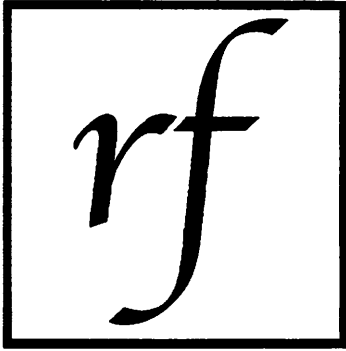


Walsh District Hospital
dba Walsh Healthcare Center
Financial Statements
December 31, 2025 & 2024

**Walsh District Hospital
DBA Walsh Healthcare Center
Table of Contents
December 31, 2025 & 2024**

	Page
Table of Contents	i
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Fund Net Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	8
Supplementary Information:	
Budgetary Comparison Schedules	
Schedules of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual (Budgetary Basis):	
Nursing Home	15
Ambulance	16
Assisted Care Facility	17
Medical Clinic	18



Independent Auditor's Report

Board of Directors
Walsh District Hospital
dba Walsh Healthcare Center

We have audited the financial statements of each major fund of Walsh District Hospital dba Walsh Healthcare Center (the "Center"), as of and for the years ended December 31, 2025, and 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund of the Center 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center 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

The Center's 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 Center'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.

*r*farmer, llc

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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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 Center'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 the 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.

Management has elected to omit the management's discussion and analysis. Although not a part of the basic financial statements, it 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. The omission of this information does not affect our opinion on the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center’s basic financial statements. The accompanying supplementary information on pages 15 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

May 14, 2026

Basic Financial Statements

Walsh District Hospital dba Walsh Healthcare Center
Statement of Net Position
Proprietary Funds
December 31, 2025 and 2024

ASSETS	<u>Nursing Home</u>	<u>Ambulance</u>	<u>Assisted Care Facility</u>	<u>Medical Clinic</u>	<u>Total 2025</u>	<u>Total 2024</u>
Current assets:						
Cash	\$ 117,629	\$ 45,460	\$ 78,140	\$ 23,577	\$ 264,806	\$ 106,464
Certificates of deposit	404,841	33,026	-	-	437,867	574,440
Accounts receivable, net	160,369	119,173	14,139	90,735	384,416	428,477
Due from other funds	2,000,689	-	-	-	2,000,689	1,834,246
Other receivables	1,429,053	-	-	-	1,429,053	699,281
Inventories	38,624	79,315	1,576	45,207	164,722	119,546
Prepaid Expenses	10,160	-	2,866	5,027	18,053	75,253
Total current assets	<u>4,161,365</u>	<u>276,974</u>	<u>96,721</u>	<u>164,546</u>	<u>4,699,606</u>	<u>3,837,707</u>
Capital assets:						
Property, Plan and Equipment:						
Capital assets	5,230,652	1,175,223	1,268,657	274,669	7,949,201	7,722,952
Less Accumulated depreciation	(3,720,664)	(1,046,346)	(972,739)	(111,704)	(5,851,453)	(5,597,263)
Total non-current assets	<u>1,509,988</u>	<u>128,877</u>	<u>295,918</u>	<u>162,965</u>	<u>2,097,748</u>	<u>2,125,689</u>
Total assets	<u>5,671,353</u>	<u>405,851</u>	<u>392,639</u>	<u>327,511</u>	<u>6,797,354</u>	<u>5,963,396</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	70,806	4,203	523	353	75,885	105,409
Due to other funds	-	127,951	1,482,493	390,244	2,000,688	1,834,254
Other accrued expenses	97,449	393	15,869	19,585	133,296	133,247
Unearned revenue	26,288	-	-	9,083	35,371	138,101
Loans payable, current portion	60,000	-	-	-	60,000	30,000
Total current liabilities	<u>254,543</u>	<u>132,547</u>	<u>1,498,885</u>	<u>419,265</u>	<u>2,305,240</u>	<u>2,241,011</u>
Non-current liabilities:						
Loans payable	168,000	-	-	-	168,000	188,000
Total non-current liabilities	<u>168,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,000</u>	<u>188,000</u>
Total liabilities	<u>422,543</u>	<u>132,547</u>	<u>1,498,885</u>	<u>419,265</u>	<u>2,473,240</u>	<u>2,429,011</u>
Deferred inflow of resources:						
Property taxes	1,424,000	-	-	-	1,424,000	694,183
NET POSITION						
Net investment in capital assets	1,281,988	128,877	295,918	162,965	1,869,748	1,739,689
Unrestricted	2,542,822	144,427	(1,402,164)	(232,866)	1,052,219	1,100,513
Total net position	<u>\$ 3,824,810</u>	<u>\$ 273,304</u>	<u>\$(1,106,246)</u>	<u>\$ (69,901)</u>	<u>\$ 2,921,967</u>	<u>\$ 2,840,202</u>

