081,389</u>	<u>9,919,596</u>
GROSS PATIENT SERVICE REVENUE	<u>\$ 4,654,931</u>	<u>\$ 14,566,504</u>	19,221,435
LESS ALLOWANCES			
Medicare Contractual Allowances			(71,353)
Medicaid Contractual Allowances			(691,228)
Other Allowances			6,488,193
Provision for Uncollectible Accounts			955,939
Total Allowances			<u>6,681,551</u>
NET PATIENT SERVICE REVENUE			<u>\$ 12,539,884</u>

**LANDER COUNTY HOSPITAL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 3 CHARITY CARE AND COMMUNITY BENEFIT

The costs of charity care provided under the Hospital's charity care policy was \$-0- for 2024 and 2023, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

In addition, the Hospital provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts which are less than established charges for services provided to the recipients and many times the payments are less than the cost of rendering the services provided.

In addition to the above cost of charity care, the Hospital also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable.

NOTE 4 DEPOSITS, INVESTMENTS, AND INVESTMENT INCOME

Investments are carried at fair value and cash and cash equivalents are carried at cost, which approximates fair value. The following represents cash deposits held by the Hospital at June 30:

	Carrying Amount	
	2024	2023
Carrying Amount:		
Deposits	\$ 23,384,019	\$ 5,225,651
Money Market	3,897,108	4,155,691
Total	<u>\$ 27,281,127</u>	<u>\$ 9,381,342</u>

The carrying values of deposits and investments are included in the statements of net position as follows:

	2024	2023
Included in the Following Balance Sheet Captions:		
Cash and Cash Equivalents	\$ 27,281,127	\$ 9,381,342
Short-Term Investments	3,102,882	26,880,459
Long-Term Investments	20,987,000	16,235,813
Carrying Value	<u>\$ 51,371,009</u>	<u>\$ 52,497,614</u>

Deposits

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

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

**LANDER COUNTY HOSPITAL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 4 DEPOSITS, INVESTMENTS, AND INVESTMENT INCOME (CONTINUED)

Investments

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

The Hospital had the following investments and maturities at June 30:

Investment Type	2024			
	Fair Value	Fair Value	Investment Maturities (in Years)	
	Level 1	Level 2	Less Than 1	1-5
Fixed Income Securities	\$ 3,494,910	\$ 20,594,972	\$ 3,102,882	\$ 20,987,000

Investment Type	2023		
	Fair Value	Investment Maturities (in Years)	
	Level 2	Less Than 1	1-5
Fixed Income Securities	\$ 43,116,272	\$ 26,880,459	\$ 16,235,813

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital's investments are not subject to interest rate risk due to their short-term nature.

Credit Risk – The Hospital limits its credit risk by investing only in the money market mutual funds and fixed income securities backed by federal deposit insurance agency and collateral health by a pledging institution described above.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Nevada legislature requires state and local public funds in excess of federally insured deposit insurance to be collateralized. To meet this requirement, the Hospital participates in the Nevada Collateral Pool Program.

Concentration of Credit Risk – The Hospital places no limit on the amount that may be invested in any investment class. At June 30, 2024 and 2023, the Hospital held 100% of its investments in fixed income securities and money market mutual funds.

The Hospital's deposit and investment policy addresses the above risks.

**LANDER COUNTY HOSPITAL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 4 DEPOSITS, INVESTMENTS, AND INVESTMENT INCOME (CONTINUED)

Investment Income

Investment income for the years ended June 30 is comprised of the following:

	2024	2023
Interest Income	\$ 1,540,652	\$ 458,326
Investment Income	802,558	322,605
Total	<u>\$ 2,343,210</u>	<u>\$ 780,931</u>

NOTE 5 PATIENT ACCOUNTS RECEIVABLE

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable at June 30 consisted of:

