

# **Greenwood Leflore Hospital (A Component Unit of Leflore County)**

**Financial Statements**  
Years Ended September 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited a UK company limited by guarantee.



**Greenwood Leflore Hospital**  
**(A Component Unit of Leflore County)**

Financial Statements  
Years Ended September 30, 2025 and 2024

# Greenwood Leflore Hospital

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# Greenwood Leflore Hospital

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## Independent Auditor's Report

The Board of Hospital Commissioners  
Greenwood Leflore Hospital  
Greenwood, Mississippi

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the business-type activities of Greenwood Leflore Hospital (the Hospital), a component unit of Leflore County, including the City of Greenwood, Mississippi, as of and for the years ended September 30, 2025 and 2024, and its fiduciary activities as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Hospital as of September 30, 2025 and 2024, and its fiduciary activities, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter Regarding Substantial Doubt About the Hospital's Ability to Continue as a Going Concern*

The accompanying financial statements have been prepared assuming that the Hospital will continue as a going concern. As discussed in Note 2 to the financial statements, the Hospital has suffered recurring losses from operations resulting in a deficit in unrestricted net position and negative or near break-even working capital, as well as a history of cash used in operations, which raises substantial doubt about its ability to continue as a going concern. The Hospital's Board of Commissioners resolved to seek legislative action concerning Chapter 9 bankruptcy proceedings of the Hospital, as well as to initiate procedures for the sale or lease of the Hospital. Management's plan regarding these matters is also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.



### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the Hospital adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended September 30, 2025, which is applied retroactively by restating balances in the financial statements as of October 1, 2023. Our opinion is not modified with respect to this matter.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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.
- 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, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and the Schedule of Investment Returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit for the year ended September 30, 2025 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The accompanying Schedule of Surety Bonds for Officers and Employees and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Surety Bonds for Officers and Employees and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



***Other Reporting Required by Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

BDO USA, P.C.

*(Formerly HORNE LLP)*

March 17, 2026

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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This management's discussion and analysis of the financial performance of Greenwood Leflore Hospital (the Hospital) provides an overview of the Hospital's financial activities for the years ended September 30, 2025, 2024, and 2023. It should be read in conjunction with the accompanying financial statements of the Hospital.

### Using This Financial Report

The Hospital's financial statements consist of three statements—a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Hospital, including resources held by the Hospital but restricted for specific purposes by creditors, contributors, grantors or enabling legislation. The Hospital is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

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

The statements of net position include all of the Hospital's assets, deferred inflows, liabilities and deferred outflows, using the accrual basis of accounting, as well as an indication about which assets can be utilized for general purposes, and which are restricted for specific purposes. The statements of revenues, expenses and changes in net position report all of the revenues and expenses during the time periods indicated.

### Statements of Cash Flows

The final required statements are the statements of cash flows. The statements report cash receipts, cash payments and net changes in cash resulting from operations, investing and financing activities.

### Net Position

The Hospital's net position is the difference between its assets and deferred outflows of resources and its liabilities and deferred inflows of resources. Total net position decreased during fiscal year 2025 by \$8.7 million (46%), and increased \$2.5 million (15%) during fiscal year 2024, as shown in Table 1.

### Statements of Fiduciary Net Position and Changes in Fiduciary Net Position - Pension Trust fund

The statements of fiduciary net position - pension trust fund include assets and net position of the pension trust fund that are held in a fiduciary capacity. The statements of changes in fiduciary net position - pension trust fund reports the additions and deductions to these fiduciary funds during the period.

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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### Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompany notes, this report also presents certain required supplementary information concerning the Hospital's pension plan. The schedule of surety bonds for officers and employees and the schedule of expenditures of federal awards are presented immediately following the required supplementary information.

### Operational Highlights

The novel Coronavirus (COVID-19) Public Health Emergency which officialy began on March 13, 2020, when the President declared a national state of emergency, ordering all states to establish emergency operations and authorized the use of federal funds. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted by Congress in 2020, and the American Rescue Plan Act (ARPA) in 2021. The Federal COVID-19 Public Health Emergency declaration ended on May 11, 2023. Under the CARES Act, Greenwood Leflore Hospital received \$16.5 million in advanced Medicare payments from CMS in fiscal year 2020. CMS began recouping these advance payments against Medicare claims for services that were provided during the fiscal year ended 2021 and continued to recoup through the fiscal year ended 2025. As of September 30, 2025, Medicare has recouped approximately \$15.4 million of these funds. The Hospital has accounted for the remaining unrecouped funds as a contractual liability at September 30, 2025 and 2024. As of September 30, 2025, the Hospital has a total unpaid balance of \$1,120,034.

