# Board of Trustees of Republic County Hospital

## A Component Unit of Republic County, Kansas

### Independent Auditor's Report and Financial Statements

September 30, 2023 and 2022

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## Independent Auditor's Report

Board of Trustees
Board of Trustees of Republic County Hospital
Belleville, Kansas

### *Opinion*

We have audited the financial statements of the Board of Trustees of Republic County Hospital (BOT), a component unit of Republic County, Kansas, as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Board of Trustees of Republic County 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 financial position of the Board of Trustees of Republic County Hospital as of September 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. 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 Board of Trustees of Republic County Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Trustees of Republic County Hospital's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BOT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BOT'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*

The BOT has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Forvis Mazars, LLP

**Wichita, Kansas**
**July 1, 2024**

**Board of Trustees of Republic County Hospital**
**A Component Unit of Republic County, Kansas**
**Balance Sheets**
**September 30, 2023 and 2022**

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash | $ 1,802,883 | $ 1,675,291 |
| Short-term certificates of deposit | 814,936 | 505,112 |
| Short-term investments | 3,994,930 | - |
| Due from Hospital | - | 12,296 |
| Interest receivable | 3,029 | 1,553 |
| Intergovernmental receivable | 398,000 | 663,926 |
| Notes receivable | 7,000 | 2,500 |
| Total current assets | 7,020,778 | 2,860,678 |
| **Certificates of Deposit** | - | 804,332 |
| **Noncurrent Cash and Investments** | | |
| Funds held by County for debt service | 19,290 | 18,465 |
| Restricted nonexpendable funds | - | 412,871 |
| | 19,290 | 431,336 |
| **Capital Assets, Net** | 352,178 | 396,980 |
| Total assets | $ 7,392,246 | $ 4,493,326 |

*See Notes to Financial Statements*

| | 2023 | 2022 |
|---|---|---|
| **Liabilities and Net Position (Deficit)** | | |
| **Current Liabilities** | | |
| Current maturities of long-term debt | $ 496,739 | $ 2,850,425 |
| Interest payable | 92,569 | 64,511 |
| Deposits | 3,305 | 2,500 |
| Due to Hospital | 8,837 | 1,518 |
| Total current liabilities | 601,450 | 2,918,954 |
| **Long-term Debt, Less Current Maturities** | 5,640,181 | 2,295,727 |
| Total liabilities | 6,241,631 | 5,214,681 |
| **Net Position (Deficit)** | | |
| Net investment in capital assets | 197,178 | 196,980 |
| Restricted expendable for debt service | 19,290 | 18,465 |
| Restricted nonexpendable permanent endowments | - | 412,871 |
| Unrestricted | 934,147 | (1,349,671) |
| Total net position (deficit) | 1,150,615 | (721,355) |
| Total liabilities and net position (deficit) | $ 7,392,246 | $ 4,493,326 |

**Board of Trustees of Republic County Hospital**
**A Component Unit of Republic County, Kansas**
**Statements of Revenues, Expenses and Changes in Net Position**
**Years Ended September 30, 2023 and 2022**

| | 2023 | 2022 |
|---|---|---|
| **Operating Revenues** | | |
| Clinic revenue | $ 48,205 | $ 48,663 |
| Independent living revenue | 117,791 | 124,133 |
| Noncapital appropriations - Republic County | 1,841,661 | 1,412,014 |
| Other | 357,258 | 516,326 |
| Total operating revenues | 2,364,915 | 2,101,136 |
| **Operating Expenses** | | |
| Clinic expense | 69,578 | 46,664 |
| Independent living expense | 66,881 | 127,184 |
| Board expense | 24,074 | 13,232 |
| Depreciation | 44,802 | 56,829 |
| Total operating expenses | 205,335 | 243,909 |
| **Operating Income** | 2,159,580 | 1,857,227 |
| **Nonoperating Revenues (Expenses)** | | |
| Investment income | 123,493 | 12,496 |
| Noncapital grants and gifts | 2,000,000 | - |
| Contribution to Hospital for operations | (678,741) | (1,185,100) |
| Contribution to Hospital for capital | (1,525,968) | (2,495,655) |
| Interest expense | (206,394) | (131,164) |
| Total nonoperating revenues (expenses) | (287,610) | (3,799,423) |
| **Increase (Decrease) in Net Position (Deficit)** | 1,871,970 | (1,942,196) |
| **Net Position (Deficit), Beginning of Year** | (721,355) | 1,220,841 |
| **Net Position (Deficit), End of Year** | $ 1,150,615 | $ (721,355) |