The accompanying notes to financial statements
are an integral part of these statements.

Walsh District Hospital dba Walsh Healthcare Center
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the years ended December 31, 2025 and 2024

	<u>Nursing Home</u>	<u>Ambulance</u>	<u>Assisted Care Facility</u>	<u>Medical Clinic</u>	<u>Total 2025</u>	<u>Total 2024</u>
REVENUES						
Charges for services	\$ 2,459,507	\$ 141,797	\$ 372,217	\$ 303,178	\$ 3,276,699	\$ 3,240,056
Other income	12,252	15,537	-	-	27,789	71,136
Property taxes	573,972	27,084	58,269	140,217	799,542	870,483
Total operating revenues	<u>3,045,731</u>	<u>184,418</u>	<u>430,486</u>	<u>443,395</u>	<u>4,104,030</u>	<u>4,181,675</u>
OPERATING EXPENSES						
Professional care of patients	1,661,942	-	126,686	304,314	2,092,942	2,436,980
Dietary services	436,464	-	55,101	-	491,565	480,055
Administrative services	271,625	-	7,449	84,937	364,011	402,476
General services	647,441	-	238,873	50,645	936,959	943,259
Ambulance services	-	98,879	-	-	98,879	98,652
Provision for bad debts	16,689	-	-	-	16,689	350
Depreciation	141,498	53,948	33,719	14,304	243,469	264,825
Total Operating Expenses	<u>3,175,659</u>	<u>152,827</u>	<u>461,828</u>	<u>454,200</u>	<u>4,244,514</u>	<u>4,626,597</u>
Operating income (loss)	<u>(129,928)</u>	<u>31,591</u>	<u>(31,342)</u>	<u>(10,805)</u>	<u>(140,484)</u>	<u>(444,922)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest	17,585	475	430	421	18,911	26,064
Grants and contributions	171,724	3,262	-	7,195	182,181	93,029
Interest expense	(693)	-	-	-	(693)	(695)
Total non-operating revenue (expenses)	<u>188,616</u>	<u>3,737</u>	<u>430</u>	<u>7,616</u>	<u>200,399</u>	<u>118,398</u>
Income (loss)	<u>58,688</u>	<u>35,328</u>	<u>(30,912)</u>	<u>(3,189)</u>	<u>59,915</u>	<u>(326,524)</u>
Change in net position	58,688	35,328	(30,912)	(3,189)	59,915	(326,524)
Total net position - beginning	<u>3,766,122</u>	<u>237,976</u>	<u>(1,075,334)</u>	<u>(66,712)</u>	<u>2,862,052</u>	<u>3,166,726</u>
Total net position - ending	<u>\$ 3,824,810</u>	<u>\$ 273,304</u>	<u>\$(1,106,246)</u>	<u>\$ (69,901)</u>	<u>\$ 2,921,967</u>	<u>\$ 2,840,202</u>

The accompanying notes to financial statements
are an integral part of these statements.