	2024	2023
Medicare	\$ 724,070	\$ 876,299
Medicaid	617,725	672,547
Other Third-Party Payors	1,047,569	2,187,701
Patients	<u>2,777,088</u>	<u>2,005,274</u>
Subtotal	5,166,452	5,741,821
Less: Allowance for Uncollectible Accounts	<u>(3,903,956)</u>	<u>(4,226,570)</u>
Total	<u>\$ 1,262,496</u>	<u>\$ 1,515,251</u>

NOTE 6 CAPITAL ASSETS

Capital assets activity for the years ended June 30 were:

	2024				Ending Balance
	Beginning Balance	Additions	Disposals	Transfers	
Land	\$ 167,922	\$ -	\$ -	\$ -	\$ 167,922
Buildings and Leasehold Improvements	27,984,572	-	-	10,625	27,995,197
Equipment	12,177,381	-	-	-	12,177,381
Construction in Progress	7,287,551	7,362,558	-	(10,625)	14,639,484
Total	<u>47,617,426</u>	<u>7,362,558</u>	<u>-</u>	<u>-</u>	<u>54,979,984</u>
Less Accumulated Depreciation:					
Buildings and Leasehold Improvements	18,318,914	1,536,335	-	-	19,855,249
Equipment	4,675,263	367,391	-	-	5,042,654
Total	<u>22,994,177</u>	<u>1,903,726</u>	<u>-</u>	<u>-</u>	<u>24,897,903</u>
Capital Assets, Net	<u>\$ 24,623,249</u>	<u>\$ 5,458,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,082,081</u>

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 CAPITAL ASSETS (CONTINUED)

	2023				Ending Balance
	Beginning Balance	Additions	Disposals	Transfers	
Land	\$ 167,922	\$ -	\$ -	\$ -	\$ 167,922
Buildings and Leasehold Improvements	27,984,572	-	-	-	27,984,572
Equipment	11,849,413	172,657	(7,186)	162,497	12,177,381
Construction in Progress	1,216,499	6,233,549	-	(162,497)	7,287,551
Total	41,218,406	6,406,206	(7,186)	-	47,617,426
Less Accumulated Depreciation:					
Buildings and Leasehold Improvements	16,727,356	1,591,558	-	-	18,318,914
Equipment	4,324,253	358,196	(7,186)	-	4,675,263
Total	21,051,609	1,949,754	(7,186)	-	22,994,177
Capital Assets, Net	<u>\$ 20,166,797</u>	<u>\$ 4,456,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,623,249</u>

Construction in progress as of June 30, 2024 consists of expansion project. Expected costs on the project are approximately \$17.9 million with anticipated completion in April 2025. The projects are being funded through investment reserves and operating cash flows.

Depreciation expense for the years ended June 30, 2024 and 2023 was \$1,903,726 and \$1,949,755, respectively.

NOTE 7 UNEARNED REVENUE

Unearned revenue for the years ended June 30, 2024 and 2023 was \$952,000 and \$0-, respectively. The Hospital received a private grant for medical equipment as of June 30, 2024 and was awarded \$1,035,000. Part of the grant proceeds were used towards the purchase of medical equipment as of June 30, 2024 while the unused grant proceeds were recognized as unearned revenue as of June 30, 2024.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 PENSION PLAN

Plan Description

The Hospital contributes to the PERS, a cost-sharing multiple employer defined benefit pension plan covering substantially all employees. The Nevada Revised Statutes (NRS) establish the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the plan at 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling 775-687-4200.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Retirement benefits for employees are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the plan on or after January 1, 2010. Participants are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Participants entering the plan after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service. Postretirement increases are provided by authority of NRS 286.575 - .579.