**Board of Trustees of Republic County Hospital**
**A Component Unit of Republic County, Kansas**
**Statements of Cash Flows**
**Years Ended September 30, 2023 and 2022**

| | 2023 | 2022 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Receipts from and on behalf of residents | $ 165,996 | $ 172,796 |
| Receipts from County - noncapital appropriations | 2,107,587 | 821,673 |
| Other receipts, net | 613,220 | 331,014 |
| Net cash provided by operating activities | 2,886,803 | 1,325,483 |
| **Cash Flows From Noncapital Financing Activities** | | |
| Noncapital grants and gifts | 2,000,000 | - |
| Contributions to Hospital for operations | (678,741) | (1,185,100) |
| Net cash provided by (used in) noncapital financing | 1,321,259 | (1,185,100) |
| **Cash Flows From Capital and Related Financing Activities** | | |
| Proceeds from issuance of long-term debt | 4,014,309 | 2,423,805 |
| Purchase of capital assets contributed to Hospital | (1,525,968) | (2,495,655) |
| Principal paid on long-term debt | (3,011,245) | (139,925) |
| Interest paid on long-term debt | (178,336) | (121,128) |
| Net cash used in capital and related financing activities | (701,240) | (332,903) |
| **Cash Flows From Investing Activities** | | |
| Investment income | 122,017 | 12,516 |
| Purchase of certificates of deposit | (372,549) | (3,353) |
| Proceeds from disposition of certificates of deposit | 867,057 | - |
| Purchase of investments | (3,994,930) | - |
| Net cash provided by (used in) investing activities | (3,378,405) | 9,163 |
| **Increase (Decrease) in Cash** | 128,417 | (183,357) |
| **Cash, Beginning of Year** | 1,693,756 | 1,877,113 |
| **Cash, End of Year** | $ 1,822,173 | $ 1,693,756 |
| **Reconciliation of Cash to the Balance Sheets** | | |
| Cash | $ 1,802,883 | $ 1,675,291 |
| Funds held by County for debt service | 19,290 | 18,465 |
| | $ 1,822,173 | $ 1,693,756 |

**Board of Trustees of Republic County Hospital**
**A Component Unit of Republic County, Kansas**
**Statements of Cash Flows – Continued**
**Years Ended September 30, 2023 and 2022**

| | 2023 | 2022 |
|---|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | | |
| Operating income | $ 2,159,580 | $ 1,857,227 |
| Depreciation | 44,802 | 56,829 |
| Change in operating assets and liabilities | | |
| Intergovernmental receivable | 265,926 | (590,341) |
| Notes receivable | (4,500) | - |
| Restricted nonexpendable funds | 412,871 | - |
| Deposits | 805 | 250 |
| Due to Hospital | 7,319 | 1,518 |
| Net cash provided by operating activities | $ 2,886,803 | $ 1,325,483 |
| **Noncash Investing, Capital and Financing Activities** | | |
| Principal payments made by Great Plains of Republic County, Inc. on subleased financed capital purchases | $ 12,296 | $ 44,025 |

## Note 1. Nature of Operations and Summary of Significant Accounting Policies

### *Nature of Operations and Reporting Entity*

The Board of Trustees of Republic County Hospital (BOT) was organized by the County Commissioners of Republic County, Kansas to operate a governmental hospital and to control the use of tax appropriations. The BOT is appointed by the County Commissioners of Republic County and is considered to be a component unit of Republic County, Kansas (County). The BOT owns and rents a medical clinic building and independent living apartments.

Great Plains of Republic County, Inc. (GPRC/Hospital) is located in Belleville, Kansas and provides acute, swing-bed and long-term care services under a lease agreement entered into, pursuant to K.S.A. 19-4601 et. seq. with the BOT (*Note 2*). The operations of the Hospital are reported separately from the BOT due to this lease agreement.