Walsh District Hospital dba Walsh Healthcare Center
Statement of Cash Flows
Proprietary Fund
For the years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from residents	\$ 3,320,760	\$ 3,208,173
Property taxes	799,542	870,483
Other income	27,789	71,136
Cash paid to suppliers	(1,925,554)	(2,188,864)
Cash paid for personnel costs	(2,092,942)	(2,436,980)
Net cash flows from Operating Activities	129,595	(476,052)
Cash flows from capital and related financing activities:		
Grants and contributions	79,451	246,644
Proceeds from borrowings	40,000	188,000
Debt principal (payments)	(30,000)	(30,000)
Interest expense	(693)	-
Capital assets acquired or constructed	(215,495)	(157,840)
Net cash flows from capital and financing activities	(126,737)	246,804
Cash flows from investing activities		
Interest income	18,911	26,064
Net cash flows from investing activities	18,911	26,064
Net increase (decrease) in cash and cash equivalents	21,769	(203,184)
Beginning of year	680,904	884,088
End of year	\$ 702,673	\$ 680,904

End of year cash includes cash and certificates of deposit.

The accompanying notes to financial statements
are an integral part of these statements.

Walsh District Hospital dba Walsh Healthcare Center
Statement of Cash Flows
Proprietary Fund
For the years ended December 31, 2025 and 2024

	2025	2024
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (140,484)	\$ (444,922)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	243,469	264,825
Changes in assets and liabilities (Increase) decrease in:		
Accounts receivable	44,061	(31,883)
Inventory	(45,176)	(24,269)
Prepaid expenses	57,200	(4,394)
Increase (decrease) in:		
Accounts payable	(29,524)	(235,409)
Accrued liabilities	49	-
Net cash flows from operating activities	\$ 129,595	\$ (476,052)

The accompanying notes to financial statements
are an integral part of these statements.

**Walsh District Hospital
dba Walsh Healthcare Center
Notes to Financial Statements
December 31, 2025 & 2024**

Note 1 Summary of Significant Accounting Policies

The accounting policies of Walsh District Hospital dba Walsh Healthcare Center (the “Center”) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center’s accounting policies are described below.

The center operates under an elected Board with five members.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations whose exclusion from the reporting entity’s financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This Center is not included in any other governmental “reporting entity” as defined in GASB No. 14 amendments and does not include any other component unit as part of its “reporting entity”.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets, liabilities and deferred flows associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s ongoing operations. The principal operating revenues of the Center’s proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Center’s policy to use restricted resources first, then unrestricted resources, as they are needed.

Fund Accounting

The accounts of the Center are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All funds are reported as major funds.

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interest in the activities and sources of funding supporting these operations.

Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

Receivables

Patient accounts receivable are recorded at established rates as services are provided. Provision for uncollectible accounts is made in amounts required to maintain an adequate allowance for anticipated losses. In some cases, services to patients are paid for by Medicare, Medicaid, or other third parties. The amount reimbursed is generally based upon the cost of the services provided, as defined by government regulations. Account balances are reduced for the estimated amount of contractual allowances.

Property Taxes

Property taxes represent ad valorem taxes levied by the Center, which are payable to the County Treasurer, and are recognized as revenue by the Center in the year for which they are collected.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by the last day of February, and second half must be paid by June 15.

Inventories

Inventories are stated at cost, calculated using the first-in, first-out method.

Property, Plant and Equipment

Capital assets, which include property, vehicles and equipment, are utilized for general Center operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized.

The monetary threshold for capitalization of assets is \$3,000. The Center's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5- 20 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

Sick Leave

All regular full time and regular part time employees accrue one sick day every 200 hours worked. The maximum accrual of sick leave is thirty days. Any employee retiring at the age of sixty-five or having twenty years of continuous employment at the Care Center will be paid their accrued sick leave up to thirty days at termination.

Budgetary Accounting

Revenues and expenditures are controlled by a budgetary accounting system in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget in accordance with Colorado Laws. Budgets are generally prepared on the same basis as that used for accounting purposes except for depreciation, which is not budgeted, and capital outlay which is budgeted.

