WABASH GENERAL HOSPITAL DISTRICT

MT. CARMEL, ILLINOIS

AUDITED FINANCIAL SATEMENTS

For the Years Ended December 31, 2025 and 2024

WABASH GENERAL HOSPITAL DISTRICT

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wabash General Hospital District
Mt. Carmel, Illinois 62863

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Wabash General Hospital District, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Wabash General Hospital District as of December 31, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, budget comparison – schedule of revenues, expenses and changes in net assets – hospital only, schedules of net position community – community health center and schedules of revenue, expenses and changes in net position – community health center are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, budget comparison – schedule of revenues, expenses and changes in net assets – hospital only, schedules of net position community – community health center and schedules of revenue, expenses and changes in net position – community health center is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Wabash General Hospital District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kemper CPA Group, LLP

April 20, 2026

Certified Public Accountants and Consultants
Evansville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

WABASH GENERAL HOSPITAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

INTRODUCTION

This management's discussion and analysis of Wabash General Hospital District ("District") provides an overview of the District's financial activities for the years ended December 31, 2025, 2024, and 2023. This information should be used in conjunction with the District's related financial statements and accompanying notes to best understand the District's financial position.

FINANCIAL HIGHLIGHTS

- Cash and short-term investments increased in 2025 by $4,165,323 or 10%, increased in 2024 by $7,220,240 or 22%, and increased in 2023 by $9,550,398 or 41%.

- Total liabilities increased by $1,223,462 or 4% in 2025, decreased by $643,135 or 2% in 2024, and decreased by $1,622,151 or 5% in 2023.

- The District's net position increased $11,210,994 from 2024 to 2025 and includes income from operations of $8,145,524. The District's net position increased $16,762,971 from 2023 to 2024 and includes net income from operations of $14,237,849.

- For the year ended December 31, 2025, the District's net operating revenues increased 4% to $111,852,217 and operating expenses increased 11% to $103,706,693. The income from operations represents a $6,092,325 decrease from 2024. For the year ended December 31, 2024, the District's net operating revenues increased 22% to $107,655,422 and operating expenses increased 15% to $93,417,573. The income from operations represents a $7,527,713 increase from 2023.

- For the year ending December 31, 2025, 2024 and 2023, the District made investments in capital totaling $9,692,121, $10,252,605 and $4,474,151, respectively. A more detailed analysis of the capital acquisitions is included on a subsequent page of this discussion. All capital assets were acquired through funds from operations, loans from financial institutions, leases, or gifts from the Wabash General Hospital Foundation.

FINANCIAL STATEMENTS

The financial statements of the District present information about the District using financial reporting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments of resources (assets) and the obligations to District's creditors (liabilities). It also provides the basis for compiling rates of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current and prior years' revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. These statements measure the financial results of the District's operations and present revenues earned and expenses incurred.

FINANCIAL STATEMENTS (Concluded)

The Statement of Cash Flows provides information about the District's cash flow from operating activities, capital, and related financing activities, and investing activities, plus provides information on the sources and uses of cash during both the current and prior year.

FINANCIAL ANALYSIS

The Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position report information about the District's activities. These statements report the net position of the District and its changes. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as economic conditions, population changes (including uninsured and medically indigent individuals) and new or changed governmental regulations should also be considered.

A summary of the District's Statements of Net Position as of December 31, 2025, 2024 and 2023 is presented below.

	2025	2024	$ Change	2024	2023	$ Change
Cash and cash equivalents	$ 15,851,076	$ 20,001,556	$ (4,150,480)	$ 20,001,556	$ 27,591,150	$ (7,589,594)
Capital assets (net)	54,898,993	50,332,328	4,566,665	50,332,328	44,497,306	5,835,022
Other assets	59,173,097	47,154,826	12,018,271	47,154,826	29,280,418	17,874,408
Total assets	$ 129,923,166	$ 117,488,710	$ 12,434,456	$ 117,488,710	$ 101,368,874	$ 16,119,836
Current liabilities	$ 10,271,540	$ 10,331,935	$ (60,395)	$ 10,331,935	$ 9,615,531	$ 716,404
Long-term liabilities, including current portion	20,294,516	19,010,659	1,283,857	19,010,659	20,370,198	(1,359,539)
Total liabilities	30,566,056	29,342,594	1,223,462	29,342,594	29,985,729	(643,135)
Investment in capital assets net of related debt	39,539,897	34,789,595	4,750,302	34,789,595	27,764,455	7,025,140
Unrestricted	59,817,213	53,356,521	6,460,692	53,356,521	43,618,690	9,737,831
Total net position	99,357,110	88,146,116	11,210,994	88,146,116	71,383,145	16,762,971
Total liabilities and net position	$ 129,923,166	$ 117,488,710	$ 12,434,456	$ 117,488,710	$ 101,368,874	$ 16,119,836

As can be seen from the table above, net position increased to $99,357,110 in 2025 and $88,146,116 in 2024. The change in net position resulted from a net income from operations of $8,145,524 in 2025 and $14,237,849 in 2024.

The District's decrease in cash in 2025 was due to investments in capital and other assets. A more detailed analysis of the change in cash and investments is shown in the body of the financial statements.

FINANCIAL ANALYSIS (Concluded)

A summary of the District's Statements of Revenues, Expenses, and Changes in Net position for the years ended December 31, 2025, 2024 and 2023 is presented below.

	2025	2024	$ Change	2024	2023	$ Change
Operating revenues:						
Net patient service revenue	$ 107,267,945	$ 104,078,906	$ 3,189,039	$ 104,078,906	$ 84,540,518	$ 19,538,388
Other revenue	4,584,272	3,576,516	1,007,756	3,576,516	3,746,880	(170,364)
Total operating revenues	111,852,217	107,655,422	4,196,795	107,655,422	88,287,398	19,368,024
Operating expenses:						
Salaries and benefits	56,052,529	50,160,865	5,891,664	50,160,865	44,841,433	5,319,432
Supplies and other	41,322,208	37,731,390	3,590,818	37,731,390	31,538,237	6,193,153
Depreciation & Amortization	6,331,956	5,525,318	806,638	5,525,318	5,197,592	327,726
Total operating expenses	103,706,693	93,417,573	10,289,120	93,417,573	81,577,262	11,840,311
Income from operations	8,145,524	14,237,849	(6,092,325)	14,237,849	6,710,136	7,527,713
Nonoperating revenues (expenses)	3,065,470	2,525,122	540,348	2,525,122	2,355,395	169,727
Change in net position	11,210,994	16,762,971	(5,551,977)	16,762,971	9,065,531	7,697,440
Net position, beginning of year	88,146,116	71,383,145	16,762,971	71,383,145	62,317,614	9,065,531
Net position, end of year	$ 99,357,110	$ 88,146,116	$ 11,210,994	$ 88,146,116	$ 71,383,145	$ 16,762,971

Additional information concerning the changes above is discussed under the Operating and Financial Performance section of the Management's Discussion and Analysis.

SOURCES OF REVENUE

During the year ended December 31, 2025, 2024 and 2023, the District derived substantially all its revenue from patient services and other related activities. Revenues include, among other items, revenues from the Medicare and Medicaid programs, Blue Cross, other commercial insurance carriers, and patients. The table below presents the percentage of gross revenues for patient services by payor for the years ended December 31, 2025, 2024 and 2023.

Payor Mix	2025	2024	% Change	2024	2023	% Change
Medicare	53.0%	51.0%	2.0%	51.0%	52.5%	-1.5%
Medicaid	12.7%	14.5%	-1.8%	14.5%	14.3%	0.2%
Blue Cross	16.0%	16.8%	-0.8%	16.8%	14.0%	2.8%
Other Commercial Insurance	16.3%	16.0%	0.3%	16.0%	18.3%	-2.3%
Private pay	2.0%	1.7%	0.3%	1.7%	0.9%	0.8%

The District provides services under payment arrangements with Medicare, Medicaid, and various commercial insurance carriers. Services provided under those arrangements are paid at predetermined rates and/or reimbursable costs as defined. Provisions have been made in the financial statements for contractual adjustments, which represent the difference between the standard charge for services and the actual or estimated payment. As shown above, the District experienced a slight payor mix change from the prior year. It is expected that the trend shown above will continue.

