keb

Financial Statements
and
Independent Auditors' Report

Memorial Hospital (Randolph Hospital District)

For the Fiscal Years Ended

June 30, 2025 and 2024

CONTENTS

keb

Kerber, Eck & Braeckel LLP
3401 Office Park Drive
Marion, IL 62959

P 618.993.8724
F 618.993.1903

Independent Auditors' Report

Board of Directors
Memorial Hospital
Chester, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Memorial Hospital, which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Memorial Hospital as of June 30, 2025 and 2024, and the results of its operations, changes in net position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Memorial 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 Memorial Hospital's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Memorial 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 Memorial 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.

Report on Other Legal and Regulatory Requirements

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6-15 and the multiyear schedule of changes in net OPEB liability and related ratios on page 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Memorial Hospital's financial statements. The supplementary information presented on pages 45-50 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 45-50 is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The service statistics on page 51 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Kerber, Eck + Braeckel LLP

Marion, Illinois
October 6, 2025

RANDOLPH HOSPITAL DISTRICT
DBA Memorial Hospital

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2025 and 2024

A POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS

Introduction

This management's discussion and analysis of the financial performance of Memorial Hospital (Hospital) and Rural Health Clinic (RHC) provides an overview of the Randolph Hospital District (RHD's) financial activities for the year ended June 30, 2025. It should be read in conjunction with the accompanying financial statements of the Entity.

Financial Highlights

INCREASE IN NET POSITION resulted in a changed position of $1,023,744 from $1,007,078 in 2024 to $2,030,822 in 2025. The Net Position on June 30, 2024, was $62,315,405 and on June 30, 2025, is $64,346,227.

Total Operating Revenue increased $5,071,084 from $34,278,761 in 2024 to $39,349,845 in 2025.

Total Operating Expense increased $4,113,329 from $34,952,165 in 2024 to $39,065,494 in 2025.

Income from Operations resulted in an increase of $957,755 from ($673,404) in 2024 to $284,351 in 2025.

Non-Operating Revenues/Expenses increased by $65,417. Non-Operating Revenue in excess of Expense was $1,669,067 in 2024 and $1,734,484 in 2025.

Excess Revenue over Expense before Capital Contributions increased by $1,023,172. The excess is $995,663 in 2024 to $2,018,835 in 2025.

Contributions for equipment acquisitions increased by $572 from $11,415 in 2024 to $11,987 in 2025.

The Statement of Cash Flows shows a decreased cash basis of ($134,075) from $2,439,498 on June 30, 2024 to $2,305,423 on June 30, 2025.

Operating Results and Financial Performance

During fiscal year 2025, Randolph Hospital District derived most of its revenue from patient services and other related activities. 93% of the organizations' revenue is generated from outpatient services, and 7% from inpatient services. Approximately 83% of the organization's gross patient revenue is dependent upon outpatient procedures as ordered by physicians, while 6% of the gross patient revenue is generated by inpatient admissions and 11% is generated from provider services in the two Rural Health Clinics (RHC's).

The organizations' have entered into agreements with third-party payers, including governmental programs, under which payments for healthcare services provided to patients are based upon discounts from gross charges and predetermined per diem or per case rates. Provisions have been made in the financial statements for contractual adjustments, which represent the difference between the gross charges for services and the actual or anticipated payment. Also making an impact is the provision for bad debt. The bad debt calculation estimates the insurance and self-pay balances that may not be paid because the insurance defaults, the patient does not pay, or any other reason RHD would not receive payment.

The Hospital derives a significant portion of its revenues from caring for patients covered under government health programs, principally Medicare and Medicaid. In fiscal year 2025, gross inpatient revenues derived from the government, Medicare, and Medicaid programs were 46%, compared to 50% in fiscal 2024. Outpatient revenues derived from both programs was 37% in fiscal 2025 compared to 41% in fiscal 2024. The Medicare Advantage plans, primarily the State of Illinois retirees, and Managed Medicare/Managed Medicaid plans (MMAI) infiltration into Randolph County is reducing the number of patients in the traditional Medicare government health program and increasing the HMO/PPO/MMAI percentage. The table below presents the percentage of gross revenues for patient services by payer for all patient services rendered in fiscal years 2025 and 2024, respectively:

	2025	2024
Medicare	27%	29%
Medicaid	11%	12%
Commercial	2%	2%
Self-Pay	2%	1%
HMO/PPO	57%	54%
All Other	1%	2%

Using This Annual Report

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

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

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

These two statements report on the organization's net position and changes in them. The total net position - the difference between assets and liabilities - is one measure of financial health or financial position. Over time, increases or decreases in the Hospital's net position indicate if the financial health is improving or deteriorating. Other non-financial factors, such as changes in the organization'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 Memorial Hospital.

The Statement of Cash Flows

The Statement of Cash Flows reports the 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 cash was used for, and what the change in cash and cash equivalents was during the reporting period.

Net Position

The organization's net position is the difference between its assets and liabilities reported in the Statement of Net Position. Net Position increased by $2,030,822 or 3% from 2024 to 2025. Table 1 highlights these changes.

Table 1: Assets, Liabilities and Net Position of the Consolidated Organization (In Thousands)

Assets	2025	2024	2023
Cash and short-term investments	$ 2,305	$ 2,440	$ 3,793
Restricted cash and investments-current	37,196	34,611	41,011
Noncurrent cash and investments	72	70	69
Total cash and investments	39,573	37,121	44,873
Patient accounts receivable, net	5,706	5,510	3,345
Other current assets	1,664	1,624	2,122
Capital assets, net	24,951	24,804	15,441
Other noncurrent assets	52	29	76
Total Assets	$ 71,946	$ 69,088	$ 65,857

Liabilities			
Long-term debt	$ -	$ -	$ -
Other current liabilities	5,006	3,830	3,452
Total Liabilities	5,006	3,830	3,452
Deferred Inflows and Other Liabilities	$ 2,594	$ 2,943	$ 907
Net Position			
Investment in capital assets	22,958	22,472	15,440
Restricted by donor	72	70	69
Unrestricted	41,316	39,773	45,989
Total Net Position	64,346	62,315	61,498
Total Liabilities Deferred Inflows of Resources and Net Position	$ 71,946	$ 69,088	$ 65,857

2025

The Hospital District has four significant changes in its assets and liabilities during 2025, as shown in Table 1:

- Net patient accounts receivable increased $196,000 or 4%
- Restricted cash and investments-current increased $2,585,000 or 7%
- Capital assets, net, increased $486,000 or 2%
- Current liabilities increased $1,176,000 or 31%

Net patient accounts receivable increased at year-end due to longer lead times on medical coding and analysis as well as increased claim denials from insurance, causing additional rework and follow-up. However, average days in Gross Patient Accounts Receivable steadily decreased from 72 days in FY 2024 to 58 days in FY 2025 as the Hospital's gross revenues increased.

RHD completed work on the Medical Office Building (MOB) and began treating patients in the new location during October 2024. Construction in progress decreased ($7,453,000) or (99.8%) and depreciable capital assets net of accumulated depreciation increased $8,010,000 or 54%. Additional capital assets put into service during the fiscal year include cardiac monitor upgrades and IV infusion pumps, minimal software projects remain in progress at year-end.

As cash outflow for building expenses decreased, RHD invested excess operating cash in long-term investments, taking advantage of favorable interest rates throughout the fiscal year.

Current liabilities include an accrual for the Medicare Cost Report payable. RHD realized a decrease in Medicare inpatient utilization from prior year census, as well as a decrease in the Medicare cost to charge ratio for outpatient services, resulting in a payable settlement.