The Center has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the Business Manager submits to the Center Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories; however, any revisions that alter the total expenditures must be approved by the Center Board.
5. Formal budgetary integration should be employed as a management control device during the year.
6. The budget is adopted on a basis not consistent with generally accepted accounting principles (GAAP).

Cost of Borrowing

Interest cost incurred on borrowed funds during the period of construction is capitalized as a component of the cost of acquiring those assets.

Risk Management

The Center is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The Center maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Use of Estimates

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

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on customer accounts receivable. In connection with the determination of the estimated losses on receivables, management evaluates accounts and relies on historical data.

While management uses available information to recognize losses on receivables, further reductions in the carrying amounts of receivables may be necessary based on changes in economic conditions. Because of these factors, it is reasonably possible that the estimated losses on receivables may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments with an original maturity of three months or less.

Net Patient Service Revenue

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates.

Note 2

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another

institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

At year-end, the Center's bank balance and corresponding carrying balance were as follows:

	2025	2024
Insured (FDIC)	\$ 250,000	\$ 250,000
Uninsured, Collateralized under PDPA	452,403	430,633
Cash on Hand	270	270
Total Cash and Certificates of Deposit	\$ 702,673	\$ 680,903

Note 3 Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 29,835	\$ -	\$ -	\$ 29,835
Total	29,835	-	-	29,835
Capital Assets Being Depreciated				
Building & Improvements	5,336,468	-	(3,953)	5,332,515
Equipment	998,637	230,203	-	1,228,840
Vehicles	182,788	-	-	182,788
Ambulance	1,175,223	-	-	1,175,223
Total	7,693,116	230,203	(3,953)	7,919,366
Less: Accumulated Depreciation				
Building & Improvements	(3,514,189)	(156,829)	(10,723)	(3,681,741)
Equipment	(907,886)	(86,639)	-	(994,525)
Vehicles	(182,789)	-	-	(182,789)
Ambulance	(992,398)	-	-	(992,398)
Total Accumulated Depreciation	(5,597,262)	(243,468)	(10,723)	(5,851,453)
Capital Assets being Depreciated, Net	2,095,854	(13,265)	(14,676)	2,067,913
Total Capital Assets	\$ 2,125,689	\$ (13,265)	\$ (14,676)	\$ 2,097,748

Assisted care	\$ 33,719
Ambulance	53,948
Healthcare	141,497
Medical clinic	14,304
Total	\$ 243,468

Note 4 Other Accrued Expenses – Accrued Vacation, Sick Leave, and Wages

At December 31, 2025 and 2024, the Center had a liability for accrued expenses as noted below:

	2025	2024
Accrued Salaries	\$ 3,421	\$ 3,823
Accrued Vacation	66,770	51,682
Accrued Sick Leave	63,106	77,742
Total	<u>\$ 133,297</u>	<u>\$ 133,247</u>

Note 5 Contingencies

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer’s bill of rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

The Center operates as an enterprise fund but does receive some property taxes for administrative costs. The Center calculates its TABOR reserve based on the amount of property taxes received.

The Center’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of the qualifications of an Enterprise will require judicial interpretation.

Note 6 Note Payable

The District entered into a loan agreement with the Southeast Colorado Power Association on June 9, 2016 for the purpose of additional funding for the implementation of an HVAC system. The amount of the loan was \$300,000 with an interest rate of 0%. The term of the loan is 10 years with monthly payments in the amount of \$2,500 beginning September 1, 2016.

Below is a summary of the loan payment schedule.

	Principal	Interest	Total
2026	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>

During 2024, Walsh District Hospital opened a line of credit with a local bank. The line is for \$200,000, is due January 8, 2025, one year from origination, bears interest at the rate of 6.25%, and is secured by two certificates of deposit, for a total of approximately \$214,000. At the end of 2025, the line of credit had an outstanding balance of \$168,000.

The line of credit was renewed in January 2025 for an additional year. The interest rate increased to 6.5%. The collateral remained the same.

The line of credit loan was paid in full in February 2026. Interest was \$10,297.