### *Basis of Accounting and Presentation*

The financial statements of the BOT have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transactions take place, while those from government-mandated nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include noncapital appropriations – Republic County and exchange transactions. Contributions, investment income (loss) and contributions to Hospital for operations are included in nonoperating revenues (expenses).

### *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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Cash Equivalents*

The BOT considers all liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at September 30, 2023 and 2022.

### *Investments and Investment Income*

Investments in U.S. Treasury obligations with a remaining maturity of one year or less at time of acquisition are carried at amortized cost.

Investment income includes interest income and realized gains and losses on investments carried at other than fair value.

### *Capital Assets*

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the BOT:

| | |
|---|---|
| Land improvements | 10 – 25 years |
| Buildings | 5 – 40 years |
| Fixed equipment | 7 – 20 years |
| Moveable equipment | 10 – 15 years |

Maintenance, repairs and renewals which neither materially add to the value of the capital assets nor appreciably prolong the life are charged to expense as incurred. Gains or losses on dispositions of capital assets are included in operations.

### *Capital Asset Impairment*

The BOT evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the 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 ended September 30, 2023 and 2022.

### *Noncapital Appropriations – County – Property and Sales Taxes*

The BOT receives tax appropriations from the County. Property taxes are assessed in November and are received beginning in January of each year. Revenue from property taxes is recognized in the year for which the taxes are assessed to the extent such taxes are collected and available for use. Sales tax revenue is recognized based on sales tax collected by the County's retailers in the BOT accounting period. The sales tax is permanent and is 1% of sales taxable transactions. Amounts not yet received as of fiscal year-end are reflected on the balance sheets as intergovernmental receivables.

Revenue for property taxes and sales taxes are reported as noncapital appropriations – Republic County in the accompanying statements of revenues, expenses and changes in net position. Property and sales tax revenues were $611,536 and $1,230,125, respectively, in 2023 and $566,945 and $845,069, respectively, in 2022.

### *Net Position (Deficit)*

Net position (deficit) of the BOT is classified in four components on its balance sheets.

- Net investment in capital assets consists of capital assets net of accumulated depreciation.
- Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the BOT, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.
- Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the BOT, such as permanent endowments. The restriction on the permanent endowment was legally released in 2023.
- Unrestricted net position (deficit) is the remaining net position (deficit) that does not meet the definition of net investment in capital assets or restricted net position.

### *Income Taxes*

As an essential government function, the BOT 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 BOT is subject to federal income tax on any unrelated business taxable income.

## Note 2. Lease and Management Agreement

The BOT controls facilities, including buildings, as well as equipment and other assets, which are owned by Republic County, Kansas, and leased to GPRC by the BOT. The lease agreement provides that GPRC will assume and continue the operations of the hospital and maintain all property and equipment in good operating condition. The original lease term was for a period of five years through September 30, 2005, with two renewal option periods of five years each. The lease was renewed on January 1, 2016, for a period of five years through December 31, 2020, with two renewal option periods of five years each through December 31, 2025 and December 31, 2030, respectively. The lease was renewed on January 1, 2021. The BOT leases the hospital facilities to GPRC for $1. In connection with this lease, Great Plains Health Alliance, Inc. (GPHA), the sole member of GPRC, has a management agreement with GPRC. Either party has the option to terminate the lease at any time for a material breach of terms or provisions of the agreement with a 60-day notice. All assets and liabilities were transferred to GPRC upon commencement of the original term, October 1, 2000. At the end of the lease term, all assets, including working capital and liabilities, shall transfer back to the BOT.

## Note 3. Deposits and Investments

### *Deposits*

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The BOT deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities or the state of Kansas; bonds of any city, county, school district or special road district of the state of Kansas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

The BOT maintains its bank deposits (checking and saving accounts and certificates of deposit) with financial institutions which, at times, exceed federally insured limits. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the BOT is periodically reviewed and the BOT believes it is not exposed to any significant credit risk on these balances.