REVENUES

- Gross inpatient revenue decreased 6% in 2025 as compared to 2024 and increased 3% in 2024 as compared to 2023. Physician patient revenue increased 3% in 2025 compared to 2024 and increased 12% in 2024 compared to 2023, while outpatient revenue increased 8% and 18%, respectively. In 2025, this increase is attributable to the additions of an orthopedic surgeon as well as increased patient volumes. In 2024, the increase was attributable to the additions of an orthopedic spine surgeon that started in 2023 as well as increased patient volumes. In 2023, orthopedic and chiropractic physicians were added.

- The District implement an average effective rate increase of 3% during 2025, 2024 and 2023.

- The District had a non-operating gain of $3,065,470 in 2025 as compared to $2,525,122 during 2024 and $2,355,395 during 2023. The material difference between 2025 and 2024 includes an increase in investment income. The largest differences from 2023 to 2024 include the increase in investment income.

EXPENSES

Total operating expenses for 2025 increased 11% over 2024 and had increased 15% over 2023. An analysis of these increases are as follows:

- Employee compensation and benefits increased $5,891,664 or 12% in 2025 and $5,319,432 or 12% in 2024. These increases are due to normal merit increases, minimum wage increase, an increase of 34 employees in 2025 and 47 employees in 2024 including additional providers, as well as offering new services.

- Supplies and services expense increased $3,590,818 or 10% over 2024 and $6,193,153 or 20% over 2023. These increases are due to higher supply costs as well as offering new services during 2025 and 2024.

- Depreciation and amortization costs increased 15% in 2025 and 6% in 2024. These increases are largely due to capital investments made by the District, including equipment and property purchases.

CAPITAL ASSETS

For the years 2025, 2024 and 2023, the change in capital assets was $4,566,665, $5,835,022 and $815,866, respectively. Below is an analysis of the changes.

CAPITAL ASSETS (Concluded)

	2025	2024	$ Change	2024	2023	$ Change
Land and land improvements	$ 4,710,682	$ 3,902,348	$ 808,334	$ 3,902,348	$ 3,500,499	$ 401,849
Buildings	58,002,044	46,717,080	11,284,964	46,717,080	46,147,635	569,445
Equipment	25,579,218	20,558,976	5,020,242	20,558,976	19,443,446	1,115,530
Construction in process	937,689	8,150,193	(7,212,504)	8,150,193	66,370	8,083,823
Less accumulated depreciation	(34,330,640)	(28,996,269)	(5,334,371)	(28,996,269)	(24,660,644)	(4,335,625)
Capital assets, net	$ 54,898,993	$ 50,332,328	$ 4,566,665	$ 50,332,328	$ 44,497,306	$ 5,835,022

In 2025, the District purchased property, ENT equipment, vehicles, completed necessary repairs and completed various building improvements. In 2024, the District purchased vehicles, equipment and completed various building improvements. In 2023, the District purchased property, advanced spinal surgical instrumentation and technology, other equipment and completed various building improvements.

DEBT

As of December 31, 2025, 2024 and 2023, the District had debt including current portions totaling $22,159,840, $21,326,700, and $23,016,313, respectively.

CONTACTING DISTRICT MANGEMENT

This report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's financial position and results of operations. Questions concerning any of the information contained in these statements or requests for additional statement information can be directed to the District's Chief Financial Officer, Lynn Leek at 1418 College Drive, Mt. Carmel, Illinois 62863.

BASIC FINANCIAL STATEMENTS

WABASH GENERAL HOSPITAL DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

		Component Unit
ASSETS	**Wabash General Hospital District**	**Wabash General Hospital Foundation**
Current Assets		
Cash and cash equivalents	$ 15,851,076	$ 532,906
Restricted cash	1,604,915	-
Total Cash	17,455,991	532,906
Accounts receivable, net of allowances of $15,783,062	14,750,656	-
Inventories of supplies	1,854,171	-
Other receivables	749,756	715
Prepaid expenses	1,849,401	-
Total Current Assets	36,659,975	533,621
Noncurrent Assets		
Other Assets		
Certificates of deposit	26,574,160	244,071
Investments	5,652,694	10,120,828
Forgivable note receivable	1,875,313	-
Total Other Assets	34,102,167	10,364,899
Capital assets, net of accumulated depreciation	54,898,993	-
Right of use asset	720,261	-
Subscription based information technology arrangement asset (net)	3,541,770	-
Total Noncurrent Assets	93,263,191	10,364,899
Total Assets	$ 129,923,166	$ 10,898,520
LIABILITIES AND NET POSITION		
Current Liabilities		
Current maturities of lease payable	$ 129,584	$ -
Current maturities of notes payable	270,508	-
Current maturities of bonds payable	480,000	-
Current maturities of financed purchase	57,120	-
Current maturities of subscription liability technology arrangement liability	928,112	-
Accounts payable	4,569,308	60,013
Accrued expenses	3,836,908	-
Total Liabilities	10,271,540	60,013
Noncurrent Liabilities		
Long-Term Debt		
Lease payable, net of current maturities	582,848	-
Notes payable, net of current maturities	2,676,066	-
Bonds payable, net of current maturities	14,166,664	-
Financed purchase, net of current maturities	185,167	-
Subscription liability, net of current maturities	2,683,771	-
Total Noncurrent Liabilities	20,294,516	-
Net Position		
Net investment in capital assets	39,539,897	-
Unrestricted	59,817,213	10,838,507
Total Net Position	99,357,110	10,838,507
Total Liabilities and Net Position	$ 129,923,166	$ 10,898,520

See accompanying notes.

WABASH GENERAL HOSPITAL DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

		Component Unit
ASSETS	**Wabash General Hospital District**	**Wabash General Hospital Foundation**
Current Assets		
Cash and cash equivalents	$ 20,001,556	$ 521,354
Restricted cash	1,251,443	-
Total Cash	21,252,999	521,354
Accounts receivable, net of allowances of $21,987,965	12,761,932	-
Inventories of supplies	1,802,032	-
Other receivables	708,606	811
Prepaid expenses	1,256,359	-
Total Current Assets	37,781,928	522,165
Noncurrent Assets		
Other Assets		
Certificates of deposit	18,611,829	237,776
Long-term investments	4,948,564	9,051,327
Forgivable note receivable	1,349,580	-
Total Other Assets	24,909,973	9,289,103
Capital assets, net of accumulated depreciation	50,332,328	-
Right of use asset	-	-
Subscription based informaiton technology arrangement asset (net)	4,464,481	-
Total Noncurrent Assets	79,706,782	9,289,103
Total Assets	$ 117,488,710	9,811,268
LIABILITIES AND NET POSITION		
Current Liabilities		
Current maturities of lease payable	$ 109,512	$ -
Current maturities of notes payable	246,275	-
Current maturities of bonds payable	1,029,217	-
Current maturities of financed purchase	60,573	-
Current maturities of right of use liabilities	870,464	-
Accounts payable	4,634,697	60,798
Accrued expenses	3,381,197	-
Total Liabilities	10,331,935	60,798
Noncurrent Liabilities		
Long-Term Debt		
Lease payable, net of current maturities	34,890	-
Notes payable, net of current maturities	884,118	-
Bonds payable, net of current maturities	14,369,114	-
Financed purchase, net of current maturities	242,287	-
Right of use liabilities, net of current maturities	3,480,250	-
Total Noncurrent Liabilities	19,010,659	-
Net Position		
Net investment in capital assets	34,789,595	-
Unrestricted	53,356,521	9,750,470
Total Net Position	88,146,116	9,750,470
Total Liabilities and Net Position	$ 117,488,710	$ 9,811,268

See accompanying notes.