During 2025, the Walsh District Hospital borrowed \$40,000 for improvements. The loan is to be repaid with monthly payments of \$3,360, principal and interest, until paid in full, which will be before December 2026. The note bears interest at 1.5%. The amount is included in loans payable, current portion.

Note 7 Retirement Plan 403(b)

Walsh Healthcare Center has a 403(b) plan in which employees may participate. In 2023, Walsh Healthcare implemented an employer match up to 3% of employee contributions with a vesting period of one year. Contributions to the plan for 2025 and 2024 were \$11,975 and \$61,734, respectively.

Supplementary Information

Walsh District Hospital dba Walsh Healthcare Center
Budget and Actual
Nursing Home
For the year ended December 31, 2025
with comparative totals for the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>	<u>Difference</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2025</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2024</u>	
REVENUES					
Charges for services	\$ 2,599,373	\$ 2,599,373	\$ 2,459,507	\$ 2,540,496	\$ (80,989)
Investment earnings	8,000	8,000	17,585	25,439	(7,854)
Property Taxes	672,255	672,255	573,972	613,197	(39,225)
Other income	72,135	72,135	12,252	56,265	(44,013)
Grants and contributions	204,100	204,100	171,724	2,234	169,490
Contingency	500,000	500,000	-	-	-
Total revenues	<u>4,055,863</u>	<u>4,055,863</u>	<u>3,235,040</u>	<u>3,237,631</u>	<u>(2,591)</u>
EXPENDITURES					
Professional care of patients	1,455,998	1,455,998	1,661,942	1,870,414	(208,472)
Dietary services	386,012	386,012	436,464	421,942	14,522
Administrative services	565,383	565,383	271,625	237,979	33,646
General services	650,892	650,892	647,441	648,407	(966)
Provision for bad debts	-	-	16,689	-	16,689
Depreciation	-	-	141,498	165,677	(24,179)
Debt Service:					
Interest and other charges	-	-	693	695	(2)
Contingency	500,000	500,000	-	-	-
Capital outlay	160,000	160,000	196,942	-	196,942
Total Expenditures	<u>3,718,285</u>	<u>3,718,285</u>	<u>3,373,294</u>	<u>3,345,114</u>	<u>28,180</u>
Excess (deficiency) of revenues over expenditures	337,578	337,578	(138,254)	(107,483)	(30,771)
SPECIAL ITEM					
Reconciliation with GAAP statements:					
Capital outlay	-	-	196,942	-	196,942
Net change in fund balances	337,578	337,578	58,688	(107,483)	166,171
Total net position - beginning	-	-	3,766,122	3,875,694	(109,572)
Total net position - ending	<u>\$ 337,578</u>	<u>\$ 337,578</u>	<u>\$ 3,824,810</u>	<u>\$ 3,768,211</u>	<u>\$ 56,599</u>

Walsh District Hospital dba Walsh Healthcare Center
Budget and Actual
Ambulance
For the year ended December 31, 2025
with comparative totals for the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>	<u>Difference</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2025</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2024</u>	
REVENUES					
Charges for services	\$ 106,686	\$ 106,686	\$ 141,797	\$ 28,366	\$ 113,431
Investment earnings	180	180	475	302	173
Property Taxes	27,758	27,758	27,084	26,964	120
Other income	200	200	15,537	14,871	666
Grants and contributions	14,000	14,000	3,262	15,795	(12,533)
Contingency	150,000	150,000	-	-	-
Total revenues	<u>298,824</u>	<u>298,824</u>	<u>188,155</u>	<u>86,298</u>	<u>101,857</u>
EXPENDITURES					
Capital outlay	5,000	5,000	-	-	
Ambulance services	122,365	122,365	98,879	98,652	227
Depreciation	-	-	53,948	61,498	(7,550)
Contingency	150,000	150,000	-	-	-
Total Expenditures	<u>277,365</u>	<u>277,365</u>	<u>152,827</u>	<u>160,150</u>	<u>(7,323)</u>
Excess (deficiency) of revenues over expenditures	21,459	21,459	35,328	(73,852)	109,180
Net change in net position	21,459	21,459	35,328	(73,852)	109,180
Total net position - beginning	-	-	237,976	311,829	(73,853)
Total net position - ending	<u>\$ 21,459</u>	<u>\$ 21,459</u>	<u>\$ 273,304</u>	<u>\$ 237,977</u>	<u>\$ 35,327</u>