2024

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

- Cash decreased ($1,354,000) or (36%)
- Net patient accounts receivable increased ($2,165,000) or (65%)
- Restricted cash and investments-current decreased ($6,400,000) or (16%)
- Capital assets, net increased $9,363,000 or 61%

As RHD continues to progress in the multi-year renovation project, matured investments have been utilized to fund cash outlay in lieu of reinvestment. The Medical Office Building (MOB) parking lot, specialty clinic, lab and gift shop renovation/relocation projects were completed as well as opening a new cardiac and pulmonary rehab department. The MOB opened in fiscal year 2025 with over $6M in Construction in Progress at fiscal year-end.

Net patient accounts receivable increased due to longer lead times on medical coding and analysis as well as increased claim denials from insurance, causing additional rework and follow-up. There are three State of Illinois facilities in Chester, IL. The hospital treats a large number of state employees, patients from Chester Mental Health Center, and inmates from medium and maximum-security prisons at Menard Correctional Center. The State of Illinois Healthlink plan was able to release payments to RHD during FY 2024 on a consistent basis. Average days in Gross Patient Accounts Receivable for State of IL plans increased minimally from 73 days on June 30, 2023, to 76 days on June 30, 2024.

Operating Results and Changes in the Organization's Net Position

For 2025, the RHD's Increase in Net Position increased from the previous year by $1,023,744 as shown in Table 2. Most notable is the increase in Net Patient Service Revenue of $4,922,099 and an increase of $4,113,329 in Operating Expenses.

Table 2: Operating Results and Changes in Net Position (In Thousands)

	2025	2024	2023
Operating Revenues			
Net patient service revenue	$ 38,644	$ 33,722	$ 33,513
Other	705	556	1,149
Total operating revenue	39,349	34,278	34,662
Operating Expenses			
Salaries, wages and employee benefits	22,237	20,828	19,831
Professional Fees	4,254	3,885	3,816
Supplies and other Expense	9,882	8,089	8,421
Depreciation and amortization	2,692	2,149	1,778
Total Operating Expenses	39,065	34,951	33,846
Operating Income (Loss)	284	(673)	816

Non-operating revenues (expenses)			
Investment Income	1,252	1,257	944
Replacement Tax	33	50	76
Other non-operating Revenue & Expense	450	362	264
Total non-operating revenues	1,735	1,669	1,284
Capital gifts and grants	12	11	13
Increase (decrease) in net position	$ 2,031	$ 1,007	$ 2,113

Operating Income

The first component of the overall change in the net position is operating income – generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. RHD added specialty services of Cardiac and Pulmonary Rehab in Fiscal Year 2024 and brought two new Family Practice Providers to the RHC in 2025. Memorial Hospital, Chester Clinic, and Steeleville Family Practice must have facilities and technology that meet or exceed the current standard of care in order to provide the necessary health care services to residents of Randolph Hospital District and surrounding Randolph County. Fortunately, there are no long-term leases or bonds outstanding.

2025

The current year's Excess of Revenues over Expenses Before Capital Contribution Gain (Loss) has increased by $1,023,172 from 2024 to 2025. The primary component of the increase is:

- Net patient service revenue and operating expense increase over prior year and an increase in other operating revenue of $148,985 or 27%

RHD's gross patient service revenue had an overall increase of $10,859,609 or 18%. The deductions from patient service revenue (contractual allowances, provision for bad debt, and financial assistance adjustments) also increased this year by $5,937,510 or 23%. The combination of the increased revenue and deductions created the increase in net patient service revenue this year of 15%.

Other operating revenue increased by $148,985 in 2025, as the Memorial Community Pharmacy continues to grow. The 340B program, established in April 2016, supports the expansion of the pharmacy meds-to-bed and retail program, including prescription financial assistance for qualifying patients. The program also financially assists with renovations to patient and employee space and technology upgrades. Contract pharmacy agreements were paused during the fiscal year due to program regulations and negative margins. RHD participates with the 340B ESP platform to submit requested data to drug manufacturers to prevent program misuse. Drug manufacturers continue to tighten restrictions; however, benefits once realized from the program are diminishing.

Total operating expenses increased $4,113,329 or 12% in correlation to the increase in revenue. RHD continuously monitors salary and employee benefit expense to retain and appropriately compensate physicians and staff. Chemotherapy drug cost increased 89% from prior year and depreciation expense increased 25% as building renovation projects complete.

2024

The current year's Excess of Revenues over Expenses Before Capital Contribution Gain (Loss) has decreased by ($1,104,013) from 2023 to 2024. The primary component of the decrease is:

- Net patient service revenue and operating expenses remaining flat compared to FY 2023 and a decrease in other operating revenue of ($592,864) or (52%)

RHD's gross patient service revenue had an overall increase of $1,163,352 or 2%. The deductions from patient service revenue (contractual allowances, provision for bad debt, and financial assistance adjustments) also increased this year by ($953,575) or 4%. The combination of the increased revenue and deductions created the minimal increase in net patient service revenue this year of 1%.

Other operating revenue decreased by ($592,864) in 2024. The 340B program, established in April 2016, supported the expansion of the pharmacy meds-to-bed and retail program, including prescription financial assistance for qualifying patients. The program also financially assists with renovated patient and employee space for outpatient specialty clinic and lab, a new medical office building, and a new cardiac and pulmonary rehab service line. Contract pharmacy agreements were paused during the fiscal year due to program regulations and negative margins. RHD participates with the 340B ESP platform to submit requested data to drug manufacturers to prevent program misuse. Drug manufacturers continue to tighten restrictions; however, benefits once realized from the program are diminishing.

Total operating expenses increased $1,106,306 or 3% in correlation to the increase in revenue. RHD continuously monitors salary and employee benefit expense to retain and appropriately compensate physicians and staff, including an increase in professional services in the outpatient specialty clinic during 2023 and 2024. The Hospital continues to work on a multi-phase remodeling/new construction project to update and enhance patient care and administrative areas throughout.

Non-operating Revenues and Expenses

2025

The 2025 $65,417 increase in Other Non-Operating Revenue is attributed to the sale of two properties during the fiscal year.

2024

The 2024 $385,380 increase in Other Non-Operating Revenue is attributed to investment income as RHD was able to realize favorable interest rates on allowable investments.

The Hospital's Cash Flows

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

Capital Asset and Debt Administration

Capital Assets

2025

At the end of 2025, the RHD had $22,958,389 invested in capital assets, net of accumulated depreciation. During 2025, the organization purchased assets or transferred completed assets from construction in progress of $10,670,561 and trade in or retirement of ($2,585,656). There is increased depreciation and amortization of $2,692,252 in capital assets and decreased construction in progress of ($7,453,266) due to the completion of the MOB.

2024

At the end of 2024, the RHD had $22,471,906 invested in capital assets, net of accumulated depreciation. During 2024, the organization had purchased assets or transferred completed assets from construction in progress of $1,950,982 and trade in or retirement of ($182,726). There is increased depreciation and amortization of $2,149,232 in capital assets and increased construction in progress of $7,009,109 due to the ongoing RHD renovation projects, including the MOB.

For more detail, see notes to financial statements.

Debt Administration

As of June 30, 2025, the RHD has $0 in net long-term debt obligations outstanding. The organization issued no debt in 2025, choosing rather to fund building and equipment purchases through operations and existing cash reserves.

As of June 30, 2024, the RHD has $0 in net long-term debt obligations outstanding. The organization issued no debt in 2024, choosing rather to fund building and equipment purchases through operations and existing cash reserves.