Contributions

All pay that meets the definition of compensation as defined in NRS 286.025(2) is subject to retirement contribution. New hires in agencies which did not elect the Employer-Pay Contribution Plan (EPC) prior to July 1, 1983, have the option of selecting EPC or the Employee/Employer Contribution Plan. Employees of the Hospital participate in both plans. The contribution requirements of the plan members and Hospital are established by Nevada state statutes. The plan receives an actuarial valuation on an annual basis indicating the contributions rates required to fund the plan on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. The actuary funding method used is the Entry Age Normal Cost Method which is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary. For the years ended June 30, 2024 and 2023, the EPC rate was 33.50%, and Employer/Employee paid contribution method was 17.50%, for the employer and employee. For the years ended June 30, 2024 and 2023, contributions to the pension plan from the Hospital were \$1,168,977 and \$1,081,343, respectively.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 PENSION PLAN (CONTINUED)

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

At June 30, 2024 and 2023, the Hospital reported a liability of \$14,124,223 and \$13,964,667, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Hospital's proportion of the net pension liability was based on its combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2023. The Hospital's proportion at June 30, 2023, was 0.08%, which was consistent with its proportion of 0.08% at June 30, 2022. The Hospital's proportion at June 30, 2022, was 0.08%, which was consistent with its proportion of 0.08% at June 30, 2021. For the years ended June 30, 2024 and 2023, the Hospital recognized pension expense of \$1,120,925 and \$1,093,803, respectively.

At June 30, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,916,991	\$ -
Changes of Assumptions	1,378,343	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	137,660
Changes in Proportion and Differences Between the Hospital's Contributions and Proportionate Share of Contributions	510,772	346,007
Hospital's Contributions Subsequent to the Measurement Date	1,168,977	-
Total	<u>\$ 4,975,083</u>	<u>\$ 483,667</u>
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,773,599	\$ 9,785
Changes of Assumptions	1,759,539	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	167,118	-
Changes in Proportion and Differences Between the Hospital's Contributions and Proportionate Share of Contributions	-	745,054
Hospital's Contributions Subsequent to the Measurement Date	1,081,343	-
Total	<u>\$ 4,781,599</u>	<u>\$ 754,839</u>

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, the Hospital reported \$1,168,977 as deferred outflows of resources related to pensions resulting from Hospital contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense at June 30, as follows:

<u>Year Ending June 30.</u>	<u>2024</u>	<u>2023</u>
2025	\$ (767,483)	\$ (626,017)
2026	(767,483)	(595,462)
2027	(714,324)	(597,281)
2028	(674,455)	(545,595)
2029	(328,921)	(505,910)
Thereafter	(69,771)	(75,152)
Total	<u>\$ (3,322,439)</u>	<u>\$ (2,945,417)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.20% to 9.10%, Average, Including Inflation
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females.

The actuarial assumptions used in the June 30, 2022 valuations were based on the results of the experience review issued September 10, 2021.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The board of directors of PERS evaluates and establishes expected real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Equity	28%	0.75%
Private Markets	12%	6.65%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Hospital's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Hospital's proportionate share of the net pension liability has been calculated using a discount rate of 7.25%. The following presents the Hospital's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Hospital's Proportionate Share of the Net Pension Liability			
June 30, 2023	<u>\$ 21,979,365</u>	<u>\$ 14,124,223</u>	<u>\$ 7,641,425</u>
June 30, 2022	<u>\$ 21,440,332</u>	<u>\$ 13,964,667</u>	<u>\$ 7,796,122</u>

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 PENSION PLAN (CONTINUED)

Payable to the Pension Plan

The Hospital reported a payable of \$-0- and \$47,956 for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Risk Management

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

The Hospital has joined together with other providers of health care services to form the Liability Cooperative of Nevada (LiCON), a risk pool (the Pool) currently operating as a common risk management and insurance program for its members. The Hospital pays an annual premium to the Pool for its tort's insurance coverage. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts. Should a settlement exceed the coverage limit of the Pool, the Hospital obtains additional coverage through the purchase of medical malpractice insurance under a claims made policy on a fixed premium basis.

U.S. GAAP 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.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 10 TAX REVENUE

Lander County collects ad valorem tax and net proceeds of mine tax and remits those amounts to the Hospital. The state of Nevada collects consolidated tax and distributes directly to the Hospital.