At September 30, 2023 and 2022, respectively, $1,619,232 and $2,279,295 of the BOT bank balances of $2,617,819 and $3,397,606 were exposed to custodial credit risk as follows:

| | 2023 | 2022 |
|---|---|---|
| Uninsured and uncollateralized | $ 865 | $ - |
| Uninsured and collateral held on behalf of the pledging financial institution in the BOT's name | 1,618,367 | 2,279,295 |
| | $ 1,619,232 | $ 2,279,295 |

### *Investments*

The BOT may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

At September 30, 2023 and 2022, the BOT had $3,994,930 and $0, respectively, of investments in U.S. Treasury obligations with a maturity date of less than one year.

### *Summary of Carrying Values*

The carrying values of deposits and investments shown above are included in the balance sheets at September 30, 2023 and 2022, as follows:

| | 2023 | 2022 |
|---|---|---|
| Carrying value | | |
| Deposits | $ 2,617,819 | $ 3,397,606 |
| Investments in U.S. Treasury obligations | 3,994,930 | - |
| | $ 6,612,749 | $ 3,397,606 |

| | 2023 | 2022 |
|---|---|---|
| Included in the following balance sheet captions | | |
| Cash | $ 1,802,883 | $ 1,675,291 |
| Short-term certificates of deposit | 814,936 | 505,112 |
| Short-term investments | 3,994,930 | - |
| Certificates of deposit | - | 804,332 |
| Restricted nonexpendable funds | - | 412,871 |
| | $ 6,612,749 | $ 3,397,606 |

## Note 4. Noncurrent Cash and Investments

Assets limited as to use include (1) funds held by the County for construction/debt service and (2) funds permanently restricted by donors. Permanently restricted funds consist of certificates of deposit and represent assets subject to donor-imposed stipulations that are required to be maintained permanently by the BOT.

## Note 5. Capital Assets

Capital assets activity for the years ended September 30, was:

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
| Land and improvements | $ 311,774 | $ - | $ - | $ - | $ 311,774 |
| Buildings | 1,971,095 | - | - | - | 1,971,095 |
| Fixed equipment | 313,735 | - | - | - | 313,735 |
| Moveable equipment | 26,184 | - | - | - | 26,184 |
| | 2,622,788 | - | - | - | 2,622,788 |
| Less accumulated depreciation | | | | | |
| Land improvements | 286,908 | 6,545 | - | - | 293,453 |
| Buildings | 1,604,399 | 37,572 | - | - | 1,641,971 |
| Fixed equipment | 308,317 | 685 | - | - | 309,002 |
| Moveable equipment | 26,184 | - | - | - | 26,184 |
| | 2,225,808 | 44,802 | - | - | 2,270,610 |
| Capital Assets, Net | $ 396,980 | $ (44,802) | $ - | $ - | $ 352,178 |

| | 2022 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
| Land and improvements | $ 311,774 | $ - | $ - | $ - | $ 311,774 |
| Buildings | 1,971,095 | - | - | - | 1,971,095 |
| Fixed equipment | 313,735 | - | - | - | 313,735 |
| Moveable equipment | 26,184 | - | - | - | 26,184 |
| | 2,622,788 | - | - | - | 2,622,788 |
| Less accumulated depreciation | | | | | |
| Land improvements | 280,363 | 6,545 | - | - | 286,908 |
| Buildings | 1,554,800 | 49,599 | - | - | 1,604,399 |
| Fixed equipment | 307,632 | 685 | - | - | 308,317 |
| Moveable equipment | 26,184 | - | - | - | 26,184 |
| | 2,168,979 | 56,829 | - | - | 2,225,808 |
| Capital Assets, Net | $ 453,809 | $ (56,829) | $ - | $ - | $ 396,980 |

## Note 6. Long-term Debt

The following is a summary of long-term debt transactions for the BOT for the years ended September 30, 2023 and 2022:

