

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION**

CONSOLIDATED FINANCIAL STATEMENTS

Together with Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021



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Donovan CPAs

Independent Auditors' Report

The Boards of Directors
Visiting Nurse and Hospice Home, Inc. d/b/a Stillwater Hospice and
Visiting Nurse and Hospice Home Foundation, Inc. d/b/a Stillwater Foundation

Opinion

We have audited the consolidated financial statements of Visiting Nurse and Hospice Home, Inc. d/b/a Stillwater Hospice (“Stillwater Hospice”) and Visiting Nurse and Hospice Home Foundation, Inc. d/b/a Stillwater Foundation (“Stillwater Foundation”), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Stillwater Hospice and Stillwater Foundation as of December 31, 2022 and 2021, and the consolidated results of operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Stillwater Hospice and Stillwater Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Stillwater Hospice and Stillwater Foundation’s ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stillwater Hospice and Stillwater Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Stillwater Hospice and Stillwater Foundation'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 we identified during the audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented on pages 19 through 22 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The letters are cursive and slightly slanted to the right.

Indianapolis, Indiana
September 28, 2023

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,653,738	\$ 5,380,608
Accounts receivable, net	1,879,227	2,247,396
Prepaid expenses	79,043	148,709
<i>Total current assets</i>	<u>6,612,008</u>	<u>7,776,713</u>
PROPERTY AND EQUIPMENT		
Land and improvements	1,404,529	1,497,529
Buildings and improvements	6,864,652	7,015,381
Furniture and equipment	4,200,816	3,808,444
Finance lease right-of-use assets, net of accumulated amortization	112,784	-
Less: accumulated depreciation	(7,021,847)	(6,409,298)
<i>Property and equipment, net</i>	<u>5,560,934</u>	<u>5,912,056</u>
OTHER ASSETS		
Investment assets	12,343,604	13,776,405
Endowment asset	26,000	26,000
Restricted cash - held for deposit into endowment	30,390	30,390
Goodwill, net of accumulated amortization	108,965	124,170
<i>Total other assets</i>	<u>12,508,959</u>	<u>13,956,965</u>
TOTAL ASSETS	<u>\$ 24,681,901</u>	<u>\$ 27,645,734</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of finance lease obligations	\$ 27,628	\$ -
Accounts payable	936,407	1,271,208
Accrued payroll, vacation, and withholdings	393,407	418,920
Accrued self-insurance	75,000	-
Accrued other	44,000	26,141
<i>Total current liabilities</i>	<u>1,476,442</u>	<u>1,716,269</u>
LONG-TERM LIABILITIES		
Finance lease obligations, net of current portion	85,156	-
TOTAL LIABILITIES	<u>1,561,598</u>	<u>1,716,269</u>
NET ASSETS		
Without donor restrictions:		
Board-designated	446,626	700,000
Undesignated	21,110,637	24,174,848
With donor restrictions	1,563,040	1,054,617
<i>Total net assets</i>	<u>23,120,303</u>	<u>25,929,465</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,681,901</u>	<u>\$ 27,645,734</u>

See independent auditors' report and notes to the consolidated financial statements

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**

For the Years Ended December 31, 2022 and 2021

	2022			2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT						
Net patient services revenue	\$ 14,667,153	\$ -	\$ 14,667,153	\$ 17,032,757	\$ -	\$ 17,032,757
Contributions	535,034	847,144	1,382,178	1,197,105	1,257,722	2,454,827
CARES Act funding - Provider Relief Funds	-	-	-	438,851	-	438,851
Other income	28,325	-	28,325	22,408	-	22,408
Net assets released from restrictions	338,721	(338,721)	-	555,890	(555,890)	-
<i>Total revenue and support</i>	<u>15,569,233</u>	<u>508,423</u>	<u>16,077,656</u>	<u>19,247,011</u>	<u>701,832</u>	<u>19,948,843</u>
EXPENSES						
Program services	13,233,776	-	13,233,776	13,947,933	-	13,947,933
General and administrative	3,553,175	-	3,553,175	3,715,890	-	3,715,890
Fundraising	286,274	-	286,274	255,735	-	255,735
<i>Total expenses</i>	<u>17,073,225</u>	<u>-</u>	<u>17,073,225</u>	<u>17,919,558</u>	<u>-</u>	<u>17,919,558</u>
OPERATING SURPLUS (DEFICIT)	<u>(1,503,992)</u>	<u>508,423</u>	<u>(995,569)</u>	<u>1,327,453</u>	<u>701,832</u>	<u>2,029,285</u>
NON-OPERATING ACTIVITIES						
Gain on sale of property and equipment	148,320	-	148,320	-	-	-
Investment income	297,620	-	297,620	276,971	-	276,971
Net realized gain on investments	352,119	-	352,119	1,321,081	-	1,321,081
Unrealized gain (loss) on investments	(2,611,652)	-	(2,611,652)	275,702	-	275,702
<i>Total non-operating activities</i>	<u>(1,813,593)</u>	<u>-</u>	<u>(1,813,593)</u>	<u>1,873,754</u>	<u>-</u>	<u>1,873,754</u>
CHANGE IN NET ASSETS	<u>(3,317,585)</u>	<u>508,423</u>	<u>(2,809,162)</u>	<u>3,201,207</u>	<u>701,832</u>	<u>3,903,039</u>
NET ASSETS, BEGINNING OF YEAR	<u>24,874,848</u>	<u>1,054,617</u>	<u>25,929,465</u>	<u>21,673,641</u>	<u>352,785</u>	<u>22,026,426</u>
NET ASSETS, END OF YEAR	<u>\$ 21,557,263</u>	<u>\$ 1,563,040</u>	<u>\$ 23,120,303</u>	<u>\$ 24,874,848</u>	<u>\$ 1,054,617</u>	<u>\$ 25,929,465</u>

