Sparta Community Hospital District

Independent Auditor's Reports and Financial Statements

June 30, 2024 and 2023

Contents

Forvis Mazars, LLP
One Metropolitan, 211 N. Broadway, Suite 600
St. Louis, MO 63102
P 314.231.5544 | F 314.231.9731
forvismazars.us

Independent Auditor's Report

Board of Directors
Sparta Community Hospital District
Sparta, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sparta Community Hospital District (Hospital), 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Hospital, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 financial statements, and other knowledge we obtained during our audit of the 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 (Unaudited)

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The other information comprises the schedules of accounts receivable, supplies, net patient service revenue, other revenue, operating expenses, operating percentages, comparative percentages and property taxes levied are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion on it or provide any assurance on it.

Forvis Mazars, LLP

St. Louis, Missouri
November 14, 2024

Introduction

This management's discussion and analysis of the financial performance of Sparta Community Hospital District (the "Hospital") provides an overview of the Hospital's financial activities for the years ended June 30, 2024 and 2023 with comparative information presented for year 2022. It should be read in conjunction with the accompanying financial statements of the Hospital.

Financial Highlights

- Cash and investments increased by approximately $4,910,000 or 15% in 2024 and decreased approximately $240,000 or less than 1% in 2023.
- Patient accounts receivable decreased approximately $75,000 or 2% in 2024 after having decreased by approximately $35,000 or less than 1% in 2023.
- The Hospital's net position increased by approximately $3,185,000 in 2024 and increased by approximately $3,280,000 in 2023.
- The Hospital reported an operating income of approximately $1,035,000 in 2024 and an operating loss of approximately $140,000 in 2023.

Using This Annual Report

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

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

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

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

The Statement of Cash Flows

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

The Hospital's Net Position

The Hospital's net position is the difference between its assets, liabilities, and deferred inflows of resources reported in the Balance Sheet. The Hospital's net position increased in 2024 by approximately $3,185,000 (7%) and increased in 2023 by approximately $3,280,000 (8%) as shown in Table 1.

Table 1: Assets, Liabilities and Deferred Inflows, and Net Position

	2024	2023	2022
Assets			
Cash and cash equivalents	$ 24,227,908	$ 20,356,292	$ 30,589,501
Current and noncurrent cash and investments	13,442,520	12,404,631	2,413,116
Total cash and investments	37,670,428	32,760,923	33,002,617
Patient accounts receivable, net	4,681,911	4,758,676	4,792,173
Other current assets	2,508,252	3,492,488	2,438,521
Capital assets, net	6,831,957	7,052,556	7,263,241
Lease assets, net	223,380	255,188	88,227
Subscription assets, net	407,432	419,074	577,733
Grant funds receivable	94,961	-	-
Estimated amount due from trust	-	448,000	-
Total assets	$ 52,418,321	$ 49,186,905	$ 48,162,512
Liabilities and Deferred Inflows			
Long-term obligations and deferred inflows	$ 440,084	$ 524,260	$ 776,167
Other liabilities	5,658,967	5,527,859	7,532,593
Total liabilities and deferred inflows	6,099,051	6,052,119	8,308,760
Net Position			
Net investment in capital assets	6,805,800	6,968,717	6,934,356
Unrestricted	39,513,470	36,166,069	32,919,396
Total net position	46,319,270	43,134,786	39,853,752
Total liabilities, deferred inflows and net position	$ 52,418,321	$ 49,186,905	$ 48,162,512

The Hospital had changes in its assets, liabilities, and deferred inflows of resources during 2024 and 2023, as shown in Table 1:

- Total cash and investments increased approximately $4,910,000 (15%) in 2023 and decreased $240,000 (1%) in 2023. The increase in 2024 is the result of the increase in net position during the year along with the decrease in other current assets. The slight decrease in 2023 is the result of the decrease in current liabilities during the year.
- Net patient accounts receivable decreased by approximately $75,000 (2%), compared to a decrease of approximately $35,000 (1%) in 2023. Net days revenue in patient accounts receivable decreased from approximately 39 days in 2023 to approximately 38 days in 2024.
- Other current assets decreased approximately $985,000 or 28% from 2023 mainly due to settlements received on cost reports for 2016-2022.
- Capital assets, net, decreased by approximately $220,000 (3%) in 2024 and $210,000 (2%) in 2023. Most of the decrease is due to depreciation expense of approximately $1,440,000, offset by capital additions of approximately $1,290,000.
- Long-term obligations and deferred inflows of resources decreased approximately $85,000 (16%) in 2024 and decreased approximately $252,000 (32%) in 2023. The decrease in long-term obligations in 2024 was primarily related to the amortization of lease and subscription liabilities during the year with limited additions. The decrease in 2023 was due to the adoption of GASB 96 subscription liabilities during the year.

- Other liabilities increased approximately $130,000 or 2% from 2023 mainly due to an increase in accrued payroll in the current year.

Operating Results and Changes in the Hospital's Net Position

The Hospital's increase in net position decreased in 2024 by approximately $95,000 (3%) and increased in 2023 by approximately $1,200,000 (57%) as shown in Table 2. Total operating revenues increased approximately $480,000 (1%) in 2024, total operating expenses decreased approximately $695,000 (1%), and nonoperating revenues decreased approximately $1,270,000 (37%) in 2024.

Table 2: Operating Results and Changes in Net Position

	2024	2023	2022
Operating Revenues			
Net patient service revenue	$ 45,139,616	$ 44,341,790	$ 40,689,648
Other	2,426,547	2,743,904	2,376,453
Total operating revenues	47,566,163	47,085,694	43,066,101
Operating Expenses			
Salaries and wages and employee benefits	28,729,274	29,394,292	26,056,271
Physician services and professional fees	8,268,315	7,678,947	7,037,867
Other operating expenses	7,874,357	8,530,631	7,339,829
Depreciation and amortization	1,657,461	1,619,597	1,539,437
Total operating expenses	46,529,407	47,223,467	41,973,404
Operating Income (Loss)	1,036,756	(137,773)	1,092,697
Nonoperating Revenues (Expenses)			
Tax revenue	351,605	396,642	355,966
Investment income	1,556,818	828,002	130,757
Interest expense	(31,675)	(35,230)	(44,828)
Loss on sale of captial assets	(34,756)	-	-
Noncapital grants and gifts	305,736	2,229,393	554,630
Total nonoperating revenues	2,147,728	3,418,807	996,525
Increase in Net Position	$ 3,184,484	$ 3,281,034	$ 2,089,222

Operating Income (Loss)

The first component of the overall change in the Hospital's net position is its operating income or loss - generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The Hospital receives less than 1% of its total revenue from taxes, so it must, over time, generate income from operations in order to be able to pay for updating its buildings and equipment. The Hospital must have facilities and technology that meet or exceed the current standard of care in order to provide necessary health care services to residents of Sparta, Illinois and surrounding areas. Likewise, the Hospital also must generate operating income in order to be able to make its payments on its long-term obligations.

2024

Operating revenues for 2024 increased by approximately $480,000 or 1%. This increase was primarily related to an increase in net patient service revenue of approximately $800,000 or 2%. This increase was the result of an increase in outpatient service revenue with inpatient service revenue remaining consistent with the prior year. In addition, the decrease in other revenue was due to a decrease in revenue from contact pharmacy services in 2024.

Operating expenses decreased in 2024 by approximately $695,000 or 2%. Decreases in expenses came in expected areas, and to the extent costs could be monitored and contained, they were. The main savings came from a reduction in employee salary expenses due to a less competitive job market and slight decrease in full time employees.

Operating income for 2024 increased approximately $1,175,000, as compared to 2023.