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Deductions | Ending Balance | Current Portion |
| Long-term debt | | | | | |
| Hospital Revenue Bonds Series 2011 | $ 200,000 | $ - | $ (45,000) | $ 155,000 | $ 50,000 |
| Notes payable to bank | 2,698,341 | 4,014,309 | (2,869,256) | 3,843,394 | 348,391 |
| Financed capital purchases | 2,247,811 | - | (109,285) | 2,138,526 | 98,348 |
| Total long-term debt | $ 5,146,152 | $ 4,014,309 | $ (3,023,541) | $ 6,136,920 | $ 496,739 |

| | 2022 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Deductions | Ending Balance | Current Portion |
| Long-term debt | | | | | |
| Hospital Revenue Bonds | | | | | |
| Series 2011 | $ 245,000 | $ - | $ (45,000) | $ 200,000 | $ 45,000 |
| Notes payable to bank | 274,536 | 2,423,805 | | 2,698,341 | 2,698,341 |
| Financed capital purchases | 2,386,761 | - | (138,950) | 2,247,811 | 107,084 |
| Total long-term debt | $ 2,906,297 | $ 2,423,805 | $ (183,950) | $ 5,146,152 | $ 2,850,425 |

### *Revenue Bonds Payable – Series 2011*

The Series 2011 bonds payable consist of Hospital Revenue Bonds (Bonds) in the original amount of $600,000 dated July 2011, with interest of 4.25%. The Bonds are payable in annual installments through June 2026. Outstanding bonds are redeemable at the BOT option at any time at a redemption price of 100%.

Scheduled principal repayments on the revenue bond obligations as of September 30, 2023, were as follows:

| Year Ending September 30, | Total to be Paid | Principal | Interest |
|---|---|---|---|
| 2024 | $ 56,588 | $ 50,000 | $ 6,588 |
| 2025 | 54,463 | 50,000 | 4,463 |
| 2026 | 57,338 | 55,000 | 2,338 |
| | $ 168,389 | $ 155,000 | $ 13,389 |

### *Notes Payable to Bank*

The BOT periodically borrows funds from banks to finance capital assets acquisitions. The notes payable to bank were established as draw down notes not to exceed $2,012,980 and $2,001,329, respectively. The initial maturity dates on the notes were December 31, 2021 and November 8, 2022, respectively, but these dates were extended to December 19, 2022, for both notes. Effective December 19, 2022, the $2,012,980 note was renewed, with a maturity date of December 19, 2029, and principal and interest payments of $157,833 payable semiannually. Effective December 19, 2022, the $2,001,329 note was renewed, with a maturity date of December 19, 2042, and principal and interest payments of $64,102 payable semiannually. The notes payable bear an interest rate of 2.5%.

Scheduled principal repayments on the notes payable to bank as of September 30, 2023, were as follows:

| Year Ending September 30, | Total to be Paid | Principal | Interest |
|---|---|---|---|
| 2024 | $ 443,870 | $ 348,391 | $ 95,479 |
| 2025 | 443,871 | 357,533 | 86,338 |
| 2026 | 443,871 | 366,653 | 77,218 |
| 2027 | 443,870 | 376,005 | 67,865 |
| 2028 | 443,871 | 385,444 | 58,427 |
| 2029-2033 | 1,114,520 | 932,804 | 181,716 |
| 2034-2038 | 641,020 | 534,318 | 106,702 |
| 2039-2043 | 577,202 | 542,246 | 34,956 |
| | $ 4,552,095 | $ 3,843,394 | $ 708,701 |

### *Financed Capital Purchases*

Financed capital purchases are in the form of a note payable to bank. The note has a maturity date of 2039. Principal and interest is payable monthly. The interest rate is 3.95%. The note is secured by certain capital assets.

The debt service requirements on financed capital purchases as of September 30, 2023, are as follows:

| Year Ending September 30, | Total to be Paid | Principal | Interest |
|---|---|---|---|
| 2024 | $ 184,436 | $ 98,348 | $ 86,088 |
| 2025 | 187,745 | 105,746 | 81,999 |
| 2026 | 187,744 | 109,999 | 77,745 |
| 2027 | 187,745 | 114,424 | 73,321 |
| 2028 | 187,744 | 119,026 | 68,718 |
| 2029-2033 | 938,723 | 670,914 | 267,809 |
| 2034-2038 | 938,723 | 817,146 | 121,577 |
| 2039 | 189,321 | 102,923 | 86,398 |
| | $ 3,002,181 | $ 2,138,526 | $ 863,655 |

## Note 7. Subsequent Events

GPRC acquired the assets of the Belleville Medical Clinic (Clinic) effective March 1, 2024. Substantially all Clinic employees became GPRC employees on the acquisition date. The Clinic will be operated as an outpatient department of GPRC.