Ad valorem taxes are assessed in July and are received beginning in August of each year and become delinquent after June of the following year. A lien on the property is attached at that time.

All mine operations extracting any minerals in Nevada or any royalty recipients will pay net proceeds taxes on actual business from January through December at the actual tax rate as determined by the Department of Taxation and defined in NRS 362. Taxes are appropriated to each county and distributed annually. The county treasurer then apportions to each local government or other local entity their share as determined by NRS 362.

For the years ended June 30, 2024 and 2023, the taxes from mine operators and royalty recipients are reflected in the financial statements on the accrual basis as tax is appropriated or as cash is received.

Net proceed payments from the Department of Taxation are based on estimated reports of extraction and reconciled annually. Credits are applied to future tax payments in accordance with NRS 362.130. The overall financial impact, if any, to the Hospital is not determinable at June 30, 2024 and 2023, and is not reflected in these financial statements.

NOTE 11 RELATED PARTY

The Hospital had an agreement with Lander County, a political subdivision of the state of Nevada (the County) which subsidize the operations for an emergency medical service department (EMS). Under the terms of the agreement, the Hospital received a monthly subsidy of \$10,000 per month. The Hospital was required to report the cost of the EMS department each quarter. In the event the subsidy exceeded the cost, the surplus was divided evenly between the Hospital and the County. Effective February 15, 2024, the contract with the County ended.

At the end of each quarter, a settlement between the cost reported to the County and the subsidy may exist. In the event of a surplus, the funds are divided equally. At the end of June 30, 2024 and 2023, the total subsidy from the County amounted to \$117,622 and \$175,177, respectively.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY
AND PERS SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024**

Fiscal Year	Hospital's Proportion	Hospital's Proportionate Share	Hospital's Covered Payroll	Hospital's Proportionate Share of NPL as a % of Covered Payroll	PERS Fiduciary Net Position as a % of Total Pension Liability
June 30, 2023	0.08%	\$ 14,124,223	\$ 6,162,638	229.19%	76.16%
June 30, 2022	0.08%	13,964,667	5,407,255	258.26%	83.83%
June 30, 2021	0.08%	7,185,248	5,352,721	134.24%	86.51%
June 30, 2020	0.08%	10,929,232	5,539,595	197.29%	77.04%
June 30, 2019	0.08%	10,723,325	5,546,055	193.35%	76.46%
June 30, 2018	0.08%	11,313,304	5,605,970	201.81%	75.24%
June 30, 2017	0.11%	11,696,674	6,343,558	184.39%	74.42%
June 30, 2016	0.11%	14,181,148	6,193,205	228.98%	72.23%
June 30, 2015	0.10%	12,248,932	6,588,969	185.90%	75.13%
June 30, 2014	0.10%	9,979,163	6,693,626	149.08%	76.31%

PERS Schedule of Contributions

Fiscal Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2024	\$ 932,770	\$ 932,770	\$ -	\$ 6,162,638	15.14%
June 30, 2023	834,516	814,927	-	5,407,255	15.07%
June 30, 2022	814,927	814,927	-	5,352,721	15.22%
June 30, 2021	817,731	817,731	-	5,539,595	14.76%
June 30, 2020	757,040	757,040	-	5,546,055	13.65%
June 30, 2019	705,248	705,248	-	5,605,970	12.58%
June 30, 2018	786,464	789,394	-	6,343,558	12.44%
June 30, 2017	789,394	789,394	-	6,193,205	12.75%
June 30, 2016	893,469	893,469	-	6,588,969	13.56%
June 30, 2015	966,469	966,469	-	6,693,626	14.44%

Factors that significantly affect trends in the amounts reported in the schedules:

No matters are reportable.