Patient volumes saw a reduction in 2025 after the Hospital had begun to stabilize volumes in 2024 and 2023. Costs have continued to increase through the labor market, information technology and the supply chain. The Hospital entered into a Telehealth ICU program in 2024 which restored some service capablities that had been lost post COVID-19. In FY 2024 the Mississippi Hospital Access Payment (MHAP) model was expanded and provided Mississippi Hospitals including Greenwood Leflore Hospital increased directed payments for hospitals serving patients in the Mississippi Medicaid managed care delivery system. While the initial payments were substantial for the Hospital, they were based on two years previous information. As part of the program's reconciliation process the Hospital's more recent volumes were taken into consideration resulting in a significant recoupment on the Hospital's MHAP payments.

Greenwood Leflore Hospital is the only available hospital in the County and bears the responsibility of treating the County's health care needs. In February 2023, the hospital put 163 acute care beds and ten inpatient rehab beds in abeyance. In April 2025 the Hospital sold their ten inpatient rehab beds. As of September 30, 2025 the Hospital is licensed for 25 Acute Care beds.

Unfavorable payor terms have also attributed to the declining net position as high deductible health plans and managed care plans have begun to dominate the market. In fiscal year 2025, 53% of the Medicare revenues were Medicare HMO plans as compared to 50% in 2024, and 46% of Medicare revenues in 2023.

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

### Condensed Statements of Net Position

<i>September 30,</i>	2025	Restated 2024	2023*
<b>Assets and Deferred Outflows of Resources</b>			
Current assets	\$ 15,024,809	\$ 16,941,546	\$ 13,572,759
Capital assets	27,883,247	29,679,215	34,259,667
Other non-current assets	2,063,485	2,368,838	2,155,715
<b>Total Assets</b>	<b>44,971,541</b>	<b>48,989,599</b>	<b>49,988,141</b>
<b>Deferred Outflows of Resources</b>	<b>2,007,994</b>	<b>-</b>	<b>3,150,482</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 46,979,535</b>	<b>\$ 48,989,599</b>	<b>\$ 53,138,623</b>
<b>Liabilities and Deferred Inflows of Resources</b>			
Long-term obligations, including current portion	\$ 3,012,403	\$ 3,129,275	\$ 4,452,347
Net pension liability	11,051,377	11,744,249	16,443,451
Other liabilities	18,296,973	13,504,252	15,721,766
<b>Total Liabilities</b>	<b>32,360,753</b>	<b>28,377,776</b>	<b>36,617,564</b>
<b>Deferred Inflows of Resources</b>	<b>4,476,089</b>	<b>1,774,576</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>36,836,842</b>	<b>30,152,352</b>	<b>36,617,564</b>
<b>Net Position</b>			
Net investment in capital assets	25,235,811	28,378,624	32,497,154
Restricted	2,234,873	1,673,438	2,055,021
Unrestricted deficit	(17,327,991)	(11,214,815)	(18,230,503)
<b>Total Net Position</b>	<b>10,142,693</b>	<b>18,837,247</b>	<b>16,321,672</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 46,979,535</b>	<b>\$ 48,989,599</b>	<b>\$ 52,939,236</b>

\* Periods earlier than those presented in the accompanying financial statements are not restated in accordance with guidance contained in GASB Statement No. 100, *Accounting Changes and Error Corrections*, for a change in accounting principal.

The Hospital's cash and investment position decreased in 2025 by \$1.4 million. The Hospital used \$1.2 million in cash for operations during fiscal years 2025. This net decrease in cash is attributable to the reduction in Mississippi Hospital Access Payment program (MHAP) from prior year with only \$6.8 million in net benefit received in the current year. The Hospital received \$1 million in grant monies from the Federal Emergency Management Agency (FEMA) and \$3.6 million on the sale of the Hospital's Certificate of Need for Comprehensive Medical Rehabilitation beds (CMR Bed CON) in FY 2025, and the funds were accounted for as cash provided by non-capital financing activities. These were offset by the on-going recoupment of Medicare Advanced and Accelerated Loan Payments (MAALP) in the amount of \$1.3 million.