**Walsh District Hospital dba Walsh Healthcare Center
Budget and Actual
Assisted Care Facility
For the year ended December 31, 2025
with comparative totals for the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis, 2025	Actual Amounts, Budgetary Basis, 2024	Difference
	Original	Final			
REVENUES					
Charges for services	\$ 560,706	\$ 560,706	\$ 372,217	\$ 336,083	\$ 36,134
Investment earnings	300	300	430	129	301
Property Taxes	55,515	55,515	58,269	54,717	3,552
Other income	1,100	1,100	-	-	-
Total revenues	617,621	617,621	430,916	390,929	39,987
EXPENDITURES					
Current:					
Professional care of patients	350,152	350,152	126,686	185,191	(58,505)
Dietary services	66,231	66,231	55,101	58,113	(3,012)
Administrative services	37,903	37,903	7,449	10,309	(2,860)
General services	28,720	28,720	238,873	235,423	3,450
Depreciation	-	-	33,719	33,492	227
Capital outlay	15,000	15,000	14,975	-	14,975
Contingency	100,000	100,000	-	-	-
Total Expenditures	598,006	598,006	476,803	522,528	(45,725)
Excess (deficiency) of revenues over expenditures	19,615	19,615	(45,887)	(131,599)	85,712
RECONCILIATION TO GAAP					
Capital outlay	-	-	14,975	-	-
Net change in fund balances	19,615	19,615	(30,912)	(131,599)	85,712
Total net position - beginning	-	-	(1,075,334)	(943,735)	(131,599)
Total net position - ending	\$ 19,615	\$ 19,615	\$(1,106,246)	\$(1,075,334)	\$ (30,912)

Walsh District Hospital dba Walsh Healthcare Center
Budget and Actual
Medical Clinic
For the year ended December 31, 2025
with comparative totals for the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>	<u>Difference</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2025</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2024</u>	
REVENUES					
Charges for services	\$ 493,900	\$ 493,900	\$ 303,178	\$ 335,111	\$ (31,933)
Investment earnings	500	500	421	194	227
Property Taxes	104,091	104,091	140,217	175,605	(35,388)
Other income	60,000	60,000	-	-	-
Grants and contributions	20,000	20,000	7,195	75,000	(67,805)
Contingency	250,000	250,000	-	-	-
Total revenues	<u>928,491</u>	<u>928,491</u>	<u>451,011</u>	<u>585,910</u>	<u>(134,899)</u>
EXPENDITURES					
Current:					
Professional care of patients	513,827	513,827	304,314	381,375	(77,061)
Administrative services	138,352	138,352	84,937	154,188	(69,251)
General services	11,250	11,250	50,645	57,690	(7,045)
Depreciation	-	-	14,304	4,158	10,146
Capital outlay	10,000	10,000	-	157,840	(157,840)
Contingency	250,000	250,000	-	-	-
Total Expenditures	<u>923,429</u>	<u>923,429</u>	<u>454,200</u>	<u>755,251</u>	<u>(301,051)</u>
Excess (deficiency) of revenues over expenditures	5,062	5,062	(3,189)	(169,341)	166,152
RECONCILIATION TO GAAP					
Capital outlay	-	-	-	157,840	-
Net change in fund balances	<u>5,062</u>	<u>5,062</u>	<u>(3,189)</u>	<u>(11,501)</u>	<u>166,152</u>
Total net position - beginning	-	-	(66,712)	(77,064)	10,352
Total net position - ending	<u>\$ 5,062</u>	<u>\$ 5,062</u>	<u>\$ (69,901)</u>	<u>\$ (88,565)</u>	<u>\$ 176,504</u>