

WYANDOT MEMORIAL HOSPITAL
(WYANDOT COUNTY, OHIO)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024 AND 2023

CPAS / ADVISORS





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Columbus, Ohio 43215
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800-282-0370

Board of Governors
Wyandot Memorial Hospital
885 North Sandusky Avenue
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of Wyandot Memorial Hospital, Wyandot County, prepared by Blue & Co., LLC, for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Wyandot Memorial Hospital is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 26, 2026

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WYANDOT MEMORIAL HOSPITAL

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REPORT OF INDEPENDENT AUDITORS

Wyandot Memorial Hospital
 885 N. Sandusky Avenue
 Upper Sandusky, OH 43351

To the Board of Governors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Wyandot Memorial Hospital (the Hospital), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Hospital as of December 31, 2024 and 2023, and the respective changes in financial position and 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) 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 Hospital, 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 presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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 and *Government Auditing Standards* will always detect a material weakness 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 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 Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Board of Governors
Wyandot Memorial Hospital
Upper Sandusky, Ohio
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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplemental Information on Governmental Accounting Standards Board (GASB) 68, *Pension Assets, Pension Liabilities, and Pension Contributions* and GASB 75, *Other Postemployment Benefit Assets, Liabilities, and Contributions* 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the Hospital's internal control over financial reporting and 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 Hospital'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 Hospital's internal control over financial reporting and compliance.

Ben G. LLC
Westerville, Ohio
September 26, 2025

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Management's Discussion and Analysis

The discussion and analysis of Wyandot Memorial Hospital's (the Hospital) financial performance provides an overview of the Hospital's financial activities for the years ended December 31, 2024, 2023, and 2022. The discussion and analysis is based on Hospital only activity and does not include the Wyandot Health Foundation, Inc. activity. Please read in conjunction with the Hospital's financial statements, which begin on page 4.

Financial Highlights

- The Hospital's total assets and deferred outflows of resources decreased \$12,097,919 or 9.0% in 2024 compared to a \$17,280,767 or 14.8% increase in 2023. The change in 2024 was due to a decrease in deferred outflows for pension and other post-employment benefits. The change in 2023 was due to an increase in deferred outflows for pension and other post-employment benefits.
- The Hospital's total liabilities decreased \$10,571,862 or 17.2% in 2024 compared to a \$35,323,313 or 135.3% increase in 2023. The change in 2024 was due to a decrease in net pension liability of \$5,607,695 and decrease in accounts payable of \$3,320,144. In 2023, the change was due to an increase in net pension liability of \$34,224,074.
- The Hospital's net position decreased by \$2,135,308 in 2024 compared to a decrease of \$511,643 in 2023. The decrease in net position between years is primarily due to an operating loss in the current year.
- The decrease in the Hospital's total loss from operations in 2024 of \$638,463 from 2023 is the result of a 3.7% increase in operating revenue of \$3,084,773 and a 2.8% increase in operating expenses of \$2,446,310.

Using This Annual Report

The Hospital's financial statements consist of three statements – Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. These financial statements and related notes provide information about the activities of the Hospital.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position

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

These two statements report the Hospital's net position and related changes. You can think of the Hospital's net position – the difference between assets and liabilities – as one way to measure the Hospital's financial health or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Hospital's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall financial health of the Hospital.

Statements of Cash Flows

The final required statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, noncapital related financing and capital related financing activities. It provides answers to such questions as "Where did cash come from?", "What was cash used for?" and "What was the change in cash balance during the reporting period?"

Net Position

The Hospital's net position is the difference between its assets and deferred outflows of resources when compared to its liabilities and deferred inflows of resources reported in the Statements of Net Position on page 4. The Hospital's net position decreased by \$2,135,308 in 2024.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Condensed Financial Information

The following is a comparative analysis of major components of the statements of net position of the Hospital as of December 31, 2024, 2023, and 2022:

	2024	2023	2022
Assets and Deferred Outflows of Resources			
Current assets	\$ 44,290,024	\$ 47,907,795	\$ 47,404,110
Assets limited as to use	1,916,806	1,507,110	2,184,517
Long-term investments	-	324,368	805,914
Lease receivable, net of current	162,655	194,040	-
Loan receivable, net of current	148,319	198,526	-
Net pension asset	356,240	305,925	475,844
Net other post-employment benefit asset	1,377,279	-	4,084,108
Capital assets, net	<u>58,999,316</u>	<u>58,980,584</u>	<u>54,502,770</u>
Total assets	107,250,639	109,418,348	109,457,263
Deferred outflows of resources			
Pension	13,309,775	21,464,985	6,686,899
Other post-employment benefits	<u>1,258,067</u>	<u>3,033,067</u>	<u>491,471</u>
Total deferred outflows of resources	<u>14,567,842</u>	<u>24,498,052</u>	<u>7,178,370</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 121,818,481</u>	<u>\$ 133,916,400</u>	<u>\$ 116,635,633</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities	\$ 10,339,954	\$ 13,741,546	\$ 12,833,037
Noncurrent liabilities	<u>40,527,896</u>	<u>47,698,166</u>	<u>13,283,362</u>
Total liabilities	50,867,850	61,439,712	26,116,399
Deferred inflows of resources			
Lease receivable	194,040	219,557	-
Pension	307,723	138,500	13,988,717
Other post-employment benefits	<u>788,077</u>	<u>322,532</u>	<u>4,222,775</u>
Total deferred inflows of resources	<u>1,289,840</u>	<u>680,589</u>	<u>18,211,492</u>
Net Position			
Net investment in capital assets	57,784,301	55,417,735	51,520,545
Restricted	1,733,519	305,925	4,559,952
Unrestricted	<u>10,142,971</u>	<u>16,072,439</u>	<u>16,227,245</u>
Total net position	<u>69,660,791</u>	<u>71,796,099</u>	<u>72,307,742</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 121,818,481</u>	<u>\$ 133,916,400</u>	<u>\$ 116,635,633</u>

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

A significant component of the Hospital's assets are capital assets. Capital assets, net, increased by \$18,732 in 2024. Capital assets acquired by the Hospital were \$5,198,520 in 2024. These additions were offset by depreciation and amortization of \$5,179,788. Capital assets, net, increased by \$4,477,814, or 8.2% in 2023. Fixed assets acquired by the Hospital were \$10,121,241 in 2023. These additions were offset by depreciation and amortization of \$5,241,689.

Operating Results and Changes in the Hospital's Net Position

The following is a comparative analysis of the statements of operations and changes in net position for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Revenues			
Net patient service revenue	\$ 83,017,178	\$ 79,287,559	\$ 75,472,918
Other operating revenue	2,687,286	3,332,132	2,199,469
Total operating revenue	<u>85,704,464</u>	<u>82,619,691</u>	<u>77,672,387</u>
Expenses			
Salaries, wages and benefits	41,541,945	42,278,010	29,260,680
Supplies and other expenses	25,037,781	22,791,305	20,194,927
Professional fees and services	16,857,797	15,805,157	13,891,438
Depreciation and amortization	5,179,788	5,241,689	4,984,287
Insurance	685,399	740,239	530,881
Total operating expenses	<u>89,302,710</u>	<u>86,856,400</u>	<u>68,862,213</u>
Operating gain (loss)	(3,598,246)	(4,236,709)	8,810,174
Nonoperating revenue and capital gifts	<u>1,462,938</u>	<u>3,725,066</u>	<u>1,054,087</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,135,308)</u>	<u>(511,643)</u>	<u>9,864,261</u>
Net position, beginning of year	71,796,099	72,307,742	62,319,095
Cumulative effect of accounting change	-	-	124,386
Net position, end of year	<u>\$ 69,660,791</u>	<u>\$ 71,796,099</u>	<u>\$ 72,307,742</u>

Operating Revenues

Operating revenues include all transactions that result in the sales and/or receipts from goods and services such as inpatient services, outpatient services, physician offices, and the cafeteria.

Operating revenue changes were a result of the following factors:

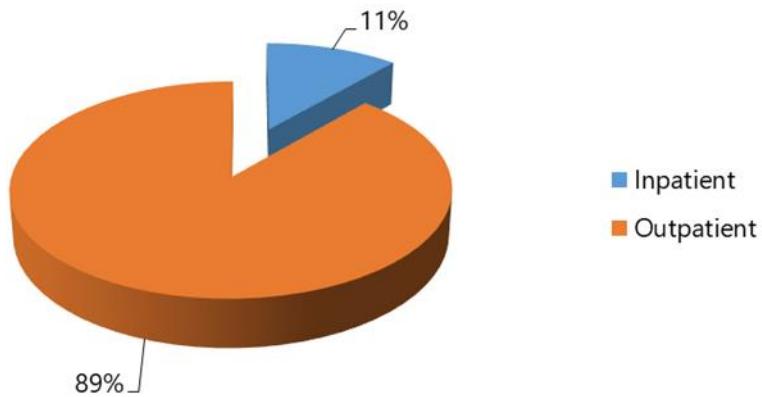
- Net patient service revenue increased \$3,729,619 or 4.7% from 2023 to 2024. This increase was primarily due to an increase in volumes in 2024 relative to 2023.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- Net patient service revenue increased \$3,814,641 or 5.1% from 2022 to 2023. This increase was primarily due to an increase in inpatient volumes in 2023 relative to 2022.