Budgetary Highlights:

	Actual 2025	Budget 2025
Operating Revenues		
Net patient service revenue	$ 38,644	$ 35,048
Other	705	2,061
Total operating revenue	39,349	37,109
Operating Expenses		
Salaries, wages and employee benefits	22,237	22,769
Supplies and other Expense	14,136	12,175
Depreciation and amortization	2,692	2,627
Total Operating Expenses	39,065	37,571
Operating Income (Loss)	284	(462)
Non-operating revenues (expenses)		
Investment Income	1,252	1,281
Non-capital grants & contributions	54	80
Other non-operating Revenue & Expense	429	349
Total non-operating revenues	1,735	1,710
Capital gifts and grants	12	20
Increase (decrease) in net position	$ 2,031	$ 1,268

For the year ended June 30, 2025, net patient revenue was over budget by $3,596,000 or 10%. Total Gross Patient Revenue is over budget by $9,026,000 or 15% and Deductions from Revenue are ($5,430,000) or (21%) over budget. Other operating revenue was under budget by ($1,356,000) or (66%) as drug manufacturers decreased participation in the 340B program and contract pharmacies were paused. Total Hospital chargeable procedures were budgeted for 142,893, actual are 155,922. Total RHC outpatient visits were budgeted for 21,382, actual are 22,153.

Future Outlook and Fiscal 2026 Business Plan

Management believes the healthcare industry will continue to be under significant pressure to control costs and maintain reasonable rates while providing higher quality services. One of the RHD's main challenges as a small rural hospital and small physician's practice is to compete for the recruitment and retention of primary care physicians, as well as specialty service providers and surgeons.

The organization will continue to strive to reduce costs and increase the quality of patient services with the ultimate goal of being able to continue the organization's mission.

As always, the Hospital and Rural Health Clinic continuously strive to provide quality patient care. New service areas are consistently being reviewed based on the needs of the residents in the Hospital District. Plans and decisions made for the Hospital in Fiscal Year 2026 will always be made in the best interests of the patient.

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 organization's finances and to show the RHD's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to Hospital Administration by calling (618) 826-4581.

Memorial Hospital
STATEMENTS OF NET POSITION
June 30

ASSETS	2025	2024 Restated
CURRENT ASSETS		
Cash	$ 2,305,423	$ 2,439,498
Accounts receivable		
Patient, less estimated uncollectibles of $2,630,000 in 2025 and $2,480,000 in 2024	5,705,568	5,509,667
Third party reimbursement programs	-	45,000
Supplies	538,061	430,089
Prepaid expenses	744,135	870,045
Other	381,783	279,708
Total current assets	9,674,970	9,574,007
ASSETS WHOSE USE IS LIMITED		
Board designated	37,195,907	34,611,280
Restricted by donor	72,260	70,195
Total noncurrent cash and investments	37,268,167	34,681,475
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - other subscription agreements	52,172	29,024
Total noncurrent assets	37,320,339	34,710,499
CAPITAL ASSETS		
Land	162,464	232,983
Depreciable capital assets, net of accumulated depreciation	22,780,093	14,769,825
Construction in progress	15,832	7,469,098
Total capital assets, net of accumulated depreciation	22,958,389	22,471,906
OTHER ASSETS		
Subscription-based IT agreement, net accumulated amortization	1,992,329	2,332,057
Total assets	$ 71,946,027	$ 69,088,469

The accompanying notes are an integral part of these statements.

Memorial Hospital
STATEMENTS OF NET POSITION
June 30

LIABILITIES AND NET POSITION	2025	2024 Restated
CURRENT LIABILITIES		
Accounts payable		
Trade	$ 1,392,205	$ 900,603
Current portion - subscription-based IT agreement	349,093	312,175
Accrued liabilities		
Payroll and related expenses	2,313,166	2,277,604
Due to third party payors	604,556	-
Other current liabilities	346,831	339,640
Total current liabilities	5,005,851	3,830,022
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - other post-employment benefits	950,713	950,713
OTHER LIABILITIES		
Subscription-based IT agreement	1,643,236	1,992,329
Total noncurrent liabilities	2,593,949	2,943,042
Total current and noncurrent liabilities	7,599,800	6,773,064
NET POSITION		
Net investment in capital assets	22,958,389	22,471,906
Restricted by donor	72,260	70,195
Unrestricted	41,315,578	39,773,304
Total net position	64,346,227	62,315,405
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 71,946,027	$ 69,088,469

The accompanying notes are an integral part of these statements.

Memorial Hospital
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended June 30

	2025	2024 Restated
Operating revenues		
Patient service revenue	$ 40,226,081	$ 34,845,949
Less: Provision for bad debts	1,581,599	1,123,566
Net patient service revenue	38,644,482	33,722,383
Other operating revenues	705,363	556,378
Total operating revenues	39,349,845	34,278,761
Operating expenses		
Salaries and wages	16,445,522	15,476,359
Employee benefits	5,791,987	5,351,915
Professional fees	4,253,631	3,885,416
Supplies and other	9,882,102	8,089,244
Depreciation and amortization	2,692,252	2,149,231
Total operating expenses	39,065,494	34,952,165
Income from operations	284,351	(673,404)
Nonoperating revenues (expenses)		
Investment income	1,251,498	1,257,154
Replacement tax	33,111	49,934
Net gain on sale of capital assets	313,330	-
Grant revenue	21,415	21,394
Other	115,130	340,585
Total nonoperating revenues	1,734,484	1,669,067
EXCESS OF REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTION	2,018,835	995,663
Contributions restricted for equipment acquisitions	11,987	11,415
INCREASE IN NET POSITION	2,030,822	1,007,078
Net position, beginning of year	62,315,405	61,498,438
Change in accounting principal (GASB 101)	-	(190,111)
Net position, end of year	$ 64,346,227	$ 62,315,405

The accompanying notes are an integral part of these statements.

Memorial Hospital
STATEMENTS OF CASH FLOWS
Years ended June 30

	2025	2024
Cash flows from operating activities		
Receipts from and on behalf of patients	$ 39,098,137	$ 31,457,934
Payments to suppliers and contractors	(13,272,955)	(11,979,279)
Payments to employees	(22,201,947)	(20,649,843)
Other receipts and payments, net	603,288	946,921
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,226,523	(224,267)
Cash flows from noncapital financing activities		
Replacement taxes supporting operations	33,111	49,934
Other donations and nonoperating revenue	115,130	340,585
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	148,241	390,519
Cash flows from capital and related financing activities		
Purchase of property and equipment	(3,217,295)	(8,960,090)
Principal payments of subscription-based agreements	(303,082)	(247,976)
Contributions received for capital asset acquisitions	11,987	11,415
Net cash received on sale of capital assets	313,330	-
Proceeds from grant revenue	21,415	21,394
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(3,173,645)	(9,175,257)
Cash flows from investing activities		
Cash withdrawn (invested) in assets whose use is limited - net	(2,586,692)	6,398,263
Income on investments	1,251,498	1,257,154
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,335,194)	7,655,417
Decrease in cash	$ (134,075)	$ (1,353,588)
Cash at beginning of year	2,439,498	3,793,086
Cash at end of year	$ 2,305,423	$ 2,439,498

The accompanying notes are an integral part of these statements.

Memorial Hospital
STATEMENTS OF CASH FLOWS
Years ended June 30

	2025	2024
Reconciliation of operating income to net cash provided by operating activities		
Income (Loss) from operations	$ 284,351	$ (673,404)
Adjustments to reconcile operating income to net cash flows provided by operating activities:		
Depreciation and amortization	2,692,252	2,149,231
Book loss on disposal of capital assets	369,195	-
Changes in		
Accounts receivable	(195,901)	(2,164,915)
Estimated settlements with third party payors	649,556	(99,534)
Supplies and other current assets	(84,137)	543,206
Accounts payable	491,602	(209,870)
Accrued payroll and other current liabilities	42,753	140,622
Deferred outflows	(23,148)	46,653
Deferred inflows	-	43,744
Net cash provided by (used in) operating activities	$ 4,226,523	$ (224,267)

The accompanying notes are an integral part of these statements.