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

The Hospital's cash and investment position increased in 2024 by \$2.9 million. This net increase in cash is attributable to the MHAP net benefit of \$19 million, offset by losses in operations. An owner contribution of \$3 million from Leflore County was received in FY 2024 and accounted for as cash provided by non-capital financing activities. These funds were offset by the ongoing recoupment of MAALP in the amount of \$2.1 million.

The following is a summary of the Hospital's cash and investment position:

<i>September 30,</i>	2025	2024	2023
Cash and cash equivalents	\$ 2,260,834	\$ 4,248,537	\$ 930,983
Assets limited to use	2,191,184	1,629,749	2,011,232
<b>Total Available Cash and Investments</b>	<b>\$ 4,452,018</b>	<b>\$ 5,878,286</b>	<b>\$ 2,942,215</b>

Cash and investment balances available for operations at September 30, 2025, 2024, and 2023 represent cash sufficient to cover approximately 24, 32, and 16 days of operating expenses, respectively.

### Capital Asset and Debt Administration

#### *Capital Assets*

During fiscal years 2025, 2024, and 2023, the Hospital invested approximately \$3.3 million, \$1.1 million, and \$1.9 million, respectively, in a broad range of property and equipment included in the table below.

<i>September 30,</i>	2025	2024	2023
Land improvements	\$ 1,371,522	\$ 1,371,522	\$ 1,371,522
Buildings	58,025,156	57,905,682	57,792,061
Equipment	144,074,933	143,745,941	143,863,420
Leased assets - equipment	3,698,812	1,538,227	1,711,481
Subscription assets	6,098,995	5,822,042	4,938,651
<b>Subtotal</b>	<b>213,269,418</b>	<b>210,383,414</b>	<b>209,677,135</b>
Less: accumulated depreciation	(186,856,659)	(181,721,958)	(176,529,685)
Land	578,395	578,395	578,395
Construction in progress	892,093	439,364	533,822
<b>Net Capital Assets</b>	<b>\$ 27,883,247</b>	<b>\$ 29,679,215</b>	<b>\$ 34,259,667</b>

#### *Debt*

<i>September 30,</i>	2025	2024	2023
Lease obligations	\$ 2,647,436	\$ 1,300,591	\$ 1,762,513
Subscription obligations	364,967	1,828,684	2,689,834
<b>Total</b>	<b>\$ 3,012,403</b>	<b>\$ 3,129,275</b>	<b>\$ 4,452,347</b>

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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### Current Liabilities

In 2025, current liabilities increased by \$3.6 million, primarily due to the addition of \$5.3 million in the liability associated with the MHAP reconciliation process, see further description in Note 8. This was offset by \$1.3 million reduction contract liability associated with Medicare Advanced Payments that were recouped from remittance advices in fiscal year 2025. In 2024, current liabilities decreased by \$2.2 million, primarily due to the \$2.1 million decrease in the liability associated with the Medicare Advanced Payments that were recouped from remittance advices.

### Net Pension Liability

The net pension liability and related deferred outflows and inflows of resources are actuarially determined. Deferred outflows from pension were \$2.0 million, \$0 million, and \$3.2 million in 2025, 2024, and 2023, respectively. Deferred inflows from pensions were \$4.5 million, \$1.8 million, and \$0 million in 2025, 2024, and 2023, respectively. These represent a change in actuarial assumptions, experience and investment gains or losses pertaining to the defined benefit plan that is being amortized over a two to five-year period. Net pension liability as of September 30, 2025, 2024, and 2023 was \$11.1 million, \$11.7 million, and \$16.4 million, respectively.