The following is a graphic illustration of operating revenues by type:



Operating Expenses

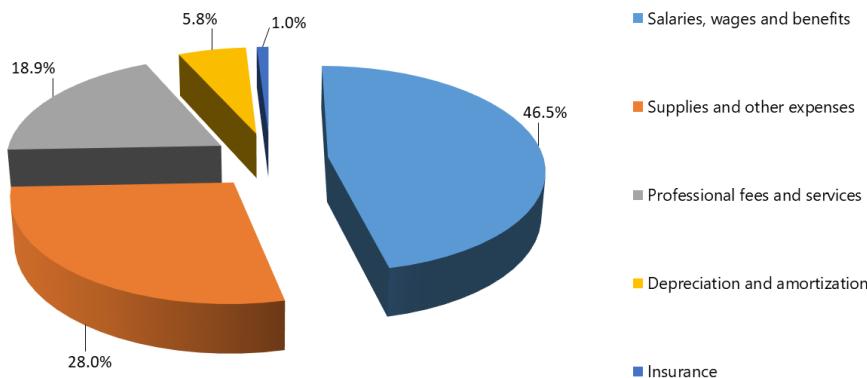
Operating expenses are all the costs necessary to perform and conduct the services and primary purposes of the Hospital. The significant operating expense changes were the result of the following factors:

- Salaries, wages and benefits decreased \$736,065 or 1.7% from 2023 to 2024. The decrease between years is due to a decrease in expenses associated with Ohio Public Employees Retirement System (OPERS) pension and other postemployment benefit plans (OPEB). Salaries, wages and benefits increased \$13,017,330 or 44.5% from 2022 to 2023. The increase from 2022 to 2023 was primarily related to increased expenses associated with the OPERS pension and OPEB plans caused by actuarial estimates.
- Supplies and other expenses increased \$2,246,476 or 9.9% from 2023 to 2024. This increase was primarily due to increased revenue and increased cost of supplies between years. Supplies and other expenses increased \$2,596,378 or 12.9% from 2022 to 2023. This increase was primarily due to increased revenue and increased cost of supplies between years.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following is a graphic illustration of operating expenses by type:



Sources of Revenue

The Hospital derives substantially all of its revenue from patient services and other related activities. Revenue includes, among other items, revenue from the Medicare and Medicaid programs, patients, insurance carriers, preferred provider organizations, and managed care programs.

The Hospital provides care to patients under payment arrangements with Medicare, Medicaid, and various managed care programs. Services provided under those arrangements are paid at predetermined rates and/or reimbursable costs as defined by the related Federal and State regulations. Provisions have been made in the financial statements for contractual adjustments, which represent the difference between the standard charges for services and the actual or estimated reimbursement.

Operating Income (Loss)

The first component of the overall change in the Hospital's net position is its operating income/loss. Generally, operating income/loss is the difference between net patient service revenue and the expenses incurred to perform those services. The Hospital reported an operating loss of \$3,598,246 and \$4,236,709 in 2024 and 2023, respectively, and operating income of \$8,810,174 in 2022.

The decrease of \$638,463 in the Hospital's total operating loss in 2024 compared to 2023 is the result of a \$3,084,773 increase in operating revenue and a \$2,446,310 increase in operating expenses.

The decrease of \$13,046,883 in the Hospital's total operating income in 2023 compared to 2022 is the result of a \$4,947,304 increase in operating revenue and a \$17,994,187 increase in operating expenses.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Hospital provides care for patients who have little or no health insurance or other means of repayment. This service to the community is consistent with the goals of the Hospital when it was established. Because there is no expectation of repayment, charity care is not reported as patient service revenues of the Hospital and represents unreimbursed charges incurred by the Hospital in providing uncompensated care to indigent patients. Based on established rates, charges of \$884,745 were waived under the Hospital's charity care policy during 2024 as compared to \$1,057,289 in 2023.

Nonoperating Revenues (Expenses)

The Hospital's net investment income amounted to \$1,305,315 and \$1,283,733 in 2024 and 2023, respectively. The Hospital recognized noncapital grants and contributions of \$252,698 and \$2,014,001 in 2024 and 2023, respectively.

Statements of Cash Flows

The primary purpose of the statements of cash flows is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows helps assess:

- An entity's ability to generate future net cash flows
- Its ability to meet obligations as they come due
- Its need for financing

	2024	2023	2022
Cash provided by (used in):			
Operating activities	\$ 7,622,593	\$ 2,384,478	\$ (1,448,234)
Non-capital financing activities	239,375	2,564,559	1,006,095
Capital and related financing activities	(7,580,608)	(9,504,561)	(10,888,236)
Investing activities	<u>5,768,552</u>	<u>3,573,319</u>	<u>9,504,432</u>
Net increase (decrease) in cash and cash equivalents	6,049,912	(982,205)	(1,825,943)
Cash - beginning of year	<u>1,366,268</u>	<u>2,348,473</u>	<u>4,174,416</u>
Cash - end of year	<u>\$ 7,416,180</u>	<u>\$ 1,366,268</u>	<u>\$ 2,348,473</u>

Capital Assets and Debt Administration

Capital Assets

The Hospital had \$58,999,316 and \$58,980,584 invested in capital assets at December 31, 2024 and 2023, respectively. The Hospital acquired, constructed or leased capital assets in the amount of \$5,198,520 and \$10,121,241 during 2024 and 2023, respectively.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Debt

The Hospital had \$0 in debt as of December 31, 2024 and 2023, respectively.

Other Economic Factors

The economic position of the Hospital is closely tied to that of the local economy, access to physicians and other medical services, and changing state and federal regulations.

The primary market for the Hospital is Wyandot County and various towns and villages in the surrounding area. The total population of Wyandot County is around 21,267. Populations of some of the individual cities and villages where the Hospital has locations include:

- Upper Sandusky (Wyandot County) 6,647
- Carey (Wyandot County) 3,491
- Sycamore (Wyandot County) 775
- Forest (Hardin County) 1,458
- New Reigle (Seneca County) 278

December 2024 non-seasonally adjusted unemployment rate was 3.4% for Wyandot County, which is lower than the state and national rates for the same period. As of June 2024, Wyandot County's labor participation was 82.3%, which is the highest in the region and higher than the state and national rates.

The Hospital continually works to maintain and add service lines and specialists appropriate to support community needs and financial viability. In 2012, the Emergency department was updated and expanded. In 2019, the Hospital opened its first Rural Health Clinic (RHC) as well as completed major expansions to the oncology and pharmacy service lines. In 2020, the Hospital merged with Health Services of Wyandot County, Inc to offer Home Health and Hospice services and also opened additional RHCs across the county. In 2021, a major expansion of the surgery department was completed, a new clinic was added in Seneca County, and medical spa services were acquired. In 2022 an additional RHC was opened in Hardin County, two off-campus retail pharmacies were opened, and a major expansion of a Specialty Health Clinic was completed. In 2023, a major update to the intensive care unit was completed.

In conjunction with the specialty provider expansion and surgery expansion the Hospital has added the following specialists in recent years: spine surgery, hand surgery, neurology, psychiatry, infectious disease, endocrinology, cardiology, and others.

WYANDOT MEMORIAL HOSPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Much of the Hospital reimbursement is limited by federal and state mandates. Effective March 2005, the Hospital obtained critical access status from the Medicare program. The Hospital is reimbursed the reasonable cost for Medicare services provided to beneficiaries. Starting in 2019, the Hospital converted some pre-existing provider-based practices into rural healthcare clinics and has also added net new RHCs. The Hospital's RHCs are subject to cost-based reimbursement or services provided to traditional Medicare beneficiaries. Other federal and state mandates that may have an impact on the Hospital's present and future financial performance include the No Surprise Act, the Price Transparency Act, Medicare sequestration, and others.

Contacting the Hospital's Financial Management

The financial report is intended to provide our member townships with a general overview of the Hospital's finances to show the Hospital's accountability for the funds over which it has stewardship. If you have questions about this report or need additional information, we welcome you to contact the chief financial officer at 885 N. Sandusky Avenue, Upper Sandusky, OH 43351.

Scott Crawford, CPA
Wyandot Memorial Hospital
Chief Financial Officer

WYANDOT MEMORIAL HOSPITAL

STATEMENTS OF NET POSITION DECEMBER 31, 2024 AND 2023

ASSETS						
	Wyandot Memorial Hospital		Component Unit			
	2024	2023	2024	2023		
Assets and Deferred Outflows of Resources						
Current assets						
Cash and cash equivalents	\$ 7,416,180	\$ 1,366,268	\$ 361,346	\$ 187,607		
Short-term investments	22,387,160	26,935,725	1,845,057	1,344,993		
Patient accounts receivable, net of uncollectible accounts of approximately \$5,078,000 and \$3,878,000 in 2024 and 2023, respectively	11,154,262	15,606,364	-	-		
Inventories	2,211,033	2,194,860	-	-		
Prepaid expenses and other assets	1,043,365	1,735,131	73,727	73,727		
Current portion of lease receivable	31,385	25,517	-	-		
Current portion of loan receivable	46,639	43,930	-	-		
Total current assets	<u>44,290,024</u>	<u>47,907,795</u>	<u>2,280,130</u>	<u>1,606,327</u>		
Assets limited as to use						
Board designated investments	1,916,806	1,507,110	-	-		
Total assets limited as to use	<u>1,916,806</u>	<u>1,507,110</u>	<u>-</u>	<u>-</u>		
Long-term investments						
Lease receivable, net of current portion	162,655	194,040	-	-		
Loan receivable, net of current portion	148,319	198,526	-	-		
Net pension asset	356,240	305,925	-	-		
Net other post-employment benefit asset	1,377,279	-	-	-		
Capital assets						
Land and construction in progress	3,377,276	10,926,624	-	-		
Buildings, equipment, and software, net	54,495,190	46,302,289	-	-		
Intangible right-to-use assets, net	1,126,850	1,751,671	-	-		
Capital assets, net	<u>58,999,316</u>	<u>58,980,584</u>	<u>-</u>	<u>-</u>		
Total assets	<u>107,250,639</u>	<u>109,418,348</u>	<u>2,738,703</u>	<u>2,383,351</u>		
Deferred outflows of resources						
Pension	13,309,775	21,464,985	-	-		
Other post-employment benefits	1,258,067	3,033,067	-	-		
Total outflows of resources	<u>14,567,842</u>	<u>24,498,052</u>	<u>-</u>	<u>-</u>		
Total assets and deferred outflows of resources	<u><u>\$ 121,818,481</u></u>	<u><u>\$ 133,916,400</u></u>	<u><u>\$ 2,738,703</u></u>	<u><u>\$ 2,383,351</u></u>		

See accompanying notes to financial statements.

