

Wipfli LLP
4890 Owen Ayres Court, Suite 200
Eau Claire, WI 54701

This representation letter is provided in connection with your audits of the financial statements of Pinckneyville Community Hospital District (the "Hospital"), which comprise the statements of net position as of April 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

This representation letter is also provided in connection with your audit of the federal award programs of the Hospital as of and for the year ended April 30, 2024 which was performed in accordance with auditing standards generally accepted in the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records from the Hospital's federal programs was to obtain reasonable assurance that the Hospital had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of the date this letter is signed, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 25, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP.
2. The financial statements referred to above are fairly presented in conformity with GAAP.

3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A schedule of the uncorrected misstatements is included later within this letter.
10. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
11. Material concentrations have been properly disclosed in accordance with GAAP.
12. Guarantees, whether written or oral, under which the Hospital is contingently liable, have been properly recorded or disclosed in accordance with GAAP.
13. We acknowledge our responsibility as it relates to the following nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.
 - a. Prepared the draft financial statements and related notes and prepared the Schedule of Expenditures of Federal Awards (the "SEFA"). We have reviewed, approved, and accepted responsibility for the financial statements and related notes and the SEFA.
 - b. Medicare, Medicaid, and Blue Cross cost report preparation
 - c. Preparation of the Data Collection Form
 - d. Assistance with maintenance of GASB No. 87, *Leases*, and implementation of GASB No. 96, *Subscription-Based Information Technology Assets*, including assistance with preparation of lease, contract, and other schedules which information was provided by and outputs were detail reviewed by management.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Hospital from who you determined it necessary to obtain audit evidence.
 - d. Minutes of the meeting of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud affecting the Hospital involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud or suspected fraud affecting the Hospital's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements applicable to us whose effects should be considered when preparing financial statements. Specifically:
 - a. There are no violations or possible violations of laws or regulations, such as those related to the Medicare and Medicaid antifraud and abuse statutes, including but not limited to the Medicare and Medicaid Anti-Kickback Statute, Limitations on Certain Physician Referrals (the Stark law), and the False Claims Act, in any jurisdiction, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

- b. Billings to third-party payors comply in all material respects with applicable coding guidelines (for example, ICD-10-CM and CPT-4) and laws and regulations (including those dealing with Medicare and Medicaid antifraud and abuse), and billings reflect only charges for goods and services that were medically necessary; properly approved by regulatory bodies, if required; and properly rendered.
 - c. There have been no communications (oral or written) from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction (including those related to the Medicare and Medicaid antifraud and abuse statutes), deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
- 7. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
- 8. We have disclosed to you the identity of the Hospital's related parties and all the related party relationships and transactions of which we are aware.
- 9. The Hospital has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.
- 10. Receivables recorded in the financial statements represent valid claims for charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value as follows:
 - a. Adequate consideration has been given to, and appropriate provision made for, estimated adjustments to revenue, such as for denied claims and changes to prospective payment system assignments.
 - b. Recorded valuation allowances are necessary, appropriate, and properly supported.
 - c. All peer review Hospitals, fiscal intermediary, and third-party payor reports and information have been made available to you.
- 11. Provision has been made, when material, for estimated retroactive adjustments by third-party payors under reimbursement agreements. In regards to cost reports filed with third-parties:
 - a. All required Medicare, Medicaid, and similar reports have been properly filed on a timely basis.
 - b. Management is responsible for the accuracy and propriety of all cost reports filed.
 - c. All costs reflected on such reports are appropriate and allowable under applicable reimbursement rules and regulations and are patient-related and properly allocated to

applicable payors.

- d. The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations.
 - e. Adequate consideration has been given to, and appropriate provision made for, audit adjustments by intermediaries, third-party payors, or other regulatory agencies.
 - f. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.
 - g. Recorded third-party settlements include differences between filed (and to be filed) cost reports and calculated settlements, which are necessary based on historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.
12. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment.
13. We have fully disclosed to you all terms of contracts with customers that affect the amount and timing of revenue recognized in the financial statements, including delivery terms, rights of return or price adjustments, side adjustments, implicit provisions, unstated business conventions, and all warranty provisions.
14. We have implemented the new accounting standard, GASB Statement No. 87, Leases, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the Statement. We have sufficient and appropriate documentation supporting all estimates and judgements underlying the amounts recorded and disclosed in the financial statements.
15. The Hospital has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and I we believe the estimates are reasonable in the circumstances.
16. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Hospital vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the

financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions and complying with terms of bond and debt agreements.

18. Inventories fairly represent the value of inventories at the lower of cost (or state other method) on the first-in, first-out method (or last-in, first-out method), or net realizable value.
19. Adequate consideration has been given to, and appropriate provision made for, the continuing care retirement community's obligation to provide future services and the use of facilities to current residents.
20. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

With Respect to Federal Award Programs

21. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance and any other applicable laws and regulations and provisions of contracts and grant agreements, including requirements relating to preparation of the SEFA.
 - b. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program.
 - c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. We believe the internal control system is adequate and is functioning as intended.
 - d. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs and related activities.

- e. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- f. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards OR confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- g. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- h. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- i. If applicable, amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2CFR Part 200, Subpart E).
- j. We have disclosed to you our interpretation of compliance requirements that have varying interpretations, if any.
- k. We have made available to you all documentation relating to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- l. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- m. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- n. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal

control over compliance subsequent to the date as of which compliance was audited.

- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
 - p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - q. We have charged costs to federal awards in accordance with applicable cost principles.
 - r. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions (if applicable).
 - s. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - t. We are responsible for and will accurately completed the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - u. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
22. There have been no irregularities or instances of fraud involving management, employees who administer federal or state programs, or other employees that could have a material effect on federal and state programs.
23. We have identified to you any previous audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.

Schedule of Expenditures of Federal Awards

24. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior

period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

25. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

Unadjusted Differences

Pinckneyville Community Hospital District
Unadjusted Differences Schedule
April 30, 2024

Description	Effect if Entry Were Made: Increase (Decrease)			
	Asset	Liability	Net Position	Increase (Decrease) in Net Position
Record additional estimated net patient service revenue related to FY 2024 which was recorded in FY 2025.	\$ 300,000	\$ -	\$ (300,000)	\$ 300,000
Totals	\$ 300,000	\$ -	\$ (300,000)	\$ 300,000

26. We acknowledge that you have requested that we correct all known misstatements that you have brought to our attention. We acknowledge that you have requested that we examine the class of transactions, account balance, or disclosure (as applicable) to identify any known misstatements that exist and make corrections from any samples. We acknowledge that you have requested us to review the assumptions and methods used in developing our estimates, and as a result we affirm the accounting for the estimates involved as finally recorded.
27. We have reviewed the above proposed adjustment and determined that the entry as noted during the course of the audit is both immaterial individually and in the aggregate to the overall financial statements of the Hospital for the year ended April 30, 2024.

Sincerely,

PINCKNEYVILLE COMMUNITY HOSPITAL DISTRICT

Signature: Kara Jo Carson
Kara Jo Carson (Oct 9, 2024 15:39 CDT)

Email: kjcarson@pvillehosp.org