2023

Operating revenues for 2023 increased by approximately $4,020,000 or 9%. This increase was primarily related to an increase in net patient service revenue of approximately $3,650,000 or 9%. This increase was experienced in both inpatient and outpatient service revenue due to increases in patient volume. In addition, approximately $525,000 of this increase was related to revised Medicare cost report settlements for cost reporting years from 2015 through 2019 and as well as an estimated $730,000 receivable for the 2023 Medicare cost report. The operating revenues in 2023 from contract pharmacy services (340B drug pricing program) stayed relatively consistent compared to 2022.

Operating expenses increased in 2023 by approximately $5,250,000 or 12%. Increases in expenses came in expected areas, and to the extent costs could be monitored and contained, they were. For example, due to increased patient volumes as well as the competitive wage environment in order to retain employees, salaries, wages and employee benefits increased approximately $3,340,000 or 13% and physician services and professional fees increased approximately $640,000 or 9%, while all other expense categories remained relatively consistent with 2022.

Operating income for 2023 decreased approximately $1,230,000, as compared to 2022.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist primarily of property taxes levied by the Hospital, investment income, interest expense, and noncapital grants and gifts, which in total decreased by approximately $1,270,000 (37%), as compared to 2023.

The primary components of the decrease in nonoperating revenues in 2024 was the decrease in noncapital grants and gifts of approximately $1,925,000 primarily related to revenues recognized from the provider relief fund of approximately $1,610,000 that were not reoccurring in 2024.

The Hospital's Cash Flows

Changes in the Hospital's operating and noncapital financing activities cash flows are consistent with changes in operations and nonoperating revenues and expenses, discussed earlier. Changes in capital and related financing activities and investing activities are the result of matters discussed in the next section, Capital Asset and Debt Administration.

Capital, Lease, and Subscription Assets, Lease and Subscription Liabilities and Debt

2024 Capital, Lease and Subscription Assets

At the end of 2024, the Hospital had approximately $6,830,000 invested in capital assets, net of accumulated depreciation, as detailed in Note 8 to the financial statements.

In 2024, the Hospital completed additions of approximately $50,000 for land improvements, approximately $355,000 to its various buildings, and approximately $890,000 on new equipment. The main additions in 2024 were related to the purchase of miscellaneous equipment and construction in progress.

In addition, the Hospital had approximately $223,000 of lease assets, net and approximately $407,000 of subscription assets, net as of June 30, 2024.

2024 Capital, Lease, and Subscription Assets

The Hospital had lease liabilities of approximately $235,000 at June 30, 2024, and subscription liabilities of approximately $425,000 at June 30, 2024. Total net long-term obligations decreased in 2024 due to the Hospital minimal additions of subscription assets and liabilities during the year.

2023 Capital, Lease, and Subscription Assets

At the end of 2023, the Hospital had approximately $7,050,000 invested in capital assets, net of accumulated depreciation, as detailed in Note 8 to the financial statements.

In 2023, the Hospital completed additions of approximately $110,000 for land improvements, approximately $365,000 to its various buildings, and approximately $1,195,000 on new equipment. The main additions in 2023 were related to the purchase of miscellaneous equipment and construction in progress.

In addition, the Hospital had approximately $255,000 of lease assets, net and approximately $420,000 of subscription assets, net as of June 30, 2023.

2023 Lease, Subscription Liabilities and Long-Term Obligations

The Hospital had lease liabilities of approximately $261,000 at June 30, 2023, and subscription liabilities of approximately $455,000 at June 30, 2023. Total net long-term obligations decreased in 2023 due to the Hospital repaying the Medicare accelerated and advance payment program payments and accumulated amortization of lease and subscription liabilities.

Report of Management's Responsibility

The management of the Hospital is responsible for the preparation and integrity of the financial information presented in this report. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and the Financial Accounting Standards Board and include amounts based on judgments and estimates made by management.

The 2024 and 2023 financial statements have been audited by the independent accounting firm of **Forvis Mazars, LLP**, who was given unrestricted access to all financial records and related data, including the minutes of all meetings of the board of directors. The board of directors provides oversight to the financial reporting process. Integral to this process is the review and discussion with management of the monthly financial statements and the external auditors for the annual financial statements.

Contacting the Hospital's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers and creditors with a general overview of the Hospital's finances and to show the Hospital's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to Hospital Administration by telephoning 618.443.2177.

Sparta Community Hospital District

/s/ *Joann Emge*
Joann Emge
Administrator and Chief
Executive Officer

/s/ *Lisa Ernsting*
Lisa Ernsting
Chief Financial Officer

Sparta Community Hospital District
Balance Sheets
June 30, 2024 and 2023

ASSETS

	2024	2023
Current Assets		
Cash and cash equivalents	$ 24,227,908	$ 20,356,292
Patient accounts receivable, net of allowance for uncollectible accounts; 2024 - $2,800,000, 2023 - $2,600,000	4,681,911	4,758,676
Tax revenue receivable	256,000	245,635
Supplies	661,530	623,557
Estimated amounts due from Medicare	100,000	1,215,000
Marketable securities, short-term	3,355,079	1,478,982
Prepaid expenses and other	1,490,722	1,408,296
Grant funds receivable	94,961	-
Estimated amount due from trust	-	448,000
Total current assets	34,868,111	30,534,438
Noncurrent Cash and Investments		
Internally designated	2,625,298	2,497,008
Marketable securities, long-term	7,462,143	8,428,641
	10,087,441	10,925,649
Capital Assets, At Cost		
Land and land improvements	1,398,157	1,440,804
Buildings	18,262,738	18,258,891
Equipment	15,232,857	15,582,603
Construction in progress	15,339	52,559
	34,909,091	35,334,857
Less accumulated depreciation	28,077,134	28,282,301
	6,831,957	7,052,556
Lease Assets, Net	223,380	255,188
Subscription Assets, Net	407,432	419,074
Total assets	$ 52,418,321	$ 49,186,905

LIABILITIES AND NET POSITION

	2024	2023
Current Liabilities		
Current portion of subscription liabilities	$ 196,871	$ 158,615
Current portion of lease liabilities	49,694	46,827
Accounts payable	958,368	882,489
Accrued payroll	1,445,125	1,369,404
Accrued compensated absences	833,014	832,013
Accrued payroll taxes and benefits, and other	2,175,895	2,187,886
Provider relief fund and other	-	50,625
Total current liabilities	5,658,967	5,527,859
Other Long-Term Obligations		
Lease liabilities	184,215	214,328
Subscription liabilities	226,189	295,366
Total long-term obligations	410,404	509,694
Total liabilities	6,069,371	6,037,553
Deferred Inflows of Resources	29,680	14,566
Net Position		
Net investment in capital assets	6,805,800	6,968,717
Unrestricted	39,513,470	36,166,069
Total net position	46,319,270	43,134,786
Total liabilities, deferred inflows of resources and net position	$ 52,418,321	$ 49,186,905

Sparta Community Hospital District
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2024 - $2,635,000, 2023 - $2,769,000	$ 45,139,616	$ 44,341,790
Other	2,426,547	2,743,904
Total operating revenues	47,566,163	47,085,694
Operating Expenses		
Salaries and wages	20,421,339	20,984,104
Employee benefits	8,307,935	8,410,188
Physician services	2,677,204	2,593,767
Other professional services	5,591,111	5,085,180
Supplies and other	7,874,357	8,530,631
Depreciation and amortization	1,657,461	1,619,597
Total operating expenses	46,529,407	47,223,467
Operating Income (Loss)	1,036,756	(137,773)
Nonoperating Revenues (Expenses)		
Tax revenue	351,605	396,642
Investment income	1,556,818	828,002
Interest expense	(31,675)	(35,230)
Loss on sale of captial assets	(34,756)	-
Noncapital grants and gifts	305,736	2,229,393
Total nonoperating revenues	2,147,728	3,418,807
Increase in Net Position	3,184,484	3,281,034
Net Position, Beginning of Year	43,134,786	39,853,752
Net Position, End of Year	$ 46,319,270	$ 43,134,786

Sparta Community Hospital District
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Receipts from and on behalf of patients	$ 46,280,756	$ 41,719,205
Payments to suppliers and contractors	(16,172,914)	(16,069,611)
Payments to employees	(28,664,543)	(28,572,143)
Other receipts, net	2,441,661	2,731,418
Net cash provided by (used in) operating activities	3,884,960	(191,131)
Cash Flows from Noncapital Financing Activities		
Taxes supporting operations	341,240	378,476
Noncapital grants and gifts	658,775	166,282
Net cash provided by noncapital financing activities	1,000,015	544,758
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	9,502	3,670
Principal paid on lease liabilities	(46,884)	(36,013)
Principal paid on subscription liabilities	(185,808)	(161,996)
Interest paid	(31,675)	(35,230)
Purchase of capital assets	(1,263,145)	(1,193,755)
Net cash used in capital and related financing activities	(1,518,010)	(1,423,324)
Cash Flows from Investing Activities		
Interest on investments and leases	1,458,994	993,422
Purchase of investments	(811,775)	(10,073,042)
Proceeds from the disposition of investments	314,288	19,055
Principal payments received on leases receivable	(14,278)	-
Net cash provided by (used in) investing activities	947,229	(9,060,565)
Increase (Decrease) in Cash and Cash Equivalents	4,314,194	(10,130,262)
Cash and Cash Equivalents, Beginning of Year	22,657,769	32,788,031
Cash and Cash Equivalents, End of Year	$ 26,971,963	$ 22,657,769

	2024	2023
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	$ 24,227,908	$ 20,356,292
Cash in noncurrent cash and investments	2,744,055	2,301,477
Total cash and cash equivalents	$ 26,971,963	$ 22,657,769
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	$ 1,036,756	$ (137,773)
Depreciation and amortization	1,657,461	1,619,597
Provision for uncollectible accounts	2,634,785	2,768,644
Changes in operating assets and liabilities		
Patient accounts receivable	(2,558,020)	(2,735,147)
Estimated settlements with Medicare	1,064,375	(2,656,082)
Supplies, prepaid expenses and other assets	(106,121)	166,525
Accounts payable, accrued expenses, and deferred inflow leases	155,724	783,105
Net cash provided by (used in) operating activities	$ 3,884,960	$ (191,131)
Noncash Investing, Capital, and Financing Activities		
Lease obligation incurred for lease assets	$ 19,638	$ 217,975
Subscription obligation incurred for subscription assets	$ 154,886	$ 9,155

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Sparta Community Hospital District (the "Hospital") operates a hospital in Sparta, Illinois, established in accordance with provisions of the Illinois Hospital District Law. The Hospital primarily earns revenues by providing inpatient, outpatient, and skilled nursing services to area residents. The Hospital also operates physician offices and a home health agency in the same area.

SCH Health and Wellness Foundation (the "Foundation") operates in Sparta, Illinois. The purpose of the Foundation is to promote and advance the welfare of the Hospital through ways approved by the governing board of the Hospital. The Foundation accomplishes this through services to the Hospital and its patients, as well as fund-raising in a manner satisfactory to the Hospital governing board and in harmony with the planning of the community.

The accompanying financial statements present the Hospital and its component units, entities for which the government is considered to be financially responsible for. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Basis of Accounting and Presentation

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

Use of Estimates

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

Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents. The Hospital does not consider uninvested cash held in investment accounts as cash or cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted of money market accounts.

Patient Accounts Receivable

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients, and others. The Hospital provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

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

Investments and Investment Income

All investments are carried at fair value. Fair value is determined using quoted market prices. Investment income includes dividend and interest income, realized gains and losses on investments carried at other than fair value and the net change for the year in the fair value of investments carried at fair value.

Capital Assets

Capital assets over $2,500 are recorded at cost at the date of acquisition or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

Land improvements	3–30 years
Buildings	5–40 years
Equipment	3–20 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

The Hospital evaluates capital, lease and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, or subscription asset has occurred. If a capital or, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a capital asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2024 or 2023.

Risk Management and Medical Malpractice Claims

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

The Hospital has joined together with other providers of health care services to form the Illinois Provider Trust and the Illinois Compensation Trust, two risk pools currently operating as common risk management and insurance programs for their members. The Hospital pays annual premiums to the Pools for its general liability torts, medical malpractice and employee injuries insurance coverages. The Pools' governing agreements specify that the Pools will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts.

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

Compensated Absences

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as paid time off benefits is earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to future periods. These amounts reported for 2024 and 2023 are lease related inflows and represent lease revenue which will be recognized in future periods.

Net Position

Net position of the Hospital is classified in three components: 1. Net investment in capital assets consists of capital, lease and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use or construction of those assets. 2. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors reduced by the outstanding balances of any related borrowings. 3. Unrestricted net position is the remaining net position that does not meet the definition of 1. or 2. above. At June 30, 2024 and 2023, the Hospital had no restricted expendable net position.

Net Patient Service Revenue

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

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

Tax Revenue

The Hospital records tax revenue used to support operations. Property taxes are recognized as assets in the period an enforceable legal claim to the assets arises and are recognized as revenue in the period for which the taxes are levied. Property taxes are collected by the county and remitted monthly to the Hospital and are primarily received by the Hospital in October, November, and December.

Income Taxes

The Hospital is exempt from income taxes under provisions of the Internal Revenue Code as a political subdivision of the state of Illinois.

Note 2. Net Patient Service Revenue

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

Medicare – The Hospital has been granted critical access hospital status for Medicare reimbursement purposes. As a critical access hospital, the Medicare program reimburses the Hospital for most services provided to Medicare recipients under a cost reimbursement methodology. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. The Hospital's Medicare cost reports have been audited by the Medicare administrative contractor through June 30, 2022.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates.

Other– Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Approximately 59% and 66% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2024 and 2023, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The net patient service revenue increased approximately $563,000 and $525,000 due to final settlements in excess of amounts previously determined for the years ended June 30, 2024 and 2023.

Illinois Hospital Medicaid Assessment Program

The state of Illinois enacted legislation that provides for an assessment program intended to qualify for federal matching funds under the Illinois Medicaid program. Under the Hospital Assessment Program, each hospital is assessed tax based on that hospital's adjusted gross hospital revenue. The legislation provides that none of the assessment funds are to be collected and no additional Medicaid payments are to be paid until the program receives the required federal government approval through the federal Centers for Medicare and Medicaid Services (CMS). Governmental hospitals such as Sparta Community Hospital District are exempt from paying the tax.

In October 2013, the U.S. Centers for Medicare and Medicaid Services notified the Illinois Department of Healthcare and Family Services of its approval of the Enhanced Hospital Assessment Program effective July 1, 2012, which is anticipated to generate an additional annual net benefit for Illinois hospitals under the Hospital

Assessment Program. Effective January 1, 2024 the program was modified to no longer provide supplemental payments to governmental hospitals for outpatient services performed. The annual net benefit to the Hospital is $30,706 and $201,723 at June 30, 2024 and 2023.

Affordable Care Act Access Payments

In January 2015, the CMS notified Illinois Department of Healthcare and Family Services of its approval of supplemental payments ("ACA Access Payments") to the Hospital for services provided to newly eligible Medicaid beneficiaries in 2014 under the *Affordable Care Act*. The program, which CMS approved retroactive to March 1, 2014, is anticipated to generate an additional annual benefit for Illinois hospitals.

For the years ended June 30, 2024 and 2023, the Hospital received ACA Access payments of approximately $30,000 and $138,000, respectively, as well as managed care organization hospital access program payments (MCO-HAP) of $1,169,076 and $1,366,472, respectively. These amounts are included in net patient service revenue.

The effects of the Hospital Assessment Programs and ACA Access Payments in the statements of revenues and expenses and changes in net position for the years ended June 30, 2024 and 2023, were $1,229,395 and $1,075,873.

The current Hospital Assessment Programs contains a sunset provision effective June 30, 2026, and there is no assurance the program will not be discontinued or materially modified.

Note 3. 340B Drug Pricing Program

The Hospital participates in the 340B Drug Pricing Program ("340B Program") enabling the Hospital to receive discounted prices from drug manufacturers on outpatient pharmaceutical purchases. The Hospital recorded revenues of $1,154,844 and $1,859,737, with the associated cost of goods sold of $359,089 and $763,988, for the years ended June 30, 2024 and 2023, respectively. This program is overseen by the Health Resources and Services Administration ("HRSA") Office of Pharmacy Affairs ("OPA"). HRSA is currently conducting routine audits of these programs at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to the financial statement amounts related to the 340B Program could occur in the near term.

Note 4. Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. State law allows collateralization of deposits in excess of federal depository insurance. The Hospital's deposit policy for custodial credit risk is to obtain a pledge of collateral for deposits substantially in excess of federal depository insurance.

At June 30, 2024 and 2023, respectively, $3,570,804 and $4,323,591 of the Hospital's bank balances of $4,228,264 and $5,275,198 were exposed to custodial credit risk as follows:

	2024	2023
Uninsured, collateral held by pledging financial institution's trust department or agent in other than the Hospital's name	$ 3,570,804	$ 4,323,591

Investments

The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal and interest by the U.S. Treasury and U.S. agencies and in bank repurchase agreements. It may also invest, to a limited extent, in corporate bonds, certain money market mutual funds and the Illinois Funds Money Market Fund.

At June 30, 2024 and 2023, the Hospital had the following investments and maturities:

		June 30, 2024			
		Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Negotiable Certificates of Deposit	$ 4,347,787	$ 1,476,540	$ 2,871,247	$ -	$ -
U.S. Treasury obligations	6,350,676	1,759,780	4,590,896	-	-
		$ 3,236,320	$ 7,462,143	$ -	$ -

		June 30, 2023			
		Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Negotiable Certificates of Deposit	$ 3,856,901	$ 1,420,748	$ 2,436,153	$ -	$ -
U.S. Treasury obligations	6,246,253	253,765	5,992,488	-	-
		$ 1,674,513	$ 8,428,641	$ -	$ -

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

At June 30, 2024 and 2023, the Hospital had investments of $22,964,004 and $18,050,885, respectively, in the money market funds with the Illinois Funds Money Market Fund, created by the Illinois General Assembly. The funds are invested in U.S. Treasury bills and notes, fully collateralized time deposits, collateralized repurchase agreements and treasury mutual funds. The money market mutual funds are considered cash equivalents with a maturity of less than three months because they are available at any time.

At June 30, 2024 and 2023, the Hospital had $4,347,787 and $3,856,901, respectively, invested in negotiable certificates of deposit that were insured by the FDIC.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024 and 2023, the Hospital's investments with the Illinois Funds Money Market Fund described above were rated AAA by Standard and Poor's. Management believes there is minimal credit risk involved with this investment.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The individual participants of the Illinois Funds Money Market Fund maintain separate investment accounts representing a proportionate share of the pool of assets and its respective collateral; therefore, no collateral is identified for the Hospital's share of the fund. Negotiable certificates of deposit were held in trust by banks.

Concentration of Credit Risk – The Hospital places no limit on the amount that may be invested in any one issuer. At June 30, 2024 and 2023, the Hospital's investment in Illinois Funds Money Market Fund constituted 61% and 55% of total investments and deposits.

The Hospital's investment policy does not specifically address interest rate risk, credit risk and custodial credit risk.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheets as follows:

	2024	2023
Carrying value		
Deposits	$ 4,007,959	$ 4,606,884
Illinois Funds Money Market Fund	22,964,004	18,050,885
U.S. Treasury obligations	6,350,676	6,246,253
Negotiable certificates of deposit	4,347,789	3,856,901
	$ 37,670,428	$ 32,760,923
Included in the following balance sheet captions		
Cash and cash equivalents	$ 24,227,908	$ 20,356,292
Marketable securities- short term	3,355,079	1,478,982
Noncurrent cash and investments	10,087,441	10,925,649
	$ 37,670,428	$ 32,760,923

Investment Income

Investment income for the years ended June 30, 2024 and 2023 consisted of:

	2024	2023
Interest and dividend income	$ 1,458,994	$ 993,422
Net change in unrealized gains (losses)	97,824	(165,420)
	$ 1,556,818	$ 828,002

Note 5. Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

		Fair Value Measurements Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2024				
Assets				
Investments				
Negotiable certificates of deposit	$ 4,347,787	$ 4,347,787	$ -	$ -
U.S. Treasury obligations	6,350,676	6,350,676	-	-
Total Investments	$ 10,698,463	$ 10,698,463	$ -	$ -
June 30, 2023				
Assets				
Investments				
Negotiable certificates of deposit	$ 3,856,901	$ 3,856,901	$ -	$ -
U.S. Treasury obligations	6,246,253	6,246,253	-	-
Total Investments	$ 10,103,154	$ 10,103,154	$ -	$ -

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no Level 2 or Level 3 investments at June 30, 2024 and 2023.

Note 6. Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. Net patient accounts receivable at June 30, 2024 and 2023, consisted of:

	2024	2023
Medicare	$ 910,437	$ 860,674
Medicaid	472,452	715,229
Other third-party payers	2,974,716	2,827,295
Patients	3,124,306	2,955,478
	7,481,911	7,358,676
Less allowance for uncollectible accounts	2,800,000	2,600,000
	$ 4,681,911	$ 4,758,676

Note 7. Leases Receivable

The Hospital has facilities that it leases to third parties for various uses primarily related to hospital and medical clinic operations. Lease termination dates expire through 2026. Lease receivables are recorded in prepaid expenses and other on the balance sheet. Revenue recognized under lease contracts for both years ended June 30, 2024 and 2023, was $13,800, which includes both lease revenue and interest.

Note 8. Capital, Lease and Subscription Assets

Capital assets activity for the years ended June 30, 2024 and 2023, was:

	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 356,334	$ -	$ -	$ -	$ 356,334
Land improvements	1,084,470	-	90,231	47,584	1,041,823
Buildings	18,258,891	-	349,973	353,820	18,262,738
Equipment	15,582,603		1,241,139	891,393	15,232,857
Construction in progress	52,559	1,263,145	7,568	(1,292,797)	15,339
	35,334,857	1,263,145	1,688,911	-	34,909,091
Less accumulated depreciation					
Land improvements	809,999	45,004	90,230	-	764,773
Buildings	15,057,856	441,883	349,705	-	15,150,034
Equipment	12,414,446	952,599	1,204,718	-	12,162,327
	28,282,301	1,439,486	1,644,653	-	28,077,134
Capital assets, net	$ 7,052,556	$ (176,341)	$ 44,258	$ -	$ 6,831,957

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 356,334	$ -	$ -	$ -	$ 356,334
Land improvements	977,045	-	-	107,425	1,084,470
Buildings	17,898,101	-	4,048	364,838	18,258,891
Equipment	14,649,830	-	262,611	1,195,384	15,582,603
Construction in progress	526,404	1,435,419	241,617	(1,667,647)	52,559
	34,407,714	1,435,419	508,276	-	35,334,857
Less accumulated depreciation					
Land improvements	768,314	41,685	-	-	809,999
Buildings	14,616,133	445,771	4,048	-	15,057,856
Equipment	11,760,026	913,359	258,939	-	12,414,446
	27,144,473	1,400,815	262,987	-	28,282,301
Capital assets, net	$ 7,263,241	$ 34,604	$ 245,289	$ -	$ 7,052,556

Lease assets activity for the years ended June 30, 2024 and 2023, was:

	2024			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and leasehold improvements	$ 69,730	$ -	$ -	$ 69,730
Equipment	232,857	19,638	-	252,495
	302,587	19,638	-	322,225
Less accumulated amortization				
Buildings and leasehold improvements	23,709	16,735	-	40,444
Equipment	23,690	34,711	-	58,401
	47,399	51,446	-	98,845
Lease assets, net	$ 255,188	$ (31,808)	$ -	$ 223,380

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and leasehold improvements	$ 69,730	$ -	$ -	$ 69,730
Equipment	93,410	217,975	78,528	232,857
	163,140	217,975	78,528	302,587
Less accumulated amortization				
Buildings and leasehold improvements	6,974	16,375	-	23,709
Equipment	67,939	34,279	78,528	23,690
	74,913	50,654	78,528	47,399
Lease assets, net	$ 88,227	$ 167,321	$ -	$ 255,188

Subscription assets activity for the years ended June 30, 2024 and 2023, was:

	2024			
	Beginning Balance	Additions	Disposals	Ending Balance
Subscription IT asset	$ 752,795	$ 154,887	$ 97,417	$ 810,265
Less accumulated amortization				
Subscription IT asset	333,721	166,529	97,417	402,833
Subscription assets, net	$ 419,074	$ (11,642)	$ -	$ 407,432

	2023			
	Beginning Balance	Additions	Disposals	Ending Balance
Subscription IT asset	$ 743,640	$ 9,155	$ -	$ 752,795
Less accumulated amortization				
Subscription IT asset	165,907	167,814	-	333,721
Lease assets, net	$ 577,733	$ (158,659)	$ -	$ 419,074

Note 9. Employee Health Claims

Substantially all of the Hospital's employees and their dependents are eligible to participate in the Hospital's employee health insurance plan. The Hospital is self-insured for health claims of participating employees and dependents. Commercial stop-loss insurance coverage is purchased for individual claims in excess of $200,000. The stop-loss insurance coverage contains a split funded liability arrangement where the Hospital is liable for the first $75,000 in the aggregate amounts over $200,000. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Hospital's estimate will change by a material amount in the near term.

Activity in the Hospital's accrued employee health claims liability during 2024 and 2023 is summarized as follows:

	2024	2023
Balance, beginning of year	$ 300,000	$ 321,835
Current year claims incurred and changes in estimates for claims incurred in prior years	4,460,045	5,169,854
Claims and expenses paid	4,427,280	5,191,689
Balance, end of year	$ 332,765	$ 300,000

Note 10. Long-Term Obligations

The following is a summary of long-term debt obligation transactions for the Hospital for the years ended June 30, 2024 and 2023:

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liability	261,155	19,638	46,884	233,909	49,694
Subscription liability	453,981	154,887	185,808	423,060	196,871
Total long-term obligations	$ 715,136	$ 174,525	$ 232,692	$ 656,969	$ 246,565

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liability	91,867	217,974	48,686	261,155	46,827
Subscription liability	606,822	9,155	161,996	453,981	158,615
Total long-term obligations	$ 698,689	$ 227,129	$ 210,682	$ 715,136	$ 205,442

Note 11. Lease Liabilities

The Hospital leases equipment, the terms of which expire in various years through 2030. The Hospital has no leases with variable payments for the fiscal years ended June 30, 2024 or 2023.

The following is a schedule by year of payments under the leases as of June 30, 2024:

Year Ending June 30,	To be Paid	Principal	Interest
2025	$ 60,775	$ 49,694	$ 11,081
2026	58,212	49,541	8,671
2027	41,770	35,243	6,527
2028	41,771	37,232	4,539
2029	41,771	39,332	2,439
After	23,278	22,867	411
Total	$ 267,577	$ 233,909	$ 33,668

Note 12. Subscription Liabilities

The Hospital has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. The Hospital has no subscriptions with variable payments for the fiscal years ended June 30, 2024 or 2023.

The following is a schedule by year of payments under the SBITAs as of June 30, 2024:

Year Ending June 30,	To be Paid	Principal	Interest
2025	$ 214,335	$ 196,871	$ 17,464
2026	179,548	172,802	6,746
2027	54,281	53,387	894
Total	$ 448,164	$ 423,060	$ 25,104

Note 13. Designated Net Position

At June 30 2024 and 2023, $2,625,298 and $2,497,008, respectively, of unrestricted net position has been designated by the Hospital’s board of directors for capital acquisitions. Designated net position remains under the control of the board of directors, which may at its discretion later use this net position for other purposes.

Note 14. Pension Plans

The Hospital sponsors two plans administered by AIG Retirement Services.

Deferred Compensation Plan

The Hospital sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (The Plan). The Plan is available to all eligible Hospital employees and participation is voluntary. The Plan permits eligible participants to defer a portion of their salary until future years. The Hospital does not contribute to this plan. In 2024 and 2023, employees contributed $745,553 and $691,063 to the Plan, respectively. All contributions are 100% vested.

Defined Contribution Plan

The Hospital sponsors an Internal Revenue Code Section 401(a) defined contribution plan (Pension Plan) which covers eligible employees. The Hospital makes all the contributions under the Pension Plan and employee contributions are not permitted. The Pension Plan provides retirement and death benefits to Pension Plan members and their beneficiaries. Benefit provisions are contained in the Pension Plan Document and were established and can be amended by action of the Hospital's board of directors. The Hospital contributes 4% of eligible compensation plus an additional $40,000 for every $250,000 increment to increase net position on the statement of revenues, expenses and changes in net position. Pension expense is recorded for the amount of the Hospital's required contributions. The Hospital's contributions aggregated to approximately $1,200,000 and $1,185,000 for 2024 and 2023, respectively.

Note 15. Labor Agreement

Approximately 35% of the Hospital's employees are covered by a collective bargaining agreement which expires on December 30, 2027.

Note 16. Contingencies

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital's commercial insurance, for example, allegations regarding employment practices or performance of contracts. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Note 17. Future Change in Accounting Principle

The Governmental Accounting Standards Board recently issued its Statement No. 101 Compensated Absences (Statement 101). Statement 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Hospital expects to first apply GASB No. 101 Compensated Absences during the year ending June 30, 2025 and the method and impact of applying Statement 101 has not been determined.

Note 18. Condensed Combining Information

The following tables include condensed balance sheet information for the Hospital and its blended component unit as of June 30, 2024 and 2023.

Sparta Community Hospital District
Notes to Financial Statements
June 30, 2024 and 2023

	2024			
	Hospital	Foundation	Combining Entries	Combined
Current Assets				
Cash and cash equivalents	24,215,868	$ 12,040	$ -	$ 24,227,908
Patient accounts receivable, net of allowance for uncollectible accounts; 2024 - $2,800,000	4,681,911	-	-	4,681,911
Tax revenue receivable	256,000	-	-	256,000
Supplies	661,530	-	-	661,530
Estimated amounts due from Medicare	100,000	-	-	100,000
Marketable securities, short-term	3,011,199	343,880	-	3,355,079
Prepaid expenses and other	1,490,722	-	-	1,490,722
Grant funds receivable	94,961	-	-	94,961
Total current assets	34,512,191	355,920	-	34,868,111
Noncurrent Cash and Investments				
Internally designated	2,625,298	-	-	2,625,298
Marketable securities, long-term	7,337,321	124,822	-	7,462,143
	9,962,619	124,822	-	10,087,441
Capital Assets, At Cost				
Land and land improvements	1,398,157	-	-	1,398,157
Buildings	18,262,738	-	-	18,262,738
Equipment	15,232,857	-	-	15,232,857
Construction in progress	15,339	-	-	15,339
	34,909,091	-	-	34,909,091
Less accumulated depreciation	28,077,134	-	-	28,077,134
	6,831,957	-	-	6,831,957
Lease Assets, Net	223,380	-	-	223,380
Subscription Assets, Net	407,432	-	-	407,432
Total assets	$ 51,937,579	$ 480,742	$ -	$ 52,418,321
Current Liabilities				
Current portion of subscription liabilities	$ 196,871	$ -	$ -	$ 196,871
Current portion of lease liabilities	49,694	-	-	49,694
Accounts payable	958,368	-	-	958,368
Accrued payroll	1,445,125	-	-	1,445,125
Accrued compensated absences	833,014	-	-	833,014
Accrued payroll taxes and benefits, and other	2,175,895	-	-	2,175,895
Total current liabilities	5,658,967	-	-	5,658,967
Other Long-Term Obligations				
Lease liabilities	184,215	-	-	184,215
Subscription liabilities	226,189	-	-	226,189
Total long-term obligations	410,404	-	-	410,404
Total liabilities	6,069,371	-	-	6,069,371
Deferred Inflows of Resources	29,680	-	-	29,680
Net Position				
Net investment in capital assets	6,805,800	-	-	6,805,800
Unrestricted	39,032,728	480,742	-	39,513,470
Total net position	45,838,528	480,742	-	46,319,270
Total liabilities, deferred inflows of resources and net position	$ 51,937,579	$ 480,742	$ -	$ 52,418,321

	2023			
	Hospital	Foundation	Combining Entries	Combined
Current Assets				
Cash and cash equivalents	20,341,021	$ 15,271	$ -	$ 20,356,292
Patient accounts receivable, net of allowance for uncollectible accounts; 2023 - $2,600,000	4,758,676	-	-	4,758,676
Tax revenue receivable	245,635	-	-	245,635
Supplies	623,557	-	-	623,557
Estimated amounts due from Medicare	1,215,000	-	-	1,215,000
Marketable securities, short-term	1,478,982	-	-	1,478,982
Prepaid expenses and other	1,408,296	-	-	1,408,296
Estimated amount due from trust	-	448,000	-	448,000
Total current assets	30,071,167	463,271	-	30,534,438
Noncurrent Cash and Investments				
Internally designated	2,497,008	-	-	2,497,008
Marketable securities, long-term	8,428,641	-	-	8,428,641
	10,925,649	-	-	10,925,649
Capital Assets, At Cost				
Land and land improvements	1,440,804	-	-	1,440,804
Buildings	18,258,891	-	-	18,258,891
Equipment	15,582,603	-	-	15,582,603
Construction in progress	52,559	-	-	52,559
	35,334,857	-	-	35,334,857
Less accumulated depreciation	28,282,301	-	-	28,282,301
	7,052,556	-	-	7,052,556
Lease Assets, Net	255,188	-	-	255,188
Subscription Assets, Net	419,074	-	-	419,074
Total assets	$ 48,723,634	$ 463,271	$ -	$ 49,186,905
Current Liabilities				
Current portion of subscription liabilities	$ 158,615	$ -	$ -	$ 158,615
Current portion of lease liabilities	46,827	-	-	46,827
Accounts payable	882,489	-	-	882,489
Accrued payroll	1,369,404	-	-	1,369,404
Accrued compensated absences	832,013	-	-	832,013
Accrued payroll taxes and benefits, and other	2,187,886	-	-	2,187,886
Provider relief fund and other	50,625	-	-	50,625
Total current liabilities	5,527,859	-	-	5,527,859
Other Long-Term Obligations				
Lease liabilities	214,328	-	-	214,328
Subscription liabilities	295,366	-	-	295,366
Total long-term obligations	509,694	-	-	509,694
Total liabilities	6,037,553	-	-	6,037,553
Deferred Inflows of Resources	14,566	-	-	14,566
Net Position				
Net investment in capital assets	6,968,717	-	-	6,968,717
Unrestricted	35,702,798	463,271	-	36,166,069
Total net position	42,671,515	463,271	-	43,134,786
Total liabilities, deferred inflows of resources and net position	$ 48,723,634	$ 463,271	$ -	$ 49,186,905

The following tables include condensed statements of revenues, expenses and changes in net position information for the Hospital and its blended component unit for the years ended June 30, 2024 and 2023.

	2024			
	Hospital	Foundation	Combining Entries	Combined
Operating Revenues				
Net patient service revenue, net of provision for uncollectible accounts; 2024 - $2,635,000	$ 45,139,616	$ -	$ -	$ 45,139,616
Other	2,426,547	-	-	2,426,547
Total operating revenues	47,566,163	-	-	47,566,163
Operating Expenses				
Salaries and wages	20,421,339	-	-	20,421,339
Employee benefits	8,307,935	-	-	8,307,935
Physician services	2,677,204	-	-	2,677,204
Other professional services	5,591,111	-	-	5,591,111
Supplies and other	7,871,522	2,835	-	7,874,357
Depreciation and amortization	1,657,461	-	-	1,657,461
Total operating expenses	46,526,572	2,835	-	46,529,407
Operating Income (Loss)	1,039,591	(2,835)	-	1,036,756
Nonoperating Revenues (Expenses)				
Tax revenue	$ 351,605	$ -	$ -	$ 351,605
Investment income	1,548,403	8,415	-	1,556,818
Interest expense	(31,675)	-	-	(31,675)
Loss on sale of captial assets	(34,756)	-	-	(34,756)
Noncapital grants and gifts	293,845	11,891	-	305,736
Total nonoperating revenues	2,127,422	20,306	-	2,147,728
Increase in Net Position	3,167,013	17,471	-	3,184,484
Net Position, Beginning of Year	42,671,515	463,271	-	43,134,786
Net Position, End of Year	$ 45,838,528	$ 480,742	$ -	46,319,270

	2023			
	Hospital	Foundation	Combining Entries	Combined
Operating Revenues				
Net patient service revenue, net of provision for uncollectible accounts; 2023 - $2,769,000	$ 44,341,790	$ -	$ -	$ 44,341,790
Other	2,743,904	-	-	2,743,904
Total operating revenues	47,085,694	-	-	47,085,694
Operating Expenses				
Salaries and wages	20,984,104	-	-	20,984,104
Employee benefits	8,410,188	-	-	8,410,188
Physician services	2,593,767	-	-	2,593,767
Other professional services	5,085,180	-	-	5,085,180
Supplies and other	8,530,621	10	-	8,530,631
Depreciation and amortization	1,619,597	-	-	1,619,597
Total operating expenses	47,223,457	10	-	47,223,467
Operating Loss	(137,763)	(10)	-	(137,773)
Nonoperating Revenues (Expenses)				
Tax revenue	396,642	-	-	396,642
Investment income	828,002	-	-	828,002
Interest expense	(35,230)	-	-	(35,230)
Noncapital grants and gifts	1,766,112	463,281	-	2,229,393
Total nonoperating revenues	2,955,526	463,281	-	3,418,807
Increase in Net Position	2,817,763	463,271	-	3,281,034
Net Position, Beginning of Year	39,853,752	-	-	39,853,752
Net Position, End of Year	$ 42,671,515	$ 463,271	$ -	43,134,786

The following tables include condensed statements of cash flows information for the Hospital and its blended component unit for the years ended June 30, 2024 and 2023.

	2024			
	Hospital	**Foundation**	**Combining Entries**	**Combined**
Cash Flows from Operating Activities				
Receipts from and on behalf of patients	$ 46,280,756	$ -	$ -	$ 46,280,756
Payments to suppliers and contractors	(16,170,079)	(2,835)	-	(16,172,914)
Payments to employees	(28,664,543)	-	-	(28,664,543)
Other receipts, net	2,441,661	-	-	2,441,661
Net cash provided by operating activities	3,887,795	(2,835)	-	3,884,960
Cash Flows from Noncapital Financing Activities				
Taxes supporting operations	341,240	-	-	341,240
Noncapital grants and gifts	199,121	459,654	-	658,775
Net cash provided by noncapital financing activities	540,361	459,654	-	1,000,015
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	9,502	-	-	9,502
Principal paid on lease liabilities	(46,884)	-	-	(46,884)
Principal paid on subscription liabilities	(185,808)	-	-	(185,808)
Interest paid	(31,675)	-	-	(31,675)
Purchase of capital assets	(1,263,145)	-	-	(1,263,145)
Net cash used in capital and related financing activities	(1,518,010)	-	-	(1,518,010)
Cash Flows from Investing Activities				
Interest on investments and leases	1,458,994	-	-	1,458,994
Purchase of investments	(351,725)	(460,050)	-	(811,775)
Proceeds from the disposition of investments	314,288	-	-	314,288
Principal payments received on leases receivable	(14,278)	-		(14,278)
Net cash used in investing activities	1,407,279	(460,050)	-	947,229
Increase (Decrease) in Cash and Cash Equivalents	4,317,425	(3,231)	-	4,314,194
Cash and Cash Equivalents, Beginning of Year	22,642,498	15,271	-	22,657,769
Cash and Cash Equivalents, End of Year	$ 26,959,923	$ 12,040	$ -	$ 26,971,963
Reconciliation of Cash and Cash Equivalents to the Balance Sheets				
Cash and cash equivalents in current assets	$ 24,215,868	$ 12,040	$ -	$ 24,227,908
Cash in noncurrent cash and investments	2,744,055	-	-	2,744,055
Total cash and cash equivalents	$ 26,959,923	$ 12,040	$ -	$ 26,971,963
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	$ 1,019,285	$ 17,471	$ -	$ 1,036,756
Depreciation and amortization	1,657,461	-	-	1,657,461
Provision for uncollectible accounts	2,634,785	-	-	2,634,785
Changes in operating assets and liabilities				
Patient accounts receivable	(2,558,020)	-	-	(2,558,020)
Estimated settlements with Medicare	1,064,375	-	-	1,064,375
Supplies, prepaid expenses and other assets	(106,121)	-	-	(106,121)
Accounts payable, accrued expenses, and deferred inflow leases	155,724	-	-	155,724
Net cash provided by operating activities	$ 3,867,489	$ 17,471	$ -	$ 3,884,960

	2023			
	Hospital	Foundation	Combining Entries	Combined
Cash Flows from Operating Activities				
Receipts from and on behalf of patients	$ 41,719,205	$ -	$ -	$ 41,719,205
Payments to suppliers and contractors	(16,069,601)	(10)	-	(16,069,611)
Payments to employees	(28,572,143)	-	-	(28,572,143)
Other receipts, net	2,731,418	-	-	2,731,418
Net cash used in operating activities	(191,121)	(10)	-	(191,131)
Cash Flows from Noncapital Financing Activities				
Taxes supporting operations	378,476	-	-	378,476
Noncapital grants and gifts	151,001	15,281	-	166,282
Net cash provided by noncapital financing activities	529,477	15,281	-	544,758
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	3,670	-	-	3,670
Principal paid on lease liabilities	(36,013)	-	-	(36,013)
Principal paid on subscription liabilities	(161,996)	-	-	(161,996)
Interest paid	(35,230)	-	-	(35,230)
Purchase of capital assets	(1,193,755)	-	-	(1,193,755)
Net cash used in capital and related financing activities	(1,423,324)	-	-	(1,423,324)
Cash Flows from Investing Activities				
Interest on investments and leases	993,422	-	-	993,422
Purchase of investments	(10,073,043)	-	-	(10,073,043)
Proceeds from the disposition of investments	19,055	-	-	19,055
Net cash used in investing activities	(9,060,566)	-	-	(9,060,566)
Increase (Decrease) in Cash and Cash Equivalents	(10,145,534)	15,271	-	(10,130,263)
Cash and Cash Equivalents, Beginning of Year	32,788,031	-	-	32,788,031
Cash and Cash Equivalents, End of Year	$ 22,642,497	$ 15,271	$ -	$ 22,657,768
Reconciliation of Cash and Cash Equivalents to the Balance Sheets				
Cash and cash equivalents in current assets	$ 20,341,021	$ 15,271	$ -	$ 20,356,292
Cash in noncurrent cash and investments	2,301,477	-	-	2,301,477
Total cash and cash equivalents	$ 22,642,498	$ 15,271	$ -	$ 22,657,769
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating loss	$ (137,773)	$ -	$ -	$ (137,773)
Depreciation and amortization	1,619,597	-	-	1,619,597
Provision for uncollectible accounts	2,768,644	-	-	2,768,644
Changes in operating assets and liabilities				
Patient accounts receivable	(2,735,147)	-	-	(2,735,147)
Estimated settlements with Medicare	(2,656,082)	-	-	(2,656,082)
Supplies, prepaid expenses and other assets	166,515	10	-	166,525
Accounts payable, accrued expenses, and deferred inflow leases	783,105	-	-	783,105
Net cash provided by (used in) operating activities	$ (191,141)	$ 10	$ -	$ (191,131)

Supplementary Information (Unaudited)

Accounts Receivable

	2024		2023	
	Amount	Percent	Amount	Percent
Patient Accounts				
In Hospital at June 30 or unbilled	$ 1,840,645	12.2%	$ 1,658,774	11.1%
Billed accounts				
Medicare	2,726,751	18.1%	2,287,664	15.2%
Medicaid	1,583,946	10.5%	2,028,353	13.5%
Blue Cross	719,974	4.8%	583,624	3.9%
Commercial insurance	4,232,198	28.1%	4,404,120	29.3%
Self-pay	2,732,131	18.1%	2,700,911	18.0%
Physician office accounts	1,245,770	8.2%	1,339,769	9.0%
	15,081,415	100.0%	15,003,215	100.0%
Allowances for				
Uncollectible accounts	2,800,000		2,600,000	
Contractual allowances	7,599,504		7,644,539	
	$ 4,681,911		$ 4,758,676	

Supplies

	2024	2023
Medical and office supplies	$ 182,287	$ 171,208
Dietary	8,868	8,883
Departmental supplies	295,593	290,591
Physicians' office supplies	174,782	152,875
	$ 661,530	$ 623,557

Sparta Community Hospital District
Net Patient Service Revenue
Years Ended June 30, 2024 and 2023 (Unaudited)

	2024		
	Inpatient	**Outpatient**	**Total**
Daily Patient Services			
Acute care and skilled nursing	$ 1,360,817	$ 1,333,237	$ 2,694,054
Other Nursing Services			
Surgery and recovery	327,358	6,490,133	6,817,491
Central service and supply	138,388	1,147,074	1,285,462
Emergency services	72,907	8,497,057	8,569,964
	538,653	16,134,264	16,672,917
Other Professional Services			
Laboratory	831,712	22,689,260	23,520,972
Electrocardiology	15,012	709,552	724,564
Radiology	494,131	33,639,423	34,133,554
Pharmacy	441,805	2,250,715	2,692,520
Anesthesiology	23,572	801,769	825,341
Respiratory therapy	-	2,184,830	2,184,830
Physical therapy	878,569	6,237,069	7,115,638
Speech therapy	632,475	544,962	1,177,437
Home health	-	5,856,609	5,856,609
Clinics	-	14,531,720	14,531,720
Cardiac rehabilitation	-	732,006	732,006
	3,317,276	90,177,915	93,495,191
	$ 5,216,746	$ 107,645,416	112,862,162
Allowances and Uncollectible Accounts			
Medicare contractual allowances			21,600,660
Medicaid contractual allowances			11,916,233
Other - hospital			26,777,088
Clinics			4,617,061
Charity care			176,719
Provision for uncollectible accounts			2,634,785
			67,722,546
Net Patient Service Revenue			$ 45,139,616