WYANDOT MEMORIAL HOSPITAL

STATEMENTS OF NET POSITION

DECEMBER 31, 2024 AND 2023

LIABILITIES AND NET POSITION

	Wyandot Memorial Hospital		Component Unit	
	2024	2023	Wyandot Health Foundation, Inc.	2024
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Current portion lease liabilities	\$ 57,578	\$ 17,935	\$ -	\$ -
Accounts payable and accrued expenses	1,457,745	4,777,889	-	-
Accrued payroll and related liabilities	4,816,314	4,475,275	-	-
Estimated amounts due to third party payors	-	405,312	-	-
Accrued vacation and sick leave	2,937,885	2,731,038	-	-
Self-insurance liabilities	473,616	438,918	-	-
Refundable advances	-	239,698	-	-
Current portion of subscription-based information technology arrangements liabilities	596,816	655,481	-	-
Total current liabilities	10,339,954	13,741,546	-	-
Noncurrent liabilities, net of current portions				
Noncurrent lease liabilities	34,033	21,850	-	-
Noncurrent subscription-based information technology arrangements liabilities	526,588	1,123,404	-	-
Net other post-employment benefits liabilities	-	977,942	-	-
Net pension liabilities	39,967,275	45,574,970	-	-
Total noncurrent liabilities	40,527,896	47,698,166	-	-
Total liabilities	50,867,850	61,439,712	-	-
Deferred inflows of resources				
Lease receivable	194,040	219,557	-	-
Pensions	307,723	138,500	-	-
Other post-employment benefits	788,077	322,532	-	-
Total deferred inflows of resources	1,289,840	680,589	-	-
Net position				
Net investment in capital assets	57,784,301	55,417,735	-	-
Restricted, expendable for:				
Pensions	356,240	305,925	-	-
Other post-employment benefits	1,377,279	-	-	-
Unrestricted	10,142,971	16,072,439	2,738,703	2,383,351
Total net position	69,660,791	71,796,099	2,738,703	2,383,351
Total liabilities, deferred inflows of resources and net position	\$ 121,818,481	\$ 133,916,400	\$ 2,738,703	\$ 2,383,351

See accompanying notes to financial statements.

WYANDOT MEMORIAL HOSPITAL

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED DECEMBER 31, 2024 AND 2023

	Wyandot Memorial Hospital		Component Unit Wyandot Health Foundation, Inc.	
	2024	2023	2024	2023
Operating revenues				
Net patient service revenue	\$ 83,017,178	\$ 79,287,559	\$ -	\$ -
Other operating revenue	2,687,286	3,332,132	-	-
Total operating revenues	85,704,464	82,619,691	-	-
Operating expenses				
Salaries, wages and benefits	41,541,945	42,278,010	-	-
Supplies and other expenses	25,037,781	22,791,305	21,925	967,516
Purchased services and professional fees	16,857,797	15,805,157	-	-
Depreciation and amortization	5,179,788	5,241,689	-	-
Insurance	685,399	740,239	-	-
Total operating expenses	89,302,710	86,856,400	21,925	967,516
Operating loss	(3,598,246)	(4,236,709)	(21,925)	(967,516)
Nonoperating revenues (expenses)				
Investment income	1,305,315	1,283,733	175,602	140,158
Interest expense	(81,752)	(177,548)	-	-
Gain on disposal	-	54,322	-	-
Noncapital grants and contributions	252,698	2,014,001	201,675	149,656
Other nonoperating revenues (expenses)	(13,323)	550,558	-	-
Total nonoperating revenues	1,462,938	3,725,066	377,277	289,814
Excess (deficiency) of revenues over (under) expenses	(2,135,308)	(511,643)	355,352	(677,702)
Net position, beginning of year	71,796,099	72,307,742	2,383,351	3,061,053
Net position, end of year	\$ 69,660,791	\$ 71,796,099	\$ 2,738,703	\$ 2,383,351

See accompanying notes to financial statements.

WYANDOT MEMORIAL HOSPITAL

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	Wyandot Memorial Hospital		Component Unit Wyandot Health Foundation, Inc.	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash flows from operating activities				
Cash received from patients and third party payors	\$ 86,824,270	\$ 77,272,766	\$ -	\$ -
Cash paid to employees for wages and benefits	(38,407,614)	(37,018,567)	-	-
Cash paid to vendors for goods and services	(43,481,349)	(41,085,748)	(21,925)	(967,516)
Other receipts, net	2,687,286	3,216,027	-	116,105
Net cash provided by (used in) operating activities	7,622,593	2,384,478	(21,925)	(851,411)
Cash flows from noncapital financing activities				
Noncapital grants and gifts	252,698	2,014,001	201,675	149,656
Other nonoperating revenue (expense)	(13,323)	550,558	-	-
Net cash provided by noncapital financing activities	239,375	2,564,559	201,675	149,656
Cash flows from capital and related financing activities				
Purchase of capital assets, net of proceeds on disposals	(6,863,551)	(8,635,002)	-	-
Principal payments on lease obligations	(27,322)	(14,409)	-	-
Principal payments on SBITA obligations	(655,481)	(780,215)	-	-
Interest paid	(81,752)	(177,548)	-	-
Issuance of loan receivable	-	(246,000)	-	-
Payments received on loan receivable	47,498	3,544	-	-
Cash proceeds from sale of capital assets	-	345,069	-	-
Net cash used in capital and related financing activities	(7,580,608)	(9,504,561)	-	-
Cash flows from investing activities				
Income on investments	1,305,315	1,283,733	175,602	140,158
Net change in assets limited as to use and investments	4,463,237	2,289,586	(181,613)	(85,105)
Net cash provided by investing activities	5,768,552	3,573,319	(6,011)	55,053
Net increase (decrease) in cash and cash equivalents	6,049,912	(982,205)	173,739	(646,702)
Cash and cash equivalents:				
Beginning of year	1,366,268	2,348,473	187,607	834,309
End of year	\$ 7,416,180	\$ 1,366,268	\$ 361,346	\$ 187,607

See accompanying notes to financial statements.

WYANDOT MEMORIAL HOSPITAL

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	Wyandot Memorial Hospital		Component Unit	
	2024	2023	2024	2023
Reconciliation of operating loss to net cash provided by (used in) operating activities				
Operating loss	\$ (3,598,246)	\$ (4,236,709)	\$ (21,925)	\$ (967,516)
Depreciation and amortization	5,179,788	5,241,689	-	-
Provision for uncollectible accounts	2,021,463	2,437,601	-	-
Changes in operating assets and liabilities, net of effect of merger with Health Services of Wyandot County, Inc.				
Patient accounts receivable	2,430,639	(4,634,699)	-	-
Inventories	(16,173)	127,474	-	-
Prepaid expenses and other assets	691,766	(477,452)	-	-
Receivable from Wyandot Health Foundation, Inc.	-	-	-	116,105
Payable to Wyandot Health Foundation, Inc.	-	(116,105)	-	-
Accounts payable	(1,575,965)	(1,399,069)	-	-
Net pension asset and liability	(5,658,010)	34,393,993	-	-
Net other post-employment benefit asset and liability	(2,355,221)	5,062,050	-	-
Deferred outflows of resources - pensions	8,155,210	(14,778,086)	-	-
Deferred outflows of resources - other				
post-employment benefits	1,775,000	(2,541,596)	-	-
Deferred inflow of resources - pensions	169,223	(13,850,217)	-	-
Deferred inflows of resources - other				
post-employment benefits	465,545	(3,900,243)	-	-
Self-insurance liabilities	34,698	(429,641)	-	-
Accrued payroll and related liabilities	341,039	1,299,052	-	-
Accrued vacation and sick leave	206,847	4,131	-	-
Estimated amounts due to				
third-party payors	(405,312)	(57,393)	-	-
Refundable advances	(239,698)	239,698	-	-
Net cash provided by (used in) operating activities	<u>\$ 7,622,593</u>	<u>\$ 2,384,478</u>	<u>\$ (21,925)</u>	<u>\$ (851,411)</u>

Supplemental disclosure of noncash capital and related financing activities

Capital asset acquisitions included in accounts payable	\$ -	\$ 1,744,179	\$ -	\$ -
Capital assets acquired under GASB 87	\$ 79,148	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

The accompanying financial statements include the accounts of Wyandot Memorial Hospital and Wyandot Health Foundation, Inc. (collectively, Organization).

Wyandot Memorial Hospital (Hospital), as the primary government and business-type activity, is an acute-care hospital organized in 1950 by residents of Salem, Pitt, Crane, and Mifflin Townships. The Hospital is located in Upper Sandusky, Ohio and is operated by a joint township Board of Governors made up of 7 members. This Board elects one member for the Board of Governors from each township and three members are elected at large from the district, of which one should be a medical doctor. The Hospital was formed under the provisions of the Ohio Revised Code.

Wyandot Health Foundation, Inc. (Foundation) was established on June 10, 1985, per authority of the Ohio Revised Code. The Foundation is a legally separate, tax-exempt entity that raises funds on behalf of the Hospital. The Foundation is not a part of the primary government of the Hospital but, due to its relationship with the Hospital, it is discretely presented as a component unit within the Hospital's financial statements. The Board of the Foundation is self-perpetuating.

Although the Hospital does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the Hospital. Because these restricted resources held by the Foundation can only be used by or for the benefit of the Hospital, the Foundation is considered a component unit of the Hospital and is discretely presented in the Hospital's financial statements.

Basis of Presentation

The financial statements of the Hospital have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The Hospital follows the "business-type" activities reporting requirements of GASB Statement No. 34 that provide a comprehensive look at the Hospital's financial activities. The financial statements include the Foundation as a discretely presented component unit in the financial statements.

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, liabilities, deferred outflows, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Proprietary Fund Accounting

The Organization utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the full accrual basis. Substantially all revenue and expenses are subject to accrual.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments purchased with an original maturity of three months or less at the date of purchase.

Inventories

Inventories, consisting primarily of medical supplies and drugs, are valued at the lower of cost, determined using the first-in, first-out method, or market.

Loans Receivable

Loans receivable consist of the principal portion of loans issued. The Hospital issued a 5-year loan in 2023 requiring monthly payments of \$4,756 from November 2023 through October 2028. The loan carries interest of 6%. In 2024 and 2023, the Hospital received principal payments of \$43,930 and \$7,069 and recognized interest income of \$13,142 and \$2,442, respectively.

Investments, Assets Limited as to Use, and Investment Income

Investments and assets limited as to use consist of mutual funds, certificates of deposit (stated at cost plus accrued interest, which approximates market value), money market funds, and government bonds (stated at market value).

Assets limited as to use consist of funds designated by the Board of Governors for future capital improvements over which the Board of Governors retains control and may at its discretion use for other purposes.