See independent auditors' report and notes to the consolidated financial statements

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022**

	Program Services			Total	General and Administrative	Fundraising	Total
	<u>Home Hospice</u>	<u>Inpatient Hospice</u>	<u>Palliative Care</u>				
Salaries	\$ 5,073,366	\$ 1,500,951	\$ 999,458	\$ 7,573,775	\$ 1,267,795	\$ 156,966	\$ 8,998,536
Fringe benefits	892,175	299,867	196,189	1,388,231	639,509	36,102	2,063,842
Patient expenses	2,052,938	108,472	105	2,161,515	-	-	2,161,515
Data processing	191,832	55,691	37,085	284,608	435,530	5,825	725,963
Depreciation	71,760	233,507	2,702	307,969	290,032	23,762	621,763
Contracted services	289,037	13,271	-	302,308	132,854	-	435,162
Community awareness	231,595	66,444	27,963	326,002	139,770	12,542	478,314
Mileage reimbursement	272,526	2,586	8,750	283,862	20,942	11,800	316,604
Occupancy	-	81,945	22,877	104,822	94,481	7,960	207,263
Bad debt expense	101,450	43,734	2,200	147,384	-	-	147,384
Telephone	49,180	14,551	9,689	73,420	67,745	1,523	142,688
Office expenses	49,686	10,159	26,189	86,034	26,539	23,047	135,620
Professional fees	-	-	2,500	2,500	133,000	-	135,500
Equipment rental and maintenance	44,425	18,691	11,445	74,561	40,364	1,797	116,722
Continuing education	20,000	5,000	10,000	35,000	66,002	-	101,002
Insurance	34,454	22,944	18,608	76,006	21,449	2,921	100,376
Dues and subscriptions	3,560	250	908	4,718	61,460	-	66,178
Amortization	-	-	-	-	42,548	-	42,548
Conferences and meetings	-	-	-	-	10,493	-	10,493
Fundraising expenses	-	-	-	-	-	2,029	2,029
Other	281	700	80	1,061	62,662	-	63,723
<i>Total functional expenses</i>	<u>\$ 9,378,265</u>	<u>\$ 2,478,763</u>	<u>\$ 1,376,748</u>	<u>\$ 13,233,776</u>	<u>\$ 3,553,175</u>	<u>\$ 286,274</u>	<u>\$ 17,073,225</u>

See independent auditors' report and notes to the consolidated financial statements

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2021

	Program Services			Total	General and Administrative	Fundraising	Total
	Home Hospice	Inpatient Hospice	Palliative Care				
Salaries	\$ 4,860,085	\$ 1,683,919	\$ 940,875	\$ 7,484,879	\$ 1,826,705	\$ 127,206	\$ 9,438,790
Fringe benefits	1,215,691	395,300	212,965	1,823,956	297,816	29,257	2,151,029
Patient expenses	2,201,345	278,976	2,105	2,482,426	-	-	2,482,426
Data processing	171,917	59,566	33,282	264,765	375,443	4,456	644,664
Depreciation	71,760	217,515	2,702	291,977	305,631	23,762	621,370
Contracted services	197,282	15,314	1,917	214,513	160,659	-	375,172
Community awareness	136,738	44,916	25,096	206,750	59,374	3,393	269,517
Mileage reimbursement	305,457	2,031	4,601	312,089	27,074	11,000	350,163
Occupancy	-	81,460	22,382	103,842	140,611	7,960	252,413
Bad debt expense	204,149	113,458	103,064	420,671	21,790	-	442,461
Telephone	44,915	15,562	8,695	69,172	99,615	1,176	169,963
Office expenses	43,572	13,019	14,300	70,891	17,061	10,809	98,761
Professional fees	-	-	2,980	2,980	183,232	-	186,212
Equipment rental and maintenance	33,059	21,485	10,272	64,816	19,260	1,389	85,465
Continuing education	21,905	5,000	10,000	36,905	48,577	-	85,482
Insurance	46,263	29,888	16,700	92,851	23,397	2,257	118,505
Dues and subscriptions	3,282	187	500	3,969	64,357	-	68,326
Conferences and meetings	-	-	-	-	6,539	-	6,539
Fundraising expenses	-	-	-	-	-	33,070	33,070
Other	281	120	80	481	38,749	-	39,230
<i>Total functional expenses</i>	<u>\$ 9,557,701</u>	<u>\$ 2,977,716</u>	<u>\$ 1,412,516</u>	<u>\$ 13,947,933</u>	<u>\$ 3,715,890</u>	<u>\$ 255,735</u>	<u>\$ 17,919,558</u>

See independent auditors' report and notes to the consolidated financial statements

