Sparta Community Hospital District

Independent Auditor's Report and Financial Statements

June 30, 2025 and 2024

Sparta Community Hospital District
Contents
June 30, 2025 and 2024

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

Opinion

We have audited the financial statements of Sparta Community Hospital District (Hospital), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents. We previously expressed unmodified opinions on the 2021 through 2023 financial statements.

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, 2025 and 2024, 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 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.

We previously expressed unmodified opinions on the 2023 financial statements.

Forvis Mazars, LLP

St. Louis, Missouri
October 21, 2025

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, 2025 and 2024 with comparative information presented for year 2023. It should be read in conjunction with the accompanying financial statements of the Hospital.

Financial Highlights

- Cash and investments decreased by approximately $1,550,000 or 4% in 2025 and increased by approximately $4,910,000 or 15% in 2024.
- Patient accounts receivable increased approximately $702,000 or 15% in 2025 after having decreased by approximately $75,000 or 2% in 2024.
- The Hospital's net position increased by approximately $2,383,000 in 2025 and increased by approximately $3,185,000 in 2024.
- The Hospital reported an operating income of approximately $59,000 in 2025 and an operating income of approximately $1,035,000 in 2024.

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 2025 by approximately $2,383,000 (5%) and increased in 2024 by approximately $3,185,000 (7%) as shown in Table 1.

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

	2025	2024	2023
Assets			
Cash and cash equivalents	$ 21,995,664	$ 24,227,908	$ 20,356,292
Current and noncurrent cash and investments	14,127,608	13,442,520	12,404,631
Total cash and investments	36,123,272	37,670,428	32,760,923
Patient accounts receivable, net	5,383,518	4,681,911	4,758,676
Other current assets	2,526,726	2,508,252	3,492,488
Capital assets, net	10,050,993	6,831,957	7,052,556
Lease assets, net	171,743	223,380	255,188
Subscription assets, net	418,369	407,432	419,074
Grant funds receivable	48,417	94,961	-
Estimated amount due from trust	-	-	448,000
Total Assets	$ 54,723,038	$ 52,418,321	$ 49,186,905
Liabilities and Deferred Inflows			
Long-term obligations and deferred inflows	$ 254,639	$ 440,084	$ 524,260
Other liabilities	5,766,145	5,658,967	5,527,859
Total Liabilities and Deferred Inflows	6,020,784	6,099,051	6,052,119
Net Position			
Net investment in capital assets	10,136,669	6,805,800	6,968,717
Unrestricted	38,565,585	39,513,470	36,166,069
Total Net Position	48,702,254	46,319,270	43,134,786
Total Liabilities, Deferred Inflows and Net Position	$ 54,723,038	$ 52,418,321	$ 49,186,905

The Hospital had changes in its assets, liabilities, and deferred inflows of resources during 2025 and 2024, as shown in Table 1:

- Total cash and investments decreased approximately $1,547,000 (4%) in 2025 and increased $4,910,000 (15%) in 2024. The decrease in 2025 is the result of the Hospital internally funding capital projects. The increase in 2024 is the result of the increase in net position during the year along with the decrease in other current assets.

- Net patient accounts receivable increased by approximately $702,000 (15%), compared to a decrease of approximately $75,000 (2%) in 2024. Net days revenue in patient accounts receivable increased from approximately 38 days in 2024 to approximately 41 days in 2025.

- Other current assets increased approximately $18,000 (1%) from 2024, and decreased $985,000 or (28%) from 2023. The decrease from 2023 was mainly due to settlements received on cost reports for 2016-2022 that had revised settlements.

- Capital assets, net, increased by approximately $3,219,000 (47%) in 2025 and decreased $220,000 (3%) in 2024. Most of the increase is due to capital additions of approximately $5,960,000 offset by disposals and depreciation expense of approximately $1,475,000.

- Long-term obligations and deferred inflows of resources decreased approximately $185,000 (42%) in 2024 and decreased approximately $85,000 (16%) in 2024. The decreases in long-term obligations in 2025 and 2024 were primarily related to the amortization of lease and subscription liabilities during the year with limited additions.

- Other liabilities increased approximately $107,000 or 2% from 2024 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 2025 by approximately $802,000 (25%) and decreased in 2024 by approximately $95,000 (3%) as shown in Table 2. Total operating revenues increased approximately $2,544,000 (5%) in 2025, total operating expenses increased approximately $3,522,000 (8%), and nonoperating revenues increased approximately $177,000 (8%) in 2025.

Table 2: Operating Results and Changes in Net Position

	2025	2024	2023
Operating Revenues			
Net patient service revenue	$ 48,407,984	$ 45,139,616	$ 44,341,790
Other	1,701,913	2,426,547	2,743,904
Total Operating Revenues	50,109,897	47,566,163	47,085,694
Operating Expenses			
Salaries and wages and employee benefits	31,345,509	28,729,274	29,394,292
Physician services and professional fees	8,884,469	8,268,315	7,678,947
Other operating expenses	7,996,737	7,874,357	8,530,631
Depreciation and amortization	1,824,468	1,657,461	1,619,597
Total Operating Expenses	50,051,183	46,529,407	47,223,467
Operating Income (Loss)	58,714	1,036,756	(137,773)
Nonoperating Revenues (Expenses)			
Tax revenue	330,570	351,605	396,642
Investment income	1,752,898	1,556,818	828,002
Interest expense	(35,566)	(31,675)	(35,230)
Loss on sale of capital assets	(1,077)	(34,756)	-
Noncapital grants and gifts	277,445	305,736	2,229,393
Total Nonoperating Revenues	2,324,270	2,147,728	3,418,807
Increase in Net Position	$ 2,382,984	$ 3,184,484	$ 3,281,034

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.

2025

Operating revenues for 2025 increased by approximately $2,544,000 or 5%. This increase was primarily related to an increase in net patient service revenue of approximately $3,268,000 or 7%. 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 contract pharmacy services in 2025 as the result of increased manufacturer restrictions.

Operating expenses increased in 2025 by approximately $3,522,000 or 8%. Increases in expenses came in expected areas, and to the extent costs could be monitored and contained, they were. The main increase came in employee benefit expense due to increases in the self-insured employee health plan.

Operating income for 2025 decreased approximately $978,000, as compared to 2024.

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 contract 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.

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 increased by approximately $176,000 (8.2%), as compared to 2024. The primary component of the increase in nonoperating revenues in 2025 was an increase in investment income compared to 2024.

Nonoperating revenues and expenses increased by approximately $1,270,000 (27%), as compared to 2023 due to a decrease in noncapital grants and gifts.

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

2025 Capital, Lease and Subscription Assets

At the end of 2025, the Hospital had approximately $10,051,000 invested in capital assets, net of accumulated depreciation, as detailed in Note 8 to the financial statements.

In 2025, the Hospital completed additions of approximately $60,000 for land improvements, approximately $109,000 to its various buildings, and approximately $1,227,000 on new equipment. The main additions in 2025 were related to the purchase of miscellaneous equipment and construction in progress.

In addition, the Hospital had approximately $172,000 of lease assets, net and approximately $418,000 of subscription assets, net as of June 30, 2025.

The Hospital had lease liabilities of approximately $185,000 at June 30, 2025, and subscription liabilities of approximately $320,000 at June 30, 2025. Total net long-term obligations decreased in 2025 due to the Hospital minimal additions of subscription assets and liabilities during the year.

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.

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.

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*	**/s/** *Lisa Ernsting*
Joann Emge	Lisa Ernsting
Administrator and Chief Executive Officer	Chief Financial Officer

Sparta Community Hospital District
Balance Sheets
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 21,995,664	$ 24,227,908
Patient accounts receivable, net of allowance for uncollectible accounts; 2025 and 2024 - $2,800,000	5,383,518	4,681,911
Tax revenue receivable	268,000	256,000
Supplies	737,606	661,530
Estimated amounts due from Medicare	255,000	100,000
Marketable securities, short-term	2,518,751	3,355,079
Prepaid expenses and other	1,266,120	1,490,722
Grant funds receivable	48,417	94,961
Total Current Assets	32,473,076	34,868,111
Noncurrent Cash and Investments		
Internally designated	2,753,262	2,625,298
Marketable securities, long-term	8,855,595	7,462,143
	11,608,857	10,087,441
Capital Assets, At Cost		
Land and land improvements	1,457,174	1,398,157
Buildings	18,372,119	18,262,738
Equipment	15,913,693	15,232,857
Construction in progress	3,318,072	15,339
	39,061,058	34,909,091
Less accumulated depreciation	29,010,065	28,077,134
	10,050,993	6,831,957
Lease Assets, Net	171,743	223,380
Subscription Assets, Net	418,369	407,432
Total Assets	$ 54,723,038	$ 52,418,321

	2025	2024
LIABILITIES, DEFERRRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Current portion of subscription liabilities	$ 215,611	$ 196,871
Current portion of lease liabilities	49,541	49,694
Accounts payable	932,894	958,368
Accrued payroll	1,331,844	1,445,125
Accrued compensated absences	936,265	833,014
Accrued payroll taxes and benefits, and other	2,299,990	2,175,895
Total Current Liabilities	5,766,145	5,658,967
Other Long-Term Obligations		
Lease liabilities	134,674	184,215
Subscription liabilities	104,610	226,189
Total Long-Term Obligations	239,284	410,404
Total Liabilities	6,005,429	6,069,371
Deferred Inflows of Resources	15,355	29,680
Net Position		
Net investment in capital assets	10,136,669	6,805,800
Unrestricted	38,565,585	39,513,470
Total Net Position	48,702,254	46,319,270
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 54,723,038	$ 52,418,321

Sparta Community Hospital District
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Net patient service revenue, net of provision for uncollectible accounts; 2025 - $2,940,000, 2024 - $2,635,000	$ 48,407,984	$ 45,139,616
Other	1,701,913	2,426,547
Total Operating Revenues	50,109,897	47,566,163
Operating Expenses		
Salaries and wages	21,401,263	20,421,339
Employee benefits	9,944,246	8,307,935
Physician services	2,937,134	2,677,204
Other professional services	5,947,335	5,591,111
Supplies and other	7,996,737	7,874,357
Depreciation and amortization	1,824,468	1,657,461
Total Operating Expenses	50,051,183	46,529,407
Operating Income	58,714	1,036,756
Nonoperating Revenues (Expenses)		
Tax revenue	330,570	351,605
Investment income	1,752,898	1,556,818
Interest expense	(35,566)	(31,675)
Loss on sale of capital assets	(1,077)	(34,756)
Noncapital grants and gifts	277,445	305,736
Total Nonoperating Revenues	2,324,270	2,147,728
Increase in Net Position	2,382,984	3,184,484
Net Position, Beginning of Year	46,319,270	43,134,786
Net Position, End of Year	$ 48,702,254	$ 46,319,270

Sparta Community Hospital District
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from and on behalf of patients	$ 47,551,377	$ 46,280,756
Payments to suppliers and contractors	(16,999,064)	(16,172,914)
Payments to employees	(31,231,444)	(28,664,543)
Other receipts, net	1,687,588	2,441,661
Net Cash Provided by Operating Activities	1,008,457	3,884,960
Cash Flows from Noncapital Financing Activities		
Taxes supporting operations	318,570	341,240
Noncapital grants and gifts	323,989	658,775
Net Cash Provided by Noncapital Financing Activities	642,559	1,000,015
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	-	9,502
Principal paid on lease liabilities	(49,694)	(46,884)
Principal paid on subscription liabilities	(328,138)	(185,808)
Interest paid	(35,566)	(31,675)
Purchase of capital assets	(4,551,949)	(1,263,145)
Net Cash Used in Capital and Related Financing Activities	(4,965,347)	(1,518,010)
Cash Flows from Investing Activities		
Interest on investments and leases	1,507,944	1,458,994
Purchase of investments	(396,430)	(811,775)
Proceeds from the disposition of investments	-	314,288
Principal payments received on leases receivable	14,277	(14,278)
Net Cash Provided by Investing Activities	1,125,791	947,229
Increase (Decrease) in Cash and Cash Equivalents	(2,188,540)	4,314,194
Cash and Cash Equivalents, Beginning of Year	26,971,963	22,657,769
Cash and Cash Equivalents, End of Year	$ 24,783,423	$ 26,971,963

	2025	2024
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	$ 21,995,664	$ 24,227,908
Cash in noncurrent cash and investments	2,787,759	2,744,055
Total Cash and Cash Equivalents	$ 24,783,423	$ 26,971,963
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 58,714	$ 1,036,756
Depreciation and amortization	1,824,468	1,657,461
Provision for uncollectible accounts	2,939,574	2,634,785
Changes in operating assets and liabilities		
Patient accounts receivable	(3,724,330)	(2,558,020)
Estimated settlements due from Medicare	(155,000)	1,064,375
Supplies, prepaid expenses and other assets	134,249	(106,121)
Accounts payable, accrued expenses, and deferred inflow leases	(69,218)	155,724
Net Cash Provided by Operating Activities	$ 1,008,457	$ 3,884,960
Noncash Investing, Capital, and Financing Activities		
Lease obligation incurred for lease assets	$ -	$ 19,638
Fixed assets in accounts payable	$ 143,484	$ -
Subscription obligation incurred for subscription assets	$ 225,298	$ 154,886

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 Foundation is presented as a blended component unit of the Hospital within the audited financial statements.

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 part 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. At June 30, 2025 and 2024, 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 $5,000 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, 2025 or 2024.

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. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely then not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the balance sheet date plus an additional amount for salary-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 2025 and 2024 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, 2025 and 2024, 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.

Change in Accounting Principle

During the year June 30, 2025, the Hospital adopted governmental Accounting Standards Board Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. The provisions were adopted as required by the Hospital and did not have a material impact on the financial statements.

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 60% and 59% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2025 and 2024, 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 $69,000 and $563,000 due to final settlements in excess of amounts previously determined for the years ended June 30, 2025 and 2024, respectively.

Affordable Care Act Access Payments

In January 2015, CMS notified the 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, 2025 and 2024, the Hospital received ACA Access payments of approximately $0 and $30,000, respectively, as well as managed care organization hospital access program payments (MCO-HAP) of $1,233,709 and $1,169,076, respectively. These amounts are included in net patient service revenue.

The effects of the ACA Access Payments in the statements of revenues, expenses and changes in net position for the years ended June 30, 2025 and 2024, were $1,233,708 and $1,229,395, respectively.

The current Hospital Assessment Programs contains a sunset provision effective June 30, 2026. In July 2025, HB 2771 passed the Illinois legislature which made the program permanent subject to ongoing federal approvals.

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 $233,947 and $1,154,844, with the associated cost of goods sold of $146,636 and $359,089, for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, respectively, $2,931,481 and $3,570,804 of the Hospital's bank balances of $3,468,963 and $4,228,264 were exposed to custodial credit risk as follows:

	2025	2024
Uninsured, collateral held by pledging financial institution's trust department or agent in other than the Hospital's name	$ 2,931,481	$ 3,570,804

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, 2025 and 2024, the Hospital had the following investments and maturities:

	June 30, 2025				
		Maturities in Years			
Type	Fair Value	Less than 1	1-5	6-10	More than 10
Negotiable Certificates of Deposit	$ 4,898,452	$ 700,437	$ 4,198,015	$ -	$ -
U.S. Treasury obligations	6,441,397	1,783,817	4,657,580	-	-
		$ 2,484,254	$ 8,855,595	$ -	$ -

	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	$ -	$ -

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, 2025 and 2024, the Hospital had investments of $22,038,942 and $22,964,004, 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, 2025 and 2024, the Hospital had $4,898,452 and $4,347,787, 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, 2025 and 2024, 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, 2025 and 2024, the Hospital’s investment in Illinois Funds Money Market Fund constituted 61% and 61%, respectively, 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:

	2025	2024
Carrying value		
Deposits	$ 2,744,481	$ 4,007,959
Illinois Funds Money Market Fund	22,038,942	22,964,004
U.S. Treasury obligations	6,441,397	6,350,676
Negotiable certificates of deposit	4,898,452	4,347,789
	$ 36,123,272	$ 37,670,428
Included in the following balance sheet captions		
Cash and cash equivalents	$ 21,995,664	$ 24,227,908
Marketable securities, short-term	2,518,751	3,355,079
Noncurrent cash and investments	11,608,857	10,087,441
	$ 36,123,272	$ 37,670,428

Investment Income

Investment income for the years ended June 30, 2025 and 2024 consisted of:

	2025	2024
Interest and dividend income	$ 1,507,944	$ 1,458,994
Net change in unrealized gains	244,954	97,824
	$ 1,752,898	$ 1,556,818

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, 2025 and 2024:

		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, 2025				
Assets				
Investments				
Negotiable certificates of deposit	$ 4,898,452	$ 4,898,452	$ -	$ -
U.S. Treasury obligations	6,441,397	6,441,397	-	-
Total Investments	$ 11,339,849	$ 11,339,849	$ -	$ -
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	$ -	$ -

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, 2025 and 2024.

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, 2025 and 2024, consisted of:

	2025	2024
Medicare	$ 780,231	$ 910,437
Medicaid	558,470	472,452
Other third-party payers	3,512,114	2,974,716
Patients	3,332,703	3,124,306
	8,183,518	7,481,911
Less allowance for uncollectible accounts	2,800,000	2,800,000
	$ 5,383,518	$ 4,681,911

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 sheets. Revenue recognized under lease contracts for the years ended June 30, 2025 and 2024, was $15,608 and $13,800, respectively, which includes both lease revenue and interest.

Note 8. Capital, Lease and Subscription Assets

Capital assets activity for the years ended June 30, 2025 and 2024, was:

	2025				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	$ 356,334	$ -	$ -	$ -	$ 356,334
Land improvements	1,041,823	-	-	59,017	1,100,840
Buildings	18,262,738	-	-	109,381	18,372,119
Equipment	15,232,857	-	545,969	1,226,805	15,913,693
Construction in progress	15,339	4,697,936	-	(1,395,203)	3,318,072
	34,909,091	4,697,936	545,969	-	39,061,058
Less accumulated depreciation					
Land improvements	764,773	53,608	-	-	818,381
Buildings	15,150,034	427,045	-	-	15,577,079
Equipment	12,162,327	994,669	542,391	-	12,614,605
	28,077,134	1,475,322	542,391	-	29,010,065
Capital assets, net	$ 6,831,957	$ 3,222,614	$ 3,578	$ -	$ 10,050,993

	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

During July 2024, the District approved a Solar and Energy Reduction Project for a total cash outlay of approximately $4,000,000 funded through operating cash balances. The district is anticipating receiving incentives totaling approximately $1,630,000 upon substantial completion through the Inflation Reduction Act, Ameren IL Solar and Ameren IL HVAC programs in fiscal year 2026. An additional $400,000 is anticipated to be received over the course of seven years through the IL Sines SREC. The estimated energy savings over 20 years is anticipated to be $2,500,000.

The project on the Hospital main campus includes installation of the chilled water plant unit including control automation as well as the installation of rooftop solar panels. Additionally, rooftop solar units and control automations will be included in the North Campus Building site. As of June 30, 2025, project expenditures total $3,210,000 and are recorded in construction in progress with remaining amounts to be paid by December 2025. Project completion is expected during October 2025 with total anticipated cost to complete of approximately $830,000.

Lease assets activity for the years ended June 30, 2025 and 2024, was:

	2025			
	Beginning Balance	Additions	Disposals	Ending Balance
Buildings and leasehold improvements	$ 69,730	$ -	$ -	$ 69,730
Equipment	252,495	-	14,883	237,612
	322,225	-	14,883	307,342
Less accumulated amortization				
Buildings and leasehold improvements	40,444	15,917	-	56,361
Equipment	58,401	35,720	14,883	79,238
	98,845	51,637	14,883	135,599
Lease assets, net	$ 223,380	$ (51,637)	$ -	$ 171,743

	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

Subscription assets activity for the years ended June 30, 2025 and 2024, was:

	2025							
	Beginning Balance		Additions		Disposals		Ending Balance	
Subscription IT asset	$	810,265	$	308,448	$	-	$	1,118,713
Less accumulated amortization Subscription IT asset		402,833		297,511		-		700,344
Subscription assets, net	$	407,432	$	10,937	$	-	$	418,369

	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
Lease assets, net	$	419,074	$	(11,642)	$	-	$	407,432

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 $250,000. 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 $250,000. 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 2025, 2024, and 2023 is included within accrued payroll taxes and benefits and other within current liabilities, and is summarized as follows:

	2025		2024		2023	
Balance, beginning of year	$	332,765	$	300,000	$	321,835
Current year claims incurred and changes in estimates for claims incurred in prior years		7,126,952		4,460,045		5,169,854
Claims and expenses paid		6,645,434		4,427,280		5,191,689
Balance, end of year	$	814,283	$	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, 2025 and 2024:

	2025				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liability	$ 233,909	$ -	$ 49,694	$ 184,215	$ 49,541
Subscription liability	423,060	225,299	328,138	320,221	215,611
Total long-term obligations	$ 656,969	$ 225,299	$ 377,832	$ 504,436	$ 265,152

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liability	$ 261,155	$ 19,638	$ 48,686	$ 233,909	$ 49,694
Subscription liability	453,981	154,887	185,808	423,060	196,871
Total long-term obligations	$ 715,136	$ 174,525	$ 234,494	$ 656,969	$ 246,565

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, 2025 or 2024.

The following is a schedule by year of payments under the leases as of June 30, 2025:

Year Ending June 30,	To be Paid	Principal	Interest
2026	$ 58,212	$ 49,541	$ 8,671
2027	41,771	35,244	6,527
2028	41,771	37,232	4,539
2029	41,771	39,332	2,439
2030	23,277	22,866	411
Total	$ 206,802	$ 184,215	$ 22,587

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, 2025 or 2024.

The following is a schedule by year of payments under the SBITAs as of June 30, 2025:

Year Ending June 30,	To be Paid	Principal	Interest
2026	$ 232,700	$ 215,611	$ 17,089
2027	109,468	104,610	4,858
Total	$ 342,168	$ 320,221	$ 21,947

Note 13. Designated Net Position

At June 30, 2025 and 2024, $2,753,262 and $2,625,298, 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 2025 and 2024, employees contributed $784,083 and $745,553 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 $990,000 and $1,200,000 for 2025 and 2024, respectively.

Note 15. Labor Agreement

Approximately 34% 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. Subsequent Events

On July 3, 2025, the U.S. Congress enacted the *One Big Beautiful Bill Act* (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries.

According to the Congressional Budget Office (CBO) and the American Hospital Association (AHA), these provisions are projected to reduce federal Medicaid spending by nearly $1 trillion over 10 years and may result in the loss of Medicaid or marketplace coverage for approximately 11.8 million individuals.

Key provisions impacting healthcare providers include:

- A freeze and phased reduction in provider taxes and state-directed payments (SDPs), with estimated reductions in hospital payments totaling approximately $340 billion over 10 years.

- Implementation of Medicaid work requirements and cost-sharing obligations for certain adult beneficiaries.

- Restrictions on Medicaid and Medicare eligibility for specific non-citizen populations.

- Elimination or modification of several tax credits and deductions related to clean energy and nonprofit institutions.

The OBBBA has not had a material impact on the financial results to date as many aspects of the legislation are effective for future periods. The Hospital is currently evaluating what impact the OBBBA may have on the financial results, cash flows, and financial position for future periods.

Subsequent events have been evaluated through October 21, 2025, which is the date the financial statements were available to be issued.

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, 2025 and 2024.

	2025			
	Hospital	Foundation	Combining Entries	Combined
ASSETS				
Current Assets				
Cash and cash equivalents	$ 21,893,282	$ 102,382	$ -	$ 21,995,664
Patient accounts receivable, net of allowance for uncollectible accounts; $2,800,000	5,383,518	-	-	5,383,518
Tax revenue receivable	268,000	-	-	268,000
Supplies	737,606	-	-	737,606
Estimated amounts due from Medicare	255,000	-	-	255,000
Marketable securities, short-term	2,297,682	221,069	-	2,518,751
Prepaid expenses and other	1,266,120	-	-	1,266,120
Grant funds receivable	48,417	-	-	48,417
Total Current Assets	32,149,625	323,451	-	32,473,076
Noncurrent Cash and Investments				
Internally designated	2,753,262	-	-	2,753,262
Marketable securities, long-term	8,667,080	188,515	-	8,855,595
	11,420,342	188,515	-	11,608,857
Capital Assets, At Cost				
Land and land improvements	1,457,174	-	-	1,457,174
Buildings	18,372,119	-	-	18,372,119
Equipment	15,913,693	-	-	15,913,693
Construction in progress	3,318,072	-	-	3,318,072
	39,061,058	-	-	39,061,058
Less accumulated depreciation	29,010,065	-	-	29,010,065
	10,050,993	-	-	10,050,993
Lease Assets, Net	171,743	-	-	171,743
Subscription Assets, Net	418,369	-	-	418,369
Total Assets	$ 54,211,072	$ 511,966	$ -	$ 54,723,038
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current Liabilities				
Current portion of subscription liabilities	$ 215,611	$ -	$ -	$ 215,611
Current portion of lease liabilities	49,541	-	-	49,541
Accounts payable	932,894	-	-	932,894
Accrued payroll	1,331,844	-	-	1,331,844
Accrued compensated absences	936,265	-	-	936,265
Accrued payroll taxes and benefits, and other	2,299,990	-	-	2,299,990
Total Current Liabilities	5,766,145	-	-	5,766,145
Other Long-Term Obligations				
Lease liabilities	134,674	-	-	134,674
Subscription liabilities	104,610	-	-	104,610
Total Long-Term Obligations	239,284	-	-	239,284
Total Liabilities	6,005,429	-	-	6,005,429
Deferred Inflows of Resources	15,355	-	-	15,355
Net Position				
Net investment in capital assets	10,136,669	-	-	10,136,669
Unrestricted	38,053,619	511,966	-	38,565,585
Total Net Position	48,190,288	511,966	-	48,702,254
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 54,211,072	$ 511,966	$ -	$ 54,723,038

	2024			
	Hospital	Foundation	Combining Entries	Combined
ASSETS				
Current Assets				
Cash and cash equivalents	$ 24,215,868	$ 12,040	$ -	$ 24,227,908
Patient accounts receivable, net of allowance for uncollectible accounts; $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
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
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

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, 2025 and 2024.

	2025			
	Hospital	Foundation	Combining Entries	Combined
Operating Revenues				
Net patient service revenue, net of provision for uncollectible accounts; $2,940,000	$ 48,407,984	$ -	$ -	$ 48,407,984
Other	1,701,913	-	-	1,701,913
Total Operating Revenues	50,109,897	-	-	50,109,897
Operating Expenses				
Salaries and wages	21,401,263	-	-	21,401,263
Employee benefits	9,944,246	-	-	9,944,246
Physician services	2,937,134	-	-	2,937,134
Other professional services	5,947,335	-	-	5,947,335
Supplies and other	7,993,834	2,903	-	7,996,737
Depreciation and amortization	1,824,468	-	-	1,824,468
Total Operating Expenses	50,048,280	2,903	-	50,051,183
Operating Income (Loss)	61,617	(2,903)	-	58,714
Nonoperating Revenues (Expenses)				
Tax revenue	330,570	-	-	330,570
Investment income	1,728,607	24,291	-	1,752,898
Interest expense	(35,566)	-	-	(35,566)
Loss on sale of capital assets	(1,077)	-	-	(1,077)
Noncapital grants and gifts	267,609	9,836	-	277,445
Total Nonoperating Revenues	2,290,143	34,127	-	2,324,270
Increase in Net Position	2,351,760	31,224	-	2,382,984
Net Position, Beginning of Year	45,838,528	480,742	-	46,319,270
Net Position, End of Year	$ 48,190,288	$ 511,966	$ -	48,702,254

	2024			
	Hospital	Foundation	Combining Entries	Combined
Operating Revenues				
Net patient service revenue, net of provision for uncollectible accounts; $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 capital 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

The following tables include condensed statements of cash flows information for the Hospital and its blended component unit for the years ended June 30, 2025 and 2024.

	2025			
	Hospital	Foundation	Combining Entries	Combined
Cash Flows from Operating Activities				
Receipts from and on behalf of patients	$ 47,551,377	$ -	$ -	$ 47,551,377
Payments to suppliers and contractors	(16,996,161)	(2,903)	-	(16,999,064)
Payments to employees	(31,231,444)	-	-	(31,231,444)
Other receipts, net	1,687,588	-	-	1,687,588
Net Cash Provided by (Used in) Operating Activities	1,011,360	(2,903)	-	1,008,457
Cash Flows from Noncapital Financing Activities				
Government grants	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-
Taxes supporting operations	318,570	-	-	318,570
Noncapital grants and gifts	314,153	9,836	-	323,989
Net Cash Provided by Noncapital Financing Activities	632,723	9,836	-	642,559
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	-	-	-	-
Principal paid on lease liabilities	(49,694)	-	-	(49,694)
Principal paid on subscription liabilities	(328,138)	-	-	(328,138)
Interest paid	(35,566)	-	-	(35,566)
Purchase of capital assets	(4,551,949)	-	-	(4,551,949)
Net Cash Used in Capital and Related Financing Activities	(4,965,347)	-	-	(4,965,347)
Cash Flows from Investing Activities				
Interest on investments and leases	1,500,728	7,216	-	1,507,944
Purchase of investments	(130,407)	(266,023)	-	(396,430)
Proceeds from the disposition of investments	-	-	-	-
Principal payments received on leases receivable	14,277	-	-	14,277
Net Cash Provided by (Used in) Investing Activities	1,384,598	(258,807)	-	1,125,791
Decrease in Cash and Cash Equivalents	(1,936,666)	(251,874)	-	(2,188,540)
Cash and Cash Equivalents, Beginning of Year	26,959,923	12,040	-	26,971,963
Cash and Cash Equivalents, End of Year	$ 25,023,257	$ (239,834)	$ -	$ 24,783,423
Reconciliation of Cash and Cash Equivalents to the Balance Sheets				
Cash and cash equivalents in current assets	$ 21,893,282	$ 102,382	$ -	$ 21,995,664
Cash in noncurrent cash and investments	2,787,759	-	-	2,787,759
Total Cash and Cash Equivalents	$ 24,681,041	$ 102,382	$ -	$ 24,783,423
Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities				
Operating income	$ 27,490	$ 31,224	$ -	$ 58,714
Depreciation and amortization	1,824,468	-	-	1,824,468
Provision for uncollectible accounts	2,939,574	-	-	2,939,574
Changes in operating assets and liabilities				
Patient accounts receivable	(3,724,330)	-	-	(3,724,330)
Estimated settlements with Medicare	(155,000)	-	-	(155,000)
Supplies, prepaid expenses and other assets	134,249	-	-	134,249
Accounts payable, accrued expenses, and deferred inflow leases	(69,218)	-	-	(69,218)
Net Cash Provided by Operating Activities	$ 977,233	$ 31,224	$ -	$ 1,008,457
Noncash Investing, Capital, and Financing Activities				
Lease obligation incurred for lease assets	$ -	$ -	$ -	$ -
Fixed assets in accounts payable	$ 143,484	$ -	$ -	$ 143,484
Subscription obligation incurred for subscription assets	$ 225,298	$ -	$ -	$ 225,298

	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 (Used in) 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 Provided by (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
Noncash Investing, Capital, and Financing Activities				
Lease obligation incurred for lease assets	$ 217,975	$ -	$ -	$ 217,975
Fixed assets in accounts payable	$ -	$ -	$ -	$ -
Subscription obligation incurred for subscription assets	$ 9,155	$ -	$ -	$ 9,155

Supplementary Information (Unaudited)

Sparta Community Hospital District
Accounts Receivable and Supplies
June 30, 2025 and 2024 (Unaudited)

Accounts Receivable

	2025		2024	
	Amount	Percent	Amount	Percent
Patient Accounts				
In Hospital at June 30 or unbilled	$ 1,644,616	9.7%	$ 1,840,645	12.2%
Billed accounts				
Medicare	2,962,935	17.4%	2,726,751	18.1%
Medicaid	1,587,658	9.3%	1,583,946	10.5%
Blue Cross	661,919	3.9%	719,974	4.8%
Commercial insurance	5,301,017	31.3%	4,232,198	27.9%
Self-pay	2,886,251	17.0%	2,732,131	18.1%
Physician office accounts	1,948,297	11.4%	1,245,770	8.4%
	16,992,693	100.0%	15,081,415	100.0%
Allowances for				
Uncollectible accounts	2,800,000		2,800,000	
Contractual allowances	8,809,175		7,599,504	
	$ 5,383,518		$ 4,681,911	

Supplies

	2025	2024
Medical and office supplies	$ 176,649	$ 182,287
Dietary	8,661	8,868
Departmental supplies	347,431	295,593
Physicians' office supplies	204,865	174,782
	$ 737,606	$ 661,530

Sparta Community Hospital District
Net Patient Service Revenue
Years Ended June 30, 2025 and 2024 (Unaudited)

	2025		
	Inpatient	Outpatient	Total
Daily Patient Services			
Acute care and skilled nursing	$ 1,272,222	$ 1,066,918	$ 2,339,140
Other Nursing Services			
Surgery and recovery	179,384	7,589,422	7,768,806
Central service and supply	77,236	1,278,863	1,356,099
Emergency services	57,025	8,200,798	8,257,823
	313,645	17,069,083	17,382,728
Other Professional Services			
Laboratory	673,867	24,112,915	24,786,782
Electrocardiology	7,008	734,527	741,535
Radiology	334,933	34,429,608	34,764,541
Pharmacy	511,302	3,974,391	4,485,693
Anesthesiology	12,408	783,946	796,354
Respiratory therapy	(294)	2,185,051	2,184,757
Physical therapy	805,677	6,715,236	7,520,913
Speech therapy	878,591	682,087	1,560,678
Home health	-	6,386,556	6,386,556
Clinics	-	18,617,157	18,617,157
Cardiac rehabilitation	-	661,700	661,700
	3,223,492	99,283,174	102,506,666
	$ 4,809,359	$ 117,419,175	122,228,534
Allowances and Uncollectible Accounts			
Medicare contractual allowances			20,517,097
Medicaid contractual allowances			12,111,323
Other - hospital			29,493,568
Clinics			8,443,231
Charity care			315,757
Provision for uncollectible accounts			2,939,574
			73,820,550
Net Patient Service Revenue			$ 48,407,984

	2024	
Inpatient	Outpatient	Total
$ 1,360,817	$ 1,333,237	$ 2,694,054
327,358	6,490,133	6,817,491
138,388	1,147,074	1,285,462
72,907	8,497,057	8,569,964
538,653	16,134,264	16,672,917
831,712	22,689,260	23,520,972
15,012	709,552	724,564
494,131	33,639,423	34,133,554
441,805	2,250,715	2,692,520
23,572	801,769	825,341
-	2,184,830	2,184,830
878,569	6,237,069	7,115,638
632,475	544,962	1,177,437
-	5,856,609	5,856,609
-	14,531,720	14,531,720
-	732,006	732,006
3,317,276	90,177,915	93,495,191
$ 5,216,746	$ 107,645,416	112,862,162
		21,600,660
		11,916,233
		26,777,088
		4,617,061
		176,719
		2,634,785
		67,722,546
		$ 45,139,616

Sparta Community Hospital District
Other Revenue
Years Ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
Rental income	$ 486,292	$ 480,951
Cafeteria and catering	40,326	38,704
Medical records abstracts	543	456
Membership fees net of related expense	125,011	117,259
Insurance dividend	281,277	181,640
Contract pharmacy services (340B drug pricing program)	233,947	1,154,844
Patient quality incentives	296,057	288,444
Miscellaneous	238,460	164,249
	$ 1,701,913	$ 2,426,547

Sparta Community Hospital District
Operating Expenses
Years Ended June 30, 2025 and 2024 (Unaudited)

	2025		
	Salaries and Wages	Other	Total
Nursing Services			
Acute care and skilled nursing	$ 1,973,007	$ 127,132	$ 2,100,139
Surgery and recovery	682,632	792,943	1,475,575
Emergency service	1,304,669	1,588,938	2,893,607
	3,960,308	2,509,013	6,469,321
Other Professional Services			
Laboratory	852,435	1,447,820	2,300,255
Electrocardiology	21,450	20,712	42,162
Radiology	926,974	768,887	1,695,861
Pharmacy	-	2,125,308	2,125,308
Anesthesiology	-	721,083	721,083
Respiratory therapy	67,487	189,640	257,127
Physical therapy	839,430	194,104	1,033,534
Social services	70,628	15,781	86,409
Medical records	220,866	19,545	240,411
Home health	1,530,935	414,935	1,945,870
Cardiac rehabilitation	99,626	15,840	115,466
Fitness center	95,226	3,387	98,613
Clinics	7,296,993	3,152,864	10,449,857
	12,022,050	9,089,906	21,111,956
General Services			
Dietary	265,367	142,887	408,254
Plant operation and maintenance	347,897	834,925	1,182,822
Housekeeping	240,061	237,696	477,757
Laundry and linen	-	87,140	87,140
	853,325	1,302,648	2,155,973
Administrative and Fiscal			
Administrative	4,565,580	3,979,639	8,545,219
Employee benefits	-	9,944,246	9,944,246
	4,565,580	13,923,885	18,489,465
Depreciation and Amortization	-	1,824,468	1,824,468
	$ 21,401,263	$ 28,649,920	$ 50,051,183

2024		
Salaries and Wages	Other	Total
$ 1,960,909	$ 155,603	$ 2,116,512
644,881	547,331	1,192,212
1,234,810	1,565,472	2,800,282
3,840,600	2,268,406	6,109,006
888,613	1,372,958	2,261,571
26,718	13,561	40,279
855,296	829,033	1,684,329
-	1,736,100	1,736,100
-	698,822	698,822
66,400	218,920	285,320
834,083	65,858	899,941
62,654	22,348	85,002
219,697	25,146	244,843
1,456,159	424,044	1,880,203
119,746	19,338	139,084
87,195	5,136	92,331
6,864,132	2,792,718	9,656,850
11,480,693	8,223,982	19,704,675
228,128	128,485	356,613
319,843	814,578	1,134,421
231,680	212,784	444,464
-	60,766	60,766
779,651	1,216,613	1,996,264
4,320,395	4,433,671	8,754,066
-	8,307,935	8,307,935
4,320,395	12,741,606	17,062,001
-	1,657,461	1,657,461
$ 20,421,339	$ 26,108,068	$ 46,529,407

Sparta Community Hospital District
Operating Percentages
Years Ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
Operating Revenues		
Net patient service revenue	96.6%	94.9%
Other	3.4%	5.1%
Total Operating Revenues	100.0%	100.0%
Operating Expenses		
Salaries and wages	42.7%	42.9%
Employee benefits	19.8%	17.5%
Physician services	5.9%	5.6%
Other professional services	11.9%	11.8%
Supplies and other	16.0%	16.6%
Depreciation and amortization	3.6%	3.5%
Total Operating Expenses	99.8%	97.7%
Operating Income	0.2%	2.3%
Nonoperating Revenues (Expenses)		
Tax revenue	0.7%	0.7%
Investment income	3.5%	3.3%
Loss on sale of capital assets	-0.1%	-0.1%
Interest expense	-0.1%	-0.1%
Noncapital grants and gifts	0.6%	0.6%
Total Nonoperating Revenues	4.6%	4.4%
Increase in Net Position	4.8%	6.7%

Sparta Community Hospital District
Comparative Statistics
Years Ended June 30, 2014 Through 2025 (Unaudited)

	2025	2024	2023	2022	2021
Acute patient days	855	995	1,210	1,291	891
Swing bed patient days	1,506	1,215	1,105	1,064	808
Acute discharges	266	284	339	356	264
Average length of acute stay	3.21	3.50	3.57	3.63	3.38
Inpatient acute revenue per acute day	$ 1,357	$ 1,400	$ 1,578	$ 1,646	$ 1,160
Inpatient revenue per acute discharge	$ 16,934	$ 18,369	$ 15,461	$ 14,709	$ 19,834
Outpatient percentage to total Hospital revenue	96%	95%	95%	95%	95%
Medicare patient days	511	620	642	790	533
Medicare percentage of patient days	60%	62%	53%	61%	60%
Medicare discharges	161	171	197	222	155
Medicare average length of stay	3.17	3.63	3.26	3.56	3.44
Medicaid patient days	42	50	111	60	50
Medicaid percentage of patient days	5%	5%	9%	5%	6%
Medicaid discharges	16	20	26	20	17
Medicaid average length of stay	2.63	2.50	4.27	3.00	2.94
Outpatient occasions of service	42,314	43,328	43,343	47,721	49,761
Emergency room patients					
Admitted as inpatients	147	153	199	239	163
Held for observation	466	488	488	482	513
Discharged from emergency room	6,028	6,527	6,337	6,373	5,344

2020	2019	2018	2017	2016	2015	2014
912	957	1,336	963	958	1,248	1,668
937	865	651	607	761	829	905
286	320	453	377	376	490	597
3.19	2.99	2.95	2.55	2.55	2.79	2.88
$ 1,224	$ 1,245	$ 1,553	$ 1,165	$ 1,212	$ 1,524	$ 1,968
$ 12,804	$ 12,758	$ 9,969	$ 8,997	$ 8,106	$ 9,340	$ 8,519
96%	95%	94%	95%	95%	93%	91%
607	635	834	662	645	792	996
67%	66%	62%	67%	63%	60%	70%
185	210	277	256	244	311	338
3.28	3.02	3.01	2.59	2.64	2.55	2.95
35	39	106	88	68	143	167
4%	4%	8%	9%	7%	11%	10%
10	15	35	37	32	52	68
3.50	2.60	3.03	2.38	2.13	2.75	2.46
39,196	41,536	42,484	42,835	41,916	41,159	37,966
200	229	334	275	307	297	404
443	396	407	358	587	599	523
6,073	7,225	8,126	8,213	8,060	9,276	8,021

Sparta Community Hospital District
Property Taxes Levied
Years Ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
Assessed Valuation	$ 90,015,118	$ 82,908,712
Tax Rate Per $100 of Assessed Valuation	0.29586	0.30968
Taxes Extended	$ 266,319	$ 256,752