Investment income (loss) includes dividend and interest income, realized gains and losses on investments carried at other than fair value, and the net change for the year in the fair value of investments carried at fair value.

The Organization holds investments which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Capital Assets

Purchased, constructed, or right-to-use leased capital assets are reported at historical costs. Contributed capital assets are recorded at their acquisition value at the time of their donation. Expenditures for capital assets must exceed \$5,000 in order for them to be capitalized. Expenditures that substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs are expensed as incurred. All capital assets other than land are depreciated or amortized using the straight-line method of depreciation using these useful lives:

Buildings and building improvements	15 to 40 years
Fixed equipment	5 to 20 years
Major moveable equipment	3 to 25 years
Land improvements	5 to 25 years
Subscription-based information technology arrangements	3 to 5 years

Depreciation expense is included in depreciation and amortization in the statements of revenues, expenses and changes in net position. The asset and accumulated depreciation are removed from the related accounts when the asset is disposed. Any gain or loss resulting from this disposal is recorded in the statements of revenues, expenses and changes in net position.

The Hospital evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss. No asset impairment was recognized during the years ending December 31, 2024 and 2023.

Deferred Outflows of Resources

The Hospital reports increases in net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position.

Compensated Absences

The Hospital's employees earn vacation time at varying rates depending on years of service. Employees may accumulate vacation time, up to 600 hours, to be carried over to the subsequent year. Employees may accumulate holiday time, up to 128 hours, to be carried over to the subsequent year. The Hospital's employees also earn sick leave of 80 hours on an annual basis regardless of years of service. Upon retirement, employees with a minimum of 5 years of service have sick leave balances paid out at 25% of eligible hours at their current rate of pay. The maximum payout is 1,440 hours. As of December 2024 and 2023, the liability for accrued vacation and sick leave was \$2,937,885 and \$2,731,038, respectively.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

The Hospital participates in two cost-sharing multiple-employer defined benefit pension plans administered by the Ohio Public Employees Retirement System (OPERS), the Traditional Pension Plan and the Combined Plan (Plans). For purposes of measuring the net pension liability and net pension asset, deferred outflows of resources and deferred inflows of resources related to the pensions and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cost-Sharing Defined Benefit Other Postemployment Benefit Plan

The Hospital participates in a cost-sharing multiple-employer defined benefit other postemployment benefit plan (OPEB) administered by OPERS. For purposes of measuring the net OPEB asset, liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

The Hospital reports decreases in net position that relate to future periods as deferred inflows of resources in a separate section of its statement of net position.

Net Position

The net position of the Organization is classified in three components: (1) Net invested in capital assets consist of capital assets net of accumulated depreciation and is reduced by the current balance of any outstanding borrowings used to finance the purchase or construction of those assets; (2) Restricted expendable net position are assets that must be used for a particular purpose; (3) Unrestricted net position is remaining net position that does not meet the definition of invested in capital assets net of related debt or restricted.

Restricted Resources

When the Organization has both restricted and unrestricted resources available to finance a particular program, it is the Organization's policy to use restricted resources before unrestricted resources.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Patient Accounts Receivable and Net Patient Service Revenue

The Hospital recognizes net patient service revenues on the accrual basis of accounting in the reporting period in which services are performed based on the current gross charge structure, less actual adjustments and estimated discounts for contractual allowances, principally for patients covered by Medicare, Medicaid, managed care and other health plans. The Hospital is designated as a critical access facility by the Medicare program. As a result, Medicare inpatient and outpatient services are reimbursed at the approximate cost plus 1% of providing those services subject to the federal sequestration provisions. Payment for the majority of Medicaid inpatient and outpatient services is based on a prospectively determined fixed price. Gross patient service revenue is recorded in the accounting records using the established rates for the type of service provided to the patient. The Hospital recognizes an estimated contractual allowance to reduce gross patient charges to the estimated net realizable amount for services rendered based upon previously agreed-to rates with a payor. The Hospital utilizes the patient accounting system to calculate contractual allowances on a payor-by-payor basis based on the rates in effect for each primary third-party payor. Another factor that is considered and could further influence the level of the contractual reserves includes the status of accounts receivable balances as inpatient or outpatient. The Hospital's management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals.

Payors include federal and state agencies, including Medicare, Medicaid, managed care health plans, commercial insurance companies, employers, and patients. These third-party payors provide payments to the Hospital at amounts different from its established rates based on negotiated reimbursement agreements. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and fee schedule payments. Retroactive adjustments under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital estimates an allowance for doubtful accounts based on an evaluation of historical losses, current economic conditions, and other factors unique to the Hospital.

Grants and Contributions

From time to time, the Organization receives grants and contributions from governmental organizations, private individuals, and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions received but for which eligibility requirements to recognize revenues have not yet been met are recorded as refundable advances. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported as other changes in net position.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Statements of Revenues, Expenses, and Changes in Net Position

The Hospital recognizes as operating revenues those transactions that are major or central to the provision of health care services. Operating revenues include those revenues received for direct patient care, grants received from organizations as reimbursement for patient care, and other incidental revenue associated with patient care. Operating expenses include those costs associated with providing patient care including costs of professional services, operating the hospital facilities, administrative expenses, and depreciation and amortization. Nonoperating revenues include investment income and grants and contributions received for purposes other than capital asset acquisition.

Charity Care

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

Of the Hospital's total operating expenses (approximately \$89,303,000 and \$86,856,000 during 2024 and 2023), an estimated \$418,000 and \$487,000 arose from providing services to charity patients during 2024 and 2023, respectively. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue. The Hospital participates in the Hospital Care Assurance Program (HCAP), which provides for additional payments to hospitals that provide a disproportionate share of uncompensated services to the indigent and uninsured. Net amounts recognized through this program totaled a loss of \$436,226 and \$314,521 in 2024 and 2023, respectively, and are reported as net patient service revenue in the financial statements.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental 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 Hospital is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred, but not yet reported.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Income Taxes

As an instrumentality of a political subdivision of the state of Ohio, the Hospital is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Hospital is subject to federal income tax on any unrelated business taxable income.

The Foundation is exempt under Section 501(c) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

For the years ending December 31, 2024 and 2023, the entities did not report any unrelated business income.

Reclassifications

Certain reclassifications have made to the 2023 financial statements to conform to the 2024 presentation. The reclassifications had no effect on the changes in net position.

Subsequent Events

The Hospital has evaluated subsequent events through September 26, 2025, the date the financial statements were available to be issued.

2. CHANGE IN ACCOUNTING PRINCIPLE

On January 1, 2024, the Hospital implemented GASB Statement No. 101, Compensated Absences (GASB 101), which requires that liabilities for compensated absences be recognized for leave earned that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Compensated absences include vacation leave, sick leave, holidays, and parental leave. The adoption of GASB 101 did not have a material effect on the prior period financial statements of the Hospital. Therefore, no restatement of the prior period was necessary.

3. DEPOSITS AND INVESTMENTS

Chapter 135 of the Ohio Uniform Depositor Act authorizes local and governmental units to make deposits in any national bank located in the state subject to inspection by the superintendent of financial institutions eligible to become a public depository. Section 135.14 of the Ohio Revised Code allows the local government to invest in United States treasury bills, notes, bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States of America and bonds and other obligations of the State of Ohio. Investments in no-load money market mutual funds, repurchase agreements, commercial paper, and bankers' acceptances are permitted subject to certain limitations that include completion of additional training, approved by the Auditor of State, or by the treasurer or governing board investing in these instruments.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Deposits

State law requires insurance or collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Hospital's deposits might not be recovered. Through December 31, 2024, FDIC (Federal Deposit Insurance Corporation) insurance for funds held in interest bearing accounts is \$250,000 per depositor per category of legal ownership. Ohio Revised Code requires that deposits in excess of FDIC insured amounts are collateralized. The Hospital's investment policy does not address custodial credit risk, but the Hospital believes that the depository banks carry sufficient collateral to cover the total amount of public funds on deposit with the bank (after FDIC coverage) and that the Hospital is in compliance with the requirements specified in the Ohio Revised Code.

The bank balances of the Hospital's deposits at December 31, 2024 and 2023 totaled \$31,720,146 and \$30,133,471, respectively, and were subject to the following categories of custodial credit risk:

	2024	2023
Collateral held by the counterparty's agent but not in the name of the Hospital	\$ 24,098,100	\$ 27,286,603
Amount insured	7,622,046	2,846,868
Total bank balances	<u>\$ 31,720,146</u>	<u>\$ 30,133,471</u>

At December 31, 2024, the Foundation held money market funds, mutual funds, corporate bonds, and certificates of deposit totaling \$2,303,630. At December 31, 2023, the Foundation held money market funds, mutual funds, corporate bonds, and certificates of deposit totaling \$2,122,017. As of December 31, 2024 and 2023, \$1,732,915 and \$1,556,656 of these funds were uninsured and uncollateralized, respectively.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Organization has an investment policy that meets the compliance requirements of state law. The investment policy guides the investment of funds in order to mitigate risk and generate investment income while preserving and maintaining sufficient liquidity to meet the objectives of the Organization.

Credit Risk

The Organization's investment policy addresses credit risk and meets the compliance requirements of the provisions of state law. For the years ended December 31, 2024 and 2023, the Organization did not hold debt securities.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Summary of Carrying Values

The carrying values of deposits and investments of the Organization are included in the statements of net position at December 31, 2024 and 2023, as follows:

	2024	2023
Carrying value:		
Deposits:		
Cash and cash equivalents	\$ 9,529,328	\$ 2,894,641
Money market funds	10,110,770	23,586,782
Certificates of deposit	13,292,776	4,685,843
Investments		
Mutual funds	1,166,044	864,365
Corporate bonds	286,204	411,464
Total	<u>\$ 34,385,122</u>	<u>\$ 32,443,095</u>

Included in the following statements of net position captions

Hospital:		
Cash and cash equivalents	\$ 7,416,180	\$ 1,366,268
Short-term investments	22,387,160	26,935,725
Assets limited as to use - board designated	1,916,806	1,507,110
Long-term investments	-	324,368
Foundation:		
Cash and cash equivalents	361,346	187,607
Short-term investments	1,845,057	1,344,993
Long-term investments	458,573	777,024
Total	<u>\$ 34,385,122</u>	<u>\$ 32,443,095</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of investments in any issuer. This does not apply to obligations and agencies of the United States Treasury which are deemed to be "risk-free". The Hospital's investment policy requires that the portfolio be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific type of security. The Organization believes that it is not exposed to any significant credit risk on investments.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Investment Income

The Organization's investment income for the year ended December 31 consisted of the following:

	2024	2023
Hospital		
Interest and dividend income	\$ 1,305,315	\$ 1,283,733
Total investment income	<u>\$ 1,305,315</u>	<u>\$ 1,283,733</u>
Foundation		
Interest and dividend income	\$ 124,352	\$ 41,825
Net unrealized/realized gain	51,250	98,333
Total investment income	<u>\$ 175,602</u>	<u>\$ 140,158</u>

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital and Foundation have the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

- Money markets: Valued based at the subscription and redemption activity at a \$1 stable net asset value (NAV). However, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.
- Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings.