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (2,809,162)	\$ 3,903,039
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	621,763	621,370
Amortization	42,548	15,205
Gain on sale of property and equipment	(148,320)	-
Net realized and unrealized (gain) loss on investments	2,259,533	(1,596,783)
Change in certain assets and liabilities:		
Accounts receivable, net	368,169	(6,270)
Prepaid expenses	69,666	(35,540)
Accounts payable	(334,801)	386,567
Accrued payroll, vacation, and withholdings	(25,513)	(16,417)
Accrued self-insurance	75,000	-
Accrued other	17,859	(100,748)
	<u>136,742</u>	<u>3,170,423</u>
<i>Net cash provided by operating activities</i>		
INVESTING ACTIVITIES		
Purchases of property and equipment	(467,546)	(194,199)
Proceeds from sale of property and equipment	458,009	-
Purchases of investments	(4,490,798)	(2,908,923)
Proceeds from sale/maturity of investments	3,664,066	2,434,777
	<u>(836,269)</u>	<u>(668,345)</u>
<i>Net cash used in investing activities</i>		
FINANCING ACTIVITIES		
Principal payments on finance lease obligations	(27,343)	-
	<u>(27,343)</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(726,870)	2,502,078
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,380,608</u>	<u>2,878,530</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,653,738</u>	<u>\$ 5,380,608</u>

See independent auditors' report and notes to the consolidated financial statements

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Visiting Nurse and Hospice Home, Inc. d/b/a Stillwater Hospice (“Stillwater Hospice”) is organized as a not-for-profit corporation for the purpose of providing hospice, home health care, and community health care services in northeastern Indiana. Stillwater Hospice provides services in patients’ homes, as well as in its fourteen-bed hospice inpatient facility, through a staff of skilled nurses, home health aides, and other medical professionals.

Visiting Nurse and Hospice Home Foundation, Inc. d/b/a Stillwater Foundation (“Stillwater Foundation”) is organized as a not-for-profit corporation for the purpose of fundraising and investment in support of the mission of Stillwater Hospice. Stillwater Foundation is organized as a supporting organization controlled by Stillwater Hospice and was initially funded by contributions from Stillwater Hospice totaling \$4,100,000.

Collectively, Stillwater Hospice and Stillwater Foundation are referred to as the “Corporation.”

Financial Statement Presentation – The Corporation reports its consolidated financial position and activities according to two classes of net assets:

- Net assets without donor restrictions, which include unrestricted resources available for the operating objectives of the Corporation; and
- Net assets with donor restrictions, which represent resources restricted by donors for specific time periods or purposes.

Consolidated Financial Statements – Stillwater Hospice and Stillwater Foundation have separate Boards of Directors, however the Stillwater Hospice Board has the authority to add and remove members of Stillwater Foundation’s Board. Since the missions of both entities are identical and the Board of Stillwater Hospice has governance authority over Stillwater Foundation, the financial balances and activities of these entities are consolidated. All significant intercompany transactions have been eliminated in the consolidated reporting.

Basis of Accounting and Use of Estimates – The consolidated financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions which affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash equivalents include time deposits and investments in highly liquid debt instruments with original maturities of three months or less, not including the money market investment account. The Corporation utilizes a sweep account to invest cash in a short-term highly-liquid money market account. Included in cash and cash equivalents is \$2,973,108 and \$3,277,544 in money market investments as of December 31, 2022 and 2021, respectively.

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures which materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives are as follows:

Land improvements	5 to 25 years
Buildings and improvements	8 to 39 years
Furniture and equipment	3 to 15 years

Taxes on Income – Stillwater Hospice and Stillwater Foundation have received determinations from the U.S. Treasury Department stating each qualifies under the Internal Revenue Code as a tax exempt organization under Sections 501(c)(3) and 509(a)(3), respectively; however, both entities are subject to tax on any income unrelated to their tax-exempt purposes. For the years ended December 31, 2022 and 2021, no accounting for federal or state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require the Corporation to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The Corporation examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. The tax years ended after December 31, 2018 are open to audit for both federal and state purposes.

Subsequent Events – The Corporation evaluated subsequent events through September 28, 2023, the date these consolidated financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the consolidated financial statements or disclosures would be required.

NOTE 2 - REVENUE RECOGNITION

Revenue Recognition Policy – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets during the year in which they are awarded. The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions.

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021**

NOTE 2 - REVENUE RECOGNITION, Continued

Revenue from hospice services is generally earned and recorded at a predetermined rate for each day a patient receives care. Services to Medicare home health care beneficiaries are provided under a prospective payment system ("PPS"). Under PPS, the Corporation agrees to provide home care services required by the patient for a period of 60 days in exchange for a predetermined fee. PPS revenues are recognized ratably over the 60-day period, with any unrecognized revenue (including any rate adjustments) recorded when the patient is discharged or the episode is completed. Patient services revenue is reported net of contractual and charity allowances. These allowances represent the difference between contractual payment rates and the Corporation's standard billing rates.

Disaggregation of Revenue – Revenue is disaggregated by category on the consolidated statements of activities and change in net assets and in Note 7.

Performance Obligations – Contributions with and without donor restrictions are not considered exchange transactions and therefore are excluded from the requirements of ASU 2014-09. The performance obligations under net patient services revenue are met as services are rendered to patients, either after each individual service or each day of service is completed.

NOTE 3 - CARES ACT FUNDING

The Corporation received a total of \$438,851 from the Provider Relief Fund administered by the Health Resources and Services Administration during the year ended December 31, 2021. The funding supported healthcare-related expenses or lost revenue attributable to COVID-19. These funds were fully expended during the year ended December 31, 2021 and recognized as revenue.