**LANDER COUNTY HOSPITAL DISTRICT
DBA: BATTLE MOUNTAIN GENERAL HOSPITAL
BUDGET COMPARISON – UNRESTRICTED FUNDS
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATIONS			
OPERATING REVENUES, NET OF PROVISIONS FOR UNCOLLECTIBLE ACCOUNTS	\$ 12,839,105	\$ 13,089,275	\$ 250,170
OPERATING EXPENSES			
Salaries and Other Costs	16,026,431	15,432,507	(593,924)
Depreciation	1,950,000	1,903,726	(46,274)
Total Operating Expenses	<u>17,976,431</u>	<u>17,336,233</u>	<u>(640,198)</u>
OPERATING LOSS	(5,137,326)	(4,246,958)	890,368
NONOPERATING REVENUES	<u>5,137,326</u>	<u>11,045,371</u>	<u>5,908,045</u>
EXCESS OF REVENUES OVER REVENUES	<u>\$ -</u>	<u>\$ 6,798,413</u>	<u>\$ 6,798,413</u>
CASH FLOWS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from and on Behalf of Patients	\$ 12,185,960	\$ 12,171,185	\$ (14,775)
Payments to Suppliers and Contractors	(11,072,379)	(5,851,351)	5,221,028
Payments to Employees	(7,926,498)	(9,843,093)	(1,916,595)
Other Receipts, Net	534,800	598,777	63,977
Net Cash Provided (Used) by Operating Activities	<u>(6,278,117)</u>	<u>(2,924,482)</u>	<u>3,353,635</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tax Revenues Supporting Operations	4,437,326	5,854,857	1,417,531
Other Noncapital Grants, Contributions, and Expenses	-	962,368	962,368
Net Cash Provided by Noncapital Financing Activities	<u>4,437,326</u>	<u>6,817,225</u>	<u>2,379,899</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(12,000)	(7,362,558)	(7,350,558)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments	-	19,026,390	19,026,390
Interest Income	700,000	2,343,210	1,643,210
Net Cash Provided by Investing Activities	<u>700,000</u>	<u>21,369,600</u>	<u>20,669,600</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	(1,152,791)	17,899,785	19,052,576
Cash and Cash Equivalents - Beginning of Year	<u>27,637,233</u>	<u>9,381,342</u>	<u>(18,255,891)</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 26,484,442</u>	<u>\$ 27,281,127</u>	<u>\$ 796,685</u>

**INDEPENDENT AUDITORS' 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 Trustees
Lander County Hospital District
dba: Battle Mountain General Hospital
Battle Mountain, Nevada

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lander County Hospital District dba: Battle Mountain General Hospital's as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Battle Mountain General Hospital's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lander County Hospital District dba: Battle Mountain General 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Battle Mountain General Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of Battle Mountain General 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 a reasonable possibility that a material misstatement of the entity's financial statements 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 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.

Board of Trustees
Lander County Hospital District
dba: Battle Mountain General Hospital

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lander County Hospital District dba: Battle Mountain General 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Roseville, California
REPORT DATE

DRAFT REPORT
FOR DISCUSSION PURPOSES ONLY

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH NEVADA REVISED
STATUTES BASED ON AN AUDIT OF FINANCIAL STATEMENTS**

Board of Trustees
Lander County Hospital District
dba: Battle Mountain General Hospital
Battle Mountain, Nevada

We have audited the financial statements of Lander County Hospital District dba: Battle Mountain General Hospital (the Hospital) as of and for the year ended June 30, 2024, and have issued our report thereon dated REPORT DATE.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with Nevada Revised Statutes (NRS) and regulations applicable to the Hospital is the responsibility of management.

In connection with our audit, nothing came to our attention that caused us to believe that the Hospital had not complied in all material respects with NRS 354, including:

- (a) Use of funds established
- (b) Use of U.S. generally accepted accounting principles
- (c) Limitations on reserves
- (d) Recording sources of revenue and transfers available
- (e) Ending retained earning amounts

This report is intended solely for the information and use of the board of trustees, management, and others within the Hospital, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Roseville, California
REPORT DATE