The following table sets forth by level, within the fair value hierarchy, the Hospital's assets at fair value as of December 31, 2024 and 2023. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

	2024			
	Level 1	Level 2	Level 3	Total
Money markets	\$ -	\$ 9,812,396	\$ -	\$ 9,812,396
	\$ -	\$ 9,812,396	\$ -	9,812,396
Certificates of deposit				12,739,768
Cash				1,751,802
Total investments and assets limited as to use				\$ 24,303,966

	2023			
	Level 1	Level 2	Level 3	Total
Money markets	\$ -	\$ 23,301,596	\$ -	\$ 23,301,596
	\$ -	\$ 23,301,596	\$ -	23,301,596
Certificates of deposit				4,124,841
Cash				1,340,766
Total investments and assets limited as to use				\$ 28,767,203

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Foundation assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 are as follows:

	2024			
	Level 1	Level 2	Level 3	Total
Money market	\$ -	\$ 298,374	\$ -	\$ 298,374
Mutual funds:				
Large-cap value	543,542	-	-	543,542
Large-cap blend	406,072	-	-	406,072
Fixed income	192,921	-	-	192,921
Money market	23,509	-	-	23,509
Corporate bonds:				
Financial services sector	-	170,250	-	170,250
Consumer cyclical sector	-	36,931	-	36,931
Consumer defensive sector	-	79,023	-	79,023
	<u>\$ 1,166,044</u>	<u>\$ 584,578</u>	<u>\$ -</u>	<u>\$ 1,750,622</u>
Certificates of deposit				553,008
Total investments and assets limited as to use				<u>\$ 2,303,630</u>

	2023			
	Level 1	Level 2	Level 3	Total
Money market	\$ -	\$ 285,186	\$ -	\$ 285,186
Mutual funds:				
Large-cap value	318,368	-	-	318,368
Large-cap blend	353,261	-	-	353,261
Fixed income	192,736	-	-	192,736
Corporate bonds:				
Financial services sector	-	370,721	-	370,721
Consumer defensive sector	-	40,743	-	40,743
	<u>\$ 864,365</u>	<u>\$ 696,650</u>	<u>\$ -</u>	<u>\$ 1,561,015</u>
Certificates of deposit				561,002
Total investments and assets limited as to use				<u>\$ 2,122,017</u>

The Hospital's policy is to recognize transfers between levels as of the end of the reporting period. There were no significant transfers between levels during 2024 and 2023.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

5. CAPITAL ASSETS

The Hospital's capital asset additions, transfers, retirements, and balances as of and for the years ended December 31, were as follows:

	2024				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:					
Land	\$ 228,310	\$ -	\$ -	\$ -	\$ 228,310
Construction in process	9,350,931	531,720	(8,081,068)	-	1,801,583
Total non-depreciable capital assets	9,579,241	531,720	(8,081,068)	-	2,029,893
Depreciable capital assets:					
Land improvements	1,347,383	-	-	-	1,347,383
Buildings and improvements	55,141,911	4,358,734	7,067,974	-	66,568,619
Equipment	33,623,168	228,918	1,013,094	(7,967)	34,857,213
Total depreciable capital assets	90,112,462	4,587,652	8,081,068	(7,967)	102,773,215
Less accumulated depreciation:					
Land improvements	950,795	-	-	-	950,795
Buildings and improvements	17,445,422	1,915,588	-	-	19,361,010
Equipment	24,066,573	2,560,231	-	(7,967)	26,618,837
Total accumulated depreciation	42,462,790	4,475,819	-	(7,967)	46,930,642
Total depreciable capital assets, net	47,649,672	111,833	8,081,068	-	55,842,573
Intangible right-to-use assets:					
Leased building space	54,194	79,148	-	-	133,342
SBITA assets	4,284,180	-	-	(840,154)	3,444,026
Total intangible right-to-use assets	4,338,374	79,148	-	(840,154)	3,577,368
Less accumulated amortization					
Leased building space	15,054	31,255	-	-	46,309
SBITA assets	2,571,649	672,714	-	(840,154)	2,404,209
Total accumulated amortization	2,586,703	703,969	-	(840,154)	2,450,518
Total intangible right-to-use assets, net	1,751,671	(624,821)	-	-	1,126,850
Total capital assets, net	<u>\$ 58,980,584</u>	<u>\$ 18,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,999,316</u>

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

	2023				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:					
Land	\$ 228,310	\$ -	\$ -	\$ -	\$ 228,310
Construction in process	1,695,386	7,944,943	(289,398)	-	9,350,931
Total non-depreciable capital assets	<u>1,923,696</u>	<u>7,944,943</u>	<u>(289,398)</u>	<u>-</u>	<u>9,579,241</u>
Depreciable capital assets:					
Land improvements	1,347,383	-	-	-	1,347,383
Buildings and improvements	54,212,507	948,764	289,398	(308,758)	55,141,911
Equipment	32,395,634	1,227,534	-	-	33,623,168
Total depreciable capital assets	<u>87,955,524</u>	<u>2,176,298</u>	<u>289,398</u>	<u>(308,758)</u>	<u>90,112,462</u>
Less accumulated depreciation:					
Land improvements	950,360	435	-	-	950,795
Buildings and improvements	15,779,910	1,683,523	-	(18,011)	17,445,422
Equipment	21,387,017	2,679,556	-	-	24,066,573
Total accumulated depreciation	<u>38,117,287</u>	<u>4,363,514</u>	<u>-</u>	<u>(18,011)</u>	<u>42,462,790</u>
Total depreciable capital assets, net	<u>49,838,237</u>	<u>(2,187,216)</u>	<u>289,398</u>	<u>(290,747)</u>	<u>47,649,672</u>
Intangible right-to-use assets:					
Leased building space	176,984	-	-	(122,790)	54,194
SBITA assets	4,343,886	-	-	(59,706)	4,284,180
Total intangible right-to-use assets	<u>4,520,870</u>	<u>-</u>	<u>-</u>	<u>(182,496)</u>	<u>4,338,374</u>
Less accumulated amortization					
Leased building space	8,849	18,004	-	(11,799)	15,054
SBITA assets	1,771,184	860,171	-	(59,706)	2,571,649
Total accumulated amortization	<u>1,780,033</u>	<u>878,175</u>	<u>-</u>	<u>(71,505)</u>	<u>2,586,703</u>
Total intangible right-to-use assets, net	<u>2,740,837</u>	<u>(878,175)</u>	<u>-</u>	<u>(110,991)</u>	<u>1,751,671</u>
Total capital assets, net	<u><u>\$ 54,502,770</u></u>	<u><u>\$ 4,879,552</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (401,738)</u></u>	<u><u>\$ 58,980,584</u></u>

Total depreciation and amortization expense related to the Hospital's capital assets for 2024 and 2023 was \$5,179,788 and \$5,241,689, respectively.

6. LEASE AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) OBLIGATIONS

At implementation of GASB Statement No. 87 - *Leases* (GASB 87) and GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (GASB 96) and the commencement of leases and SBITAs beginning after the implementation, the Hospital initially measured the lease liability and SBITA liability at the present value of payments expected to be made during the remaining lease and SBITA term. Subsequently, the lease liability and SBITA liability are reduced by the principal portion of payments made. The intangible right-to-use asset was initially measured as the initial amount of the lease liability and SBITA liability, adjusted for lease and SBITA payments made at or before the lease and SBITA commencement date, plus certain initial direct costs. Subsequently, the intangible right-to-use asset is amortized on a straight-line basis over its useful life.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Key estimates and judgments related to leases and SBITAs include how the Hospital determines (1) the discount rate it uses to discount the expected lease and SBITA payments to present value, (2) lease and SBITA term and (3) lease and SBITA payments. The Hospital uses the interest rate charged by the lessor or software subscription provider as the discount rate. When the interest rate is not provided, the Hospital generally uses its estimated incremental borrowing rate as the discount rate for leases and SBITA payments included in the measurement of the lease and SBITA liability are composed of fixed payments and purchase option price that the Hospital is reasonably certain to exercise.

The Hospital monitors changes in circumstance that would require a remeasurement of its leases and SBITAs and will remeasure the lease and SBITA asset and liability if certain changes occur that are expected to significantly alter the amount of the lease and SBITA liability.

GASB 87 as Lessor

As lessor, the Hospital has a noncancelable real estate lease with a tenant that began in 2023 and expires in 2028. Lease-related revenues recognized by the Hospital for the year ended December 31, 2024 and 2023, is as follows:

	2024	2023
Lease revenue	\$ 25,517	\$ 4,047
Interest revenue	17,683	3,153
	<u><u>\$ 43,200</u></u>	<u><u>\$ 7,200</u></u>

Future receipts under this lease at December 31, 2024 are as follows:

2025	\$ 46,800
2026	64,800
2027	64,800
2028	54,000

GASB 87 as Lessee

The Hospital has two leases related to building space. Terms of these leases are 36 and 24 months with monthly minimum payments of \$1,600 and \$3,383. For purposes of discounting future payments on leases, the Hospital uses the incremental borrowing rate. The accumulated amortization of the right-to-use asset of the leased building space is outlined in Note 5.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Remaining payments on these leases at December 31, 2024, include:

	Principal	Interest	Total
2025	\$ 57,578	\$ 2,622	\$ 60,200
2026	34,033	532	34,565
Totals	<u>\$ 91,611</u>	<u>\$ 3,154</u>	<u>\$ 94,765</u>

GASB 96

SBITA agreements under GASB 96 for the Hospital include its electronic health records and financial reporting general ledger packages as well as other key subscription-based services. Terms of these SBITA agreements range between 36 and 60 months. The SBITA agreements requires monthly, quarterly, or annual payments ranging from \$3,450 to \$290,984 through 2027. The discount rate from all subscriptions is 7.5%.