NOTE 4 - CHARITY CARE

The Corporation provides services without charge, or at amounts less than established rates, to patients who meet the criteria of its charity care policy. The criteria for charity care include household income and personal net assets. Discounts are also provided on a sliding scale for patients in need who are not considered to be indigent. The net cost of charity care provided was approximately \$83,000 and \$199,000 for the years ended December 31, 2022 and 2021, respectively. The total cost is based on the relationship of service fee income to patient care costs. The net cost of charity care is determined by total charity care cost less any payments received from the patient for services under the sliding scale and other patient-specific sources.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021**

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable by pay source were comprised of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Medicare	\$ 1,178,594	\$ 1,539,617
Medicaid	593,525	607,269
Commercial insurance	247,521	309,982
Individuals and others	<u>210,592</u>	<u>200,069</u>
	2,230,232	2,656,937
Allowances for contractual adjustments and doubtful accounts	<u>(351,005)</u>	<u>(409,541)</u>
<i>Accounts receivable, net</i>	<u>\$ 1,879,227</u>	<u>\$ 2,247,396</u>

NOTE 6 - LINE OF CREDIT

The Corporation has a \$5,000,000 revolving line of credit with a commercial bank and no maturity date. Drawings against the line of credit bear interest at the 30-day LIBOR rate plus 1.25% (a total of 5.42% at December 31, 2022) and are secured by all assets of the Corporation. There was no balance outstanding on the line of credit as of December 31, 2022 and 2021.

NOTE 7 - PATIENT SERVICES REVENUE

Net patient services revenue by pay source was comprised of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Medicare	\$ 14,730,961	\$ 16,501,022
Medicaid	430,702	759,626
Commercial insurance	755,246	1,016,623
Individuals and others	<u>219,890</u>	<u>352,607</u>
	16,136,799	18,629,878
Less: charity and contractual allowances	<u>(1,469,646)</u>	<u>(1,597,121)</u>
<i>Net patient services revenue</i>	<u>\$ 14,667,153</u>	<u>\$ 17,032,757</u>

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NOTE 8 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Corporation has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices observable for the asset or liability; or
 - Inputs derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

- *Corporate bonds, municipal bonds, mutual funds, index funds, and equity securities* – considered Level 1 assets and are reported at fair value based on quoted market prices in active markets for identical assets at the measurement date.
- *Money market funds* – considered Level 2 assets and are reported at fair value, which is determined by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuers.
- *Endowment investment* – considered Level 3 asset and is reported at fair value based on values provided by Fort Wayne Community Foundation.

The tables on the following page sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value as of December 31, 2022 and 2021.

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NOTE 8 - FAIR VALUE MEASUREMENTS, Continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2022				
Corporate bonds	\$ 1,498,346	\$ -	\$ -	\$ 1,498,346
Municipal bonds	1,045,080	-	-	1,045,080
Mutual funds	4,621,280	-	-	4,621,280
Index funds	1,721,615	-	-	1,721,615
Equity securities	3,457,283	-	-	3,457,283
Money market funds	-	452,160	-	452,160
Endowment investment	-	-	26,000	26,000
<i>Investments at fair value</i>	<u>\$ 12,343,604</u>	<u>\$ 452,160</u>	<u>\$ 26,000</u>	<u>\$ 12,821,764</u>
December 31, 2021				
Corporate bonds	\$ 1,687,024	\$ -	\$ -	\$ 1,687,024
Municipal bonds	50,453	-	-	50,453
Mutual funds	5,689,790	-	-	5,689,790
Index funds	2,108,279	-	-	2,108,279
Equity securities	4,240,859	-	-	4,240,859
Money market funds	-	318,093	-	318,093
Endowment investment	-	-	26,000	26,000
<i>Investments at fair value</i>	<u>\$ 13,776,405</u>	<u>\$ 318,093</u>	<u>\$ 26,000</u>	<u>\$ 14,120,498</u>

NOTE 9 - ENDOWMENT INVESTMENT

The Corporation deposited \$26,000 with Fort Wayne Community Foundation (“FWCF”), which is reported as a long-term investment. Under terms of the agreement, this investment is restricted and subject to variance authority by FWCF. Other individuals and entities have also deposited funds with FWCF for which the Corporation is the income beneficiary. These resources are not reflected in the accompanying consolidated financial statements. The Corporation is entitled to receive annual distributions from FWCF dependent upon investment performance. No amounts were received from FWCF as income in 2022 or 2021. The balances in the accounts held by FWCF as of December 31, 2022 and 2021 were \$171,415 and \$199,181, respectively. The Corporation also received donations totaling \$30,390 in honor of its former executive director. These donations are donor restricted. The funds had not been deposited with other endowment assets as of December 31, 2022.

NOTE 10 - SELF-INSURANCE

The Corporation participates in a self-funded medical and prescription drug coverage plan. The Corporation is responsible for payment of claims under the plan and estimates a liability for the amount of incurred, unclaimed liabilities at each reporting period. As of December 31, 2022, the Corporation accrued \$75,000 to cover any claims incurred during the year then ended. The Corporation also has a stop-loss insurance policy with HCC Life Insurance Company limiting the annual maximum per-participant claim to \$75,000.

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NOTE 11 - RETIREMENT PLAN

The Corporation sponsors a Section 403(b) defined contribution retirement plan. The plan covers all employees twenty-one years of age and older who have been credited with twelve months of service. The Corporation provides a match of 25% of each participant's elective contribution, not to exceed 3.5% of the participant's base salary. Expenses under this plan totaled \$137,383 and \$158,858 for the years ended December 31, 2022 and 2021, respectively.