WABASH GENERAL HOSPITAL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2025

		Component Unit
	Wabash General Hospital District	**Wabash General Hospital Foundation**
Patient Revenues		
Inpatient	$ 16,265,427	$ -
Outpatient	200,971,459	-
Professional Services	29,027,091	-
Total Patient Revenues	246,263,977	-
Deductions from Revenues		
Contractual deductions	(135,977,495)	-
Provision for uncollectibles	(3,018,537)	-
Total Deductions from Revenues	(138,996,032)	-
Net Patient Revenue	107,267,945	-
Other Operating Revenue	4,584,272	388,113
Total Operating Revenues	111,852,217	388,113
Operating Expenses		
Salaries and employee benefits	56,052,529	-
Supplies and services	41,322,208	80,391
Depreciation and amortization	6,331,956	-
Gifts to Hospital	-	441,405
Total Operating Expenses	103,706,693	521,796
Operating Income (Loss)	8,145,524	(133,683)
Nonoperating Revenue (Expense)		
Rental income	104,838	-
Investment income	1,671,270	363,859
Interest expense	(595,274)	-
Realized gain on sale of investments	268,526	106,737
Unrealized gain (loss) on investments	61,037	751,124
Property taxes	557,118	-
Other revenue	8,420	-
Grant revenue	989,535	-
Total Nonoperating Revenue	3,065,470	1,221,720
CHANGE IN NET POSITION	11,210,994	1,088,037
Net Position, Beginning of Year	88,146,116	9,750,470
Net Position, End of Year	$ 99,357,110	$ 10,838,507

See accompanying notes.

WABASH GENERAL HOSPITAL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

		Component Unit
	Wabash General Hospital District	**Wabash General Hospital Foundation**
Patient Revenues		
Inpatient	$ 17,222,049	$ -
Outpatient	185,739,766	-
Professional Services	28,167,998	-
Total Patient Revenues	231,129,813	-
Deductions from Revenues		
Contractual deductions	(124,781,823)	-
Provision for uncollectibles	(2,269,084)	-
Total Deductions from Revenues	(127,050,907)	-
Net Patient Revenue	104,078,906	-
Other Operating Revenue	3,576,516	454,100
Total Operating Revenues	107,655,422	454,100
Operating Expenses		
Salaries and employee benefits	50,160,865	-
Supplies and services	37,731,390	72,339
Depreciation and amortization	5,525,318	-
Gifts to Hospital	-	458,602
Total Operating Expenses	93,417,573	530,941
Operating Income (Loss)	14,237,849	(76,841)
Nonoperating Revenue (Expense)		
Rental income	39,250	-
Investment income	1,576,500	301,137
Interest expense	(544,208)	-
Realized gain on sale of investments	36,036	827,188
Unrealized gain (loss) on investments	(6,504)	68,423
Gain (loss) on sale of assets	(36,047)	-
Property taxes	607,009	-
Grant income	853,086	-
Total Nonoperating Revenue (Expense)	2,525,122	1,196,748
CHANGE IN NET POSITION	16,762,971	1,119,907
Net Position, Beginning of Year	71,383,145	8,630,563
Net Position, End of Year	$ 88,146,116	$ 9,750,470

See accompanying notes.

WABASH GENERAL HOSPITAL DISTRICT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING ACTIVITIES		
Received from patient care services	$ 105,279,221	$ 104,026,819
Received from nonpatient sources	4,551,808	4,547,494
Payments to suppliers	(42,031,794)	(37,988,295)
Payments to employees	(55,575,395)	(49,647,763)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,223,840	20,938,255
NONCAPITAL FINANCING ACTIVITIES		
Property taxes	557,118	607,009
Noncapital grants	989,535	853,086
Other nonoperating income	113,258	39,250
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,659,911	1,499,345
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of long-term leases payable	(985,537)	(318,416)
Repayment of long-term bonds payable	(751,667)	(515,000)
Repayment of long-term note payable	(183,819)	(856,197)
Purchases of capital assets	(9,961,629)	(11,025,253)
Interest payments	(606,746)	(550,196)
Proceeds from issuance of long-term debt	2,000,000	-
Payments on notes receivable	(525,733)	(516,322)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(11,015,131)	(13,781,384)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	1,671,270	1,576,500
Realized gains	268,526	36,036
Proceeds from sale of investments	1,238,250	5,819,163
Purchase of investments	(9,843,674)	(23,226,564)
NET CASH USED IN INVESTING ACTIVITIES	(6,665,628)	(15,794,865)
NET INCREASE (DECREASE) IN CASH AND CASH EQUVALENTS	(3,797,008)	(7,138,649)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	21,252,999	28,391,648
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 17,455,991	$ 21,252,999

See accompanying notes.

WABASH GENERAL HOSPITAL DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 8,145,524	$ 14,201,802
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,331,956	5,525,318
Provision for uncollectible accounts	3,018,537	2,269,084
(Gain)/loss on sale of assets	19,621	36,047
(Increase)/decrease in assets:		
Patient accounts receivable	(5,007,261)	(2,321,171)
Other current assets	(41,150)	944,447
Inventories of supplies	(52,139)	(408,967)
Prepaid expenses	(593,042)	(360,771)
Increase/(decrease) in assets:		
Accounts payable	(65,389)	512,613
Accrued expenses	467,183	539,853
Net cash provided by operating activities	$ 12,223,840	$ 20,938,255
Noncash investing, capital and financing activities		
Capital assets purchased with a lease	$ 754,163	$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wabash General Hospital District ("District" or "Hospital") was formed in November 1957 in accordance with provisions of the Illinois Hospital District Law to provide high-quality, cost-effective health care in Wabash and surrounding counties, and to promote the general health of its residents. The District operates as Wabash General Hospital ("WGH"), a 25-bed critical access hospital with physician practices both on and off the main campus, and the Wabash Community Health Center ("WCHC"), a Federally Qualified Health Center ("FQHC"), that provides primary care services in underserved areas. The District's financial statements also present the Wabash General Hospital Foundation as a component unit, whose sole function is to provide support to the District for capital acquisitions and student scholarships. Activity for the WCHC is presented separately on pages 45-46.

A. DATE OF MANAGEMENT'S REVIEW

The District has evaluated subsequent events through April 20, 2026, the date on which the financial statements were available to be issued.

B. SCOPE OF THE REPORTING ENTITY

The accompanying financial statements include all entities for which the nine-member Board of Directors of the District has financial accountability.

In accordance with GASB Statements 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments,* the accompanying financial statements present the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for the District.

In addition, the accompanying financial statements include the accounts of the Wabash General Hospital Foundation (the Foundation), defined as a component unit of the District under GASB Statements No. 14 and 61, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations are Component Units.* The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the District. The economic resources held by the Foundation are entirely for the benefit of the District, its patients, and its programs. The Foundation reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is FASB Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-For-Profit Entities.* As such, certain revenue recognition criteria and presentation differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures (see Component Unit Note within Note 1) to the Foundation's financial statements have been incorporated into the District's notes to the financial statements.

Separate financial statements for the Foundation can be requested through the Chief Financial Officer of the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING AND PRESENTATION

The financial statements of the District have been prepared on the accrual basis of accounting. Revenues and expenses are recognized on an accrual basis using the economic resources measurement focus. The District prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

D. 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 at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Estimates that are particularly susceptible to significant changes in the near term and which require significant judgments by management include the allowance for doubtful accounts, allowance for contractual adjustments, estimated third-party payor settlements and the liability for the self-insured health insurance program. Actual results could differ from those estimates.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit. The District considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient accounts receivable, due directly from the patients, are carried at the original charge for the service provided, less amounts covered by third-party payors and less an estimated allowance for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts, by historical experience applied to an aging of accounts and by considering the patient's financial history, credit history and current economic conditions. The District does not charge interest on patient receivables. Patient receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Receivables or payables related to estimated settlements on various risk contracts that the District participates in are reported as estimated third-party payor settlements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INVENTORIES OF SUPPLIES

Inventories of supplies are stated at the lower of cost or market, on a first-in, first-out basis.

H. CAPITAL ASSETS

Capital assets purchased with an original cost of $5,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. All capital assets other than land are depreciated or amortized using the straight-line method of depreciation using these asset lives:

Land improvements	2-20 years
Buildings	3-40 years
Fixed equipment	5-30 years
Moveable equipment	3-25 years

Except for capital assets acquired through gifts, contributions, or capital grants, interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The District had no capitalized interest cost in 2025 and 2024, respectively.

I. INVESTMENTS AND INVESTMENT INCOME

Investment securities held by the District are carried at fair value at December 31, 2025 and 2024. Realized gains and losses, based on the specific identification method are included in the investment income in nonoperating items in the statements of revenues, expenses, and changes in net position. Unrealized gains and losses are included in unrealized gains and losses, in the nonoperating items in the statements of revenues, expenses and changes in net position.