Remaining payments on SBITA liabilities at December 31, 2024 include:

	Principal	Interest	Total
2025	\$ 596,816	\$ 72,506	\$ 669,322
2026	256,567	40,880	297,447
2027	270,021	20,962	290,983
	<u>\$ 1,123,404</u>	<u>\$ 134,348</u>	<u>\$ 1,257,752</u>

7. PATIENT ACCOUNTS RECEIVABLE

The details of patient accounts receivable are set forth below:

	2024	2023
Gross patient accounts receivable	\$ 32,578,697	\$ 41,095,927
Less allowance for:		
Uncollectible accounts	(5,078,440)	(3,878,328)
Contractual adjustments	(16,345,995)	(21,611,235)
Net patient accounts receivable	<u>\$ 11,154,262</u>	<u>\$ 15,606,364</u>

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

The Hospital provides services without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of net receivables and gross revenues from patients and third-party payors was as follows:

	2024		2023	
	Accounts Receivable	Gross Revenue	Accounts Receivable	Gross Revenue
Medicare	30%	47%	43%	51%
Medicaid	12%	11%	16%	12%
Commercial	32%	38%	33%	35%
Self-pay	26%	4%	8%	2%
	100%	100%	100%	100%

8. ESTIMATED AMOUNTS DUE FROM THIRD-PARTY PAYORS

The Hospital has agreements with third-party payors that provide for payment to the Hospital at amounts different from its established rates. The Hospital is designated as a Critical Access Hospital (CAH) under the Medicare and Medicaid programs. CAHs receive payments on a reasonable cost basis, for inpatient and most outpatient services to eligible Medicare patients. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

- Medicare: In March 2005, the Hospital became a Critical Access Hospital. After March 2005, inpatient services and most outpatient services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. Other outpatient services are reimbursed based on fee schedules.
- The Hospital and the Hospital's swing beds are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization.
- Medicaid: Inpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively determined rates per discharge. Medicaid outpatient services are reimbursed based upon the lesser of the Hospital's charge or predetermined fee schedule amounts. Capital related expenditures are subject to annual cost report settlement.
- Other Payors: The Hospital has entered into agreements with certain commercial carriers. Reimbursement for services under these agreements includes discounts from established charges and other payment methodologies.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and are adjusted in future periods, as final settlements are determined. Management has determined that there was \$0 and \$405,312 due to third party payors as of December 31, 2024 and 2023, respectively. There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Differences between the estimated amounts accrued at interim and final settlements are reported in the statement of revenues, expenses and changes in net position in the year of settlement. Medicare cost reports have been final settled through 2022.

9. NET PATIENT SERVICE REVENUES

Net patient service revenue consists of the following:

	2024	2023
Revenue:		
Inpatient	\$ 20,047,608	\$ 21,500,424
Outpatient	<u>168,757,858</u>	<u>167,134,686</u>
Total patient revenue	<u>188,805,466</u>	<u>188,635,110</u>
Revenue deductions:		
Contractual write-offs	102,882,080	105,852,661
Provision for bad debts	2,021,463	2,437,601
Charity care	<u>884,745</u>	<u>1,057,289</u>
Total deductions	<u>105,788,288</u>	<u>109,347,551</u>
Total net patient service revenue	<u>\$ 83,017,178</u>	<u>\$ 79,287,559</u>

10. OTHER LIABILITIES

Medical Malpractice

For medical malpractice, the Hospital has professional liability insurance with a commercial carrier. Coverage is \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate. The Hospital's coverage is on a claims made basis. Settled claims for medical malpractice have not exceeded insurance coverage in any of the past five years. Losses from asserted and unasserted claims identified under the Hospital's incident reporting systems are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. There is no liability for medical malpractice at December 31, 2024 and 2023.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Employee Health Insurance

The Hospital provides health insurance to participating employees under a plan that is partially self-insured. The plan is covered by a stop-loss policy that covers specific items per covered person over \$70,000 and aggregate claims exceeding \$1,000,000. An estimate of incurred but unpaid claims has been determined as of December 31, 2024 and 2023 based on historical experience. The liability for estimated self-insured employee health claims includes estimates of the ultimate costs for both reported claims and incurred but not reported claims. Activity and balances as of and for the years ended December 31, 2024 and 2023 are as follows:

	Beginning	Claims		Ending
	Liability	Incurred	Claims Paid	Liability
2023	\$ 868,559	\$ 3,345,542	\$ 3,775,183	\$ 438,918
2024	\$ 438,918	\$ 3,852,491	\$ 3,817,793	\$ 473,616

11. RETIREMENT PLANS

The Hospital is a participating employer contributing to the OPERS, which administers two cost sharing multiple employer defined benefit pension plans, and one defined contribution pension plan.

- 1) The Traditional Pension Plan – a cost sharing multiple-employer defined benefit pension plan.
- 2) The Combined Plan – a cost sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan, a defined contribution pension plan discussed in greater detail under "Defined Contribution Plan" in this footnote. Effective January 1, 2024, the Combined plan is no longer available for member selection and the Combined plan was consolidated into the Traditional Pension plan.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Please see the Plan Statement in the Annual Comprehensive Financial Report for details.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Retirement Plans

In accordance with GASB Statement No. 68, employers participating in cost-sharing multiple employer plans are required to recognize a proportionate share of the collective net pension liabilities of the plans. Although changes in the net pension liabilities and assets generally are recognized as expense in the current period, certain items are deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 2 to 10 years).

The collective net pension asset and liability of the retirement systems (GASB 68) and the Hospital's proportionate share of the net pension asset and liability as of December 31 are as follows:

	2024	2023
Net pension liability - all employers	\$ 26,180,409,664	\$ 29,540,043,780
Proportion of the net pension liability - Hospital	0.15266%	0.15428%
	<u>\$ 39,967,275</u>	<u>\$ 45,574,970</u>
	2024	2023
Net pension asset - all employers	\$ 307,381,524	\$ 235,689,691
Proportion of the net pension asset - Hospital	0.11590%	0.12980%
	<u>\$ 356,240</u>	<u>\$ 305,925</u>

The decrease in pension liability is due to actual earnings on investments being more than projected earnings on investments.

Expenses of \$6,702,621 and \$9,347,487 from pension costs were recognized in the year ended December 31, 2024 and 2023, respectively.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

At December 31, 2024, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 667,667	\$ 35,234
Net difference between projected and actual earnings on pension plan assets	8,125,041	-
Assumption changes	13,221	-
Change in proportionate share	851,905	266,038
Difference between Hospital contributions and proportionate share of contributions	-	6,451
Hospital contributions subsequent to the measurement date	3,651,941	-
Total	<u>\$ 13,309,775</u>	<u>\$ 307,723</u>

At December 31, 2023, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,532,617	\$ 43,713
Net difference between projected and actual earnings on pension plan assets	13,101,790	-
Assumption changes	501,721	-
Change in proportionate share	2,747,059	89,035
Difference between Hospital contributions and proportionate share of contributions	-	5,752
Hospital contributions subsequent to the measurement date	3,581,798	-
Total	<u>\$ 21,464,985</u>	<u>\$ 138,500</u>

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Net deferred (outflows) of resources and deferred inflows of resources related to pensions will be recognized in pension expense during the years ending December 31 as follows:

2026	\$ (2,694,126)
2027	(2,649,136)
2028	(5,173,016)
2029	1,166,675
2030	5,387
Thereafter	(5,895)
Total	<u>\$ (9,350,111)</u>

Statutory Authority

Ohio Revised Code (ORC) Chapter 145

Benefit Formula

Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 months of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit vests in upon receipt of the initial benefit payment.

Contribution Rates

The ORC provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of earnable salary of active members. In 2024 and 2023, State and Local employers contributed a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to healthcare for members in the Traditional Pension Plan was 0.0% during calendar years 2024 and 2023. For the Combined Plan, which was closed to new entrants during calendar year 2024, the portion of employer contributions allocated to healthcare was 2% from July 1, 2022, to December 31, 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2024 and 2023 was 4.0%.

Cost-of-Living Adjustments

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual cost-of-living adjustment is provided on the member's base pension benefit at the date of retirement and is not compounded. For those members retiring under the Combined Plan, they will receive a 3% cost-of-living adjustment for the defined benefit portion of their pension benefit. Current law provides for a 3% cost-of-living adjustment for benefit recipients retiring prior to January 7, 2013. For those benefit recipients retiring subsequent to January 7, 2013, current law provides that the cost-of-living adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Measurement Date

December 31, 2023

Actuarial Assumptions

Valuation Date: December 31, 2023

Actuarial Cost Method: Individual entry age

Investment Rate of Return: 6.90%

Inflation: 2.75%

Projected Salary Increases: 2.75% - 10.75% for Traditional Plan, 2.75% - 8.25% for Combined Plan

Cost-of-Living Adjustments: 3.00% Simple – for those retiring after January 7, 2013, 2.30% Simple for those retiring after January 7, 2013, through 2024, then 2.05% Simple

Date of Last Experience Study

December 31, 2020

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Mortality Rates

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality Tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality Tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For the previously described tables, the base year is 2010 and the mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Investment Return Assumptions

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The following table displays the Board-approved asset allocation policy for defined benefit pension assets and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return *
Fixed income	24%	2.9%
Domestic equity	21%	4.3%
Real estate	13%	4.5%
Private equity	15%	7.5%
International equity	20%	5.2%
Risk parity	2%	4.4%
Other investments	5%	3.5%
Total	<u>100%</u>	

* Returns presented as arithmetic means

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Discount Rate

The discount rate used to measure the total pension asset and liability was 6.9% for the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension assets and pension liabilities.