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Memorial Hospital's (the Hospital) significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Reporting Entity

Memorial Hospital was established in accordance with the provisions of 70 ILCS 910 of the Illinois Hospital District Law and has approximately 25 beds in service in Chester, Illinois. The Hospital is certified as a Critical Access Hospital for Medicare reimbursement purposes.

The Hospital also operates two physician clinics, and a specialty clinic.

Accounting principles generally accepted in the United States of America require the reporting entity to include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, there are no other potential component units which should be included with the Hospital's financial statements nor is the Hospital considered to be a potential component unit of any other government.

2. Basis of Accounting and Presentation

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

The Hospital prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). Pursuant to GASB Statement No. 20, the Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that were issued on or before November 30, 1989, and do not conflict with or contradict GASB pronouncements.

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Use of Estimates

The preparation of 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 and liabilities 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.

4. Patient Accounts Receivable

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its history and identifies trends for Medicare, Medicaid, commercial, and self-pay in order to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

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

5. Supplies

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

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6. Prepayments

Prepayment balances consisted of prepaid expenditures for insurance premiums, dues, service contracts, and other miscellaneous expenses. The Hospital's prepayments are not resources available for expenditures.

7. Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets set aside in accordance with donor restrictions.

8. Investments

Investments included in assets whose use is limited consist mainly of certificates of deposit, U.S. Government securities and other governmental funds. Investments are stated at fair value in the statements of net position. Interest and gains and losses, both realized and unrealized, are included in nonoperating income when earned.

9. Capital Assets

The Hospital's capital assets are defined as assets of $5,000 or more and have an estimated useful life of more than one year. Such assets are reported at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land are depreciated or amortized (in the case of capital leases) using the straight-line method of depreciation following the guidelines of the American Hospital Association.

Typical capital asset lives are as follows:

Land Improvements	15 to 20 years
Buildings and Building Improvements	20 to 40 years
Equipment, Computers and Furniture	3 to 7 years

10. Subscription assets

Subscription assets are initially recorded at the initial measurement of the subscription liability which simulates present value, 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.

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. Compensated Absences

The Hospital's employees earn paid time off (PTO) hours at varying rates depending on years of service. Employees accrue PTO time for hours worked, up to 40 hours for each work week. Employees are able to carry a balance of PTO that is equal to eighteen months of their total accrual. Once this limit is reached, they will no longer accrue PTO for hours worked until PTO hours are used.

12. Net Position

Net position of the Hospital is classified in three components. Net investment in capital assets consists of capital assets, leases and subscriptions net of accumulated depreciation and amortization and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted by donor net position equals the principal portion of permanent endowments. Unrestricted net position are remaining net assets that do not meet the definition of net investment in capital assets or restricted by donor.

13. Operating Revenues and Expenses

The Hospital's statements of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Hospital's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisitions, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

14. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide 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, including estimated retroactive adjustments under reimbursement agreements with third-party payers and a provision for uncollectable accounts. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients that do not qualify for financial assistance, the Hospital recognizes revenue based on the standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, the Hospital records a significant provision for bad debts related to uninsured patients for the period the services are provided.

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

15. Financial assistance

The Hospital provides financial assistance to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as financial assistance, they are not reported in net patient services revenue. See Note D for more information.

16. Income Taxes

Providing an essential function for the Chester, IL community, the Hospital is exempt from income taxes under section 115 of the Internal Revenue Code and 70 ILCS 910 of Illinois Hospital District Law.

17. Grants and Contributions

From time to time, the Hospital receives grants as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisition are reported after nonoperating revenues and expenses.

18. New Accounting Pronouncements

Effective for the year ending June 30, 2025, Memorial Hospital adopted Statement No 100 of the Governmental Accounting Standards Board Accounting Changes and Error Corrections (GASB No. 100) and Statement No. 101 of the Governmental Auditing Standards Board Compensated Absences (GASB No. 101).

GASB No. 100 enhances accounting and financial reporting requirements when there is an accounting change or error correction to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Hospital had a change in accounting principal that is described in a detailed note disclosure as a result of implementation of GASB No. 100.

GASB No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. It further requires that a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

NOTE A | DESCRIPTION OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

18. New Accounting Pronouncements

GASB No. 101 further outlines what types of leave qualify for liability reporting and measurement practices regarding rate of pay and associated payroll costs and benefits. The impact of adoption is reflected as a change in accounting principle on the statement of revenues, expenses and changes in net position.

19. Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation. The reclassifications had no effect on the overall net position of the Hospital.

NOTE B | DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to the Hospital. The Hospital follows a policy that requires banks to collateralize balances over the Federal Depository Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insured amount.

At June 30, 2025 and 2024, the Hospital had demand deposits, certificates of deposit, and money market funds with financial institutions.

The bank balances are as follows:

	2025	2024
Insured	$ 7,578,398	$ 7,855,357
Uninsured, collateralized by U.S. Government Securities	31,858,331	29,903,715
Uninsured, no collateral	-	-
Total	$ 39,436,729	$ 37,759,072
Carrying Value	$ 39,573,590	$ 37,120,973

NOTE B | DEPOSITS AND INVESTMENTS

Investments

As of June 30, 2025 and 2024, the Hospital had the following investments and maturities, all of which were held in the Hospital's name by several custodial banks that are agents of the Hospital.

June 30, 2025

Investment Type	Carrying Value	Less than 6 months	6-12 months	1-3 years	More than 4 years
Certificates of Deposit	$ 34,295,487	$ 4,091,067	$ 6,939,863	$ 16,227,274	$ 7,037,283
U.S. Government Securities	218,000	-	-	-	218,000
Money Market Funds	2,566,947	2,566,947	-	-	-
Total	$ 37,080,434	$ 6,658,014	$ 6,939,863	$ 16,227,274	$ 7,255,283

June 30, 2024

Investment Type	Carrying Value	Less than 6 months	6-12 months	1-3 years	More than 4 years
Certificates of Deposit	$ 31,961,424	$ 2,670,094	$ 2,882,995	$ 25,291,978	$ 1,116,357
U.S. Government Securities	500,000	-	-	-	500,000
Money Market Funds	2,117,604	2,117,604	-	-	-
Total	$ 34,579,028	$ 4,787,698	$ 2,882,995	$ 25,291,978	$ 1,616,357

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increases. The Hospital's investment policy is described in the paragraph below. Due to the Hospital's type of investments at June 30, 2025 and 2024 (certificates of deposit and U.S. Government Securities) interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the financial counterparty will fail to meet its defined obligations. State statutes authorize the Hospital to invest only in direct obligations of the U.S. Government or its agencies; direct obligations of any financial institution that is insured by the Federal Depository Insurance Corporation; short term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio is limited to U.S. Government Securities; and certain repurchase agreements. Credit quality ratings disclosures do not pertain to debt securities of the U.S. government.

NOTE B | DEPOSITS AND INVESTMENTS

Investments

Concentration of Credit Risk - The Hospital's policy is to not have a heavy concentration of investments or other deposits at any single financial institution. The Hospital will maximize the yield through Treasury Bills, Treasury Notes, and Certificates of Deposit held in the name of Memorial Hospital. The Chief Financial Officer and Board Treasurer will provide the research information for the best financial returns and overall efficiency in transacting business. Investment direction will be utilized at the local banks and financial institutions. The direction will be contingent upon the institution being competitive in both price and execution for the specific transaction. Financial institutions will be required to pledge assets for Certificates of Deposit that exceed $250,000 in FDIC insurance.