J. COMPENSATED ABSENCES

The District's policy permits employees to accumulate earned but unused vacation, holiday and sick leave. Unused vacation pay will be paid to employees upon separation of employment. At December 31, 2025 and 2024 the District accrued $1,416,476 and $1,067,133, respectively of accrued vacations. This amount is included in accrued expenses on the statement of net position.

K. NET POSITION

The Net position of the District is classified into two components, net investment in capital assets and unrestricted. Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings used to finance the purchase or construction of those assets. An unrestricted net position is remaining net position that does not meet the definition of investment in capital assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. NET PATIENT SERVICE REVENUE

The District has agreements with third-party payors that provide payments to the District at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors 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.

M. CHARITY CARE

The District was organized to provide high-quality, cost-effective health care in Wabash and surrounding counties, and to promote the general health of their residents. Accordingly, services are being provided to the communities at no charge or for which only partial payments are received. The District provides charity care to those patients who meet certain criteria under its charity care policy. Amounts determined to qualify as traditional charity care are not reported as revenue. The District provided $2,048,292 and $635,247 in charity care during 2025 and 2024, respectively.

N. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS

When the District enters into subscription-based contracts to use vendor-provided information-technology software,. the District recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. Key estimates and judgments include how the District determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The District uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

O. INCOME TAXES

The District is organized as a hospital district of the State of Illinois and is not subject to federal and state income taxes.

The Foundation has been recognized as exempt from taxes under Section 501(c)3 of the Internal Revenue Code and similar provision of state law; however, they are subject to federal income tax on any unrelated business taxable income.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. PROPERTY TAXES

The District recorded property tax revenue to support operations and for repayment of bonds of $557,118 and $607,009 for the years ended December 31, 2025 and 2024, respectively.

Property taxes are levied by Wabash County on the District's behalf on December 9, 2024 and December 19, 2023, and are intended to finance the authority's activities of the same calendar year. Amounts levied are based on assessed property values as of the preceding year.

Q. OPERATING REVENUES AND EXPENSES

The District's statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with furtherance of its mission. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

From time to time, the District receives federal and state grants. Revenues from grants are recognized when all eligibility requirements are met. Grants may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported as nonoperating revenues and expenses. Nonexchange revenues and expenses, including property taxes, federal and state grants, investment income, interest expense on borrowed funds, gains and losses on disposal of capital assets, unrealized gains and losses on investments, and other nonoperating revenues and expenses are reported as nonoperating items in the financial statements.

R. RISK MANAGEMENT

The District is exposed to various risks of loss from torts including; theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, medical malpractice, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The District is also exposed to risks related to employee health and dental benefits, but is self-insured except for the stop-loss coverage. See note 15.

S. COMPONENT UNIT

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. COMPONENT UNIT (Concluded)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 2 – NET PATIENT SERVICE REVENUE

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

Medicare

The Hospital has been granted status as 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. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2021.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per discharge. Approximately 62% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended December 31, 2025 and 2024. 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.

Other Third-Party Payors

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. The amount of the discount varies based on the services performed.

NOTE 2 – NET PATIENT SERVICE REVENUE (Concluded)

Illinois Hospital Medicaid Assessment Program

The Hospital has recorded additional Medicaid revenue from the State of Illinois Hospital Assessment Program. The program requires payments to certain hospitals to account for the disproportion number of low-income patients served. Funding for the program comes from the Federal (Medicare) and State (Medicaid) appropriations. Under the hospital assessment program, each hospital is assessed a tax based on their adjusted gross hospital revenue. Governmental type hospitals are exempt from the tax. Revenues from this program are included in other operating revenue in the statements of revenues, expenses and changes in net assets for the years ended December 31, 2025 and 2024 were $2,671,019 and $2,433,705, respectively. The hospital assessment program is expected to continue to June 30, 2026. However, there is no assurance that the program will not be discontinued or significantly modified.

NOTE 3 – PATIENT ACCOUNTS RECEIVABLE

The District grants credit without collateral to its patients, many of whom are area residents and insured under third-party payor agreements. Patient accounts receivables as of December 31, 2025 and 2024 consisted of:

	2025	2024
Gross patient charges	$ 30,533,718	$ 34,749,897
Contractual adjustments	(10,966,659)	(9,915,644)
Provision for bad debts	(4,816,403)	(12,072,321)
Net patient service revenue	$ 14,750,656	$ 12,761,932

NOTE 4 – DEPOSITS AND INVESTMENTS

A. DEPOSITS

At December 31, 2025 and 2024, the carrying amount of the District's deposits were $44,030,151 and $39,864,828, respectively. The bank balances totaled $43,623,860 and $39,284,916 at December 31, 2025 and 2024. Of the total bank balances as of December 31, 2025, $545,967 was secured by federal depository insurance, $27,886 was secured by securities investor protection corporation, $176,585 was invested in Illinois Funds Money Market and $42,873,422 was collateralized by securities pledged by the District's financial institution in the name of the District. Cash was fully collateralized at December 31, 2025 and 2024. The District considers certificates of deposit to be investments.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

A. DEPOSITS

The carrying value of deposits shown above are included in the statement of net position as follows:

	2025	2024
Included in the following statement of net position captions:		
Cash and cash equivalents	$ 15,851,076	$ 20,001,556
Restricted cash	1,604,915	1,251,443
Certificates of deposit	26,574,160	18,611,829
	$ 44,030,151	$ 39,864,828

B. INVESTMENTS

The District's investment policy allows them to invest in U.S. Government Securities, U.S. Government Agency Securities, certificates of deposit, repurchase agreements, corporate bonds, commercial paper, equity securities, and mutual funds.

As of December 31, 2025 and 2024, the fair value of the District's investments were as follows:

	2025	2024
Bonds	$ 1,309,084	$ 864,425
Mutual funds	4,286,919	4,000,118
Real estate investments	56,691	74,133
Unit trusts	-	9,888
Total investments	$ 5,652,694	$ 4,948,564

Fair values for investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

I. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy authorizes a strategic asset allocation that is designed to provide an optimal return over the District's investment within the District's risk tolerance and cash requirements. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the District's investment portfolio to include varying maturities, appropriately laddered commensurate with the District's liquidity and capital needs.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS (Continued)

As of December 31, 2025 and 2024, the District had the following investment maturities relating only to the bond portfolio:

	2025 - Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate Bonds	$ 1,186,111	$ 1,133,818	$ 52,293	$ -	$ -
U.S. Treasuries	122,973	-	122,973	-	-
Total bonds	$ 1,309,084	$ 1,133,818	$ 175,266	$ -	$ -

	2024 - Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate Bonds	$ 793,475	$ 581,960	$ 211,515	$ -	$ -
U.S. Treasuries	70,950	70,950	0	-	-
Total bonds	$ 864,425	$ 652,910	$ 211,515	$ -	$ -

II. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy provides guidelines for its fund managers and lists specific allowable investments. The policy provides for utilization of varying styles of managers so that portfolio diversification is maximized but encourages relationships with a few high-quality companies.

GASB No. 40, Deposit, and Investment Risk Disclosures – an Amendment of GASB Statement No. 3, requires that disclosure be made as to the credit quality ratings of investments in debt securities except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. The District requires all investments to be investment-grade (rated A or better).

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS (Continued)

II. Credit Risk

As of December 31, 2025 and 2024, the District had the following credit exposure:

		2025	2024
Corporate Bonds	A1	0.00%	0.11%
Corporate Bonds	A2	0.44%	0.21%
Corporate Bonds	A3	0.00%	0.11%
Corporate Bonds	Aa1	0.10%	0.02%
Corporate Bonds	Baa2	0.93%	0.22%
Bond Funds	No rating	14.35%	9.59%

III. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2025 and 2024, of the District's $40,691,243 and $23,560,393 investments held by counterparties, $56,691 and $73,791 are held in securities by the investment's counterparty, not in the name of the District. The District's investment policy does not limit the holding of securities by counterparties.

IV. Concentration of Credit Risk

The authority places no limit on the amount it may invest in any one issuer. The District had certificates of deposit with local financial institutions representing $35,038,549 or 87% of the total investment value as of December 31, 2025, and $18,611,829 or 79% of the total investment value as of December 31, 2024.