2023		
Inpatient	Outpatient	Total
$ 1,180,879	$ 1,181,114	$ 2,361,993
323,741	5,907,115	6,230,856
167,088	943,026	1,110,114
85,806	7,825,185	7,910,991
576,635	14,675,326	15,251,961
927,351	20,761,112	21,688,463
14,485	624,364	638,849
712,757	31,880,037	32,592,794
517,385	2,085,339	2,602,724
19,262	718,116	737,378
-	2,053,785	2,053,785
804,912	5,864,889	6,669,801
487,539	567,072	1,054,611
-	5,877,750	5,877,750
-	14,567,191	14,567,191
-	584,762	584,762
3,483,691	85,584,417	89,068,108
$ 5,241,205	$ 101,440,857	106,682,062
		19,555,469
		11,232,883
		23,691,203
		4,974,509
		117,564
		2,768,644
		62,340,272
		$ 44,341,790

Sparta Community Hospital District
Other Revenue
Years Ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
Rental income	$ 480,951	$ 407,052
Cafeteria and catering	38,704	35,603
Medical records abstracts	456	675
Membership fees net of related expense	117,259	112,387
Insurance dividend	181,640	147,095
Contract pharmacy services (340B drug pricing program)	1,154,844	1,859,737
Patient quality incentives	288,444	-
Miscellaneous	164,249	181,355
	$ 2,426,547	$ 2,743,904

Sparta Community Hospital District
Operating Expenses
Years Ended June 30, 2024 and 2023 (Unaudited)

	2024		
	Salaries and Wages	Other	Total
Nursing Services			
Acute care and skilled nursing	$ 1,960,909	$ 155,603	$ 2,116,512
Surgery and recovery	644,881	547,331	1,192,212
Emergency service	1,234,810	1,565,472	2,800,282
	3,840,600	2,268,406	6,109,006
Other Professional Services			
Laboratory	888,613	1,372,958	2,261,571
Electrocardiology	26,718	13,561	40,279
Radiology	855,296	829,033	1,684,329
Pharmacy	-	1,736,100	1,736,100
Anesthesiology	-	698,822	698,822
Respiratory therapy	66,400	218,920	285,320
Physical therapy	834,083	65,858	899,941
Social services	62,654	22,348	85,002
Medical records	219,697	25,146	244,843
Home health	1,456,159	424,044	1,880,203
Cardiac rehabilitation	119,746	19,338	139,084
Fitness center	87,195	5,136	92,331
Clinics	6,864,132	2,792,718	9,656,850
	11,480,693	8,223,982	19,704,675
General Services			
Dietary	228,128	128,485	356,613
Plant operation and maintenance	319,843	814,578	1,134,421
Housekeeping	231,680	212,784	444,464
Laundry and linen	-	60,766	60,766
	779,651	1,216,613	1,996,264
Administrative and Fiscal			
Administrative	4,320,395	4,433,671	8,754,066
Employee benefits	-	8,307,935	8,307,935
	4,320,395	12,741,606	17,062,001
Depreciation and Amortization	-	1,657,461	1,657,461
	$ 20,421,339	$ 26,108,068	$ 46,529,407

2023		
Salaries and Wages	Other	Total
$ 2,251,761	$ 152,921	$ 2,404,682
571,711	474,120	1,045,831
1,168,901	1,479,392	2,648,293
3,992,373	2,106,433	6,098,806
891,396	1,384,889	2,276,285
30,554	14,824	45,378
913,419	821,831	1,735,250
-	2,725,379	2,725,379
-	677,614	677,614
71,099	205,047	276,146
803,782	60,076	863,858
69,661	13,789	83,450
239,478	37,105	276,583
1,650,452	444,551	2,095,003
146,225	5,534	151,759
95,240	9,757	104,997
6,972,086	2,845,251	9,817,337
11,883,392	9,245,647	21,129,039
242,916	125,840	368,756
316,438	820,523	1,136,961
241,382	204,567	445,949
-	46,000	46,000
800,736	1,196,930	1,997,666
4,307,603	3,660,568	7,968,171
-	8,410,188	8,410,188
4,307,603	12,070,756	16,378,359
-	1,619,597	1,619,597
$ 20,984,104	$ 26,239,363	$ 47,223,467

Sparta Community Hospital District
Operating Percentages
Years Ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
Operating Revenues		
Net patient service revenue	94.9%	94.2%
Other	5.1%	5.8%
Total operating revenues	100.0%	100.0%
Operating Expenses		
Salaries and wages	42.9%	44.6%
Employee benefits	17.5%	17.9%
Physician services	5.6%	5.5%
Other professional services	11.8%	10.8%
Supplies and other	16.6%	18.1%
Depreciation and amortization	3.5%	3.4%
Total operating expenses	97.7%	100.2%
Operating Income (Loss)	2.3%	-0.2%
Nonoperating Revenues (Expenses)		
Tax revenue	0.7%	0.8%
Investment income	3.3%	1.8%
Loss on sale of capital assets	-0.1%	0.0%
Interest expense	-0.1%	-0.1%
Noncapital grants and gifts	0.6%	4.7%
Total nonoperating revenues	4.4%	7.2%
Increase in Net Position	6.7%	7.0%

Sparta Community Hospital District
Comparative Statistics
Years Ended June 30, 2013 Through 2024 (Unaudited)

	2024	2023	2022	2021	2020
Acute patient days	995	1,210	1,291	891	912
Swing bed patient days	1,215	1,105	1,064	808	937
Acute discharges	284	339	356	264	286
Average length of acute stay	3.50	3.57	3.63	3.38	3.19
Inpatient acute revenue per acute day	$ 1,400	$ 1,578	$ 1,646	$ 1,160	$ 1,224
Inpatient revenue per acute discharge	$ 18,369	$ 15,461	$ 14,709	$ 19,834	$ 12,804
Outpatient percentage to total Hospital revenue	95%	95%	95%	95%	96%
Medicare patient days	620	642	790	533	607
Medicare percentage of patient days	62%	53%	61%	60%	67%
Medicare discharges	171	197	222	155	185
Medicare average length of stay	3.63	3.26	3.56	3.44	3.28
Medicaid patient days	50	111	60	50	35
Medicaid percentage of patient days	5%	9%	5%	6%	4%
Medicaid discharges	20	26	20	17	10
Medicaid average length of stay	2.50	4.27	3.00	2.94	3.50
Outpatient occasions of service	43,328	43,343	47,721	49,761	39,196
Emergency room patients					
Admitted as inpatients	153	199	239	163	200
Held for observation	488	488	482	513	443
Discharged from emergency room	6,527	6,337	6,373	5,344	6,073

2019	2018	2017	2016	2015	2014	2013
957	1,336	963	958	1,248	1,668	1,680
865	651	607	761	829	905	900
320	453	377	376	490	597	583
2.99	2.95	2.55	2.55	2.79	2.88	3.18
$ 1,245	$ 1,553	$ 1,165	$ 1,212	$ 1,524	$ 1,968	$ 1,929
$ 12,758	$ 9,969	$ 8,997	$ 8,106	$ 9,340	$ 8,519	$ 9,140
95%	94%	95%	95%	93%	91%	90%
635	834	662	645	792	996	1,168
66%	62%	67%	63%	60%	70%	73%
210	277	256	244	311	338	386
3.02	3.01	2.59	2.64	2.55	2.95	3.03
39	106	88	68	143	167	141
4%	8%	9%	7%	11%	10%	8%
15	35	37	32	52	68	59
2.60	3.03	2.38	2.13	2.75	2.46	2.39
41,536	42,484	42,835	41,916	41,159	37,966	37,360
229	334	275	307	297	404	393
396	407	358	587	599	523	489
7,225	8,126	8,213	8,060	9,276	8,021	7,859

Sparta Community Hospital District
Property Taxes Levied
Years Ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
Assessed Valuation	$ 82,908,712	$ 76,801,835
Tax Rate Per $100 of Assessed Valuation	0.30968	0.31983
Taxes Extended	$ 256,752	$ 245,635