NOTE 12 - NET ASSETS

Net assets with donor restrictions were available for the following purposes as of December 31:

	<u>2022</u>	<u>2021</u>
Hospice home renovation campaign	\$ 1,137,677	\$ 690,462
Financial assistance	196,185	98,750
Telehealth	-	75,000
Music therapy	5,275	60,000
Nurses station renovation	50,000	50,000
Restricted endowment investments	56,390	56,390
Employee scholarship fund	40,093	21,565
Still Serving You fund	44,420	-
Education lab	30,000	-
Other	3,000	2,450
	<u>1,563,040</u>	<u>1,054,617</u>
<i>Total net assets with donor restrictions</i>	<i>\$ 1,563,040</i>	<i>\$ 1,054,617</i>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. The following program purpose restrictions were accomplished during the years ended December 31:

	<u>2022</u>	<u>2021</u>
Financial assistance	\$ 96,569	\$ 165,407
Hospice home renovation campaign	19,650	84,500
Telehealth	79,375	80,000
Grief Center	32,985	53,942
Music therapy	72,860	46,283
COVID-19	-	36,125
Medical records technology	-	25,000
Employee scholarship fund	8,662	17,695
Phone system	-	15,000
Advance care planning program	-	13,286
Other	28,620	18,652
	<u>338,721</u>	<u>555,890</u>
<i>Total net assets released from restrictions</i>	<i>\$ 338,721</i>	<i>\$ 555,890</i>

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NOTE 12 - NET ASSETS, Continued

Net assets without donor restrictions include the following Board-designated balances as of December 31:

	<u>2022</u>	<u>2021</u>
Hospice Home renovation campaign	\$ 185,600	\$ 375,000
Branding	142,055	200,000
Employee scholarship fund	100,000	100,000
Other	<u>18,971</u>	<u>25,000</u>
<i>Total Board-designated net assets</i>	<u>\$ 446,626</u>	<u>\$ 700,000</u>

Reductions in Board-designated net assets are the result of accomplishment of Board-designated purposes.

NOTE 13 - LEASE OBLIGATIONS

Lease Accounting Standard – Effective January 1, 2022, the Corporation adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced previous lease guidance under U.S. GAAP and aims to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the statements of financial position and disclosing key information about leasing arrangements. The Corporation elected to apply the transition alternative allowed under ASU 2018-11 for finance leases. Under this election, the entity recognizes a cumulative effect adjustment to the opening balance of net assets as of the adoption date. No cumulative effect adjustment to net assets was necessary. The Corporation applied the provisions of ASU 2016-02 as of the adoption date. For operating leases, Management evaluated the Corporation’s leases and concluded the effect of applying ASU 2016-02 would be immaterial to the overall financial statements. Accordingly, the Corporation elected to record operating leases under previous GAAP guidance by reflecting lease payments as current operating expenses.

Finance Leases - The Corporation leases equipment under the terms of a finance lease. The cost of equipment under finance lease totaled \$140,127 and accumulated depreciation at December 31, 2022 was \$27,343. Interest represents an insignificant portion of the finance lease obligations.

Operating Lease - The Corporation leases facilities and office equipment under operating leases with remaining lease terms of approximately one to two years from the reporting date.

Components of lease costs are as follows for the year ended December 31, 2022:

Operating lease cost	\$ 51,631	
Amortization of finance leased assets	<u>27,343</u>	
<i>Total lease cost</i>	<u>\$ 78,974</u>	

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NOTE 13 - LEASE OBLIGATIONS, Continued

Future minimum payments under non-cancellable operating and finance leases are as follows for the years ending December 31:

	<u>Operating Lease</u>	<u>Finance Leases</u>	
2023	\$ 41,274	\$ 28,980	
2024	12,075	28,980	
2025	-	28,980	
2026	-	28,980	
	53,349	115,920	
Less: imputed interest		(3,136)	
Total lease liability		112,784	
Less: current portion		(27,628)	
Long-term portion		\$ 85,156	

NOTE 14 - RISKS AND UNCERTAINTIES

The Corporation provides hospice and home health care services to patients in northeastern Indiana and is subject to the risks of economic and competitive forces at work within the health care industry and this geographic area. The majority of revenues relate to programs sponsored by federal and state legislation. Changes in government sponsored programs may significantly affect the Corporation. In addition, the Corporation is subject to monitoring and audit by state and federal agencies. Those examinations could result in additional liability to be imposed on the Corporation.

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist principally of accounts receivable from governmental third-party payers. In addition, deposits maintained at PNC Bank normally exceed the FDIC insurance limit.

NOTE 15 - FUNCTIONAL EXPENSES

The costs of providing program activities have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, certain expenses have been allocated among program services, management and general, and fundraising expenses.

Management allocates costs among the various functional expense categories using a combination of direct allocation and estimation. Payroll and associated costs are applied directly to functional areas or allocated based on time estimates. Other costs are either applied directly to the functional expense category to which they belong or allocated using an appropriate basis, generally square footage.

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NOTE 16 - LIQUIDITY

The Corporation's financial assets include cash and cash equivalents, accounts receivable, investment assets, endowment assets, and restricted cash. Following is a schedule of financial assets available for general use within one year as of December 31:

	<u>2022</u>	<u>2021</u>
Financial assets	\$ 18,932,959	\$ 21,460,799
Less: those unavailable for general expenditures within one year, due to restrictions by donor with time or purpose	(1,563,040)	(1,054,617)
Less: those unavailable for general expenditures within one year, due to Board designations	<u>(446,626)</u>	<u>(700,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>16,923,293</u>	\$ <u>19,706,182</u>

The Corporation receives donor-restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Corporation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation invests excess cash in investments. The Corporation has a \$5,000,000 line of credit, of which the full balance of borrowing capacity existed as of December 31, 2022. The Board-designated net assets are available at the Board of Directors' discretion to undesignate for general use.

NOTE 17 - SUBSEQUENT EVENT

Effective March 1, 2023, the Corporation entered into an affiliation agreement with Kosciusko Home Care and Hospice, Inc. ("Kosciusko"). Under the agreement, Stillwater Hospice was designated the sole member of Kosciusko with the right to approve all members of Kosciusko's Board of Directors and, thereby, direct the management of Kosciusko and use of its facilities. Stillwater Hospice and Kosciusko will work together in good faith to conclude and absorb all of Kosciusko's operations by December 31, 2023. Kosciusko will dissolve its legal existence effective December 31, 2024 unless Stillwater Hospice reasonably determines this is not in the best interests of the combined entities.

SUPPLEMENTARY INFORMATION

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

December 31, 2022

	<u>Stillwater Hospice</u>	<u>Stillwater Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,950,575	\$ 1,703,163	\$ -	\$ 4,653,738
Accounts receivable, net	2,110,740	106,096	(337,609)	1,879,227
Prepaid expenses	79,043	-	-	79,043
<i>Total current assets</i>	<u>5,140,358</u>	<u>1,809,259</u>	<u>(337,609)</u>	<u>6,612,008</u>
PROPERTY AND EQUIPMENT				
Land and improvements	1,404,529	-	-	1,404,529
Buildings and improvements	6,864,652	-	-	6,864,652
Furniture and equipment	4,200,816	-	-	4,200,816
Finance lease right-of-use assets, net of accumulated amortization	112,784	-	-	112,784
Less: accumulated depreciation	<u>(7,021,847)</u>	<u>-</u>	<u>-</u>	<u>(7,021,847)</u>
<i>Property and equipment, net</i>	<u>5,560,934</u>	<u>-</u>	<u>-</u>	<u>5,560,934</u>
OTHER ASSETS				
Investment assets	6,325,335	6,018,269	-	12,343,604
Endowment asset	26,000	-	-	26,000
Restricted cash - held for deposit into endowment	-	30,390	-	30,390
Interest in affiliate	7,510,847	-	(7,510,847)	-
Goodwill, net of accumulated amortization	<u>108,965</u>	<u>-</u>	<u>-</u>	<u>108,965</u>
<i>Total other assets</i>	<u>13,971,147</u>	<u>6,048,659</u>	<u>(7,510,847)</u>	<u>12,508,959</u>
TOTAL ASSETS	<u><u>\$ 24,672,439</u></u>	<u><u>\$ 7,857,918</u></u>	<u><u>\$ (7,848,456)</u></u>	<u><u>\$ 24,681,901</u></u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion of finance lease obligations	\$ 27,628	\$ -	\$ -	\$ 27,628
Accounts payable	926,945	347,071	(337,609)	936,407
Accrued payroll, vacation, and withholdings	393,407	-	-	393,407
Accrued self-insurance	75,000	-	-	75,000
Accrued other	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>44,000</u>
<i>Total current liabilities</i>	<u>1,466,980</u>	<u>347,071</u>	<u>(337,609)</u>	<u>1,476,442</u>
LONG-TERM LIABILITIES				
Finance lease obligations, net of current portion	<u>85,156</u>	<u>-</u>	<u>-</u>	<u>85,156</u>
TOTAL LIABILITIES	<u>1,552,136</u>	<u>347,071</u>	<u>(337,609)</u>	<u>1,561,598</u>
NET ASSETS				
Without donor restrictions:				
Board-designated	446,626	-	-	446,626
Undesignated	22,597,677	6,023,807	(7,510,847)	21,110,637
With donor restrictions	<u>76,000</u>	<u>1,487,040</u>	<u>-</u>	<u>1,563,040</u>
<i>Total net assets</i>	<u>23,120,303</u>	<u>7,510,847</u>	<u>(7,510,847)</u>	<u>23,120,303</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 24,672,439</u></u>	<u><u>\$ 7,857,918</u></u>	<u><u>\$ (7,848,456)</u></u>	<u><u>\$ 24,681,901</u></u>

See independent auditors' report

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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