The carrying amounts of deposits and investments are included in the Hospital's statements of net position as follows:

	2025	2024
Carrying Amount		
Deposits	$ 2,303,764	$ 2,438,388
Investments	37,080,434	34,579,028
Petty cash	1,659	1,110
Accrued interest	187,733	102,447
	$ 39,573,590	$ 37,120,973
Included in the following statements of net position captions		
Cash	$ 2,305,423	$ 2,439,498
Assets whose use are limited:		
Board designated	37,195,907	34,611,280
Restricted by donor	72,260	70,195
	$ 39,573,590	$ 37,120,973

NOTE C | FAIR VALUE OF FINANCIAL INSTRUMENTS

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 are 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 or liabilities

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

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Certificates of Deposit and Money Market Funds - are valued at amortized cost, which approximates fair value.

U.S. Government Securities - are valued at the closing price reported in the active market in which the individual security is traded.

At June 30, 2025 the Hospital's investments consisted of various investments listed below which are Level 1 and 2 assets.

	Fair Value Measurements at June 30, 2025	Level 1	Level 2	Level 3
Certificate of Deposit	$ 34,295,487	$ -	$ 34,295,487	$ -
U.S. Government Securities	218,000	218,000	-	-
Money Market Funds	2,566,947	2,566,947	-	-
Total Assets	$ 37,080,434	$ 2,784,947	$ 34,295,487	$ -

NOTE C | FAIR VALUE OF FINANCIAL INSTRUMENTS

At June 30, 2024 the Hospital's investments consisted of various investments listed below which are Level 1 and 2 assets.

	Fair Value Measurements at June 30, 2024	Level 1	Level 2	Level 3
Certificate of Deposit	$ 31,961,424	$ -	$ 31,961,424	$ -
U.S. Government Securities	500,000	500,000	-	-
Money Market Funds	2,117,604	2,117,604	-	-
Total Assets	$ 34,579,028	$ 2,617,604	$ 31,961,424	$ -

The Hospital's financial instruments are as follows:

Investments
Accounts payable and accrued expenses
Estimated third party settlements

The carrying amount reported in the statements of net position for the financial instruments approximates fair value.

NOTE D | UNCOMPENSATED CARE AND COMMUNITY BENEFIT

In support of its mission, the Hospital voluntarily provides care to patients at less than its established charges for patients that meet the Hospital's financial assistance criteria. The Hospital does not pursue collection of amounts determined to qualify as financial assistance.

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

NOTE D | UNCOMPENSATED CARE AND COMMUNITY BENEFIT

The Hospital's total cost of uncompensated care relating to these services and other services are as follows:

	2025	2024
Financial assistance	$ 74,090	$ 109,525
State Medicaid and other public programs	2,172,882	1,887,373
Uncollectible accounts	772,359	583,686
	$ 3,019,331	$ 2,580,584

The uncompensated care cost of state Medicaid and other public aid programs is determined by computing the cost of providing that care less amounts paid by the programs.

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

NOTE E | THIRD PARTY REIMBURSEMENT

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Medicare - The Hospital has been designated a Critical Access Hospital (CAH) under the Medicare program. As a CAH, the Hospital receives cost reimbursement for the majority of Medicare patient care services. The Hospital is reimbursed for services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

- Medicaid - Inpatient services rendered to Medicaid program beneficiaries are reimbursed at a daily per diem. These rates are generally based upon Medicare inpatient rates plus additional payments for certain services rendered by the Hospital. Outpatient services are reimbursed based upon defined allowable rates.

- Blue Cross - Inpatient services are reimbursed at charges but are subject to retroactive cost settlements.

NOTE E | THIRD PARTY REIMBURSEMENT

A significant portion of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs. 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.

Any difference between the final settled Medicare cost report and the original as filed is recorded in the current year. The Hospital Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through June 30, 2022. The Hospital has recorded possible settlement amounts, reflected below, for fiscal years ending June 30, 2023, 2024 and 2025.

Amounts due (to) from third-party reimbursement programs at June 30, 2025 and 2024 consist of:

	2025	2024
Medicare cost report settlements	$ (604,556)	$ 45,000
Blue Cross cost report settlement	-	-
	$ (604,556)	$ 45,000

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

NOTE F | NET PATIENT SERVICE REVENUE

Schedule of patient service revenue net of contractual allowances and discounts consist of the following for the years ended June 30, 2025 and 2024:

2025

	Medicare	Medicaid	Commercial	Private Pay	Total
Gross Revenue	$ 19,121,488	$ 8,040,054	$ 42,073,882	$ 1,091,635	$ 70,327,059
Contactual Adjustments	(8,993,102)	(5,164,566)	(15,778,285)	-	(29,935,953)
	$ 10,128,386	$ 2,875,488	$ 26,295,597	$ 1,091,635	40,391,106
				Provision for Bad Debt	(1,581,599)
				Financial Assistance	(165,025)
				Net Patient Service Revenue	$ 38,644,482

2024

	Medicare	Medicaid	Commercial	Private Pay	Total
Gross Revenue	$ 17,674,696	$ 7,410,136	$ 33,573,398	$ 809,219	$ 59,467,449
Contactual Adjustments	(7,207,130)	(4,145,919)	(13,076,974)	-	(24,430,023)
	$ 10,467,566	$ 3,264,217	$ 20,496,424	$ 809,219	35,037,426
				Provision for Bad Debt	(1,123,566)
				Financial Assistance	(191,477)
				Net Patient Service Revenue	$ 33,722,383

NOTE F | NET PATIENT SERVICE REVENUE

Illinois Hospital Medicaid Assessment Program

The Hospital has recorded additional Medicaid revenue from the State of Illinois Enhanced Hospital Assessment Program. Under the assessment program hospitals contribute money to a fund in the form of a tax assessment based on their adjusted gross income. Governmental type hospitals are exempt from the tax. The fund receives a Federal match from the Medicare program and the money is then redistributed to hospitals based on a complex formula. The purpose of the program is to distribute funds to hospitals that serve a disproportionate number of low-income patients.

The effects of this program in the statements of revenues, expenses and changes in net position for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Hospital Assessment Program payments included in net patient service revenue	$ 8,268	$ 21,031
ACA Hospital Access Payments for Managed Care Organizations included in net patient service revenue	501,550	667,922
Additional Medicaid Payment	147,870	163,169
ACA Supplemental Payment included in net patient service revenue	5,207	13,467
Total	$ 662,895	$ 865,589

The provider assessment has been an important component in providing positive cash flows to support Hospital operations.

NOTE G | CAPITAL ASSETS

Capital asset additions, retirements, and balances for the years ended June 30, 2025 and 2024 were as follows:

	Balance 2024	Additions	Deletions and Transfers	Balance 2025
Property, plant and equipment being depreciated				
Land improvements	$ 1,697,499	$ -	$ 386,743	$ 2,084,242
Building	24,413,069	160,449	4,934,735	29,508,253
Building equipment	1,262,669	44,981	3,734,175	5,041,825
Departmental equipment	14,702,281	217,411	(1,393,589)	13,526,103
	42,075,518	422,841	7,662,064	50,160,423
Less accumulated depreciation				
Land improvements	(694,875)	(83,834)	7,649	(771,060)
Building	(13,423,807)	(1,167,194)	412,130	(14,178,871)
Building equipment	(985,843)	(198,231)	107,409	(1,076,665)
Departmental equipment	(12,201,168)	(912,358)	1,759,792	(11,353,734)
	(27,305,693)	(2,361,617)	2,286,980	(27,380,330)
Total property, plant and equipment being depreciated	14,769,825	(1,938,776)	9,949,044	22,780,093
Property, plant and equipment not being depreciated				
Construction in progress	7,469,098	2,794,454	(10,247,720)	15,832
Land	232,983	-	(70,519)	162,464
Total property, plant and equipment not being depreciated	7,702,081	2,794,454	(10,318,239)	178,296
Total property, plant and equipment, net	$ 22,471,906	$ 855,678	$ (369,195)	$ 22,958,389