Sensitivity of Net Pension Liability to Changes in Discount Rate

1% Decrease	Current Rate	1% Increase
(5.90%)	(6.90%)	(7.90%)
\$ 62,919,231	\$ 39,967,275	\$ 20,877,918

Sensitivity of Net Pension Asset to Changes in Discount Rate

1% Decrease	Current Rate	1% Increase
(5.90%)	(6.90%)	(7.90%)
\$ 215,565	\$ 356,240	\$ 467,057

The amount of contributions recognized by the Hospital relating to the traditional pension plan for the years ending December 31, 2024 and 2023 was approximately \$3,581,000 and \$3,518,000, respectively.

The amount of contributions recognized by the Hospital relating to the combined plan for the years ending December 31, 2024 and 2023 was approximately \$71,000 and \$78,000, respectively.

Defined Contribution Plans

OPERS also offers a defined contribution plan, the Member-Directed (MD) Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The MD Plan does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Pension expense recorded for the years ended December 31, 2024 and 2023, for contributions to the Member-Directed Plan was approximately \$143,000 and \$128,000, respectively.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Deferred Compensation Plan

All full-time employees of the Hospital may participate in a deferred compensation plan created by the state of Ohio under the provisions of the Internal Revenue Code (IRC) Section 457, *Deferred Compensation Plans with Respect to Service for State and Local Governments*. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

Compensated assets deferred under a plan, all property, rights and all income attributable to those amounts, property or rights are held in trust at the state level for the benefit of the participants.

12. OTHER POST-EMPLOYMENT BENEFITS

The Hospital is a participating employer contributing to the OPERS, which maintains a cost-sharing multiple employer defined benefit post-employment healthcare trust, which funds multiple health care plans including medical coverage, prescription drug program and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

In accordance with GASB Statement No. 75, employers participating in cost-sharing multiple employer plans are required to recognize a proportionate share of the collective OPEB assets and liabilities of the plan.

The collective net OPEB asset of the retirement systems (GASB 75) and the Hospital's proportionate share of the net OPEB asset as of December 31 were as follows:

	2024	2023
Net OPEB asset (liability) - all employees	\$ 902,523,892	\$ (630,519,175)
Proportion of the net OPEB asset (liability) - Hospital	0.15260%	0.15510%
	<u><u>\$ 1,377,279</u></u>	<u><u>\$ (977,942)</u></u>

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

In 2024 and 2023, the Hospital recognized a gain relating to the OPEB plan of \$114,675 and \$1,317,950, respectively.

At December 31, 2024, the Hospital reported deferred outflows of resources and deferred inflows of resources for OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 196,026
Net difference between projected and actual earnings on OPEB plan assets	827,134	-
Assumption changes	354,581	592,051
Change in proportionate share	21,631	-
Difference between Hospital contributions and proportionate share of contributions	2,008	-
Hospital contributions subsequent to the measurement date	52,713	-
Total	<u>\$ 1,258,067</u>	<u>\$ 788,077</u>

At December 31, 2023, the Hospital reported deferred outflows of resources and deferred inflows of resources for OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 243,937
Net difference between projected and actual earnings on OPEB plan assets	1,942,226	-
Assumption changes	955,178	78,595
Change in proportionate share	69,901	-
Difference between Hospital contributions and proportionate share of contributions	3,923	-
Hospital contributions subsequent to the measurement date	61,839	-
Total	<u>\$ 3,033,067</u>	<u>\$ 322,532</u>

Net deferred (outflows) of resources and deferred inflows of resources related to OPEB will be recognized in pension expense during the years ending December 31 as follows:

2026	\$ 17,106
2027	(69,825)
2028	(643,851)
2029	279,293
Total	<u>\$ (417,277)</u>

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Statutory Authority

ORC Chapter 145

Benefit Formula

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the connector and may be eligible for monthly allowances deposited to a health reimbursement account to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses, and prescription drugs. The OPERS determines the amount, if any, of the associated health care costs that will be absorbed by the OPERS and attempts to control costs by using managed care, case management, and other programs. Effective January 1, 2022, eligible non-Medicare retirees are part of a connector program similar to Medicare-enrolled members.

Contribution Rates

The ORC provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of earnable salary of active members. In 2024 and 2023, State and Local employers contributed a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to healthcare for members in the Traditional Pension Plan was 0.0% during calendar years 2024 and 2023. For the Combined Plan, which was closed to new entrants during calendar year 2024, the portion of employer contributions allocated to healthcare was 2% from July 1, 2022, to December 31, 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2024 and 2023 was 4.0%.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Measurement Date

December 31, 2023, rolled forward from December 31, 2022 actuarial valuation date.

Actuarial Assumptions

Valuation Date: December 31, 2022

Rolled Forward Measurement Date: December 31, 2023

Actuarial Cost Method: Individual entry age

Investment Rate of Return: 6.00%

Inflation: 2.75%

Projected Salary Increases: 2.75% - 10.75%

Health Care Cost Trend: 5.5% initial, 3.5% ultimate in 2038

Date of Last Experience Study

December 31, 2020

Mortality Rates

Mortality rates are based on 130% of the Pub-2010 General Employee Mortality Tables (males and females) for state and local government divisions and 170% of the Pub-2010 Safety Employee Mortality Tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For the previously described tables, the base year is 2010 and the mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Investment Return Assumptions

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

The following table displays the OPERS Board-approved asset allocation policy for health care assets and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return *
Fixed income	37%	2.8%
Domestic equity	25%	4.3%
Real estate	5%	4.7%
International equity	25%	5.2%
Risk parity	3%	4.4%
Other investments	5%	2.4%
Total	<u>100%</u>	

* Returns presented as arithmetic means

Discount Rate

A discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contribution for use with the long-term expected rate were not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projected cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contributions rate. Based on those assumptions, the OPEB plan's fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, the duration of the projection period through which health care payments are fully funded.

Health Care Cost Trend Rate

A health care cost trend rate of 5.5% was used to measure the total OPEB asset on the measurement date of December 31, 2023. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.5%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project minimum rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5% in the most recent valuation.

WYANDOT MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Sensitivity of Net OPEB Asset (Liability) to Changes in Discount Rate

1% Decrease	Current Rate	1% Increase
(4.70%)	(5.70%)	(6.70%)
\$ (756,911)	\$ 1,377,279	\$ 3,145,148

Sensitivity of Net OPEB Asset to Changes in Health Care Cost Trend Rate

1% Decrease	Current Rate	1% Increase
(4.50%)	(5.50%)	(6.50%)
\$ 1,434,468	\$ 1,377,279	\$ 1,312,386

The amount of contributions recognized by the Hospital relating to the OPEB for the years ending December 31, 2024 and 2023 was approximately \$53,000 and \$62,000, respectively.

13. CONTINGENCY

Compliance Risks

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance that have not been provided for in the financial statements; however, the possible future financial effects of this matter on the Hospital, if any, are not presently determinable.

REQUIRED SUPPLEMENTARY INFORMATION

WYANDOT MEMORIAL HOSPITAL

REQUIRED SUPPLEMENTARY INFORMATION ON GASB 68 PENSION ASSETS, PENSION LIABILITIES, AND PENSION CONTRIBUTIONS (UNAUDITED) DECEMBER 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

Schedule of Proportionate Share of the Net Pension Assets and Liability (rounded to the nearest thousand)

Traditional Defined Benefit Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Hospital proportion of the collective net pension liability	0.15%	0.15%	0.13%	0.12%	0.11%	0.11%	0.11%	0.10%	0.10%	0.09%
Hospital proportionate share of the net pension liability	\$ 39,967,000	\$ 45,575,000	\$ 11,351,000	\$ 18,357,000	\$ 22,675,000	\$ 30,794,000	\$ 16,546,000	\$ 23,577,000	\$ 17,497,000	\$ 11,135,000
Hospital covered payroll	\$ 25,128,000	\$ 23,916,000	\$ 18,941,000	\$ 17,453,000	\$ 16,146,000	\$ 14,030,000	\$ 13,920,000	\$ 13,428,000	\$ 12,572,000	\$ 11,318,000
Hospital proportionate share of the net pension liability as a percentage of its covered payroll	159.1%	190.6%	59.9%	105.2%	140.4%	219.5%	118.9%	175.6%	139.2%	98.4%
Plan fiduciary net position as a percentage of the total pension liability	79.0%	75.7%	92.6%	86.9%	82.2%	74.7%	84.7%	77.3%	81.1%	86.5%
Combined Defined Benefit Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Hospital proportion of the collective net pension asset	0.12%	0.13%	0.12%	0.10%	0.07%	0.07%	0.08%	0.06%	0.06%	0.05%
Hospital proportionate share of the net pension asset	\$ 356,000	\$ 306,000	\$ 476,000	\$ 278,000	\$ 149,000	\$ 80,000	\$ 103,000	\$ 35,000	\$ 29,000	\$ 18,000
Hospital covered payroll	\$ 532,000	\$ 600,000	\$ 551,000	\$ 424,000	\$ 319,000	\$ 289,000	\$ 309,000	\$ 244,000	\$ 220,000	\$ 161,000
Hospital proportionate share of the net pension asset as a percentage of its covered payroll	66.9%	51.0%	86.4%	65.6%	46.7%	27.7%	33.3%	14.3%	13.2%	11.2%
Plan fiduciary net position as a percentage of the total pension asset	144.6%	137.1%	169.9%	157.7%	145.3%	126.6%	137.3%	116.6%	116.9%	114.8%

Schedule of Hospital Contributions (rounded to the nearest thousand)

Traditional Defined Benefit Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,581,000	\$ 3,518,000	\$ 3,348,000	\$ 2,652,000	\$ 2,443,000	\$ 2,260,000	\$ 1,964,000	\$ 1,810,000	\$ 1,611,000	\$ 1,509,000
Contributions in relation to the contractually required contribution	\$ 3,581,000	\$ 3,518,000	\$ 3,348,000	\$ 2,652,000	\$ 2,443,000	\$ 2,260,000	\$ 1,964,000	\$ 1,810,000	\$ 1,611,000	\$ 1,509,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,577,000	\$ 25,128,000	\$ 23,916,000	\$ 18,941,000	\$ 17,453,000	\$ 16,146,000	\$ 14,030,000	\$ 13,920,000	\$ 13,428,000	\$ 12,572,000
Contributions as a percentage of covered payroll	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	13.0%	12.0%	12.0%
Combined Defined Benefit Pension Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 71,000	\$ 64,000	\$ 78,000	\$ 77,000	\$ 59,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ 29,000	\$ 26,000
Contributions in relation to the contractually required contribution	\$ 71,000	\$ 64,000	\$ 78,000	\$ 77,000	\$ 59,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ 29,000	\$ 26,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 593,000	\$ 532,000	\$ 600,000	\$ 551,000	\$ 424,000	\$ 319,000	\$ 289,000	\$ 309,000	\$ 244,000	\$ 220,000
Contributions as a percentage of covered payroll	12.0%	12.0%	13.0%	14.0%	14.0%	14.0%	14.0%	13.0%	12.0%	12.0%