NOTE 4 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS (Concluded)

V. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had the following recurring fair value measurements as of December 31, 2025: Corporate bonds, U.S. agency securities, asset backed securities, mortgage-backed securities, real estate and unit trusts, and municipal bonds classified in Level 2 of the fair value hierarchy are estimated based on quotes provided by recognized broker dealers or observable market based inputs for similar bonds or securities. Stocks and mutual funds are classified at Level 1 of the hierarchy and are valued using prices quoted in active markets for those instruments. There have been no changes in valuation techniques used by the District in 2025 and 2024.

NOTE 5 – FORGIVEABLE NOTES RECEIVABLE – OTHER

In December 2025 and 2024, the District had outstanding notes receivable of $1,875,313 and $1,349,580, respectively, due from several students who are working toward degrees or who have graduated. The agreements allow for forgiveness of these notes based upon service provided by the students after graduating and beginning employment with the District. The notes bear interest at the prime rate plus 1%.

NOTE 6 – CAPITAL ASSET ACTIVITY

Capital Assets on December 31, 2025 and 2024 consisted of the following:

	Balance January 1, 2025	Additions	Transfers	Deletions	Balance December 31, 2025
Capital Assets Not Being Depreciated					
Land	$ 1,186,537	$ 31,889	$ 18,340	$ -	$ 1,236,766
Construction in progress	8,150,193	7,646,595	(14,859,099)	-	937,689
Total Capital Assets Not Being Depreciated	$ 9,336,730	$ 7,678,484	$ (14,840,759)	$ -	$ 2,174,455
Other Capital Assets:					
Land improvements	$ 2,715,811	$ 171,218	$ 586,887	$ -	$ 3,473,916
Buildings	46,717,080	-	11,284,964	-	58,002,044
Fixed equipment	4,386,074	673,215	176,057	-	5,235,346
Moveable equipment	16,172,902	1,169,204	3,483,701	(481,935)	20,343,872
Total Other Capital Assets At Historical Cost	69,991,867	2,013,637	15,531,609	(481,935)	87,055,178
Less Accumulated Depreciation & Amortization For:					
Land improvements	1,668,122	236,709	-	-	1,904,831
Buildings	17,232,224	1,910,192	-	-	19,142,416
Fixed equipment	2,861,773	461,083	-	-	3,322,856
Moveable equipment	7,234,150	3,160,984	-	(434,597)	9,960,537
Total Accumulated Depreciation & Amortization	28,996,269	5,768,968	-	(434,597)	34,330,640
Other Capital Asset, Net	$ 40,995,598	$ (3,755,331)	$ 15,531,609	$ (47,338)	$ 52,724,538

	Balance January 1, 2024	Additions	Transfers	Deletions	Balance December 31, 2024
Capital Assets Not Being Depreciated					
Land	$ 972,752	$ -	$ 213,785	$ -	$ 1,186,537
Construction in progress	66,370	9,068,167	(984,344)	-	8,150,193
Total Capital Assets Not Being Depreciated	$ 1,039,122	$ 9,068,167	$ (770,559)	$ -	$ 9,336,730
Other Capital Assets:					
Land improvements	$ 2,527,747	$ 56,204	$ 131,860	$ -	$ 2,715,811
Buildings	46,147,635	280,293	296,795	(7,643)	46,717,080
Fixed equipment	4,197,156	188,918	-	-	4,386,074
Moveable equipment	15,246,290	659,023	341,904	(74,315)	16,172,902
Total Other Capital Assets At Historical Cost	68,118,828	1,184,438	770,559	(81,958)	69,991,867
Less Accumulated Depreciation & Amortization For:					
Land improvements	1,467,627	200,495	-	-	1,668,122
Buildings	15,842,726	1,397,141	-	(7,643)	17,232,224
Fixed equipment	2,572,057	289,716	-	-	2,861,773
Moveable equipment	4,778,236	2,518,851	-	(62,937)	7,234,150
Total Accumulated Depreciation & Amortization	24,660,646	4,406,203	-	(70,580)	28,996,269
Other Capital Asset, Net	$ 43,458,182	$ (3,221,765)	$ 770,559	$ (11,378)	$ 40,995,598

NOTE 6 – CAPITAL ASSET ACTIVITY

Right of use assets from December 31, 2025 and 2024 consisted of the following:

	Balance January 1, 2025	Additions	Transfers	Deletions	Balance December 31, 2025
Right of Use Assets					
Moveable Equipment	$ 833,269	$ -	$ (515,123)	$ -	$ 318,146
Fixed Equipment	176,054	-	(176,054)	-	-
Subscription-Based IT Arrangemer	5,499,025	1,559,231	-	-	7,058,256
	6,508,348	1,559,231	(691,177)	-	7,376,402
Less Accumulated Depreciation & Amortization For:					
Moveable Equipment	620,846	63,755	(403,018)	-	281,583
Fixed Equipment	118,991	-	(118,991)	-	-
Subscription-Based IT Arrangemer	1,304,030	1,528,758	-		2,832,788
Total Accumulated Depreciation & Amortization	2,043,867	1,592,513	(522,009)	-	3,114,371
Right of Use Assets, Net	$ 4,464,481	$ (33,282)	$ (169,168)	$ -	$ 4,262,031

	Balance January 1, 2024	Additions	Transfers	Deletions	Balance December 31, 2024
Right of Use Assets					
Moveable Equipment	$ 931,944	$ -	$ -	$ (98,675)	$ 833,269
Fixed Equipment	176,054	-	-	-	176,054
Subscription-Based IT Arrangemer	4,910,214	588,811	-	-	5,499,025
	6,018,212	588,811	-	(98,675)	6,508,348
Less Accumulated Depreciation & Amortization For:					
Moveable Equipment	507,185	187,667	-	(74,006)	620,846
Fixed Equipment	101,385	17,606	-	-	118,991
Subscription-Based IT Arrangemer	574,027	730,003	-		1,304,030
Total Accumulated Depreciation & Amortization	1,182,597	935,276	-	(74,006)	2,043,867
Right of Use Assets, Net	$ 4,835,615	$ (346,465)	$ -	$ (24,669)	$ 4,464,481

NOTE 7 – NOTES PAYABLE

Note payable obligations on December 31, 2025 and 2024 consisted of the following:

	2025	2024
Installment note, due September 29, 2027. Payment of $10,772 due monthly for five years with interest accrued at 2.750%. Beginning in 2022, payment of $10,767 for five years with variable interest rate not below 2.50%. Secured by real property with a cost of $1,087,500 and accumulated depreciation of $174,336.	$ 290,324	$ 349,143
Installment note, due December 25, 2036. Payment of $20,833 due monthly for ten years without interest Secured by an irrevocable letter of credit.	2,000,000	-
Installment note, due April 30, 2031. Beginning on April 25, 2023, payment of $10,417 due monthly with an interest rate of 4.25%.	656,250	781,250
Total notes payable	2,946,574	1,130,393
Less current maturities of long-term debt	(270,508)	(246,275)
Long-term portion of notes payable	$ 2,676,066	$ 884,118

Maturities of the note payable are as follows:

	Amount
2026	$ 270,508
2027	491,269
2028	375,000
2029	375,000
2030	281,250
2031-2035	1,153,547
	$ 2,946,574

NOTE 8 – BONDS PAYABLE

On June 10, 2010 the District issued fully registered general obligation bonds in the amount of $3,500,000, bearing interest rates ranging from 2.20% to 4.80% for the purpose of acquisition, construction, and installation of a medical office building for orthopedic surgery and outpatient rehabilitation services. The bonds are general obligations of the District, for which the District's full faith and credit are pledged and are payable from ad valorem taxes levied on all taxable property within the boundaries of the Hospital District without limitation as to rate or amount. The bonds are alternate bonds under Section 15 of the Local Government Debt Reform Act and to the extent provided in the Bond Ordinance, the bonds are also secured by a pledge of the revenues generated by the District. The board of directors of the District has determined in the bond ordinance that the revenue generated by the District will be sufficient to provide for or pay in each year to final maturity of the bonds the debt service requirements of these bonds.