NOTE G | CAPITAL AND SUBSCRIPTION ASSETS

	Balance 2023	Additions	Deletions and Transfers	Balance 2024
Property, plant and equipment being depreciated				
Land improvements	$ 724,211	$ -	$ 973,288	$ 1,697,499
Building	23,966,085	50,941	396,043	24,413,069
Building equipment	1,228,415	19,638	14,616	1,262,669
Departmental equipment	14,388,551	182,255	131,475	14,702,281
	40,307,262	252,834	1,515,422	42,075,518
Less accumulated depreciation				
Land improvements	(643,078)	(51,797)	-	(694,875)
Building	(12,508,780)	(915,027)	-	(13,423,807)
Building equipment	(951,208)	(34,635)	-	(985,843)
Departmental equipment	(11,456,544)	(927,350)	182,726	(12,201,168)
	(25,559,610)	(1,928,809)	182,726	(27,305,693)
Total property, plant and equipment being depreciated	14,747,652	(1,675,975)	1,698,148	14,769,825
Property, plant and equipment not being depreciated				
Construction in progress	459,989	8,707,257	(1,698,148)	7,469,098
Land	232,983	-	-	232,983
Total property, plant and equipment not being depreciated	692,972	8,707,257	(1,698,148)	7,702,081
Total property, plant and equipment, net	$ 15,440,624	$ 7,031,282	$ -	$ 22,471,906

NOTE G | CAPITAL ASSETS

Construction in progress at June 30, 2025 consists mainly of amounts expected for the following projects:

Project	Estimated Cost to Complete	Funding Source
Oracle / Craneware TPA for 340B program	$ -	Operations
Electromek – Tech Refresh	$ 4,000	Operations
Estimated Total Cost of Completion	$ 4,000	

The Oracle / Craneware project has been completed, but not yet placed into service. This is anticipated within the next fiscal year.

Subscription asset additions, retirements, and balances for the years ended June 30, 2025 were as follows:

	Balance 2024	Additions	Deletions and Transfers	Balance 2025
Subscription-based IT asset	$ 2,552,480	$ -	$ (9,093)	$ 2,543,387
Less accumulated amortization	(220,423)	(330,635)	-	(551,058)
Total Subscription IT asset, net	$ 2,332,057	$ (330,635)	$ (9,093)	$ 1,992,329

NOTE H | RETIREMENT PLAN

A. Plan Description

The Memorial Hospital Retirement Plan is a defined contribution pension plan established by the Hospital's Board of Directors to provide benefits at retirement to employees of the Hospital. At June 30, 2025 and 2024 there were 324 and 322 plan members, respectively. Plan members are not required to contribute. The Hospital is required to contribute 8% of plan members' earnings up to $16,500 and 12.3% of the earnings over $16,500. Plan provisions and contribution requirements are established and may be amended by the Hospital's Board of Directors. Effective July 1, 2004, for all employees hired on/or after July 1, 2004, the Hospital is required to contribute 8% of the plan members earnings. Effective October 1, 2014, for all employees hired on/after October 1, 2014, the hospital is required to contribute 5% of the plan members' earnings with an additional 3% matching option.

NOTE H | RETIREMENT PLAN

Pension expense charged to operations for the years ended June 30, 2025 and 2024 were $1,110,043 and $1,062,437, respectively.

B. Investments

Currently, all contributions are invested in various funds with American United Life.

NOTE I | OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description. In addition to providing the retirement benefits described, the Hospital provides post-retirement medical and prescription drug health benefits for eligible retirees, dependents and surviving spouses through a single employer group health insurance plan.

Benefits Provided. The Hospital provides post-employment health care benefits to its eligible retirees. To be eligible for benefits, an employee must qualify for retirement under the Hospital's retirement plan. All health care benefits are provided through the Hospital's Health Insurance Plan. The benefit levels are the same as those afforded to active employees. Benefits include inpatient and outpatient hospital services; emergency room; well care exams; ambulance treatment; chiropractic treatment; and prescription drug benefits. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Hospital's plan coverage ends.

Membership. At June 30, 2025, membership consisted of:

Retirees and beneficiaries receiving benefits	5
Active participants	206
Total	211
Participating employers	1

Funding Policy. Employees may retire from the Hospital after age 55 and with 10 years of service and can continue the medical/prescription benefit plan. All retirees contribute 100% of the premium to the plan and the Hospital contributes the implicit premium to cover the cost of providing the benefits to the retirees via the insured plan.

Annual OPEB Costs and Net OPEB Liability. The Hospital elected to have an actuarial valuation performed for the plan every two years to determine the employer's annual required contribution (ARC). The valuation was performed for the fiscal year ending June 30, 2024.

NOTE I | OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at June 30, 2025:

- The **Actuarial Cost Method** used was Entry Age Normal Level Percentage of Payroll
- The **Discount Rate** used was 4.0% annum
- The **Return on Assets** used was 4.0% per annum
- The **Pre-Retirement Turnover** used was 5% per year
- The **Pre-Retirement Mortality** used 2014 Group Annuity Mortality, Male and Female tables
- The **Post-Retirement Mortality** used was 2014 Group Annuity Mortality, Male and Female tables. Benefits end at age 65.
- **Retirement Rates** used:
  - 55-59 12.5%
  - 60-64 25.0%
  - The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.
- The **Trend Rate** was based on the current study by the Society of Actuaries titled: "Modeling Long Term Healthcare Cost Trends" and dated December 10, 2007.
- Annual **Salary** Increases used was 3%.
- **Annual Cost per Retiree/Survivor as of June 30, 2025**:
  - Percent of Total Active Premium

Age	Male Medical	Female Medical
55	20.9%	21.9%
60	59.9%	36.9%

- Cost for Spousal and Dependent Coverage:
  - Not covered
- Retiree plan selection for current and future retirees:
  - Active employees were assumed to select the existing type of coverage for retirement.

NOTE I | OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net OPEB (B)	Net OPEB Liability (A)-(B)
Balances at June 30, 2024			
Changes for the year:	$ 950,713	$ -	$ 950,713
Benefits, Payments and Refunds	-	-	-
Net Changes	-	-	-
Balances at June 30, 2025	$ 950,713	$ -	$ 950,713

NOTE J | SUBSCRIPTION LIABILITIES

The Hospital has a subscription-based information technology agreement (SBITA) for their electronic health record system. The contract commenced during fiscal year 2024 and will be paid quarterly. The cost of each quarterly payment may increase each year or as needed by either 3% or the consumer price index, whichever is less, and such increases are at the discretion of the software company. The current contract will expire in fiscal year 2031.

The following is a summary of the long-term obligation for SBITA's that are held by the Hospital:

	Balance 2024	Additions	Deletions and Transfers	Balance 2025
Subscription-based IT liability	$ 2,332,056	$ -	$ (339,727)	$ 1,992,329
Total Subscription-based IT liability	$ 2,332,056	$ -	$ (339,727)	$ 1,992,329

NOTE J | SUBSCRIPTION LIABILITIES

The following is a schedule of anticipated payments for the SBITA:

Year ending June 30		
2026	$	349,093
2027		360,417
2028		371,229
2029		382,366
2030		393,837
Thereafter		135,387
	$	1,992,329

NOTE K | CONTINGENCIES

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; medical malpractice; and employee health, dental, and accidents benefits. Commercial insurance coverage is purchased for claims arising from such matters. While settled claims have not exceeded this commercial coverage in any of the three preceding years, any large claims could adversely impact future years' premium costs. Adjustments of estimated to actual expenses, if any, are included in the period such adjustments are determined.

Employee Health Insurance

The Hospital maintains a partially self-funded employee health benefit plan. It is self-funded to a maximum of $75,000 per individual per plan year. Coverage amounts in excess of this limit have been obtained by means of a stop-loss policy. Memorial Hospital claims are not covered by the stop-loss policy. The Hospital is responsible for amounts not covered by the insurance policy and accrues the expense of its share of claims, if any, plus unasserted claims and unreported incidents occurring during the year by estimating the probable ultimate cost of any related claims. Such estimates are based on the Hospital's past claim experience.

NOTE K | CONTINGENCIES

Professional Liability Insurance

The Hospital purchases medical malpractice insurance under a claims-made policy. Under such policy, only claims made and reported to the insurer are covered during the policy term, regardless of when the incident giving rise to the claim occurred. The Hospital bears risk for the portion of any individual claim that exceeds $1,000,000 or aggregate claims exceeding $3,000,000 during the policy period. In addition, the Hospital carries a claims-made hospital professional liability umbrella policy with coverage limited to $1,000,000 for each claim and in the aggregate. The umbrella policy requires underlying insurance of $1,000,000/$3,000,000 and has a retained limit of $25,000. 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 for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate cost of the incidents. As of June 30, 2025, there were three open claims. The Hospital estimates and recognized a liability for the remaining unpaid deductible on the open claims as well as the potential for one incurred but not reported claim of $50,000 at June 30, 2025 and 2024.

NOTE L | CONCENTRATIONS OF CREDIT RISK

The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors at June 30, 2025 and 2024 were as follows:

	2025		2024	
Medicare	$ 2,962,798	52%	$ 2,922,265	53%
Medicaid	225,066	4%	299,917	5%
State of Illinois	682,189	12%	743,191	13%
Other third-party payors	1,181,541	21%	1,009,919	18%
Private pay	79,778	1%	95,583	2%
RHC receivables	574,196	10%	438,792	8%
	$ 5,705,568	100%	$ 5,509,667	100%

NOTE M | CHANGE IN ACCOUNTING PRINCIPAL

As detailed in Note A.18, GASB issued statement No. 101, Compensated Absences, which requires a more robust estimate related to compensated absences reported at year end. This change was retroactive to the accounting periods presented in this report, causing a restatement of fiscal year ending June 30, 2024 financial information.

NOTE N | SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after June 30, 2025 through October 6, 2025 the date we issued these financial statements. No subsequent events were identified.

Required Supplementary Information

Memorial Hospital
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 CALENDAR YEARS
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Cost	$ -	$ 37,937	$ -	$ 23,591	$ -	$ -	$ 67,578	$ -	$ 32,369
Interest on the Total OPEB Liability	-	54,980	-	$ 52,450	-	-	56,237	-	27,591
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	-	-	-	-	-	-	-	-
Assumption Changes	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	(49,173)	-	150,988	-	-	(82,251)	-	(34,724)
Net Change in Total OPEB Liability	-	43,744	-	227,029	-	-	41,564	-	25,236
Total OPEB Liability - Beginning	950,713	906,969	906,969	679,940	679,940	679,940	638,376	638,376	613,140
Total OPEB Liability - Ending	$ 950,713	$ 950,713	$ 906,969	$ 906,969	$ 679,940	$ 679,940	$ 679,940	$ 638,376	$ 638,376
Plan Fiduciary Net Position									
Employer Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Contributions	-	-	-	-	-	-	-	-	-
OPEB Plan Net Investment Income	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-	-	-
Total OPEB Liability - Ending	$ 950,713	$ 950,713	$ 906,969	$ 906,969	$ 679,940	$ 679,940	$ 679,940	$ 638,376	$ 638,376

Notes to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Supplementary Information

Memorial Hospital
PATIENT SERVICE REVENUE
Years ended June 30

	2025			2024		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
DAILY PATIENT SERVICES						
Medical and surgical	$ 1,415,645	$ 137,020	$ 1,552,665	$ 1,380,740	$ 125,099	$ 1,505,839
Intensive care	179,358	217,810	397,168	152,728	201,319	354,047
	1,595,003	354,830	1,949,833	1,533,468	326,418	1,859,886
ANCILLARY SERVICES						
Operating room	107,866	2,546,040	2,653,906	91,745	2,287,390	2,379,135
Recovery room	5,880	90,201	96,081	5,210	54,192	59,402
Medical and surgical supplies	485,587	4,261,072	4,746,659	497,975	3,768,746	4,266,721
Medical and surgical implant supply	35,410	533,987	569,397	19,112	310,670	329,782
Emergency room	19,063	5,804,113	5,823,176	6,934	5,193,291	5,200,225
Laboratory	642,301	12,655,672	13,297,973	696,354	10,005,631	10,701,985
Electrocardiology	77,380	1,554,599	1,631,979	57,479	1,297,626	1,355,105
Cardiology	-	6,669	6,669	-	7,718	7,718
Electroencephalography	387	329,647	330,034	-	295,801	295,801
Radiology	58,671	2,122,857	2,181,528	75,348	1,907,510	1,982,858
Ultrasonography	33,340	958,504	991,844	15,751	909,620	925,371
Pharmacy	354,248	1,753,369	2,107,617	343,422	2,563,726	2,907,148
Nuclear medicine	201,293	9,263,582	9,464,875	181,964	7,870,217	8,052,181
Magnetic resonance imaging	46,713	2,379,187	2,425,900	55,881	2,100,429	2,156,310
Anesthesiology	5,137	75,098	80,235	4,186	65,772	69,958
IV therapy	291	403,656	403,947	2,661	281,838	284,499
Inhalation therapy	132,285	186,199	318,484	114,200	153,395	267,595
Chemotherapy	76	8,360,517	8,360,593	1,474	3,894,297	3,895,771
Physical therapy	292,434	2,170,160	2,462,594	314,130	2,032,565	2,346,695
Speech therapy	24,522	130,057	154,579	15,918	109,906	125,824
Audiology	-	146,493	146,493	-	179,662	179,662
Wound Care	1,454	431,663	433,117	1,856	426,533	428,389
Occupational therapy	151,676	91,172	242,848	146,921	139,952	286,873
Clinic	1,922	1,468,313	1,470,235	616	1,174,121	1,174,737
Diabetes	-	2,796	2,796	-	2,005	2,005
Cardiac & Pulmonary Rehab	-	304,859	304,859	-	18,160	18,160
Rural Health Clinic	542,851	7,125,956	7,668,807	505,151	7,402,502	7,907,653
	3,220,787	65,156,438	68,377,225	3,154,288	54,453,275	57,607,563
	$ 4,815,790	$ 65,511,268	$ 70,327,058	$ 4,687,756	$ 54,779,693	$ 59,467,449
Less:						
Contractual adjustments			29,935,952			24,430,023
Provision for bad debt			1,581,599			1,123,566
Financial assitance adjustments			165,025			191,477
			31,682,576			25,745,066
Net patient service revenue			$ 38,644,482			$ 33,722,383

Memorial Hosptial
OTHER OPERATING REVENUE
Years ended June 30

	2025	2024
Cafeteria sales	$ 56,597	$ 51,407
Vendor rebates	92,543	93,443
Maintenance	43,353	93,240
Healthy Heart Program	11,575	12,174
Supplies sold to employees	180	149
Miscellaneous	52,310	53,900
Retail Pharmacy	429,000	203,429
340 B Drug Program	19,805	48,636
	$ 705,363	$ 556,378