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# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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

<i>September 30,</i>	2025	Restated 2024	2023*
<b>Operating Revenues</b>			
Net patient service revenue	\$ 58,053,035	\$ 71,712,838	\$ 55,995,950
Other revenues	2,911,858	1,411,660	2,536,516
<b>Total Operating Revenues</b>	<b>60,964,893</b>	<b>73,124,498</b>	<b>58,532,466</b>
<b>Operating Expenses</b>			
Professional care of patients	46,357,270	45,908,891	44,089,584
General, administrative, and plant services	17,166,316	15,740,297	18,630,187
Employee health and welfare	5,570,064	6,394,902	5,060,443
Depreciation and amortization	5,216,062	6,280,459	6,923,631
<b>Total Operating Expenses</b>	<b>74,309,712</b>	<b>74,324,549</b>	<b>74,703,845</b>
Loss from operations	(13,344,819)	(1,200,051)	(16,171,379)
<b>Non-Operating Revenues (Expenses)</b>			
Investment income	161,839	22,709	19,042
Interest expense	(226,137)	(310,795)	(445,053)
Grant income	1,089,671	1,000,000	-
Subrecipient ARPA funding	-	-	2,250,000
Contributed services	-	-	521,725
Gain on disposal of CMR Bed CON	3,610,000	-	-
Insurance recoveries	14,946	-	417,877
(Loss) gain on disposal of capital assets	(54)	3,712	186,730
<b>Total Non-Operating Revenues, Net</b>	<b>4,650,265</b>	<b>715,626</b>	<b>2,950,321</b>
Transfers in	-	3,000,000	5,644,743
<b>(Decrease) Increase in Net Position</b>	<b>(8,694,554)</b>	<b>2,515,575</b>	<b>(7,576,315)</b>
<b>Net Position, beginning of year</b>	<b>18,837,247</b>	<b>16,321,672</b>	<b>23,897,987</b>
<b>Net Position, end of year</b>	<b>\$ 10,142,693</b>	<b>\$ 18,837,247</b>	<b>\$ 16,321,672</b>

\* Periods earlier than those presented in the accompanying financial statements are not restated in accordance with guidance contained in GASB Statement No. 100, *Accounting Changes and Error Corrections*, for a change in accounting principal.

### Operating Revenues

#### *Fiscal Year Ended September 30, 2025*

Compared to 2024, net patient service revenue decreased by \$13.7 million or 19.1%. This was primarily related to the reduction in MHAP funds, of which only \$9.3 million revenue was received in 2025 compared to \$23.6 million received in 2024. Gross revenues decreased by \$3.9 million or 2.2%. Inpatient admissions decreased 15.0%, while average length of stay decreased 8.0%, resulting in a 24.0% decrease of total patient days. Observation care admissions decreased 1.0%, with observation days of care decreasing 4.0%. Outpatient visits to the Hospital decreased by 9.0%. Total surgeries decreased by 3.4% through a 9.7% increase in inpatient surgeries and a 4.1% decrease in

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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outpatient surgeries. Overall, gains in patient volumes were recognized in endoscopy, cardiopulmonary and radiology, while decreases were recognized in all other service lines.

Contractual adjustments, which are deductions from gross patient service revenue, increased \$11.9 million (13.0%) to \$103.6 million in 2025 from \$91.7 million in 2024. Contractual adjustments expressed as a percentage of gross patient service revenues were 60.4% in 2025 and 52.3% in 2024. The Hospital's net benefit from the Medicaid Voluntary Contribution program and the Mississippi Hospital Access program decreased \$14.4 million in fiscal year 2025. There can be no assurance that the Hospital will continue to qualify for future participation in these programs or that the programs will not ultimately be discontinued or materially modified.

Bad debt expense decreased \$2.2 million (18.3%) to \$9.8 million in 2025 from \$12 million in 2024. Bad debt expense expressed as a percentage of gross patient service revenue was 5.7% in 2025 and 6.8% in 2024.

### ***Fiscal Year Ended September 30, 2024***

Compared to 2023, net patient service revenue increased by \$15.7 million or 28.0%. This was primarily related to the expansion of the Mississippi Hospital Access Program as well as the stabilization of volumes in key service areas including routine services, emergency room, cancer center and physical therapy. Gross revenues increased by \$1.4 million or 0.8%. Inpatient admissions decreased 7%, while average length of stay decreased 2%, resulting in an 8% decrease of total patient days. Observation care admissions increased 24%, with observation days of care increasing 26%. Outpatient visits to the Hospital remained consistent. Total surgeries increased marginally through a 39% decrease in inpatient surgeries and a 9% increase in outpatient surgeries. Overall, gains in patient volumes were recognized in cardiopulmonary and physical therapy, while decreases were recognized in all other service lines.