On January 27, 2020 the District issued fully registered general obligation bonds in the amount of $1,945,000, bearing interest rate of 2.125% for the purpose of expanding, repairing, remodeling, equipping, and improving the District and building and equipping a medical office building adjacent to the District. The bonds are general obligations of the District, for which the District's full faith and credit are pledged and are payable from ad valorem taxes levied on all taxable property within the boundaries of the Hospital District without limitation as to rate or amount. The bonds are alternate bonds under Section 15 of the Local Government Debt Reform Act and to the extent provided in the Bond Ordinance, the bonds are also secured by a pledge of the revenues generated by the District. The board of directors of the District has determined in the bond ordinance that the revenue generated by the District will be sufficient to provide for or pay in each year to final maturity of the bonds the debt service requirements of these bonds.

On May 1, 2021 the District issued fully registered general obligation bonds in the amount of $12,260,000, bearing interest rate of 2.125% for the purpose of expanding, repairing, remodeling, equipping, and improving the District and building and equipping a medical office building adjacent to the District. The bonds are general obligations of the District, for which the District's full faith and credit are pledged and are payable from ad valorem taxes levied on all taxable property within the boundaries of the Hospital District without limitation as to rate or amount. The bonds are alternate bonds under Section 15 of the Local Government Debt Reform Act and to the extent provided in the Bond Ordinance, the bonds are also secured by a pledge of the revenues generated by the District. The board of directors of the District has determined in the bond ordinance that the revenue generated by the District will be sufficient to provide for or pay in each year to final maturity of the bonds the debt service requirements of these bonds. These bonds required certain amounts to be set aside in separate accounts as a debt service reserve. These amounts have been restricted on the statement of financial position.

NOTE 8 – BONDS PAYABLE (Continued)

The District was obligated under long-term debt as of December 31, 2025 and 2024 as follows:

	2025	2024
General obligation Debt Certificates 2014 $3,500,000 due in annual amounts beginning on April 1, 2016 through 2029 at annual interest rate of 3.75%	$ 1,166,664	$ 1,458,331
General obligation Debt Certificates 2021A $1,945,000 due in annual amounts beginning on January 1, 2022 through 2031 at annual interest rate of 2.125%	1,220,000	1,420,000
General obligation Debt Certificates 2021 B & C $6,963,569 due in annual amounts beginning on May 1, 2022 through 2055 at annual interest rate of 2.125%	12,260,000	12,520,000
Total bonds payable	14,646,664	15,398,331
Less current portion	(480,000)	(1,029,217)
Long-term portion of bonds payable	$ 14,166,664	$ 14,369,114

NOTE 8 – BONDS PAYABLE (Continued)

Bond activity for the years ended December 31, 2025 and 2024 was as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Series 2014 General Obligation Debt Certificates	$ 1,458,331	$ -	$ 291,667	$ 1,166,664	$ -
Series 2020 A Alternate Revenue Bonds	1,420,000	-	200,000	1,220,000	200,000
Series 2021 B & C Alternate Revenue Bonds	12,520,000	-	260,000	12,260,000	280,000
Total bonds payable	$ 15,398,331	$ -	$ 751,667	$ 14,646,664	$ 480,000

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Series 2010 General Obligation Bonds	$ 340,000	$ -	$ 340,000	$ -	$ -
Series 2014 General Obligation Debt Certificates	1,750,000	-	291,669	1,458,331	291,667
Series 2020 A Alternate Revenue Bonds	1,615,000	-	195,000	1,420,000	200,000
Series 2021 B & C Alternate Revenue Bonds	12,780,000	-	260,000	12,520,000	537,550
Total bonds payable	$ 16,485,000	$ -	$ 1,086,669	$ 15,398,331	$ 1,029,217

NOTE 8 – BONDS PAYABLE (Concluded)

Maturities under long-term debt agreements, including interest, described above are as follows:

	Total	Principal	Interest
2026	$ 532,572	$ 480,000	$ 52,572
2027	812,928	771,667	41,261
2028	821,041	791,667	29,374
2029	813,487	796,663	16,824
2030	820,210	816,667	3,543
Thereafter	10,991,208	10,990,000	1,208
	$ 14,791,444	$ 14,646,664	$ 144,780

NOTE 9 – DEFEASANCE OF PRIOR BONDS

On October 1, 1999 the District defeased its Series 1982 and Series 1985 Revenue Bonds. At defeasance $1,920,000 Series 1982 Bonds were outstanding and $2,095,000 Series 1985 were outstanding.

To accomplish the defeasance the District deposited $4,215,049 with its escrow agent, the American National Bank and Trust Company of Chicago, Chicago, Illinois. Funds deposited in the escrow will be used to purchase direct, non-callable obligations of the United States of America. The escrow obligations will mature at such times and pay interest in such amounts so that together with other available funds in the Escrow Funds sufficient funds will be available to pay interest on the Series 1982 and Series 1985 Bonds on and prior to their respective redemption or maturity dates, and to pay the redemption price or principal amount of the Series 1982 and Series 1985 Bonds on or prior to such respective redemption or maturity dates.

On January 7, 2000 the District defeased a portion of its Series 1994 Revenue Bonds. At defeasance $2,880,000 Series 1994 Revenue Bonds were outstanding of which, $885,000 were defeased.

To accomplish the defeasance the District deposited $952,283 with its escrow agent, Old National Bank of Evansville, Indiana. Funds deposited in escrow will be used to purchase direct non-callable obligations of the United States of America.

The escrow obligations will mature at such times and pay interest in such amounts so that together with other available funds in the Escrow Funds sufficient funds will be available to pay interest on the Series 1994 Bonds on and prior to their respective redemption or maturity dates, and to pay the redemption price or principal amount of the Series 1994 Bonds on or prior to such respective redemption or maturity dates.

On January 2, 2008 the District defeased a portion of its Series 1998A and 1998B Alternate Revenue Bonds and General Obligation Bonds amounting to $4,770,000.

NOTE 9 – DEFEASANCE OF PRIOR BONDS (Concluded)

To accomplish the defeasance the District deposited $4,864,973 with its escrow agent, Bank of New York Trust Company, New York, New York. Funds deposited in escrow will be used to purchase State, Local Government issues which will mature at such times and pay interest in such amounts so that together with other available funds in the Escrow Funds sufficient funds will be available to pay interest on the Series 1994 Bonds on and prior to their respective redemption or maturity dates, and to pay the redemption price or principal amount of the Series 1994 Bonds on or prior to such respective redemption or maturity dates.

Defeased bonds are not included in the District's outstanding long-term debt since the District legally satisfied its obligation with respect thereto through consummation of the escrow agreement described herein.

NOTE 10 – RETIREMENT PLANS

Profit Sharing Plan

The District sponsors a profit-sharing plan. The plan covers all employees over the age of 21 who have completed one year of service.

For employee contributions to the plan, the District contributes on behalf of each participant which equals an amount up to 3% of the compensation of the participant. Cost pertaining to this plan for the years ended December 31, 2025 and 2024 were $802,876 and $669,561, respectively.

Deferred Compensation Plan

The District sponsors a deferred compensation plan. The plan covers all employees over the age of 21 who have completed three months of service. The District does not make any contributions to this plan.

NOTE 11 – CONCENTRATION OF CREDIT RISK

The mix of net receivables from patients and third party payors as of December 31, 2025 and 2024 is as follows:

Payor Mix	2025	2024
Medicare	40%	27%
Medicaid	10%	13%
Other Commercial Insurance	35%	30%
Private pay	15%	30%
Total	100%	100%

NOTE 12 – LEASE PAYABLE

The District leases various assets. The economic substance of the leases is that the District is financing the acquisition of assets through the leases, and accordingly, they are recorded in the District's assets and liabilities as right of use assets and lease liabilities. The following is an analysis of the leased assets included in equipment and buildings.

Principal and interest payment requirements related to the lease liabilities as of December 31, 2025, were as follows:

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 12-2026	$ 103,796	$ 144,407	$ 248,203
Year Ending 12-2027	128,650	119,553	248,203
Year Ending 12-2028	159,456	88,748	248,204
Year Ending 12-2029	197,637	50,566	248,203
Year Ending 12-2030	122,893	8,325	131,218
Total Future Payments	$ 712,432	$ 411,599	$ 1,124,031

NOTE 13 – SUBCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into subscription-based information technology arrangements (SBITAs) involving electronic health records and accounting software.

The following summarizes maturities and activities related for the SBITAs.

	Years Ending, December 31, 2025	December 31, 2024
Lease expense		
Amortization expense by class of underlying asset SBITA - GASB 96	$ 950,779	$ 936,264
Interest on lease liabilities	132,644	140,874
Total	$ 1,083,423	$ 1,077,138

In July 2022, the District entered into a seven year agreement as lessee for the use of electronic health record and accounting software. An initial lease liability was recorded in the amount of $5,526,625. As of December 31, 2025, the value of the lease liability was $2,939,503. The District is required to make a monthly principal and interest payment of $72,225. The software has an estimated useful life equal to the lease term.

NOTE 13 – SUBCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Concluded)

In September 2023, the District entered into a five year agreement as lessee for the use of financial statement preparation, budgeting and productivity software. An initial lease liability was recorded in the amount of $196,169. As of December 31, 2025, the value of the lease liability was $107,326. During 2025 and 2024, the District was required to make an annual principal and interest payment of $50,490 and $52,510, respectively. The software has an estimated useful life equal to the lease term.

In January 2024, the District entered into a five year agreement as lessee for the use of quality software. An initial lease liability was recorded in the amount of $163,104. As of December 31, 2025, the value of the lease liability was $13,002. During 2025, the District was required to make a monthly principal and interest payment of $35,000. The software has an estimated useful life equal to the lease term.

In August 2024, the District entered into a ten year agreement as lessee for the use of electronic health record and accounting system archiver software. An initial lease liability was recorded in the amount of $487,557. As of December 31, 2025, the value of the lease liability was $433,783. During 2025, the District was required to make a monthly principal and interest payment of $5,073. The software has an estimated useful life equal to the lease term.

Subscription Based IT Agreement payments as of December 31, 2025, were as follows:

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 12-2026	$ 928,112	$ 106,584	$ 1,034,696
Year Ending 12-2027	948,880	76,002	1,024,882
Year Ending 12-2028	922,560	44,403	966,963
Year Ending 12-2029	549,014	17,432	566,446
Year Ending 12-2030	50,705	10,166	60,871
5 Years Ending 12-2035	212,612	16,810	229,422
Total Future Payments	$ 3,611,883	$ 271,397	$ 3,883,280

NOTE 14 – FINANCED PURCHASES

The District leases real estate under finance purchase agreements. The economic substance of the leases is that the District is financing the acquisition of assets through the leases, and accordingly, they are recorded in the District's assets and liabilities as capital assets and financed purchase liabilities. Ownership of the property will transfer to the District at the end of the lease term with no additional cost to the District. The following is an analysis of the leased assets included in buildings:

NOTE 14 – FINANCED PURCHASES (CONCLUDED)

	2025	2024
Buildings	$ 601,646	$ 960,907
Less accumulated depreciation	(92,754)	(117,381)
	$ 508,892	$ 843,526

The following schedule by years of future minimum payments required under the financed purchase agreements together with their present value as of December 31, 2025:

Year Ending December 31:	
2026	$ 57,120
2027	59,362
2028	61,692
2029	64,113
Total minimum payments	242,287
Less amounts representing interest	(19,553)
Present value of minimum lease payments	$ 222,734

Amortization of the assets held under financed purchase agreements is included in depreciation and amortization expense.

NOTE 15 – MEDICAL MALPRACTICE COVERAGE AND CLAIMS

The District purchases its general and professional liability insurance coverage from a commercial carrier. The District has a liability limit of $1,000,000 per claim and a liability limit of $3,000,000 in the general aggregate. The District accrues 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 any incident. Such estimates are based on the District's own claims experience. The District did not consider any accrual necessary for the years ended December 31, 2025 and 2024.

NOTE 16 – SELF-INSURANCE

The District self-insures certain costs related to employee health programs. The plan operates for a fiscal year ending September 30. Costs resulting from noninsured losses are charged to salaries and benefits when incurred. The District has purchased insurance that limits its exposure for individual claims to $90,000 and that limits its aggregate exposure to approximately $4,709,207. At December 31, 2025 and 2024, an accrued claims liability of approximately $716,000 was included in accrued expenses on the Statement of Net Position.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT

The Foundation's notes to the financial statements are as follows:

A. Summary of Significant Accounting Policies

Wabash General Hospital Foundation (the Foundation) is organized exclusively for charitable purposes. The Foundation assists in developing and augmenting the facilities and equipment of Wabash General Hospital (Hospital).

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities. The Foundation has presented its assets and liabilities on its Statement of Financial Position in an unclassified manner, but in order of liquidity.

Basis of Presentation – The Foundation classifies its net assets, revenues, gains, and losses on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation has no net assets with donor restrictions at December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents – For the purpose of the Statement of Cash Flows, cash equivalents consist of cash and highly-liquid short-term investments including money market account deposits with original maturity of three months or less from the date of purchase.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Summary of Significant Accounting Policies (Continued)

Contributions – Contributions, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted and recorded at the present value using a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. There were no contributions to be received after one year at December 31, 2025 and 2024. Contributions received in the same year in which the restriction is met are recorded as temporarily restricted contributions and released from restriction.

Contributed Services – The Hospital provides accounting and record-keeping services, and the necessary administrative services to the Foundation at no charge. Other amounts have been recorded based on actual cost to the Hospital for the services.

Investments – Investments are reported at fair value. Investment income, gains and losses, and any investment-related expenses are recorded as changes in net assets without donor restrictions in the Statement of Activities unless their use is temporarily or permanently restricted by explicit donor stipulations or laws. In the absence of donor stipulations or law to the contrary, losses on the investments of donor-restricted endowment funds are recognized as reductions of net assets with donor restrictions to the extent that donor-imposed restrictions on net appreciation of the funds have not been met before the loss occurs. Any remaining loss reduces net assets without donor restrictions.

Investment Expenses – Investment expenses, including custodial fees and investment advisory fees, relating to investment income amounted to $73,616 and $66,062 at December 31, 2025 and 2024, respectively. These fees have been netted with investment income in the accompanying Statement of Activities.

Fair Value – The Foundation follows FASB ASC 820-10 “Fair Value Measurements,” which provides a framework for measuring fair value under U.S. generally accepted accounting principles. FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Summary of Significant Accounting Policies (Concluded)

Level 1: Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

Income Taxes – The Foundation is recognized as exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Foundation may be subject to federal and state income taxes on any net income from unrelated business activities. The Foundation files a form 990 (Return of Organization Exempt from Income Tax) annually, and unrelated business income (UBI) is reported on Form 990-T, as appropriate. Management has evaluated the Foundation's material tax positions, which include such matters as the tax-exempt status of each entity and various positions relative to potential sources of UBI. As of December 31, 2025 and 2024, there were no uncertain tax benefits identified and recorded as a liability.

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

B. Investments and Fair Value Measurements

The Foundation's investments are primarily managed by an investment advisor in accordance with the terms of an investment advisor agreement. Investments detailed below were measured at fair value.

December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 6,207,218	$ 6,207,218	$ -	$ -
Common Stock	3,211,119	3,211,119	-	-
Bonds	702,491	-	702,491	-
	$ 10,120,828	$ 9,418,337	$ 702,491	$ -

December 31, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 5,308,258	$ 5,308,258	$ -	$ -
Common Stock	3,100,951	3,100,951	-	-
Bonds	642,118	-	642,118	-
	$ 9,051,327	$ 8,409,209	$ 642,118	$ -

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the years ended December 31, 2025 and 2024.

C. Net Assets with Donor Restrictions

The Foundation reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

At December 31, 2025 and 2024, the Foundation held no net assets with donor restrictions.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (Concluded)

D. Liquidity and Availability

The Foundation's financial assets available for general expenditures, that is, without donor restrictions or other limitations, such as Board designations, within one year of the Statement of Financial Position date, comprise the following:

	2025	2024
Cash	$ 532,906	$ 521,354
Investments	10,364,899	9,289,103
Total	$ 10,897,805	$ 9,810,457

As part of the Foundation's liquidity management plan, cash in excess of the Foundation's daily requirements is invested in short-term investments, certificates of deposit, and money market funds as determined by the Foundation's investment committee.

E. Relationship to Wabash General Hospital and Related Transactions

As part of the Foundation efforts, donations are accepted for the purchase of equipment to be used by the District. The District makes the initial purchase and submits invoices to the Foundation for reimbursement. The amounts reimbursed to the District are expensed as title to the assets remains with the District.

F. Concentrations of Credit Risk

The Foundation maintains cash and cash equivalents at two different financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2025 and 2024, the Foundation had no cash and cash equivalents that were exposed to custodial credit risk but were collateralized by securities pledged by the Foundation's financial institution on-behalf of the Foundation.

SUPPLEMENTARY INFORMATION

WABASH GENERAL HOSPITAL DISTRICT
WABASH COMMUNITY HEALTH CENTER

SCHEDULES OF NET POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 33,050	$ 30,213
Accounts receivable	285,372	429,423
Total Current Assets	318,422	459,636
Capital assets, net of accumulated depreciation	2,612	19,838
Total Assets	321,034	$ 479,474
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	$ 36,523	$ 46,616
Total Liabilities	36,523	46,616
Net Position		
Net investment in capital assets	2,612	19,838
Unrestricted	281,899	413,020
Total Net Position	284,511	432,858
Total Liabilities and Net Position	$ 321,034	$ 479,474

WABASH GENERAL HOSPITAL DISTRICT

BUDGET COMPARISON – SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025

	2025	2024
Patient Revenues		
Outpatient	$ 2,485,621	$ 1,449,092
Total Patient Revenues	2,485,621	1,449,092
Deductions from Revenues		
Contractual deductions	(862,687)	(447,095)
Total Deductions from Revenues	(862,687)	(447,095)
Net Patient Revenue	1,622,934	1,001,997
Total Operating Revenues	1,622,934	1,001,997
Operating Expenses		
Salaries and employee benefits	1,787,533	1,070,297
Supplies and services	593,100	715,625
Depreciation and amortization	13,929	21,690
Total Operating Expenses	2,394,562	1,807,612
Operating Income (Loss)	(771,628)	(805,615)
Non-Operating Revenue		
Interest income	726	1,037
Other income	8,420	-
Grant Income	-	10,663
Transfers in	614,135	823,434
Total Non-Operating Revenue	623,281	835,134
CHANGE IN NET POSITION	(148,347)	29,519
Net Position, Beginning of Year	432,858	403,339
Net Position, End of Year	$ 284,511	$ 432,858

WABASH GENERAL HOSPITAL DISTRICT

BUDGET COMPARISON – SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025

	Budget	Actual
Patient Revenues		
Inpatient	$ 19,671,164	16,265,427
Outpatient	191,406,147	200,971,459
Professional services	32,508,468	29,027,091
Total Patient Revenues	243,585,779	246,263,977
Deductions from Revenues		
Deductions from revenue	127,608,993	135,187,567
Charity	504,000	635,247
Provision for bad debts	4,315,590	2,269,084
Other contractual/discounts	899,345	904,134
Total Deductions from Revenues	133,327,928	138,996,032
Net Patient Revenue	110,257,851	107,267,945
Other Operating Revenue	4,433,116	4,584,272
Total Operating Revenues	114,690,967	111,852,217
Operating Expenses		
Salaries	43,947,650	40,930,731
Benefits	10,907,153	6,379,522
Supplies	15,973,315	6,115,693
Repairs and maintenance	2,234,754	2,099,457
Rents and leases	220,876	212,124
Utilities	1,267,140	1,106,017
Depreciation and amortization	6,180,458	5,525,318
All other expenses	24,930,235	41,337,831
Total Operating Expenses	105,661,581	103,706,693
Operating Income (Loss)	9,029,386	8,145,524
Nonoperating Revenue (Expense)		
Non-operating income	1,055,783	670,376
Non-operating expense	-	(595,274)
Donations and Grants	292,398	989,535
Interest	1,744,625	1,671,270
Gain (loss) on investments	-	329,563
Total Nonoperating Revenue (Expense)	3,092,806	3,065,470
Change in Net Position	$ 12,122,192	$ 11,210,994

WABASH GENERAL HOSPITAL DISTRICT

BUDGET COMPARISON – SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual
Patient Revenues		
Inpatient	$ 18,500,558	$ 17,222,049
Outpatient	159,268,276	185,739,766
Professional services	27,652,633	28,167,998
Total Patient Revenues	205,421,467	231,129,813
Deductions from Revenues		
Deductions from revenue	106,254,684	123,242,442
Charity	192,000	635,247
Provision for bad debts	7,731,192	2,269,084
Other contractual/discounts	1,561,312	904,134
Total Deductions from Revenues	115,739,188	127,050,907
Net Patient Revenue	89,682,279	104,078,906
Other Operating Revenue	3,494,247	3,576,516
Total Operating Revenues	93,176,526	107,655,422
Operating Expenses		
Salaries	39,458,020	40,930,731
Benefits	9,274,301	6,379,522
Supplies	15,602,166	6,115,693
Repairs and maintenance	2,832,482	2,099,457
Rents and leases	218,640	212,124
Utilities	1,080,317	1,106,017
Depreciation and amortization	4,838,281	5,525,318
All other expenses	14,858,142	31,048,711
Total Operating Expenses	88,162,349	93,417,573
Operating Income (Loss)	5,014,177	14,237,849
Nonoperating Revenue (Expense)		
Non-operating income	1,183,663	646,259
Non-operating expense	-	(580,255)
Donations and Grants	937,693	853,086
Interest	838,744	1,612,536
Gain/(Loss) on investments	11,315	(6,504)
Total Nonoperating Revenue (Expense)	2,971,415	2,525,122
Change in Net Position	$ 7,985,592	$ 16,762,971

FEDERAL COMPLIANCE SECTION

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Wabash General Hospital District
Mt. Carmel, Illinois 62863

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit information of the Wabash General Hospital District (Hospital), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Wabash General Hospital's basic financial statements, and have issued our report thereon dated April 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Wabash General Hospital District
Mt. Carmel, Illinois

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group, LLP

April 20, 2026

Certified Public Accountants and Consultants
Evansville, Indiana

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Wabash General Hospital District
of Mt. Carmel, Illinois 62863

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wabash General Hospital District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wabash General Hospital District's major federal programs for the year ended December 31, 2024. Wabash General Hospital District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wabash General Hospital District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wabash General Hospital District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Wabash General Hospital District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Wabash General Hospital District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wabash General Hospital District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wabash General Hospital District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Wabash General Hospital District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Wabash General Hospital District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Wabash General Hospital District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group, LLP

April 20, 2026

Certified Public Accountants and Consultants
Evansville, Indiana

WABASH GENERAL HOSPITAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant ID No.	Federal Expenditures
United States Department of Agriculture			
Community Facilities Loans and Grants	10.766		$ 12,260,000
Total United States Department of Agriculture			12,260,000
Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		249,233
Rural Health Outreach & Rural Network Development Program	93.912		215,782
AHEC Point of Service Maint & Enhancement	93.107		135,877
Total Department of Health and Human Services			600,892
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 12,860,892

WABASH GENERAL HOSPITAL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2025

Note 1 – Reporting Entity Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Subrecipients

There were no subrecipients.

Note 3 – Description of Major Federal Program

Community Facilities Loans and Grants – This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial, or business undertakings.

Note 4 – Non-Cash Assistance

There was no non-cash assistance.

Note 5 – Amount of Insurance

There was no insurance.

Note 6 – Loans or Loan Guarantees Outstanding

The outstanding balance of the Community Facilities loan received under assistance listing number, 10.766 was $12,260,000 at December 31, 2025.

Note 7 – Indirect Cost Rate

The Hospital did not use the indirect cost rate.

WABASH GENERAL HOSPITAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	None Noted
• Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
• Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
a) Material weaknesses identified?	None Noted
b) Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major program:

Assistance Listing Number	Name of Federal Program
10.766	Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as a low risk auditee?	Yes

WABASH GENERAL HOSPITAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2025

SECTION II – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no audit findings in the prior year.

WABASH GENERAL HOSPITAL DISTRICT

CORRECTIVE ACTION PLAN

December 31, 2025

SECTION III – CORRECTIVE ACTION PLAN

A corrective action plan is not applicable for the year ended December 31, 2025.