Memorial Hospital
OPERATING EXPENSES
Years Ended June 30

	2025	2024
SALARIES AND WAGES		
Routine service	$ 1,944,928	$ 1,965,411
Intensive care unit	101,339	141,435
Chemotherapy	248,311	288,281
Operating room	664,824	629,902
Recovery room	68,937	90,977
Emergency services	1,025,151	954,988
Laboratory	975,426	873,126
Electrocardiology	80,121	79,919
Electroencephalography	58,762	56,458
Radiology	333,446	294,147
Ultrasonography	70,105	55,551
Nuclear medicine	378,047	349,739
MRI	70,535	71,890
Pharmacy	370,416	343,552
Occupational therapy	106,741	120,996
Physical therapy	524,271	511,808
Speech therapy	49,053	54,073
Wound care	6,335	3,399
Dietary	436,751	438,514
Laundry	56,602	62,563
Purchasing	65,484	60,605
Administrative and general	1,951,532	1,831,808
Maintenance	470,660	547,332
Housekeeping	433,916	439,546
Medical records	542,227	466,804
Quality assurance	102,377	118,544
Medical Utilization Review	119,297	140,766
Risk Management	157,898	154,858
Inhalation therapy	144,825	141,356
Cardiac & Pulmonary Rehab	101,572	37,504
Clinic	299,408	347,315
Rural Health Clinic	4,486,225	3,803,192
Total salaries and wages	$ 16,445,522	$ 15,476,359
EMPLOYEE BENEFITS		
Insurance	$ 2,807,348	$ 2,453,814
Retirement plan	1,110,043	1,062,437
OPEB expense	-	119,421
Employer FICA tax	939,800	892,538
Other	30,666	38,549
Rural Health Clinic	904,130	785,156
Total employee benefits	$ 5,791,987	$ 5,351,915

Memorial Hospital
OPERATING EXPENSES
Years ended June 30

	2025	2024
PROFESSIONAL FEES		
Emergency Services	$ 2,236,860	$ 1,916,218
Laboratory	30,600	57,238
Electrocardiology	54,694	47,135
Electroencephalography	575	375
Audiology	46,332	58,837
Oncology	188,379	209,290
Wound Care	105,436	112,443
Clinic	1,556,018	1,462,219
Inhalation Therapy	3,232	3,200
Operating Room	4,750	688
Routine Service	17,255	17,773
Radiology	9,500	-
Total professional fees	$ 4,253,631	$ 3,885,416
SUPPLIES AND OTHER		
Routine Service	$ 71,884	$ 63,526
Intensive Care Unit	15,804	14,597
Chemotherapy	3,321,790	1,764,781
Operating Room	153,584	152,952
Central Supply	787,492	614,970
Emergency Services	55,181	53,040
Laboratory	1,101,339	1,121,445
Electrocardiology	14,221	7,685
Electroencephlography	16,974	10,338
Radiology	139,586	134,856
Ultrasonography	18,785	15,757
Pharmacy	528,783	761,671
Nuclear Medicine	392,529	275,279
Magnetic Resonance Imaging	117,881	87,391
Anesthesiology	8,929	8,428
Inhalation Therapy	9,622	9,112
Physical Therapy	10,072	16,546
Occupational Therapy	42	849
Medical Records	36,757	36,996
Quality Assurance	2,675	5,069
Clinic	11,209	11,102
Dietary	191,297	195,443
Maintenance	608,989	646,237
Housekeeping	49,973	56,754
Laundry	79,095	53,463
Purchasing	4,689	3,808
Administrative and General	1,050,061	1,040,995
General Insurance	401,903	347,610
Medical Utilization Review	27,493	27,948
Recovery Room	10,252	10,041
Cardiac & Pulmonary Rehab	2,294	14,413
Rural Health Clinic	640,917	526,142
Total supplies and other	$ 9,882,102	$ 8,089,244

Memorial Hospital
OPERATING EXPENSES
Years ended June 30

	2025	2024
DEPRECIATION AND AMORTIZATION		
Land Improvements	$ 83,834	$ 51,797
Building	913,077	891,306
Building Equipment	87,888	34,635
Departmental Equipment	861,921	891,606
Rural Health Clinic	414,897	59,464
Subscription-based IT agreements	330,635	220,423
Total depreciation and amortization	$ 2,692,252	$ 2,149,231
Total operating expenses	$ 39,065,494	$ 34,952,165

Memorial Hospital
PROPERTY AND EQUIPMENT ACQUIRED AND PLACED INTO SERVICE
Year ended June 30, 2025

ADDITIONS $5,000 AND GREATER	
MOB - Carpentry Work	5,264,726
MOB - HVAC	1,389,819
Solar Panels	1,001,633
MOB - Electrical	808,418
MOB - Site Development	380,167
MOB - Plumbing	352,403
MOB - Carpentry Work	248,451
MOB - Fire Alarm-Sprinklers-Security	180,012
MOB - Carpentry Work - Addtl Architect Fees	94,593
MOB - Electrical	85,733
Cardiac Monitor Upgrades	75,425
Meditech Archive	64,140
Phase 5a/5b - Carpentry - Architect Fees	49,351
MOB - HVAC Additional	37,522
MOB - Lighting	31,725
Cerner - Claims/Billing Implementation Fees	28,636
Ph3B/4B - Architect Exp-Radio Clinic/Basement Audio/Dietary	27,844
Emergency Room - HVAC	27,847
MOB - IT Equipment	26,070
Lower Level Flooring	22,382
Pharmacy Awning/Drive Thru Window	17,897
Insufflator Pneumoclear	16,759
Signage	16,459
MOB - Landscaping	15,225
Lower Level Ceiling	14,727
MOB - Wireless Network	13,516
Bladder Scanner	11,987
Vulcan 48" Range	11,605
Arthroscopy Pump (Crossflow Console)	10,216
Information Management System SDC4K	10,211
Phase 5a/5b - Carpentry - Architect Fees	10,098
Lararoscope Autoclave	8,224
Telephone System - Upgrade	7,082
MOB - Camera System	6,813
Stepper SciFit StepOne - TSRC	6,107
PACS Server Update	5,590
TOTAL ACQUIRED AND PLACED INTO SERVICE GREATER THAN $5,000	10,379,413
OTHER ADDITIONS LESS THAN $5,000	291,148
CONSTRUCTION IN PROGRESS AT JUNE 30, 2025	15,832
CONSTRUCTION IN PROGRESS AT JUNE 30, 2024	(7,469,098)
TOTAL PROPERTY AND EQUIPMENT ACQUIRED AND PLACED INTO SERVICE	$ 3,217,295

Memorial Hospital
SERVICE STATISTICS
Years ended June 30
(Unaudited)

	2025	2024	Percentage of Occupancy 2025	Percentage of Occupancy 2024
PATIENT DAYS				
Medical, Surgical and Pediatric	600	661	18.0%	18.1%
Swing Bed	910	861		
Intensive Care	30	32	4.1%	4.4%
	1,540	1,554	16.9%	17.0%
OBSERVATION DAYS	445	484		
MEDICARE PATIENT DAYS	665	666		
MEDICARE UTILIZATION	43.2%	42.9%		
ADMISSIONS	254	247		
DISCHARGES				
Medical, Surgical, and Pediatric	162	172		
Swing Bed	75	65		
Intensive Care	7	6		
	244	243		
AVERAGE LENGTH OF STAY (DAYS)				
Medical, Surgical and Pediatrics	3.7	3.8		
Swing Bed	12.1	13.2		
Intensive Care	4.3	5.3		
AVERAGE DAILY CAPACITY				
Medical, Surgical, and Pediatric/Swing/Transitional	23	23		
Intensive Care	2	2		
OUTPATIENT REGISTRATIONS	31,878	30,050		