Contractual adjustments, which are deductions from gross patient service revenue, decreased \$16.7 million (15.4%) to \$91.7 million in 2024 from \$108.4 million in 2023. Contractual adjustments expressed as a percentage of gross patient service revenues were 52.3% in 2024 and 62.3% in 2023. The Hospital's net benefit from the Medicaid Voluntary Contribution program and the Mississippi Hospital Access program increased approximately \$13.9 million in fiscal year 2024. There can be no assurance that the Hospital will continue to qualify for future participation in these programs or that the programs will not ultimately be discontinued or materially modified.

Bad debt expense increased \$2.4 million (25.0%) to \$12 million in 2024 from \$9.6 million in 2023. Bad debt expense expressed as a percentage of gross patient service revenue was 6.8% in 2024 and 5.5% in 2023.

## **Operating Expenses**

### ***Fiscal Year Ended September 30, 2025***

Total operating expenses were \$74.3 million in 2025 and 2024.

Professional care of patients' expenses comprises 62.4% and 61.8% of total operating expenses for 2025 and 2024, respectively, and increased to \$46.4 million in 2025 from \$45.9 million in 2024, an increase of \$0.4 million or 0.9%.

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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General, administrative and plant expenses comprise approximately 23.2% and 21.1% of total operating expenses in 2025 and 2024, respectively. These costs increased \$1.6 million from 2024 to 2025.

Employee health and welfare expenses comprise 7.3% and 8.7% of total operating expenses for 2025 and 2024, respectively. These costs decreased to \$5.5 million in 2025 from \$6.4 million in 2024, a decrease of \$1.0 million or 15.5%.

Depreciation and amortization expense was \$5.2 million for 2025 and \$6.3 million for 2024.

### ***Fiscal Year Ended September 30, 2024***

Total operating expenses were \$74.3 million in 2024 compared to \$74.7 million in 2023, a decrease of \$0.3 million or 0.4%.

Professional care of patients' expenses comprises 61.8% and 59.0% of total operating expenses for 2024 and 2023, respectively, and increased to \$45.9 million in 2024 from \$44.1 million in 2023, an increase of \$1.8 million or 4.1%. Salaries and contract expenses associated with rendering patient care comprise approximately 61.4% of total professional care of patients' expenses. Salaries and contract expenses within the cost component decreased \$0.3 million in 2024. Supplies and other costs included in the professional care of patients' components increased \$2.2 million from 2023 to 2024. This was mainly due to the increase in the taxes associated with the expanded Mississippi Hospital Access Payment program.

General, administrative and plant expenses comprise approximately 21.1% and 24.9% of total operating expenses in 2024 and 2023, respectively. These costs decreased \$2.9 million from 2023 to 2024.

Employee health and welfare expenses comprise 8.7% and 6.8% of total operating expenses for 2024 and 2023, respectively. These costs increased to \$6.4 million in 2024 from \$5.1 million in 2023, an increase of \$1.4 million or 27.7%.

Depreciation and amortization expense was \$6.3 million for 2024 and \$6.9 million for 2023.

### **Economic Factors and Next Year's Budget**

In 2023, Leflore County entered into a debt agreement with the Mississippi Development Bank to provide proceeds from the sale of bonds to be used by the Hospital to fund operations and other projects. As of September 30, 2025, the Hospital's total draw was approximately \$7,400,000 and there was no remaining availability to draw down. The Hospital continues to monitor regulatory actions for the availability of additional grants to mitigate negative impacts on revenues and costs.

Uncertainty exists around the recently enacted One Big Beautiful Bill (OBBB) Act. This new legislation is expected to significantly impact our primary revenue sources, particularly with changes to Medicare and Medicaid reimbursement rates and expected patient cost-sharing requirements.

The Hospital has also signed an agreement with UMMC Telemedicine to offer Pulmonology and Critical Care via Tele-ICCU support. The Tele ICU program began service offerings in 2024 with the goal of opening four dedicated Tele ICU beds. The Expanded Mississippi Hospital Access Program

# Greenwood Leflore Hospital

## Management's Discussion and Analysis (Unaudited)

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was approved by CMS and began to be disbursed to Mississippi Hospitals in January 2024 and continued into FY 25. Reduction in the Hospital's licensed beds and patient volume adversely impacted the MHAP funds the Hospital was eligible for. There can be no assurance that the Hospital will continue to qualify for future participation in these programs or that the programs will not ultimately be discontinued or materially modified.

In 2024, the Hospital obtained a license for swing bed services that are integral components of the Hospital's sustainability plans. Due to the government shutdown in 2025, the Hospital has been delayed in receiving final approvals and as such has been unable to bill any swing bed services. In May 2025, the Hospital received the Rural Community Hospital Demonstration (RCHD) designation for an initial period of three years. RCHD is a CMS initiative designed to improve the financial stability of small rural hospitals. Hospitals that do not qualify for the Critical Access Hospital designation are able to apply for RCHD and, if approved, are reimbursed beyond standard Medicare rates.

The Board of Hospital Commissioners approved the 2026 operating budget, excluding swing bed revenue, that resulted in a \$7.4 million net loss.

Given the significant negative impact from the MHAP recoupment and the inability to bill for swing bed services, the Hospital experienced significant cash flow concerns during the fiscal year to such a degree that the Hospital was unable to fully fund its pension contributions for the first time in its history of operations. Subsequent to fiscal year end, the Hospital has seen a significant rise in its liabilities as its cash flow and liquidity challenges continue. While the Hospital continues to seek additional funding from other sources, significant concern continues to exist about the Hospital's ability to continue as a going concern. Accordingly, the Hospital is exploring all avenues to continue to provide access to care to Leflore County and the surrounding communities.

### **Contacting the Hospital Financial Manager**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Hospital's finances. If you have any questions about this report or need additional financial information, please contact the Chief Financial Officer, Greenwood Leflore Hospital, Post Office Box 1410, Greenwood, Mississippi 38935.

## Greenwood Leflore Hospital

### Statements of Net Position

<i>September 30,</i>	2025	Restated 2024
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,260,834	\$ 4,248,537
Assets limited as to use	2,191,184	1,629,749
Patient accounts receivable, net of allowance for doubtful accounts of \$43,945,095 and \$44,958,459, respectively	6,383,761	6,829,650
Estimated third-party payor settlements	1,190,284	1,121,592
Inventories	1,921,266	2,078,279
Prepaid expenses and other current assets	1,077,480	1,033,739
<b>Total Current Assets</b>	<b>15,024,809</b>	<b>16,941,546</b>
Capital assets, net	27,883,247	29,679,215
<b>Other Assets</b>		
Other receivables	756,051	1,061,404
Other assets	282,494	282,494
Intangibles	1,024,940	1,024,940
<b>Total Other Assets</b>	<b>2,063,485</b>	<b>2,368,838</b>
<b>Total Assets</b>	<b>44,971,541</b>	<b>48,989,599</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension outflows	2,007,994	-
<b>Total Deferred Outflows of Resources</b>	<b>2,007,994</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 46,979,535</b>	<b>\$ 48,989,599</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 6,617,493	\$ 5,935,995
Accrued expenses, including payroll taxes withheld	4,988,870	4,972,463
Compensated absences	267,013	157,637
Contract liability	1,120,034	2,438,157
MHAP reconciliation liability	5,303,563	-
Current maturities of lease obligations	613,553	525,915
Current maturities of subscription liabilities	320,553	1,552,530
<b>Total Current Liabilities</b>	<b>19,231,079</b>	<b>15,582,697</b>
Net pension liability	11,051,377	11,744,249
Lease obligations, net of current maturities	2,033,883	774,676
Subscription liabilities, net of current maturities	44,414	276,154
<b>Total Liabilities</b>	<b>32,360,753</b>	<b>28,377,776</b>
<b>Deferred Inflows of Resources</b>		
Deferred pension inflows	4,476,089	1,774,576
<b>Net Position</b>		
Net investment in capital assets	25,235,811	28,378,624
Restricted		
Use in self-insurance	2,191,184	1,629,749
Specific operating activities	43,689	43,689
Unrestricted deficit	(17,327,991)	(11,214,815)
<b>Total Net Position</b>	<b>10,142,693</b>	<b>18,837,247</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 46,979,535</b>	<b>\$ 48,989,599</b>

*See notes to financial statements.*

## Greenwood Leflore Hospital

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

Years Ended September 30,	2025	Restated 2024
<b>Operating Revenues</b>		
Net patient service revenue, net of provision for bad debts of \$9,808,116 and \$11,984,548, respectively	\$ 58,053,035	\$ 71,712,838
Other operating revenue	2,911,858	1,411,660
<b>Total Operating Revenues</b>	<b>60,964,893</b>	<b>73,124,498</b>
<b>Operating Expenses</b>		
Professional care of patients	46,357,270	45,908,891
General and administrative services	11,326,422	10,143,666
Dietary services	1,018,471	1,024,542
Household and plant operations	4,821,423	4,572,089
Employee health and welfare	5,570,064	6,394,902
Depreciation and amortization	5,216,062	6,280,459
<b>Total Operating Expenses</b>	<b>74,309,712</b>	<b>74,324,549</b>
Loss from operations	(13,344,819)	(1,200,051)
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	161,839	22,709
Interest expense	(226,137)	(310,795)
Grant income	1,089,671	1,000,000
Gain on sale of CMR Bed Certificate of Need	3,610,000	-
Insurance recoveries	14,946	-
(Loss) gain on disposal of capital assets	(54)	3,712
<b>Total Nonoperating Revenues</b>	<b>4,650,265</b>	<b>715,626</b>
Transfers in from Leflore County and the City of Greenwood	-	3,000,000
<b>(Decrease) increase in net position</b>	<b>(8,694,554)</b>	<b>2,515,575</b>
<b>Net position, beginning of year</b>	<b>18,837,247</b>	<b>16,321,672</b>
<b>Net position, end of year</b>	<b>\$ 10,142,693</b>	<b>\$ 18,837,247</b>

*See notes to financial statements.*

## Greenwood Leflore Hospital

### Statements of Cash Flows

<i>Years Ended September 30,</i>	2025	Restated 2024
<b>Cash Flows from Operating Activities</b>		
Receipts from and on behalf of patients	\$ 63,733,795	\$ 70,965,641
Payments to employees	(43,261,211)	(42,310,579)
Payments to suppliers and contractors	(24,605,886)	(25,715,900)
Other receipts and payments, net	2,911,858	1,411,660
<b>Net Cash (Used In) Provided by Operating Activities</b>	<b>(1,221,444)</b>	<b>4,350,822</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Contract liability	(1,318,123)	(2,107,298)
Grant income	1,089,671	1,000,000
Gain on sale of CMR Bed Certificate of Need	3,610,000	-
Insurance recoveries	14,946	-
Transfers in from Leflore County and the City of Greenwood	-	3,000,000
<b>Net Cash Flows Provided by Noncapital Financing Activities</b>	<b>3,396,494</b>	<b>1,892,702</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from sale of capital assets	5,613	4,000
Purchases of capital assets	(988,223)	(575,822)
Payments on notes payable and lease obligations	(813,740)	(703,004)
Payments related to subscription liabilities	(1,740,670)	(1,744,541)
Interest paid on lease obligations and subscription liabilities	(226,137)	(310,795)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(3,763,157)</b>	<b>(3,330,162)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income	161,839	22,709
<b>Net Cash Provided by Investing Activities</b>	<b>161,839</b>	<b>22,709</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(1,426,268)</b>	<b>2,936,071</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>5,878,286</b>	<b>2,942,215</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,452,018</b>	<b>\$ 5,878,286</b>
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 2,260,834	\$ 4,248,537
Assets limited as to use	2,191,184	1,629,749
<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,452,018</b>	<b>\$ 5,878,286</b>

*See notes to financial statements.*

**Greenwood Leflore Hospital**  
**Statements of Cash Flows (Continued)**

<i>Years Ended September 30,</i>	2025	Restated 2024
<b>Reconciliation of Loss from Operations to Net Cash (Used in) Provided by Operating Activities</b>		
Loss from operations	\$ (13,344,819)	\$ (1,200,051)
Adjustments to Reconcile Loss from Operations to Net Cash (Used in) Provided by Operating Activities		
Depreciation and amortization	5,216,062	6,280,459
Provision for bad debts	9,808,116	11,984,548
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources		
Patient accounts receivable	(9,362,227)	(13,003,868)
Inventories	157,013	3,917
Prepaid expenses and other assets	261,612	57,129
Accounts payable	681,498	(402,867)
Estimated third-party payor settlements	5,234,871	312,435
Accrued expenses, including payroll taxes withheld	16,407	175,326
Compensated absences	109,376	(41,750)
Deferred revenue	-	(40,312)
Deferred pension outflows	(2,007,994)	3,150,482
Deferred pension inflows	2,701,513	1,774,576
Net pension liability	(692,872)	(4,699,202)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (1,221,444)</b>	<b>\$ 4,350,822</b>
<b>Supplemental Cash Flow Information</b>		
Purchase of equipment through lease obligations	\$ 2,160,585	\$ 241,082
Acquisition of subscription assets via subscription liabilities	\$ 276,953	\$ 883,391