See Independent Auditor's Report and notes to required supplementary information

WYANDOT MEMORIAL HOSPITAL

REQUIRED SUPPLEMENTARY INFORMATION ON GASB 75 OTHER POSTEMPLOYMENT BENEFIT ASSETS, LIABILITIES AND CONTRIBUTIONS (UNAUDITED) DECEMBER 31, 2024, 2023, 2022, 2021, 2020, 2019 AND 2018

Schedule of Proportionate Share of the Net OPEB Liability (rounded to the nearest thousand)

OPEB	2024	2023	2022	2021	2020	2019	2018
Hospital proportion of the collective net OPEB asset	0.15%	0.00%	0.13%	0.12%	0.00%	0.00%	0.00%
Hospital proportionate share of the net OPEB asset	\$ 1,377,000	\$ -	\$ 4,084,000	\$ 2,157,000	\$ -	\$ -	\$ -
Hospital proportion of the collective net OPEB liability	0.00%	0.16%	0.00%	0.00%	0.11%	0.11%	0.10%
Hospital proportionate share of the net OPEB liability	\$ -	\$ 978,000	\$ -	\$ -	\$ 15,556,000	\$ 14,444,000	\$ 11,332,000
Hospital covered payroll	\$ 26,940,000	\$ 25,815,000	\$ 20,333,000	\$ 18,308,000	\$ 17,020,000	\$ 14,841,000	\$ 14,728,000
Hospital proportionate share of the net OPEB asset as a percentage of its covered payroll	5.1%	0.0%	20.1%	11.8%	0.0%	0.0%	0.0%
Hospital proportionate share of the net OPEB liability as a percentage of its covered payroll	0.0%	3.8%	0.0%	0.0%	91.4%	97.3%	76.9%
Plan fiduciary net position as a percentage of the total OPEB liability	107.8%	94.8%	128.2%	115.6%	47.8%	46.3%	54.1%

Schedule of Hospital Contributions (rounded to the nearest thousand)

OPEB	2024	2023	2022	2021	2020	2019	2018
Contractually required OPEB contribution	\$ 53,000	\$ 62,000	\$ 58,000	\$ 34,000	\$ 17,000	\$ 22,000	\$ 21,000
Contributions in relation to the contractually required contribution	\$ 53,000	\$ 62,000	\$ 58,000	\$ 34,000	\$ 17,000	\$ 22,000	\$ 21,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,191,000	\$ 26,940,000	\$ 25,815,000	\$ 20,333,000	\$ 18,308,000	\$ 17,020,000	\$ 14,841,000
Contributions as a percentage of covered payroll	0.19%	0.23%	0.22%	0.17%	0.09%	0.13%	0.14%

See Independent Auditor's Report and accompanying notes to required supplementary information

WYANDOT MEMORIAL HOSPITAL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Defined Benefit Pension Plans

Changes of Benefit Terms

There were no changes of benefit terms in 2024 and 2023.

Changes of Assumptions

In 2021, the OPERS' Board of Trustees' actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions for the actuarial valuation as of December 31, 2020, used for the Hospital's 2021 fiscal year and subsequently. Amounts reported in the Hospital's 2024 fiscal year for the OPERS plans reflect the following change of assumptions for the amounts reported in the 2020 fiscal year based on the experience study:

- Actuarially assumed expected rate of investment return remained consistent at 6.9%.
- Projected salary remained consistent at 2.75% to 10.75% for the Traditional Pension Plan and at 2.75% to 8.25% for the Combined Plan.

2. Defined Benefit Postemployment Benefits other than Pensions

Changes of Benefit Terms

There were no changes of benefit terms in 2024 and 2023.

Changes of Assumptions

Amounts reported in 2024 for OPERS reflect the following changes in assumptions based on an experience study for the five year period ending December 31, 2020:

- Actuarially assumed discount rate increased from 5.22% in 2023 to 5.70% in 2024.
- Health care cost trend rate changed from 5.5% initial, 3.5% ultimate in 2036 for 2023 to 5.5% initial, 3.5% ultimate in 2038 for 2024.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
 GOVERNMENT AUDITING STANDARDS**

Wyandot Memorial Hospital
 Wyandot County
 885 N Sandusky Ave
 Upper Sandusky, Ohio 43351

To the Board of Governors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit of Wyandot Memorial Hospital (the "Hospital"), as of and for the year ending December 31, 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements, and have issued our report thereon dated September 26, 2025.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Hospital's financial statements will not be prevented, or detected and corrected, in 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.

Wyandot Memorial Hospital

Wyandot County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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 internal control deficiencies that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of audit findings and responses as items 2024-001, 2024-002, 2024-003, and 2024-004 that we consider to be material weaknesses.

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 compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Hospital's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The Hospital's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of 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.

Bene + W., LLC

Westerville, Ohio

September 26, 2025

WYANDOT MEMORIAL HOSPITAL

SCHEDULE OF AUDIT FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2024

2024-001 Material Weakness

Condition: At December 31, 2024, the Hospital's month-end closing procedures may not detect or correct material misstatements in a timely manner.

Criteria: In order for management's assertions surrounding financial reporting to be met, month-end closing procedures should be designed and implemented to ensure that accounting records are complete and accurate.

Cause: Several accounts were not reviewed, reconciled, or approved in a timely manner.

Effect: Several accounts required post-closing adjustments several months after year-end.

Recommendation: We recommend the Hospital establish a monthly financial statement close checklist and process to outline necessary duties, required reconciliations, and approvals.

Management's Response: Management acknowledges the material weakness identified in the Hospital's month-end closing procedures as of December 31, 2024. The issues noted were primarily due to staffing transitions within the accounting department, including the departure of the Senior Director of Accounting/Controller in October 2024 and the Chief Financial Officer (CFO) in April 2025. These departures impacted the timeliness and completeness of account reviews, reconciliations, and approvals.

The organization has since filled the CFO position and is actively recruiting for a new Controller. In the interim, additional oversight has been implemented to ensure critical accounting functions are performed and reviewed appropriately.

To address the recommendation and strengthen our financial reporting processes, management is developing a comprehensive monthly financial statement close checklist. This checklist will clearly define required tasks, responsible personnel, deadlines, and review protocols. It will include:

- Timely reconciliation and review of all key accounts
- Formal approval procedures for journal entries and adjustments
- Documentation standards to support financial statement accuracy
- Periodic internal reviews to monitor compliance with the checklist
- Management is committed to resolving this material weakness and expects full implementation of the revised month-end close process by the end of 2025.

WYANDOT MEMORIAL HOSPITAL

SCHEDULE OF AUDIT FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2024

2024-002 Material Weakness

Condition: Cash reconciliations were not completed timely in 2024.

Criteria: Management is responsible for establishing and maintaining internal controls over financial reporting, which includes cash account reconciliations being performed on a monthly basis.

Cause: Multiple transactions were recorded by management several months into 2025 that related to 2024 transactions.

Effect: Potential material misstatements in the financial statements may not be detected.

Recommendation: Management should ensure that cash reconciliations are completed and reviewed on a monthly basis.

Management's Response: Management acknowledges the finding related to untimely completion of cash reconciliations during 2024. This issue was primarily driven by the staffing transitions mentioned in the response to the 2024-001. These changes impacted the department's capacity to maintain routine reconciliation schedules.

To address this finding and strengthen internal controls over financial reporting, management is implementing the following corrective actions:

- Establishing a formal monthly cash reconciliation schedule with clearly defined responsibilities and deadlines.
- Implementing a review and approval process to ensure reconciliations are completed accurately and timely.

2024-003 Material Weakness

Condition: Records of physical inventory counts for 2024 were not retained.

Criteria: Management did not retain records of its physical inventory counts for 2024.

Cause: Physical count sheets were not retained.

Effect: Potential for material misstatements in inventory and undetected inventory shrinkage.

Recommendation: Management should retain physical counts of its inventory at year-end and true up the general ledger balance based on the count performed.

Management's Response: Management acknowledges the failure to retain physical inventory count records for 2024. This was due to a breakdown in documentation procedures during the year-end process.

WYANDOT MEMORIAL HOSPITAL

SCHEDULE OF AUDIT FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2024

To address this, we are implementing a formal inventory documentation policy requiring retention of all physical count sheets and reconciliation to the general ledger. These procedures will be in place for the next fiscal year-end inventory count in December 2025.

2024-004 Material Weakness

Condition: The Hospital did not submit its annual financial report to the Ohio Auditor of State's Hinkle System within the required timeframe. The original deadline for submission was May 31, 2025, and was extended to July 31, 2025. However, the financial report was not uploaded until September 2025, which is beyond the extended deadline.

Criteria: ORC §117.38 requires each public office to filing financial statements under accounting principles generally accepted in the United States to file its annual financial report with the Auditor of State within 150 days after the close of the fiscal year. The Auditor's office extended the deadline to July 31, 2025, for the 2024 reporting year.

Cause: The Hospital did not have sufficient accounting controls and staffing in place to meet the deadline.

Effect: Failure to submit financial reports timely resulted in noncompliance with state reporting requirements.

Recommendation: We recommend the entity implement procedures to ensure timely submission of financial reports in accordance with Ohio Revised Code §117.38 and the deadlines established by the Auditor of State. This may include assigning responsibilities, setting internal deadlines, and monitoring compliance.

Management's Response: Management acknowledges the late submission of the 2024 annual financial report to the Ohio Auditor of State's Hinkle System. This delay was due to staffing challenges and limited accounting resources.

To prevent future delays, we are implementing procedures to assign responsibilities, set internal deadlines, and monitor compliance to ensure timely submission in accordance with Ohio Revised Code §117.38.

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OHIO AUDITOR OF STATE KEITH FABER



WYANDOT MEMORIAL HOSPITAL

WYANDOT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 2/5/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov