JERSEY COMMUNITY HOSPITAL DISTRICT

REPORT AND FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2024 AND 2023

JERSEY COMMUNITY HOSPITAL DISTRICT

JUNE 30, 2024 AND 2023

TABLE OF CONTENTS

SCHEFFEL BOYLE
Certified Public Accountants

ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

Jersey Community Hospital District
Jerseyville, Illinois 62052

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of Jersey Community Hospital District as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Jersey Community Hospital District as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 the Hospital's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 auditor's report that includes our opinions. 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 the Jersey Community Hospital District'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 the Jersey Community Hospital District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jersey Community Hospital District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information statements are fairly stated, in all material respects, in relation to the basic 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 December 2, 2024, on our consideration of Jersey Community Hospital District'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 Jersey Community Hospital District'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 Jersey Community Hospital District's internal control over financial reporting and compliance.

Scheffel Bayle

Jerseyville, Illinois
December 2, 2024

Jersey Community Hospital District
Required Supplementary Information
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

The management of Jersey Community Hospital District offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended June 30, 2024.

Basic Financial Statements

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The Hospital is operated under one enterprise fund. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting are used.

Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a **statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.** Notes to the financial statements follow these.

The **statement of net position** presents information on the Hospital's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Hospital is improving or deteriorating.

The **statement of revenues, expenses, and changes in net position** reports the operating revenues and expenses and non-operating revenues and expenses of the Hospital for the fiscal year. The difference (the net income or loss) determines the net change in net position for the fiscal year. That change is then combined with the net position at the end of the previous year to determine the net position at the end of the current fiscal year.

The **statement of cash flows** reports cash and cash equivalent activities for the fiscal year resulting from operating, investing, and financing activities. The net result of these activities is added to the beginning of the year cash balance total and provides the basis for the cash and cash equivalent balance at the end of the current fiscal year.

Condensed Financial Information

The information contained in the following condensed financial information table is used as the basis for the discussion presented on the following pages surrounding the Hospital's activities for the fiscal years ended June 30, 2024 and 2023.

	June 30,	
	2024	2023
Current and other assets	$ 18,276,583	$ 18,887,033
Capital and right-of-use assets, net	20,416,764	16,743,846
Total assets	$ 38,693,347	$ 35,630,879
Current liabilities	$ 7,279,431	$ 4,946,601
Long-term liabilities	5,199,370	2,160,501
Total liabilities	$ 12,478,801	$ 7,107,102
Deferred Inflows of Resources	$ 327,367	$ 311,778
Net position:		
Net Investment in Capital Assets	$ 15,216,623	$ 14,901,940
Unrestricted	10,670,556	13,310,059
Total net position	$ 25,887,179	$ 28,211,999
Total liabilities and net position	$ 38,693,347	$ 35,630,879
Operating revenues:		
Patient Service Revenue (Net of Contractual Allowances & Discounts)	$ 55,165,365	$ 55,505,267
Bad Debts	(2,314,059)	(2,105,328)
Net Patient Service Revenues	$ 52,851,306	$ 53,399,939
Other	3,054,037	4,047,951
Total operating revenues	$ 55,905,343	$ 57,447,890
Operating expenses:		
Program services-		
Nursing services	$ 12,232,028	$ 12,480,801
Other Professional services	31,599,743	31,245,827
Total program services	$ 43,831,771	$ 43,726,628
General services	3,476,451	3,589,050
Administrative services	11,313,121	10,926,802
Total operating expenses	$ 58,621,343	$ 58,242,480
Income (Loss) from operations	$ (2,716,000)	$ (794,590)
Net non-operating revenue/expense	$ 391,180	$ 292,617
Increase (Decrease) in net position	$ (2,324,820)	$ (501,973)
Net position beginning of year	28,211,999	28,713,972
Net position end of year	$ 25,887,179	$ 28,211,999

Financial Highlights

The Hospital ended the year June 30, 2024, with a net position balance of $25,887,179. The net position includes $15,216,623 invested in capital assets and $10,670,556 that is unrestricted. Total net position decreased by $2,324,820 from the net position balance at the beginning of the fiscal year. The decrease is attributable to net loss from operations of $2,716,000 and an excess of non-operating revenues over non-operating expenses of $391,180.

At year end, the Hospital had cash and investments of $7,106,411 and unrestricted net assets of $10,670,556. This is a decrease in cash and investments of $2,155,943 and a decrease in unrestricted net assets of $2,639,503 from last year. The decrease in cash and investments is largely due to cash used in operations of $1,369,262, and investment in the implementation costs of the new Oracle Health electronic medical record system of approximately $900,000. The decrease in unrestricted net assets is due to the net loss from operations.

Revenue

As in previous years, patient revenues make up most of operating revenues. In the current year 94.5% of the total operating revenues were net patient revenues, up from 93.0% in the prior year. This increase as a percentage of net patient service revenues is due to a decrease in hospital grant revenue from the prior year, resulting in a decrease in overall revenue for the year. Wellness Center revenues comprise 0.8% of operating revenues, up from 0.6% in the prior year. Taxes, including the county ambulance subsidy, account for 0.8% of the Hospital's operating revenues.

Expenses

Like previous years, wages and benefits make up the largest portion (57.6%) of the operating expenses. Professional services (15.6% of the operating expenses) mainly consisted of contractual labor such as emergency room and heart center and orthopedic physicians, and physical therapists. Operating expenses increased 0.7%, or $378,863, in fiscal year 2024 as compared to the prior year. This increase is less than inflation for the year. The expenses were reduced from budget due to a reduction in total net patient service revenues. One area of increased expenses were the operating expenses for the Oracle Health electronic medical record system during the year.

Requests for Information

This financial report is intended to provide an overview of the finances of Jersey Community Hospital District for those with an interest in this organization. Questions concerning any information within this report may be directed to the Chief Financial Officer of the Hospital District.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CURRENT ASSETS:		
Cash and Invested Cash (Note 5)	$ 3,611,976	$ 2,124,914
Patient Accounts Receivable, Net of Estimated Uncollectible Accounts and Third-Party Contractual Adjustments of $17,988,697	8,808,260	
Inventories (Notes 6 & 18)	957,401	37,201
Property and Replacement Taxes Receivable	327,367	
Prepaid Expenses and Other Current Assets	744,679	
Education Loans Receivable, Net of Estimated Uncollectible Accounts of $41,116 (Note 18)		63,840
Pledge Receivable, Net of Estimated Uncollectible Accounts of $54,586 (Note 18)		497,661
Grants Receivable	123,947	
Other Receivables (Note 7)	89,265	11
Current Unrestricted & Non-Designated Assets	$ 14,662,895	$ 2,723,627
BOARD-DESIGNATED FUNDS:		
Funded Depreciation (Note 9)	$ 3,094,122	
Self Insurance	288,178	
Palmer Scholarship Fund	94,872	
Debt Service	17,263	
Interest Receivable	23,590	
Total Board-Designated Funds	$ 3,518,025	$ 0
Total Current Assets	$ 18,180,920	$ 2,723,627
NON-CURRENT ASSETS:		
CAPITAL ASSETS (Note 8):		
Nondepreciable Capital Assets		
Land	$ 55,000	
Work in Process	1,198,540	
Total Nondepreciable Capital Assets	$ 1,253,540	$ 0
Depreciable Capital Assets		
Building	$ 23,427,860	
Equipment	23,012,127	
Total Depreciable Capital Assets	$ 46,439,987	
Less, Accumulated Depreciation	(33,332,495)	
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 13,107,492	
Total Capital Assets, Net of Accumulated Depreciation	$ 14,361,032	$ 0
RIGHT-OF-USE ASSETS (Note 8):		
Lease Assets	$ 776,184	
Less, Accumulated Amortization	(281,881)	
Total Right-of-Use Lease Assets, Net of Accumulated Amortization	$ 494,303	$ 0
Subscription Assets	$ 6,827,482	
Less, Accumulated Amortization	(1,266,053)	
Total Right-of-Use Subscription Assets, Net of Accumulated Amortization	$ 5,561,429	$ 0
Total Right-of-Use Assets, Net of Accumulated Amortization	$ 6,055,732	$ 0
OTHER ASSETS:		
Investment in Joint Venture (Note 19)	$ 95,663	
Total Other Assets	$ 95,663	$ 0
Total Noncurrent Assets	$ 20,512,427	$ 0
TOTAL ASSETS	$ 38,693,347	$ 2,723,627

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2024

LIABILITIES AND NET POSITION

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CURRENT LIABILITIES:		
Accounts Payable and Other Liabilities	$ 2,564,393	$ 577
Accrued Interest Payable	29,883	
Accrued Payroll	1,760,232	
Deferred Revenues (Note 3)	127,222	
Short-Term Debt (Note 11)	1,775,000	
Current Portion of Notes Payable (Note 10)	80,229	
Current Portion of Lease Liabilities (Note 10)	165,355	
Current Portion of Subscription Liabilities (Note 10)	777,117	
Total Current Liabilities	$ 7,279,431	$ 577
LONG-TERM LIABILITIES:		
Notes Payable (Note 10)	$ 151,303	
Accrued Vacation and Employee Benefits (Note 10)	1,021,930	
Lease Liabilities (Note 10)	341,756	
Subscription Liabilities (Note 10)	3,684,381	
Total Long-Term Liabilities	$ 5,199,370	$ 0
Total Liabilities	$ 12,478,801	$ 577
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenues	$ 327,367	
Total Deferred Inflows of Resources	$ 327,367	$ 0
NET POSITION:		
Net Investment in Capital Assets	$ 15,216,623	
Restricted for Capital Projects		$ 1,745,808
Unrestricted	10,670,556	977,242
Total Net Position	$ 25,887,179	$ 2,723,050
TOTAL LIABILITIES AND NET POSITION	$ 38,693,347	$ 2,723,627

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CURRENT ASSETS:		
Cash and Invested Cash (Note 5)	$ 5,591,529	$ 642,302
Patient Accounts Receivable, Net of Estimated Uncollectible Accounts and Third-Party Contractual Adjustments of $15,036,200	7,479,304	
Inventories (Notes 6 & 18)	895,464	26,363
Property and Replacement Taxes Receivable	311,778	
Prepaid Expenses and Other Current Assets	586,782	
Education Loans Receivable, Net of Estimated Uncollectible Accounts of $34,566 (Note 18)		78,599
Grants Receivable	181,778	
Other Receivables (Note 7)	61,495	173
Current Unrestricted & Non-Designated Assets	$ 15,108,130	$ 747,437
BOARD-DESIGNATED FUNDS:		
Funded Depreciation (Note 9)	$ 2,969,794	
Self Insurance	289,761	
Palmer Scholarship Fund	91,416	
Debt Service	319,854	
Interest Receivable	11,634	
Total Board-Designated Funds	$ 3,682,459	$ 0
Total Current Assets	$ 18,790,589	$ 747,437
NON-CURRENT ASSETS:		
CAPITAL ASSETS (Note 8):		
Nondepreciable Capital Assets		
Land	$ 55,000	
Work in Process	1,989,966	
Total Nondepreciable Capital Assets	$ 2,044,966	$ 0
Depreciable Capital Assets		
Building	$ 23,127,197	
Equipment	21,733,879	
Total Depreciable Capital Assets	$ 44,861,076	
Less, Accumulated Depreciation	(31,714,675)	
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 13,146,401	
Total Capital Assets, Net of Accumulated Depreciation	$ 15,191,367	$ 0
RIGHT-OF-USE ASSETS (Note 8)		
Lease Assets	$ 789,018	
Less, Accumulated Amortization	(111,063)	
Total Right-of-Use Lease Assets, Net of Accumulated Amortization	$ 677,955	$ 0
Subscription Assets	$ 1,776,482	
Less, Accumulated Amortization	(901,958)	
Total Right-of-Use Subscription Assets, Net of Accumulated Amortization	$ 874,524	$ 0
Total Right-of-Use Assets, Net of Accumulated Amortization	$ 1,552,479	$ 0
OTHER ASSETS		
Investment in Joint Venture (Note 19)	$ 96,444	
Total Other Assets	$ 96,444	$ 0
Total Noncurrent Assets	$ 16,840,290	$ 0
TOTAL ASSETS	$ 35,630,879	$ 747,437

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2023

LIABILITIES AND NET POSITION

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CURRENT LIABILITIES:		
Accounts Payable and Other Liabilities	$ 2,582,967	$ 22
Accrued Interest Payable	5,409	
Accrued Payroll	1,621,961	
Deferred Revenues (Note 3)	49,487	
Current Portion of Bonds and Notes Payable (Note 10)	76,868	
Current Portion of Lease Liabilities (Note 10)	162,448	
Current Portion of Subscription Liabilities (Note 10)	447,461	
Total Current Liabilities	$ 4,946,601	$ 22
LONG-TERM LIABILITIES:		
Notes Payable (Note 10)	$ 231,528	
Accrued Vacation and Employee Benefits (Note 10)	1,005,372	
Lease Liabilities (Note 10)	518,002	
Subscription Liabilities (Note 10)	405,599	
Total Long-Term Liabilities	$ 2,160,501	$ 0
Total Liabilities	$ 7,107,102	$ 22
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenues	$ 311,778	
Total Deferred Inflows of Resources	$ 311,778	$ 0
NET POSITION:		
Net Investment in Capital Assets	$ 14,901,940	
Unrestricted	13,310,059	$ 747,415
Total Net Position	$ 28,211,999	$ 747,415
TOTAL LIABILITIES AND NET POSITION	$ 35,630,879	$ 747,437

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
OPERATING REVENUES:		
Patient Service Revenues (Net of Contractual Allowances & Discounts)	$ 55,165,365	
Bad Debts	(2,314,059)	
Net Patient Service Revenues	$ 52,851,306	
Wellness Center Revenues	456,353	
Meals Sold	211,646	
Supplies Sold and Miscellaneous	552,723	
Property Tax and Replacement Taxes	467,671	
Grant Revenues (Note 3)	1,365,644	
Donations and Support Revenues		$ 2,189,135
Total Operating Revenues	$ 55,905,343	$ 2,189,135
OPERATING EXPENSES:		
Program Services-		
Nursing Services	$ 12,232,028	
Other Professional Services	31,602,541	
Total Program Services	$ 43,834,569	
General Services	3,476,451	$ 117,096
Administrative Services	11,310,323	139,963
Total Operating Expenses	$ 58,621,343	$ 257,059
INCOME (LOSS) FROM OPERATIONS	$ (2,716,000)	$ 1,932,076
NON-OPERATING REVENUES (EXPENSES):		
Investment Income	$ 372,087	$ 43,559
Donations and Support Revenues	141,454	
Interest Expense	(122,361)	
Total Non-Operating Revenues (Expenses)	$ 391,180	$ 43,559
INCREASE (DECREASE) IN NET POSITION	$ (2,324,820)	$ 1,975,635
NET POSITION AT BEGINNING OF YEAR	28,211,999	747,415
NET POSITION AT END OF YEAR	$ 25,887,179	$ 2,723,050

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
OPERATING REVENUES:		
Patient Service Revenues (Net of Contractual Allowances & Discounts)	$ 55,505,267	
Bad Debts	(2,105,328)	
Net Patient Service Revenues	$ 53,399,939	
Wellness Center Revenues	391,270	
Meals Sold	192,200	
Supplies Sold and Miscellaneous	460,684	
Property Tax and Replacement Taxes	501,248	
Grant Revenues (Note 3)	2,502,549	
Donations and Support Revenues		$ 336,562
Other Operating Revenues		956
Total Operating Revenues	$ 57,447,890	$ 337,518
OPERATING EXPENSES:		
Program Services-		
Nursing Services	$ 12,480,801	
Other Professional Services	31,245,827	
Total Program Services	$ 43,726,628	
General Services	3,496,805	$ 134,786
Administrative Services	11,019,047	66,573
Total Operating Expenses	$ 58,242,480	$ 201,359
INCOME (LOSS) FROM OPERATIONS	$ (794,590)	$ 136,159
NON-OPERATING REVENUES (EXPENSES):		
Investment Income	$ 190,732	$ 3,486
Gain (Loss) on Sale of Assets	15,540	
Donations and Support Revenues	213,436	
Interest Expense	(127,091)	
Total Non-Operating Revenues (Expenses)	$ 292,617	$ 3,486
INCREASE (DECREASE) IN NET POSITION	$ (501,973)	$ 139,645
NET POSITION AT BEGINNING OF YEAR	28,713,972	607,770
NET POSITION AT END OF YEAR	$ 28,211,999	$ 747,415

The accompanying notes are an integral part of these financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from:		
Net Patient Service Revenues	$ 51,522,350	
Wellness Center Revenues	455,129	
Property and Replacement Taxes	467,671	
Grant Revenues	1,502,434	
Donations and Support Revenues		$ 1,691,474
Education Loans		21,174
Other Income	736,599	
Cash Payments to:		
Suppliers	(22,433,399)	(255,595)
Employees	(33,620,046)	
Education Loans		(18,000)
Net Cash Provided (Used) by Operating Activities	$ (1,369,262)	$ 1,439,053
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Gifts and Bequests	$ 141,454	
Net Cash Provided (Used) by Non-Capital Financing Activities	$ 141,454	$ 0
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Payment of Long-Term Debt	$ (76,864)	
Proceeds from Line of Credit	9,055,000	
Payments on Line of Credit	(7,280,000)	
Principal Payments on Lease Liability	(173,339)	
Principal Payments on Subscription Liability	(488,664)	
Interest Paid on Debt	(97,887)	
Initial Direct Costs on Subscription Assets	(932,119)	
Purchases of Capital Assets	(1,308,009)	
Net Cash Provided (Used) by Capital & Related Financing Activities	$ (1,301,882)	$ 0
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the Maturity of Certificates of Deposit	$ 5,062,068	
Purchases of Certificates of Deposit	(4,498,023)	
Transfers (To) From Money Market/Now Accounts and Interest Earnings Retained	(374,820)	
Investment Income Received	360,912	$ 43,559
Net Cash Provided (Used) by Investing Activities	$ 550,137	$ 43,559
Net Increase (Decrease) in Cash and Cash Equivalents	$ (1,979,553)	$ 1,482,612
Cash and Cash Equivalents -		
Beginning of Year	5,591,529	642,302
End of Year	$ 3,611,976	$ 2,124,914
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Income (Loss) from Operations	$ (2,716,000)	$ 1,932,076
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities		
Depreciation and Amortization Expense	2,651,477	
(Increase) Decrease in Assets		
Patient Accounts Receivable, Net	(1,328,956)	
Inventories	(61,937)	(10,838)
Property and Replacement Taxes Receivable	(15,589)	
Prepaid Expenses and Other Current Assets	(157,897)	
Education Loans Receivable		14,759
Pledge Receivable, Net		(497,661)
Grants Receivable	57,831	
Other Receivables	(27,770)	162
Increase (Decrease) in Liabilities		
Accounts Payable and Other Liabilities	(18,574)	555
Accrued Payroll	138,271	
Deferred Revenues	77,735	
Accrued Vacations and Employee Benefits	16,558	
Deferred Inflows of Resources	15,589	
Net Cash Provided (Used) by Operating Activities	$ (1,369,262)	$ 1,439,053
NONCASH CAPITAL & RELATED FINANCING ACTIVITIES		
Right-of-Use Subscription Asset Acquired in Exchange for a Subscription Liability	$ 4,097,102	

The accompanying notes are an integral part of the financial statements.

JERSEY COMMUNITY HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	PRIMARY GOVERNMENT (HOSPITAL)	COMPONENT UNIT (FOUNDATION)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from:		
Net Patient Service Revenues	$ 54,006,876	
Wellness Center Revenues	397,782	
Property and Replacement Taxes	501,248	
Grant Revenues	1,446,699	
Donations and Support Revenues		$ 337,518
Education Loans		14,009
Other Income	604,066	
Cash Payments to:		
Suppliers	(22,928,349)	(204,323)
Employees	(32,990,392)	
Education Loans		(16,500)
Net Cash Provided (Used) by Operating Activities	$ 1,037,930	$ 130,704
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Gifts and Bequests	$ 213,436	
Advance Payment from Medicare	(1,251,684)	
Net Cash Provided (Used) by Non-Capital Financing Activities	$ (1,038,248)	$ 0
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Payment of Long-Term Debt	$ (1,743,975)	
Principal Payments on Lease Liability	(108,568)	
Principal Payments on Subscription Liability	(476,576)	
Interest Paid on Debt	(131,986)	
Proceeds from Sale of Capital Assets	15,540	
Purchases of Capital Assets	(2,764,270)	
Net Cash Provided (Used) by Capital & Related Financing Activities	$ (5,209,835)	$ 0
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the Maturity of Certificates of Deposit	$ 1,763,303	
Purchases of Certificates of Deposit	(5,909,794)	
Transfers (To) From Money Market/Now Accounts and Interest Earnings Retained	4,238,019	
Transfers from Restricted Assets for Final Bond Payment	880,371	
Transfers From Restricted Assets for Government Funding	968,288	
Investment Income Received	183,417	$ 3,486
Net Cash Provided (Used) by Investing Activities	$ 2,123,604	$ 3,486
Net Increase (Decrease) in Cash and Cash Equivalents	$ (3,086,549)	$ 134,190
Cash and Cash Equivalents -		
Beginning of Year	8,678,078	508,112
End of Year	$ 5,591,529	$ 642,302
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Income (Loss) from Operations	$ (794,590)	$ 136,159
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities		
Depreciation and Amortization Expense	2,440,599	
Recognition of Prior Year Deferred Revenues not Received in Cash	(968,288)	
(Increase) Decrease in Assets		
Patient Accounts Receivable, Net	606,937	
Inventories	16,259	(1,991)
Property and Replacement Taxes Receivable	(14,847)	
Prepaid Expenses and Other Current Assets	(120,428)	
Education Loans Receivable		(3,139)
Grants Receivable	(87,562)	
Other Receivables	(48,818)	(233)
Increase (Decrease) in Liabilities		
Accounts Payable and Other Liabilities	143,147	(92)
Accrued Payroll	(207,983)	
Deferred Revenues	6,512	
Accrued Vacations and Employee Benefits	72,145	
Pledges Payable	(20,000)	
Deferred Inflows of Resources	14,847	
Net Cash Provided (Used) by Operating Activities	$ 1,037,930	$ 130,704
NONCASH CAPITAL ACTIVITIES		
Right-of-Use Lease Asset Acquired in Exchange for a Lease Liability	$ 789,018	
Right-of-Use Subscription Asset Acquired in Exchange for a Subscription Liability	209,541	

The accompanying notes are an integral part of the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Jersey Community Hospital District (Hospital) is an acute care hospital organized as a municipal corporation. The Hospital is governed by a Board of Directors comprised of nine members who are appointed from within the District by the Jersey County Board. The Hospital also includes employed physicians located in twelve clinics in four counties through west-central Illinois.

For financial reporting purposes, the Hospital is divided into the "Primary Government" and "Component Unit". The Primary Government consists of the Hospital.

The Jersey Community Hospital Foundation (Foundation) is a 501(c)(3) organization whose purpose is to provide financial assistance to the Hospital and to provide financial assistance to students pursuing medical careers. The Foundation's operations are discretely presented as a component unit of the Hospital.

Basis of Presentation and Accounting – The Hospital's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The Hospital has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements.

The accounts of the Hospital are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the Hospitals assets, liabilities, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the Hospital is determined by its measurement focus. The transactions of the Hospital are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into three components: net investment in capital assets, restricted, and unrestricted.

The Foundation reports its financial results under the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the Hospital's reporting entity for these differences, however significant.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue for the proprietary funds are service revenues and the sales of meals and supplies. Operating expenses include the costs of sales and service, administrative services, and bad debt write-offs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash, Cash Equivalents, and Invested Cash – In general, cash includes cash on hand, demand and savings deposits, and negotiable order withdrawal accounts. For financial statement purposes all non-designated short-term certificates of deposit with a maturity of 90 days or less are considered cash and cash equivalents. Invested cash primarily consists of certificates of deposit, non-brokered money market accounts, and repurchase agreements maturing within 90 days of June 30, 2024 and 2023. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within 90 days of June 30, 2024 and 2023, which are carried at cost. As of June 30, 2024, there were no repurchase agreements owned by the Hospital. All repurchase agreements as of June 30, 2023 matured within 90 days of June 30, 2023 and were, therefore, carried at cost.

Patient Accounts Receivable – The Hospital's patient accounts receivable is presented net of the allowance for doubtful accounts of $3,870,807 and $3,224,087 at June 30, 2024 and 2023, respectively, and net of third-party contractual allowances of $14,117,890 and $11,812,113 at June 30, 2024 and 2023, respectively. The Hospital provides an allowance for doubtful collections based upon a review of outstanding receivables, historical collection information, and existing economic conditions for each of its major payor sources. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance and provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties). For receivables associated with self-pay patients without insurance and patients with deductible and copayment balances for which third-party coverage exists for part of the bill, the Hospital records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the standard rates or negotiated discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

Inventories – Inventories are stated at cost, determined principally using the first-in, first-out method.

Assets Whose Use is Designated – Assets whose use is designated include assets set aside by the Board of Directors (Board-Designated Funds) for future capital improvements, self-insurance, and debt service over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Capital Assets – Capital assets are recorded at cost, or if donated, at fair value at the date of receipt. Capital assets are defined by the Hospital as assets with an initial unit acquisition cost of $5,000 or greater and an estimated useful life in excess of one year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation and Amortization – Depreciation and amortization are provided over the estimated useful life, ranging from 3 to 50 years, of each class of depreciable assets and is computed on the straight-line method. Amortization on right-of-use assets is provided over the shorter of the estimated useful life of the right-of-use asset or the lease term and is computed on the straight-line method.

Interest Costs – The Hospital's interest costs incurred amounted to $122,361 and $127,091 for the years ended June 30, 2024 and 2023, respectively.

Income Taxes – The Hospital is a municipal corporation and is exempt from federal income taxes.

Reclassifications – Where appropriate, prior year's financial information has been reclassified to conform to the current year presentation.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Position – Net position is comprised of the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation, right-of-use assets net of accumulated amortization, and reduced by the outstanding balances of any bonds, mortgages, notes, leases, subscriptions, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets with constraints placed on their use either by external groups, such as by creditors (through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets".

It is the Hospital's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Net patient service revenue also includes estimated retroactive adjustments under reimbursement agreements with third-party payors.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Patient Service Revenue (Continued) – The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined.

Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Charity Care – The Hospital provides care to patients who lack financial resources and are deemed to be medically indigent based on criteria established under the Hospital's charity care policy. This care is provided without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, the account balances are adjusted through contractual adjustments and discounts. The Hospital maintains records to identify and monitor the level of charity care provided. These records include the amount of direct and indirect costs for services and supplies furnished under its charity care policy. The direct and indirect costs related to this care totaled $52,823 and $51,992 in fiscal years ended June 30, 2024 and 2023, respectively. Direct and indirect costs for providing charity care are estimated by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients. In addition, the Hospital provides services to other medically indigent patients under various state Medicaid programs. Such programs pay amounts that are less than the cost of the services provided to the recipients.

Leases – The Hospital records leases based on guidance under GASB Statement No. 87, *Leases* (GASB 87). GASB 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It established a single model for lease accounting based on the foundational principles that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset.

Subscription Based Information Technology Arrangements (SBITAs) – The Hospital records SBITAs based on guidance under GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (GASB 96). GASB 96 established a single approach to accounting for and reporting SBITAs by state and local governments. Under this statement, a government entity that enters into an arrangement that conveys control of the right to use an underlying information technology (IT) asset must recognize (1) a subscription liability, (2) an intangible asset representing the entity's right to use the subscription asset, (3) report the amortization expense for using the subscription asset over the shorter of the term of the applicable IT arrangement or the useful life of the underlying asset, (4) interest expense on the subscription liability and (5) note disclosures about the applicable IT arrangement. This statement provides exceptions for contracts that meet the definition of a lease under GASB 87, governments that provide the right to use their IT software to other entities through SBITAs, licensing agreements that provide a perpetual license, contracts that solely provide IT support services, and short-term SBITAs.

New Accounting Pronouncement - Effective July 1, 2023, the Hospital adopted the provisions of GASB Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections*. This standard aims to improve consistency and clarity in reporting accounting changes and error corrections. It also establishes disclosure requirements for financial statement notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement (Continued) – During the fiscal year ended June 30, 2024, the Hospital changed its methodology used for an accounting estimate. The accounting estimate relates to an accrual for professional services provided by a third party for the Hospital's Wound Care Center and Hyperbaric Oxygen Treatment Department. The fee is based on a percentage of actual collections rather than a flat fee. This is the third year for the accrued expense so there is now better historical data in which to base the accrual off of. This change in accounting estimate affects the "Accounts Payable and Other Liabilities" line item on the statement of net position and the "Other Professional Services" line item on the statement of revenues, expenses, and changes in net position. As required by GASB 100, a change in accounting estimate is applied prospectively, with recognition beginning in the reporting period in which the change occurred.

NOTE 2. NET PATIENT SERVICE REVENUE

The Hospital receives payment for services rendered from federal and state agencies, private insurance carriers, employers, managed care programs, and patients. The Hospital recognizes that revenues and receivables from government agencies are significant to the Hospital's operations but does not believe that there is any significant credit risks associated with these government agencies. The mix of receivables from patients and third-party payors at June 30, 2024 and 2023, was as follows:

	June 30,	
	2024	2023
Medicare	35.1%	40.9%
Medicaid	17.3%	12.6%
Blue Cross	3.4%	4.5%
Healthlink	2.3%	1.7%
United Health	5.8%	4.8%
State of Illinois	0.5%	0.0%
Coventry/Aetna	3.5%	1.2%
Cigna	0.0%	1.7%
Other third-party payors	1.8%	9.0%
Patients	30.3%	23.6%
	100.0%	100.0%

A summary of the basis of reimbursement with major third-party payors follows:

	2024	2023
Third-party payors	$51,691,519	$53,062,601
Patients	3,473,846	2,442,666
Patient service revenue (net of contractual allowances and discounts)	$55,165,365	$55,505,267

MEDICARE – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after the Hospital submits annual cost reports and the Medicare fiscal intermediary audits them. The Hospital owns seven Rural Health Clinics which are reimbursed based on cost.

NOTE 2. NET PATIENT SERVICE REVENUE (Continued)

On April 20, 2020, the Hospital received an advance payment from the Centers for Medicare & Medicaid Services (CMS) to help increase cash flow for healthcare providers who have been negatively impacted by COVID-19. The accelerated payments for the Hospital and JCH Medical Group totaled $5,828,884.

The program originally stipulated that the Hospital had 120 days from the date of advance payment to begin repayment and 90 days to fully repay the advance payments. The Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159), enacted on October 1, 2020, amended the repayment terms for all providers and suppliers who requested and received accelerated and advance payments during the COVID-19 Public Health Emergency. Under the Continuing Appropriations Act, 2021 and Other Extensions Act, repayment will now begin one year from the issuance date of each provider or supplier's accelerated or advance payment. After the first year, Medicare will automatically recoup 25 percent of Medicare payments otherwise owed to the provider or supplier for eleven months. At the end of the eleven-month period, recoupment will increase to 50 percent for another six months If the provider is unable to repay the total amount of the accelerated or advance payment during this time-period (17 months), CMS will issue demand letters requiring repayment of any outstanding balance, subject to an interest rate of four percent consistent with the Continuing Appropriations Act, 2021.

CMS began withholding payments to the Hospital on April 23, 2021. For the fiscal year ended June 30, 2024 and 2023, payments withheld by CMS totaled $0 and $1,251,684, respectively. As of June 30, 2023, the remaining amounts due to Medicare from the receipt of advanced payments was $0.

It is the opinion of management that, based on the years open at the time of the issuance of the Hospital's financial statements, no additional reserve is required as of June 30, 2024 and 2023.

Final settlements are estimated and recorded in the financial statements in the year in which they occur. The estimated settlements recorded at June 30, 2024, could differ from actual settlements based on the results of cost report audits. Cost reports for all years before June 30, 2024, have been settled as of June 30, 2024.

MEDICAID – Inpatient and outpatient charges are reimbursed on a fee schedule for specific services. The Hospital owns seven Rural Health Clinics which are reimbursed at a set rate per visit.

Future changes in Medicare and Medicaid programs and the possible reduction of funding could have an adverse impact on the Hospital.

The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

NOTE 3. FEDERAL GRANTS AND DEFERRED REVENUES

The Hospital receives grant funding from various federal, state, and local agencies. Revenue from federal, state, and local grants designated for payment on specific Hospital expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until such expenditures are made and the

NOTE 3. FEDERAL GRANTS AND DEFERRED REVENUES (Continued)

revenue is earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received. Based on this method, the Hospital had deferred grant revenues of $78,959 and $0 and grant revenues of $1,365,644 and $2,502,549 as of and for the year ended June 30, 2024 and 2023, respectively.

Other deferred revenues consist of membership dues at the Wellness Center which, at June 30, 2024 and 2023, were $48,263 and $49,487 respectively.

Grant revenues recognized for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
COVID-19 Provider Relief Fund		$ 490,214
COVID-19 Rural Health Clinic Testing		347,687
COVID-19 Small Hospital Improvement Program		130,389
FEMA Disaster Grant - Public Assistance	$ 74,987	495,437
Distance Learning and Telemedicine	89,681	29,289
Community Facility Grant	90,000	
HRSA Opioid Program and Quality Improvement Grants	872,241	820,104
Rural EMS Training Grant	194,487	169,816
EMS Assistance Grant		5,000
EMS Radio Grant through Jersey County	29,220	
Medicare Rural Hospital Flexibility Grant Program	3,000	2,675
Small Hospital Improvement Grant	12,028	11,938
Total Grant Revenues	$ 1,365,644	$ 2,502,549

NOTE 4. PROPERTY TAXES

The Hospital's property tax is levied each year on all taxable real property located in the Hospital District. The Board passed the 2023 tax levy on October 26, 2023. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments, generally in August and September. The County Collector distributed tax payments to the Hospital on August 9, 2023, October 20, 2023, December 19, 2023, and December 20, 2023. Taxes recorded in these financial statements are from the 2022 and prior tax levies.

The following is the tax rate limit permitted by local referendum and the actual rates levied per $100 of assessed valuation:

Maximum 2023 and 2022 Rate	Actual 2023 Rate	Actual 2022 Rate
.075	.06660	.06857

NOTE 5. CASH AND INVESTED CASH

The Hospital is allowed to invest in securities as authorized by Illinois Compiled Statutes.

Cash and invested cash as of June 30, 2024 and 2023, are classified in the accompanying financial statements as follows:

NOTE 5. CASH AND INVESTED CASH (Continued)

	Hospital	
	2024	2023
Cash and Invested Cash	$ 3,611,976	$ 5,591,529
Cash and Invested Cash - Board Designated	3,494,435	3,670,825
	$ 7,106,411	$ 9,262,354

Cash and invested cash as of June 30, 2024 and 2023, consisted of the following:

	Hospital	
	2024	2023
Cash on Hand	$ 2,717	$ 2,717
Demand Deposits with Financial Institutions	34,800	44,817
Savings and Money Markets with Financial Institutions	926,165	2,757,466
Repurchase Agreements		1,011,700
Certificates of Deposits	6,142,729	5,445,654
	$ 7,106,411	$ 9,262,354

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution or counterparty, the Hospital will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. As of June 30, 2024 and 2023, the Hospital had deposits of $2,902,389 and $2,769,392, respectively, which are fully insured by federal depository insurance, deposits of $4,378,564 and $7,004,100 respectively, which are covered by pledged collateral, and deposits of $0 and $0, respectively, which were uncollateralized. The Hospital's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Hospital has no investments with credit risk.

Interest Rate Risk- Segmented Time Distribution

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Hospital manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Hospital's invested cash to market interest rate fluctuations is provided by the following table that shows the distribution of the Hospital's investments by maturity.

NOTE 5. CASH AND INVESTED CASH (Continued)

	June 30, 2024			
Invested Cash/Investment Type	Balance	Less Than 1 Year	1-5 Years	More Than 5 Years
Certificates of Deposit	$ 6,142,729	$ 6,142,729		
Total	$ 6,142,729	$ 6,142,729	$ 0	$ 0

	June 30, 2023			
Invested Cash/Investment Type	Balance	Less Than 1 Year	1-5 Years	More Than 5 Years
Certificates of Deposit	$ 5,445,654	$ 5,445,654		
Repurchase Agreements	1,011,700	1,011,700		
Total	$ 6,457,354	$ 6,457,354	$ 0	$ 0

NOTE 6. INVENTORIES

At June 30, 2024 and 2023, inventories of the Hospital consisted of the following:

	2024	2023
Pharmacy	$ 318,461	$ 298,665
Medical/Surgical	124,707	123,000
Medical Group	278,865	255,705
Durable Medical Equipment	28,693	29,645
Dietary	16,635	13,477
Linen	26,848	26,516
Laboratory	140,649	125,749
Auxiliary	22,543	22,707
	$ 957,401	$ 895,464

NOTE 7. OTHER RECEIVABLES

The Hospital's other receivables consist of unpaid rent due monthly from local physicians' offices, staff receivables, and an insurance reimbursement. The other receivable balance as of June 30, 2024 and 2023, was $89,265 and $61,495, respectively.

NOTE 8. CAPITAL AND RIGHT-OF-USE ASSETS

Capital and right-of-use asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	$ 55,000			$ 55,000
Work In Process	1,989,966	$ 1,650,245	$ 2,441,671	1,198,540
Total Capital Assets, Not Being Depreciated	$ 2,044,966	$ 1,650,245	$ 2,441,671	$ 1,253,540
Capital Assets, Being Depreciated:				
Building	$ 23,127,197	$ 300,663		$ 23,427,860
Equipment	21,733,879	1,574,408	$ 296,160	23,012,127
Subtotal	$ 44,861,076	$ 1,875,071	$ 296,160	$ 46,439,987
Accumulated Depreciation				
Building	$ 14,536,105	$ 735,733		$ 15,271,838
Equipment	17,178,570	1,178,247	$ 296,160	18,060,657
Subtotal	$ 31,714,675	$ 1,913,980	$ 296,160	$ 33,332,495
Net Capital Assets, Depreciated	$ 13,146,401	$ (38,909)	$ 0	$ 13,107,492
Total Capital Assets, Net	$ 15,191,367	$ 1,611,336	$ 2,441,671	$ 14,361,032
Right-of-Use Lease Assets				
Equipment	$ 411,838			$ 411,838
Building	377,180		$ 12,834	364,346
Subtotal	$ 789,018	$ 0	$ 12,834	$ 776,184
Accumulated Amortization				
Equipment	$ 20,591	$ 82,368		$ 102,959
Building	90,472	88,450		178,922
Subtotal	$ 111,063	$ 170,818	$ 0	$ 281,881
Total Right-of-Use Lease Assets, Net	$ 677,955	$ (170,818)	$ 12,834	$ 494,303
Right-of-Use Subscription Assets	$ 1,776,482	$ 5,253,585	$ 202,585	$ 6,827,482
Accumulated Amortization	$ 901,958	$ 566,680	$ 202,585	$ 1,266,053
Total Right-of-Use Subscription Assets, Net	$ 874,524	$ 4,686,905	$ 0	$ 5,561,429
Net Capital, Right-of-Use Lease & Right-of-Use Subscription Assets	$ 16,743,846	$ 6,127,423	$ 2,454,505	$ 20,416,764

NOTE 8. CAPITAL AND RIGHT-OF-USE ASSETS (Continued)

Capital and right-of-use asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets, Not Being Depreciated:				
Land	$ 55,000			$ 55,000
Work In Process	1,485,030	$ 1,381,755	$ 876,819	1,989,966
Total Capital Assets, Not Being Depreciated	$ 1,540,030	$ 1,381,755	$ 876,819	$ 2,044,966
Capital Assets, Being Depreciated:				
Building	$ 23,059,014	$ 68,183		$ 23,127,197
Equipment	20,105,669	2,191,151	$ 562,941	21,733,879
Subtotal	$ 43,164,683	$ 2,259,334	$ 562,941	$ 44,861,076
Accumulated Depreciation				
Building	$ 13,788,836	$ 747,269		$ 14,536,105
Equipment	16,618,954	1,122,557	$ 562,941	17,178,570
Subtotal	$ 30,407,790	$ 1,869,826	$ 562,941	$ 31,714,675
Net Capital Assets, Depreciated	$ 12,756,893	$ 389,508	$ 0	$ 13,146,401
Total Capital Assets, Net	$ 14,296,923	$ 1,771,263	$ 876,819	$ 15,191,367
Right-of-Use Lease Assets				
Equipment	$ 344,518	$ 411,838	$ 344,518	$ 411,838
Building		377,180		377,180
Subtotal	$ 344,518	$ 789,018	$ 344,518	$ 789,018
Accumulated Amortization				
Equipment	$ 344,518	$ 20,591	$ 344,518	$ 20,591
Building		90,472		90,472
Subtotal	$ 344,518	$ 111,063	$ 344,518	$ 111,063
Total Right-of-Use Lease Assets, Net	$ 0	$ 677,955	$ 0	$ 677,955
Right-of-Use Subscription Assets	$ 1,566,941	$ 209,541	$ 0	$ 1,776,482
Accumulated Amortization	$ 442,248	$ 459,710	$ 0	$ 901,958
Total Right-of-Use Subscription Assets, Net	$ 1,124,693	$ (250,169)	$ 0	$ 874,524
Net Capital, Right-of-Use Lease & Right-of-Use Subscription Assets	$ 15,421,616	$ 2,199,049	$ 876,819	$ 16,743,846

NOTE 8. CAPITAL AND RIGHT-OF-USE ASSETS (Continued)

Depreciation and amortization expense was charged to the Hospital functions as follows:

	June 30, 2024	June 30, 2023
Depreciation		
Nursing Services	$ 303,625	$ 294,045
Other Professional Services	611,142	573,550
General Services	881,160	867,705
Administrative Services	118,051	134,526
Total Depreciation Expense	$ 1,913,978	$ 1,869,826
Amortization		
Nursing Services	$ 89,517	$ 89,516
Other Professional Services	281,265	189,483
Administrative Services	366,717	291,774
Total Amortization Expense	$ 737,499	$ 570,773
Total Depreciation and Amortization Expense	$ 2,651,477	$ 2,440,599

NOTE 9. FUNDED DEPRECIATION ACCOUNT

The Hospital Board adopted the policy of funding depreciation that had previously been charged to operations. At June 30, 2024 and 2023, accumulated depreciation was $33,332,495 and $31,714,675, respectively, and funded depreciation, consisting of certificates of deposit and money market accounts, amounted to $3,094,122 and $2,969,794, respectively. These funds have been designated for capital asset purchases as needed.

NOTE 10. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the Hospital for the year ended June 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Notes Payable					
Notes Payable from Direct Borrowings	$ 308,396		$ 76,864	$ 231,532	$ 80,229
	$ 308,396	$ 0	$ 76,864	$ 231,532	$ 80,229
Other Liabilities					
Accrued Vacation and Employee Benefits	$ 1,005,372	$ 1,631,037	$ 1,614,479	$ 1,021,930	
Lease Liabilities	680,450		173,339	507,111	$ 165,355
Subscription Liabilities	853,060	4,097,102	488,664	4,461,498	777,117
	$ 2,538,882	$ 5,728,139	$ 2,276,482	$ 5,990,539	$ 942,472
Total Long-Term Liabilities	$ 2,847,278	$ 5,728,139	$ 2,353,346	$ 6,222,071	$ 1,022,701

NOTE 10. LONG-TERM LIABILITIES (Continued)

The following is a summary of long-term liabilities transactions of the Hospital for the year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
Bonds Payable from Direct Placements	$ 1,650,000		$ 1,650,000		
Notes Payable from Direct Borrowings	402,371		93,975	$ 308,396	$ 76,868
	$ 2,052,371	$ 0	$ 1,743,975	$ 308,396	$ 76,868
Other Liabilities					
Accrued Vacation and Employee Benefits	$ 933,227	$ 1,747,092	$ 1,674,947	$ 1,005,372	
Lease Liabilities		789,018	108,568	680,450	$ 162,448
Subscription Liabilities	1,120,095	209,541	476,576	853,060	447,461
Pledges Payable	20,000		20,000		
	$ 2,073,322	$ 2,745,651	$ 2,280,091	$ 2,538,882	$ 609,909
Total Long-Term Liabilities	$ 4,125,693	$ 2,745,651	$ 4,024,066	$ 2,847,278	$ 686,777

Bonds Payable from Direct Placements

On December 29, 2010, the Hospital issued three distinct series of alternate revenue bonds to provide for both refinancing of existing long-term debt and new financing related to construction of the emergency room department expansion and renovation project.

The Series A Bonds were fully retired during the fiscal year ended June 30, 2021. The Series B Bonds, also authorized by ARRA, are "Build America Bonds (Direct Issue)" and carry a 35% interest subsidy. The Series B Bonds were fully retired during the fiscal year ended June 30, 2022. The Series C Bonds were fully retired during fiscal year June 30, 2023. Series C Bonds were traditional tax-exempt general obligation bonds with no interest subsidy.

Under the terms of the bond covenants, the Hospital must maintain sufficient cash reserves to retire bonds that would have otherwise been paid using levied taxes. For fiscal years ended June 30, 2023, the Hospital complied with this restriction.

Notes Payable from Direct Borrowings

On June 26, 2018, the Hospital entered into a loan agreement for the purchase and renovation of a business office building. The note is payable in monthly installments of $7,377, including interest at 4.25%, beginning July 26, 2018 with a final payment due on April 26, 2027, and is secured by the property being acquired. In the event of default by the Hospital all remaining amounts owed can be made immediately due. The outstanding balance of the loan was $231,532 and $308,396 as of June 30, 2024 and 2023, respectively.

NOTE 10. LONG-TERM LIABILITIES (Continued)

Notes Payable from Direct Borrowings (continued)

The following schedule summarizes the future payment requirements at June 30, 2024:

June 30,	Principal	Interest	Total Payment
2025	$ 80,229	$ 8,292	$ 88,521
2026	83,701	4,820	88,521
2027	67,602	1,362	68,964
	$ 231,532	$ 14,474	$ 246,006

Accrued Vacation and Employee Benefits

Paid Time Off – All full-time and part-time employees who work a minimum of 24 hours per pay period begin to accrue paid time off upon their hire date which can be used after the initial 30 days of employment are completed. Accrued hours are calculated at three levels based on years of service: (1) Employment to 4 years, (2) 5 years to 14 years, and (3) 14+ years. Accrued hours cannot exceed a maximum of 220 hours per employee. Upon termination of employment, all accrued hours are paid out at the next payment date.

Extended Sick Leave – All full-time and part-time employees who work a minimum of 24 hours per pay period begin to accrue extended sick leave upon their hire date which can be used after the initial 30 days of employment are completed. Accrued hours are calculated based on paid hours worked and cannot exceed 480 hours per employee. Upon termination of employment all accrued hours are lost and as such, no amount is accrued for extended sick leave.

Leases

The Hospital entered into a lease for fluoroscopy equipment beginning March 2023 for a term of 60 months. The interest rate implicit in the lease is 6.31%. The total cost of the Hospital's Right-of-Use Asset is recorded at $411,838, less accumulated amortization of $102,959 and 20,591, as of June 30, 2024 and 2023, respectively. This lease has resulted in a lease liability of $313,944 and $388,103 as of June 30, 2024 and 2023, respectively.

The Hospital has entered into multiple leases for buildings throughout the fiscal year. The lease agreements and terms are all substantially similar in substance. The majority of the original lease terms have lapsed and are being automatically renewed annually unless cancelled. The Hospital is reasonably certain that these leases will all be renewed for terms extending to fiscal year ended June 30, 2026. One of the leases will extend to October 31, 2026. The Hospital has estimated its incremental borrowing rate for the leases to be 4%. The total cost of the Hospital's Right-of-Use Asset is recorded at $364,346, less accumulated amortization of $178,922 and $90,472, as of June 30, 2024 and 2023, respectively. This lease has resulted in a lease liability of $193,167 and $292,347 as of June 30, 2024 and 2023, respectively.

NOTE 10. LONG-TERM LIABILITIES (Continued)

Leases (Continued)

The following schedule summarizes the future payment requirements at June 30, 2024:

June 30,	Principal	Interest	Total Payment
2025	$ 165,355	$ 23,102	$ 188,457
2026	173,818	14,639	188,457
2027	105,534	6,904	112,438
2028	62,404	1,435	63,839
	$ 507,111	$ 46,080	$ 553,191

Subscription Based Information Technology Arrangements

The Hospital entered into a subscription agreement for an encoder system for medical records beginning January 2023 for a term of 60 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 4%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $209,541, less accumulated amortization of $62,863 and $17,461, as of June 30, 2024 and 2023, respectively. This lease has resulted in a lease liability of $125,265 and $164,339 as of June 30, 2024 and 2023, respectively.

The Hospital entered into a subscription agreement for software related to hospital medical records and a financial accounting platform beginning prior to July 1, 2021. The remaining term at July 1, 2021 was 45 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 4%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $1,028,671, less accumulated amortization of $822,937 and $548,625, as of June 30, 2024 and 2023, respectively. This lease has resulted in a lease liability of $217,513 and $497,581, as of June 30, 2024 and 2023, respectively.

The Hospital entered into a subscription agreement for patient mobile check-in software beginning prior to July 1, 2021. The remaining term at July 1, 2021 was 31 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 4%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $202,585, less accumulated amortization of $156,840, as of June 30, 2023. This lease has resulted in a lease liability of $0 and $47,431, as of June 30, 2024 and 2023, respectively. The subscription ended during fiscal year ended June 30, 2024 and was not renewed.

The Hospital entered into a subscription agreement for emergency department information systems software beginning prior to July 1, 2021. The remaining term at July 1, 2021 was 45 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 4%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $335,685, less accumulated amortization of $268,548 and $179,032, as of June 30, 2024 and 2023, respectively. This lease has resulted in a lease liability of $62,821 and $143,709, as of June 30, 2024 and 2023, respectively.

NOTE 10. LONG-TERM LIABILITIES (Continued)

Subscription Based Information Technology Arrangements (Continued)

The Hospital entered into a subscription agreement for care coordination, patient engagement, and virtual care management software beginning November 2023 for a term of 36 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 7%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $22,671, less accumulated amortization of $5,038 as of June 30, 2024. This lease has resulted in a lease liability of $18,035 as of June 30, 2024.

The Hospital entered into a subscription agreement to maintain access to its Medical Group billing software beginning February 2024 for a term of 36 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 7%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $358,028, less accumulated amortization of $49,726 as of June 30, 2024. This lease has resulted in a lease liability of $298,190 as of June 30, 2024.

The Hospital entered into a subscription agreement for Wellness Center mobile application software beginning July 2023 for a term of 38 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 4%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $31,467, less accumulated amortization of $9,937 as of June 30, 2024. This lease has resulted in a lease liability of $21,956 as of June 30, 2024.

The Hospital entered into a subscription agreement software related to hospital medical records and a financial accounting platform beginning June 2024 for a term of 103 months. The Hospital has estimated its incremental borrowing rate for the subscription to be 7%. The total cost of the Hospital's Subscription Right-of-Use Asset is recorded at $4,841,419, less accumulated amortization of $47,004 as of June 30, 2024. This lease has resulted in a lease liability of $3,717,718 as of June 30, 2024.

The following schedule summarizes the future payment requirements at June 30, 2024:

June 30,	Principal	Interest	Total Payment
2025	$ 777,117	$ 238,879	$ 1,015,996
2026	596,852	242,108	838,960
2027	557,537	201,430	758,967
2028	459,044	165,699	624,743
2029	433,531	134,533	568,064
2030-2033	1,637,417	208,791	1,846,208
	$ 4,461,498	$ 1,191,440	$ 5,652,938

NOTE 11. SHORT-TERM DEBT

The Hospital established a line of credit for $1,000,000 on April 15, 2015, which is secured by the real estate of the Hospital. The purpose of the line of credit is to address temporary cash flow needs as they arise. The line of credit has an interest rate of 7% and matures on July, 16, 2024. At June 30, 2023, this line of credit was not being used, and no amounts were drawn on the line during the fiscal year. At June 30, 2024, the balance on the line of credit was $475,000.

NOTE 11. SHORT-TERM DEBT (Continued)

The Hospital established a line of credit for $4,500,000 on April 19, 2024, which is secured by the accounts receivable of the Hospital. The purpose of the line of credit is to address temporary cash flow needs during the Hospital's transition to its new software. The line of credit has an interest rate of 7% and matures on July 18, 2024. At June 30, 2024, the balance on the line of credit was $1,300,000.

The following schedule summarizes the activity on short-term debt for the fiscal year ended June 30, 2024:

Beginning Balance	Increases	Decreases	Ending Balance
$ 0	$ 9,055,000	$ 7,280,000	$ 1,775,000

NOTE 12. COMMITMENTS

The Hospital enters into various contracts for construction or other services throughout the year to be provided in future periods. There were no outstanding contracts as of June 30, 2024 and 2023.

NOTE 13. CONTINGENCIES

The Hospital has received reimbursements from third-party payors in the current and prior years which are subject to audits by the third-party payors. The Hospital believes any adjustments that may arise from these audits will be insignificant to Hospital operations.

NOTE 14. MEDICAL MALPRACTICE CLAIMS

The Hospital carries commercial insurance for professional liability with no deductible. Certain malpractice claims have been asserted against the Hospital by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. In the opinion of the Hospital's management, the outcomes of these actions will not have a significant effect on the financial position or the operating results of the Hospital and will be covered under the Hospital's insurance.

NOTE 15. RISK MANAGEMENT

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital carries commercial insurance for all risks of loss, including workers' compensation and employee health insurance, liability and property coverage.

NOTE 16. GROUP SELF-INSURED HEALTH PLAN

Effective July 1, 1989, the Hospital elected to become self-insured for the employee medical benefit plan. The plan has specific stop loss insurance coverage protection on a participant as well as an aggregate basis. The Hospital is liable for losses on claims up to $90,000 per individual, per calendar year, and an additional $49,500 in the aggregate, with a total potential liability for losses on claims during the calendar year of approximately $4,907,462. The Hospital has third party insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims history as well as an estimated liability for claims incurred but not reported. Total accrued liability for self-insurance costs was $408,226 and $395,180 as of June 30, 2024 and 2023, respectively, which is included in accounts payable and other liabilities. Total stop loss insurance receivable was $36,053 and $0 for June 30, 2024 and 2023, respectively.

The following is a summary of the changes in the Hospital's self-insurance claims liability for the year ended June 30, 2024:

Beginning Balance	Increases	Decreases	Ending Balance
$ 395,180	$ 3,796,743	$ 3,783,697	$ 408,226

The following is a summary of the changes in the Hospital's self-insurance claims liability for the year ended June 30, 2023:

Beginning Balance	Increases	Decreases	Ending Balance
$ 337,829	$ 4,085,417	$ 4,028,066	$ 395,180

NOTE 17. PENSION PLAN

In 1988, the Hospital adopted a pension plan, known as the Jersey Community Hospital Employees' Pension Plan (Plan), which covers all employees who have completed one year of service and has a three-year cliff vesting period. For each year in which the employee completes a year of service, the Hospital will make a matching contribution to the Plan for the Plan year equal to 100% of the salary reduction contribution up to a maximum matching contribution equal to 4% of compensation. Pension contributions made by the Hospital amounted to $765,272 and $722,672 for the year ended June 30, 2024 and 2023, respectively. The Hospital is the Plan Administrator; however, they have contracted with a third party to handle the administrative and custodial activities. The assets of the plan are held in trust, (custodial account or annuity contract) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Hospital financial statements.

NOTE 18. COMPONENT UNIT

The Jersey Community Hospital Foundation (Foundation) is a 501(c)(3) organization whose purpose is to provide financial assistance to the Hospital and to provide financial assistance to students pursuing medical careers.

The following is a summary of the more significant accounting policies and notes to the financial statements for the component unit:

Net Position – Net position is comprised of the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Foundation has chosen to present the difference between its assets and liabilities as "net position" on the face of the financial statements in conformity with the business-type activity presentation used by the Hospital, the primary government, rather than as "net assets", which is used for not-for-profit presentation in conformity with ASU 2016-14. For the years ended June 30, 2024 and 2023, the Foundation's net position of $977,242 and $747,415, respectively, would be presented as "Net Assets Without Donor Restrictions" and $1,745,808 and $0, respectively, would be presented as "Net Assets With Donor Restrictions" if it were presented in accordance with ASU 2016-14.

Method of Accounting – The Foundation's financial statements are prepared utilizing the accrual basis of accounting. Where appropriate, prior year's financial information has been reclassified to conform to the current year presentation.

Cash and Invested Cash – In general, cash consists of cash on hand, demand and savings deposits, and negotiable order withdrawal accounts. Invested cash consists of brokered and non-brokered money market accounts.

Inventories – Inventories are stated at estimated thrift shop value, determined principally using the first-in, first-out method.

Income Taxes – The Foundation has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 18. COMPONENT UNIT (Continued)

Cash and Invested Cash - Cash and invested cash as of June 30, 2024 and 2023 are classified in the accompanying financial statements as follows:

	Foundation	
	2024	2023
Cash and Invested Cash	$ 2,124,914	$ 642,302
	$ 2,124,914	$ 642,302

Cash and invested cash as of June 30, 2024 and 2023 consisted of the following:

	Foundation	
	2024	2023
Demand Deposits with Financial Institutions	$ 620,618	$ 295,359
Savings and Money Markets with Financial Institutions	310,445	325,829
Brokered Money Market Mutual Fund	79,933	21,114
Certificates of Deposits	1,113,918	
	$ 2,124,914	$ 642,302

Inventories – The Foundation's Hope Chest resale gift shop had inventories of $37,201 and $26,363 at June 30, 2024 and 2023, respectively.

Educational Loans Receivable – The Foundation's educational loan program was established to provide financial assistance to those studying for careers in the healthcare fields, in hopes they will return to work in the service area of Jersey Community Hospital. Loans are available to selected students who meet the loan requirements in the amount of $1,000 per semester, with a maximum of $8,000 of total loans per student, at zero percent interest. At the completion of the student's approved program, all funds are to be repaid to the Jersey Community Hospital Foundation on a monthly schedule. For students who accept employment in their chosen field within the Hospital's service area, loan amounts will be forgiven at a rate of $2,000 for each complete year the student remains in the area.

The Foundation's net educational loans receivable balance as of June 30, 2024 and 2023, were $63,840 and $78,599, respectively.

Liquidity and Availability of Resources – The Foundation is primarily funded through contributions from donors and sales from its resale shop. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. At June 30, 2024 and 2023, the Foundation had financial assets available to meet cash needs for general expenditures of $379,106 and $642,302, respectively.

NOTE 18. COMPONENT UNIT (Continued)

Tax Positions - Accounting Standards Codification Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Topic 740 developed a two-step process to evaluate a tax position and also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Foundation files tax returns in all appropriate jurisdictions. The open tax years are those years ended June 30, 2021 through June 30, 2024. The tax return for the year ended June 30, 2024 has not been filed as of the date of this report. As of June 30, 2024, the Foundation has no recorded liability for unrecognized tax benefits.

The Foundation recognizes interest and penalties related to uncertain tax positions as interest expense and penalties as incurred. No such expense was recognized for the years ended June 30, 2024 or June 30, 2023.

NOTE 19. INVESTMENT IN JOINT VENTURE

South Central Hospital Alliance, LLC - On February 4, 2022, the Hospital entered into a joint venture with three other local hospitals to form an entity whose purpose is to facilitate the development of a cooperative rural health care network which is operated exclusively for the benefit of, to perform the functions of, and to carry out the respective charitable missions of the Members; and develop, establish, and operate both clinical and non-clinical shared services and programs and other collaborative functions and objectives aimed at maintaining and expanding access to high-quality patient care, improving the overall quality of patient care, and utilizing economies of scale to increase the efficiencies and lower the costs of health care delivery in the respective communities served by the Members. The Hospital has a 25% ownership in South Central Hospital Alliance, LLC.

The investment in the joint venture was recorded at cost, and the Hospital's share of the annual net income or loss of the joint venture is used to adjust the ending balance of the Hospital's equity interest. Financial statements for South Central Hospital Alliance, LLC may be obtained from Beth King, CEO, at 400 Maple Summit Rd, Jerseyville, IL 62052.

	For the Year Ended June 30,	
	2024	2023
Investment in Joint Venture Beginning Balance	$ 96,444	$ 100,000
Investment Current Year Income (Loss)	(781)	$ (3,556)
Investment in Joint Venture Ending Balance	$ 95,663	$ 96,444

NOTE 20. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events on the financial statements through December 2, 2024, which is the date the financial statements were available to be issued.

JERSEY COMMUNITY HOSPITAL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual
OPERATING REVENUES:		
Patient Service Revenues (Net of Contractual Allowances & Discounts)	$ 61,003,311	$ 55,165,365
Bad Debts	(2,570,000)	(2,314,059)
Net Patient Service Revenues	$ 58,433,311	$ 52,851,306
Wellness Center Revenues	364,445	456,353
Meals Sold	188,500	211,646
Supplies Sold and Miscellaneous	415,000	552,723
Property Tax and Replacement Taxes	500,000	467,671
Grant Revenues	915,640	1,365,644
Other Operating Revenues	68,200	
Total Operating Revenues	$ 60,885,096	$ 55,905,343
OPERATING EXPENSES:		
Salaries and Wages	$ 26,864,721	$ 26,789,787
Fringe Benefits	6,556,774	6,985,088
Professional Services	9,809,081	9,124,577
Depreciation and Amortization	2,079,499	2,651,477
Supplies	8,649,094	7,673,307
Utilities	1,058,858	989,617
Insurance	1,440,248	1,231,169
Maintenance	2,104,966	1,518,091
Travel and Education	324,018	251,539
Recruitment	110,700	11,013
Other Operating Expenses	1,495,053	1,395,678
Total Operating Expenses	$ 60,493,012	$ 58,621,343
INCOME (LOSS) FROM OPERATIONS	$ 392,084	$ (2,716,000)
NON-OPERATING REVENUES (EXPENSES):		
Interest Income	$ 140,000	$ 372,087
Donations and Support Revenues	250,000	141,454
Interest Expense	(34,500)	(122,361)
Total Non-Operating Revenues (Expenses)	$ 355,500	$ 391,180
INCREASE (DECREASE) IN NET POSITION	$ 747,584	$ (2,324,820)
NET POSITION AT BEGINNING OF YEAR		28,211,999
NET POSITION AT END OF YEAR		$ 25,887,179

See auditor's report on supplementary information.

JERSEY COMMUNITY HOSPITAL DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual
OPERATING REVENUES:		
Patient Service Revenues (Net of Contractual Allowances & Discounts)	$ 58,935,363	$ 55,505,267
Bad Debts	(2,570,000)	(2,105,328)
Net Patient Service Revenues	$ 56,365,363	$ 53,399,939
Wellness Center Revenues	352,541	391,270
Meals Sold	165,000	192,200
Supplies Sold and Miscellaneous	229,040	460,684
Property Tax and Replacement Taxes	443,500	501,248
Grant Revenues	711,930	2,502,549
Other Operating Revenues	61,000	
Total Operating Revenues	$ 58,328,374	$ 57,447,890
OPERATING EXPENSES:		
Salaries and Wages	$ 26,096,606	$ 25,685,153
Fringe Benefits	7,075,266	7,169,401
Professional Services	8,947,954	9,922,070
Depreciation and Amortization	2,018,535	2,440,599
Supplies	7,598,619	7,982,310
Utilities	899,882	1,034,106
Insurance	1,163,929	1,061,970
Maintenance	1,682,193	1,439,979
Travel and Education	233,555	236,152
Recruitment	150,500	87,818
Other Operating Expenses	1,420,132	1,182,922
Total Operating Expenses	$ 57,287,171	$ 58,242,480
INCOME (LOSS) FROM OPERATIONS	$ 1,041,203	$ (794,590)
NON-OPERATING REVENUES (EXPENSES):		
Interest Income	$ 40,000	$ 190,732
Gain (Loss) on Sale of Assets		15,540
Gifts and Bequests	250,000	213,436
Interest Expense	(74,000)	(127,091)
Total Non-Operating Revenues (Expenses)	$ 216,000	$ 292,617
INCREASE (DECREASE) IN NET POSITION	$ 1,257,203	$ (501,973)
NET POSITION AT BEGINNING OF YEAR		28,713,972
NET POSITION AT END OF YEAR		$ 28,211,999

See auditor's report on supplementary information.

JERSEY COMMUNITY HOSPITAL DISTRICT
NOTES TO SCHEDULE 1
YEARS ENDED JUNE 30, 2024 AND 2023

The Hospital follows these procedures in establishing the budgetary data reflected in the financial statements:

The Hospital prepares its budget in accordance with the Illinois Budget Code. The Hospital prepares the budget once each year on the accrual basis. The budget lapses at the end of each fiscal year. The Hospital does not utilize the encumbrance system. The Hospital adopted the budget at the October 26, 2023, and October 27, 2022, board meetings for the fiscal years ended June 30, 2024 and 2023, respectively.

The Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual presents a comparison of budgetary data to actual results. The same basis of accounting is used for both budgetary purposes and actual results.

JERSEY COMMUNITY HOSPITAL DISTRICT
SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30,

2024

	TOTAL	NURSING SERVICES	OTHER PROFESSIONAL SERVICES	GENERAL SERVICES	ADMINISTRATIVE SERVICES
Allocated Expenses					
Salaries and Wages	$ 26,789,787	$ 6,533,934	$ 15,902,251	$ 1,074,835	$ 3,278,767
Fringe Benefits	6,985,088	610,894	2,692,560	102,289	3,579,345
Professional Services	9,124,577	1,512,768	5,699,567	255,265	1,656,977
Depreciation and Amortization	2,651,477	393,143	892,407	881,160	484,767
Supplies	7,673,307	2,747,854	4,653,199	161,502	110,752
Utilities	989,617	1,540	319,142	546,972	121,963
Insurance	1,231,169	150,823	524,456		555,890
Maintenance	1,518,091	156,869	553,744	172,556	634,922
Travel and Education	251,539	74,607	114,562	4,014	58,356
Recruitment	11,013		10,307		706
Other Operating Expenses	1,395,678	49,596	240,346	277,858	827,878
Total Allocated Expenses	$ 58,621,343	$ 12,232,028	$ 31,602,541	$ 3,476,451	$ 11,310,323

2023

	TOTAL	NURSING SERVICES	OTHER PROFESSIONAL SERVICES	GENERAL SERVICES	ADMINISTRATIVE SERVICES
Allocated Expenses					
Salaries and Wages	$ 25,685,153	$ 6,094,602	$ 15,687,249	$ 1,004,389	$ 2,898,913
Fringe Benefits	7,169,401	573,070	2,330,952	94,779	4,170,600
Professional Services	9,922,070	2,265,709	5,754,719	306,248	1,595,394
Depreciation and Amortization	2,440,599	383,561	763,033	867,705	426,300
Supplies	7,982,310	2,782,715	4,918,791	153,490	127,314
Utilities	1,034,106	2,239	307,465	611,138	113,264
Insurance	1,061,970	102,169	438,624		521,177
Maintenance	1,439,979	147,314	567,544	198,529	526,592
Travel and Education	236,152	67,819	91,249	4,614	72,470
Recruitment	87,818		15,506		72,312
Other Operating Expenses	1,182,922	61,603	370,695	255,913	494,711
Total Allocated Expenses	$ 58,242,480	$ 12,480,801	$ 31,245,827	$ 3,496,805	$ 11,019,047

See auditor's report on supplementary information.

SCHEDULE 3

JERSEY COMMUNITY HOSPITAL DISTRICT
SCHEDULES OF PATIENT SERVICE REVENUES

	YEAR ENDED JUNE 30, 2024	2023
DAILY PATIENT SERVICES:		
Medical and Surgical	$ 1,387,802	$ 2,222,083
Intensive Care	426,094	627,242
Skilled Nursing Beds	1,410,411	1,230,044
Total Daily Patient Services	$ 3,224,307	$ 4,079,369
OTHER NURSING SERVICES:		
Operating Room	$ 14,691,409	$ 12,866,027
Recovery Room	196,449	497,135
Emergency Room	17,767,449	17,757,691
Ambulatory Surgery	5,696,307	5,694,957
Total Other Nursing Services	$ 38,351,614	$ 36,815,810
OTHER PROFESSIONAL SERVICES:		
Anesthesiology	$ 5,830,116	$ 5,742,396
Radiology	8,428,290	8,222,400
Laboratory	22,947,546	24,748,079
Nuclear Medicine	2,790,925	3,014,778
Pharmacy	7,130,835	6,446,579
Blood	85,479	105,368
Ultrasound	10,027,576	10,521,230
Cardiac Rehab and Sleep Clinic	5,848,752	5,663,638
Physical Therapy	8,362,291	7,558,240
CT Scan	14,162,519	14,188,710
MRI	2,609,386	2,407,248
Ambulance Service	2,867,783	2,969,473
Durable Medical Equipment	207,142	188,247
Clinics	24,296,089	22,035,634
Pain Management	4,250,183	4,559,843
Hyperbaric Chamber	401,804	588,790
Total Other Professional Services	$ 120,246,716	$ 118,960,653
GROSS PATIENT SERVICE REVENUES	$ 161,822,637	$ 159,855,832
LESS, CONTRACTUAL ALLOWANCES AND DISCOUNTS:		
Hospital	$ 94,586,655	$ 95,234,310
Clinics	12,070,617	9,116,255
Total Contractual Allowances and Discounts	$ 106,657,272	$ 104,350,565
PATIENT SERVICE REVENUES (NET OF CONTRACTUAL ALLOWANCES & DISCOUNTS)	$ 55,165,365	$ 55,505,267

See auditor's report on supplementary information.

JERSEY COMMUNITY HOSPITAL DISTRICT
SCHEDULES OF OPERATING EXPENSES

	YEAR ENDED JUNE 30, 2024	2023
GENERAL SERVICES:		
Dietary	$ 779,254	$ 754,297
Housekeeping	454,598	442,933
Plant	1,557,826	1,559,269
Laundry and Linen	137,782	125,964
Volunteer Expenses	3,656	3,204
Utilities	543,335	611,138
Total General Services	$ 3,476,451	$ 3,496,805
ADMINISTRATIVE SERVICES:		
Administration	$ 2,010,813	$ 1,856,189
Personnel	3,616,083	4,268,370
Business Office	1,463,514	1,411,409
Patient Access	511,212	484,329
Purchasing	243,654	126,322
Medical Records	608,753	571,765
Information Technology	2,182,683	1,646,333
Financial Services	394,541	381,799
Clinical Advancement	279,070	272,531
Total Administrative Services	$ 11,310,323	$ 11,019,047
NURSING SERVICES:		
Administrative	$ 812,514	$ 789,109
Medical, Surgical, and Intensive Care	2,727,868	3,203,429
Emergency Room	3,985,604	3,733,182
Operating Room	3,237,025	3,313,199
Recovery Room	83,615	112,075
Central Supply	41,550	11,060
Ambulatory Surgery	1,343,852	1,318,747
Total Nursing Services	$ 12,232,028	$ 12,480,801
OTHER PROFESSIONAL SERVICES:		
Pharmacy	$ 2,985,264	$ 3,025,637
Anesthesiology	955,976	836,012
Radiology	2,840,248	2,945,027
Laboratory	2,749,738	2,942,345
Cardiac Rehab and Sleep Lab	651,877	639,982
Physical Therapy	1,568,490	1,380,594
Wellness Center	756,352	729,206
Emergency Medical Service	1,420,167	1,435,692
Clinics	16,379,972	16,277,436
Other Outpatient Services	458,198	491,920
Population Health	778,440	485,294
Durable Medical Equipment	57,819	56,379
Unemployment		303
Total Other Professional Services	$ 31,602,541	$ 31,245,827
TOTAL OPERATING EXPENSES	$ 58,621,343	$ 58,242,480

See auditor's report on supplementary information.