December 31, 2021

	<u>Stillwater Hospice</u>	<u>Stillwater Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,836,708	\$ 1,543,900	\$ -	\$ 5,380,608
Accounts receivable, net	2,241,930	185,907	(180,441)	2,247,396
Prepaid expenses	144,360	4,349	-	148,709
<i>Total current assets</i>	<u>6,222,998</u>	<u>1,734,156</u>	<u>(180,441)</u>	<u>7,776,713</u>
PROPERTY AND EQUIPMENT				
Land and improvements	1,497,529	-	-	1,497,529
Buildings and improvements	7,015,381	-	-	7,015,381
Furniture and equipment	3,808,444	-	-	3,808,444
Less: accumulated depreciation	<u>(6,409,298)</u>	<u>-</u>	<u>-</u>	<u>(6,409,298)</u>
<i>Property and equipment, net</i>	<u>5,912,056</u>	<u>-</u>	<u>-</u>	<u>5,912,056</u>
OTHER ASSETS				
Investment assets	6,510,489	7,265,916	-	13,776,405
Endowment asset	26,000	-	-	26,000
Restricted cash - held for deposit into endowment	-	30,390	-	30,390
Interest in affiliate	8,860,928	-	(8,860,928)	-
Goodwill, net of accumulated amortization	<u>124,170</u>	<u>-</u>	<u>-</u>	<u>124,170</u>
<i>Total other assets</i>	<u>15,521,587</u>	<u>7,296,306</u>	<u>(8,860,928)</u>	<u>13,956,965</u>
TOTAL ASSETS	<u>\$ 27,656,641</u>	<u>\$ 9,030,462</u>	<u>\$ (9,041,369)</u>	<u>\$ 27,645,734</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 1,282,115	\$ 169,534	\$ (180,441)	\$ 1,271,208
Accrued payroll, vacation, and withholdings	418,920	-	-	418,920
Accrued other	26,141	-	-	26,141
<i>Total current liabilities</i>	<u>1,727,176</u>	<u>169,534</u>	<u>(180,441)</u>	<u>1,716,269</u>
NET ASSETS				
Without donor restrictions				
Board-designated	700,000	-	-	700,000
Undesignated	25,153,465	7,882,311	(8,860,928)	24,174,848
With donor restrictions	<u>76,000</u>	<u>978,617</u>	<u>-</u>	<u>1,054,617</u>
<i>Total net assets</i>	<u>25,929,465</u>	<u>8,860,928</u>	<u>(8,860,928)</u>	<u>25,929,465</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,656,641</u>	<u>\$ 9,030,462</u>	<u>\$ (9,041,369)</u>	<u>\$ 27,645,734</u>

See independent auditors' report

**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
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CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2022**

	Stillwater Hospice			Stillwater Foundation			Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE AND SUPPORT								
Net patient services revenue	\$ 14,667,153	\$ -	\$ 14,667,153	\$ -	\$ -	\$ -	\$ -	\$ 14,667,153
Contributions	1,280,203	-	1,280,203	535,034	847,144	1,382,178	(1,280,203)	1,382,178
Increase in interest in net assets of Stillwater Foundation	(1,350,081)	-	(1,350,081)	-	-	-	1,350,081	-
Other income	24,969	-	24,969	3,356	-	3,356	-	28,325
Net assets released from restrictions	-	-	-	338,721	(338,721)	-	-	-
<i>Total revenue and support</i>	<u>14,622,244</u>	<u>-</u>	<u>14,622,244</u>	<u>877,111</u>	<u>508,423</u>	<u>1,385,534</u>	<u>69,878</u>	<u>16,077,656</u>
EXPENSES								
Salaries	8,830,536	-	8,830,536	168,000	-	168,000	-	8,998,536
Fringe benefits	2,063,842	-	2,063,842	-	-	-	-	2,063,842
Patient expenses	2,161,515	-	2,161,515	-	-	-	-	2,161,515
Data processing	725,963	-	725,963	-	-	-	-	725,963
Depreciation	621,763	-	621,763	-	-	-	-	621,763
Contracted services	435,162	-	435,162	-	-	-	-	435,162
Community awareness	327,020	-	327,020	151,294	-	151,294	-	478,314
Mileage reimbursement	316,604	-	316,604	-	-	-	-	316,604
Occupancy	207,263	-	207,263	-	-	-	-	207,263
Bad debt expense	147,384	-	147,384	-	-	-	-	147,384
Telephone	142,688	-	142,688	-	-	-	-	142,688
Office expenses	112,135	-	112,135	23,485	-	23,485	-	135,620
Professional fees	93,430	-	93,430	42,070	-	42,070	-	135,500
Equipment rental and maintenance	116,722	-	116,722	-	-	-	-	116,722
Continuing education	101,002	-	101,002	-	-	-	-	101,002
Insurance	100,376	-	100,376	-	-	-	-	100,376
Dues and subscriptions	66,178	-	66,178	-	-	-	-	66,178
Amortization	42,548	-	42,548	-	-	-	-	42,548
Conferences and meetings	10,493	-	10,493	-	-	-	-	10,493
Contributions	-	-	-	1,280,203	-	1,280,203	(1,280,203)	-
Fundraising expenses	-	-	-	2,029	-	2,029	-	2,029
Other	36,914	-	36,914	26,809	-	26,809	-	63,723
<i>Total expenses</i>	<u>16,659,538</u>	<u>-</u>	<u>16,659,538</u>	<u>1,693,890</u>	<u>-</u>	<u>1,693,890</u>	<u>(1,280,203)</u>	<u>17,073,225</u>
OPERATING SURPLUS (DEFICIT)	<u>(2,037,294)</u>	<u>-</u>	<u>(2,037,294)</u>	<u>(816,779)</u>	<u>508,423</u>	<u>(308,356)</u>	<u>1,350,081</u>	<u>(995,569)</u>
NON-OPERATING ACTIVITIES								
Gain on sale of property and equipment	148,320	-	148,320	-	-	-	-	148,320
Investment income	148,303	-	148,303	149,317	-	149,317	-	297,620
Net realized gain on investments	-	-	-	352,119	-	352,119	-	352,119
Unrealized loss on investments	(1,068,491)	-	(1,068,491)	(1,543,161)	-	(1,543,161)	-	(2,611,652)
<i>Total non-operating activities</i>	<u>(771,868)</u>	<u>-</u>	<u>(771,868)</u>	<u>(1,041,725)</u>	<u>-</u>	<u>(1,041,725)</u>	<u>-</u>	<u>(1,813,593)</u>
CHANGE IN NET ASSETS	<u>(2,809,162)</u>	<u>-</u>	<u>(2,809,162)</u>	<u>(1,858,504)</u>	<u>508,423</u>	<u>(1,350,081)</u>	<u>1,350,081</u>	<u>(2,809,162)</u>
NET ASSETS, BEGINNING OF YEAR	<u>25,853,465</u>	<u>76,000</u>	<u>25,929,465</u>	<u>7,882,311</u>	<u>978,617</u>	<u>8,860,928</u>	<u>(8,860,928)</u>	<u>25,929,465</u>
NET ASSETS, END OF YEAR	<u>\$ 23,044,303</u>	<u>\$ 76,000</u>	<u>\$ 23,120,303</u>	<u>\$ 6,023,807</u>	<u>\$ 1,487,040</u>	<u>\$ 7,510,847</u>	<u>\$ (7,510,847)</u>	<u>\$ 23,120,303</u>

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**VISITING NURSE AND HOSPICE HOME, INC. d/b/a STILLWATER HOSPICE and
VISITING NURSE AND HOSPICE HOME FOUNDATION, INC. d/b/a STILLWATER FOUNDATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2021**

	Stillwater Hospice			Stillwater Foundation			Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE AND SUPPORT								
Net patient services revenue	\$ 17,032,757	\$ -	\$ 17,032,757	\$ -	\$ -	\$ -	\$ -	\$ 17,032,757
Contributions	819,229	-	819,229	1,197,106	1,257,722	2,454,828	(819,230)	2,454,827
CARES Act funding - Provider Relief Funds	438,851	-	438,851	-	-	-	-	438,851
Increase in interest in net assets of Stillwater Foundation	2,460,171	-	2,460,171	-	-	-	(2,460,171)	-
Other income	22,408	-	22,408	-	-	-	-	22,408
Net assets released from restrictions	23,286	(23,286)	-	532,604	(532,604)	-	-	-
<i>Total revenue and support</i>	<u>20,796,702</u>	<u>(23,286)</u>	<u>20,773,416</u>	<u>1,729,710</u>	<u>725,118</u>	<u>2,454,828</u>	<u>(3,279,401)</u>	<u>19,948,843</u>
EXPENSES								
Salaries	9,278,626	-	9,278,626	160,164	-	160,164	-	9,438,790
Fringe benefits	2,151,029	-	2,151,029	-	-	-	-	2,151,029
Patient expenses	2,482,426	-	2,482,426	-	-	-	-	2,482,426
Data processing	644,664	-	644,664	-	-	-	-	644,664
Depreciation	621,370	-	621,370	-	-	-	-	621,370
Contracted services	350,411	-	350,411	24,761	-	24,761	-	375,172
Community awareness	263,994	-	263,994	5,523	-	5,523	-	269,517
Mileage reimbursement	350,163	-	350,163	-	-	-	-	350,163
Occupancy	252,413	-	252,413	-	-	-	-	252,413
Bad debt expense	442,461	-	442,461	-	-	-	-	442,461
Telephone	169,963	-	169,963	-	-	-	-	169,963
Office expenses	68,439	-	68,439	30,322	-	30,322	-	98,761
Professional fees	154,492	-	154,492	31,720	-	31,720	-	186,212
Equipment rental and maintenance	85,465	-	85,465	-	-	-	-	85,465
Continuing education	85,185	-	85,185	297	-	297	-	85,482
Insurance	118,505	-	118,505	-	-	-	-	118,505
Dues and subscriptions	68,326	-	68,326	-	-	-	-	68,326
Amortization	15,205	-	15,205	-	-	-	-	15,205
Conferences and meetings	6,539	-	6,539	-	-	-	-	6,539
Contributions	-	-	-	819,850	-	819,850	(819,230)	620
Fundraising expenses	4	-	4	33,066	-	33,066	-	33,070
Other	12,806	-	12,806	10,599	-	10,599	-	23,405
<i>Total expenses</i>	<u>17,622,486</u>	<u>-</u>	<u>17,622,486</u>	<u>1,116,302</u>	<u>-</u>	<u>1,116,302</u>	<u>(819,230)</u>	<u>17,919,558</u>
OPERATING SURPLUS (DEFICIT)	<u>3,174,216</u>	<u>(23,286)</u>	<u>3,150,930</u>	<u>613,408</u>	<u>725,118</u>	<u>1,338,526</u>	<u>(2,460,171)</u>	<u>2,029,285</u>
NON-OPERATING ACTIVITIES								
Investment income	78,999	-	78,999	197,972	-	197,972	-	276,971
Net realized gain on investments	667,584	-	667,584	653,497	-	653,497	-	1,321,081
Unrealized gain on investments	5,526	-	5,526	270,176	-	270,176	-	275,702
<i>Total non-operating activities</i>	<u>752,109</u>	<u>-</u>	<u>752,109</u>	<u>1,121,645</u>	<u>-</u>	<u>1,121,645</u>	<u>-</u>	<u>1,873,754</u>
CHANGE IN NET ASSETS	3,926,325	(23,286)	3,903,039	1,735,053	725,118	2,460,171	(2,460,171)	3,903,039
NET ASSETS, BEGINNING OF YEAR	21,927,140	99,286	22,026,426	6,147,258	253,499	6,400,757	(6,400,757)	22,026,426
NET ASSETS, END OF YEAR	<u>\$ 25,853,465</u>	<u>\$ 76,000</u>	<u>\$ 25,929,465</u>	<u>\$ 7,882,311</u>	<u>\$ 978,617</u>	<u>\$ 8,860,928</u>	<u>\$ (8,860,928)</u>	<u>\$ 25,929,465</u>

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