*See notes to financial statements.*

**Greenwood Leflore Hospital**  
**Statements of Fiduciary Net Position - Pension Trust Fund**

<i>June 30,</i>	2025	2024
<b>Assets:</b>		
Cash	\$ 379,205	\$ 349,972
Investments - mutual funds	38,137,706	37,917,686
<b>Total Assets</b>	<b>\$ 38,516,911</b>	<b>\$ 38,267,658</b>
<b>Net Position:</b>		
Restricted for employees' pension benefits	\$ 38,516,911	\$ 38,267,658
<b>Total Net Position</b>	<b>\$ 38,516,911</b>	<b>\$ 38,267,658</b>

*See accompanying notes.*

## Greenwood Leflore Hospital

### Statements of Changes in Fiduciary Net Position - Pension Trust Fund

<i>Years Ended June 30,</i>	2025	2024
<b>Contributions:</b>		
Employer	\$ 556,538	\$ 1,697,098
<b>Total Contributions</b>	<b>556,538</b>	<b>1,697,098</b>
<b>Investment Earnings:</b>		
Net increase in fair value of investments	3,671,760	7,559,836
<b>Total Investment Earnings</b>	<b>3,671,760</b>	<b>7,559,836</b>
<b>Total Additions</b>	<b>4,228,298</b>	<b>9,256,934</b>
<b>Deductions:</b>		
Benefits paid to beneficiaries	3,832,088	3,567,824
Administrative expense	146,957	141,163
<b>Total Deductions</b>	<b>3,979,045</b>	<b>3,708,987</b>
<b>Net Increase in Fiduciary Net Position</b>	<b>249,253</b>	<b>5,547,947</b>
Fiduciary Net Position, Beginning of Year	38,267,658	32,719,711
<b>Fiduciary Net Position, End of Year</b>	<b>\$ 38,516,911</b>	<b>\$ 38,267,658</b>

*See accompanying notes.*

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### 1. Description of Reporting Entity and Summary of Significant Accounting Policies

#### *Nature of Operations and Reporting Entity*

Greenwood Leflore Hospital (the Hospital) is a governmental component unit of Leflore County, Mississippi (including the City of Greenwood). The Hospital consists of a 25-bed acute care hospital, outpatient care facilities and physician clinics principally located in Greenwood, Mississippi. The Hospital's financial accountability as a component unit is defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. The Hospital is governed by a five-member Board of Hospital Commissioners, two of whom are appointed by the Board of Supervisors of Leflore County, two of whom are appointed by the Mayor and the Greenwood City Council, and one of whom is jointly appointed by the Board of Supervisors of Leflore County and the Mayor and the Greenwood City Council.

The Hospital is an independent enterprise held and operated separate and apart from all other assets and activities of the City or the County. The Hospital is not a taxable entity and does not file income tax returns. Budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America with concurrence by the Hospital's Board of Hospital Commissioners on an annual basis. The Hospital, however, is not required by statute to adopt a legally binding budget. Accordingly, budgetary information is not a required part of these financial statements.

#### *Basis of Accounting*

The Hospital prepares its financial statements as a business-type activity in conformity with the applicable pronouncements of the GASB. The accompanying financial statements have been prepared on the accrual basis using the economic resources measurement focus. In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62). GASB 62 makes the GASB Accounting Standards Codification the sole source of authoritative accounting guidance for governmental entities in the United States of America. In June 2011, the GASB also issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides financial reporting standards guidance for deferred inflows and outflows of resources and identifies net position as the residual of all other elements presented in the statements of net position. The accompanying financial statements are prepared and presented in accordance with the requirements of these statements.

The financial statements of the pension trust fund are prepared using the accrual basis of accounting. Actuarially determined employer contributions to the plan are made by the Hospital in order to maintain sufficient assets to pay benefits and are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the plan.

#### *Fiduciary Component Unit*

The pension trust fund is used to account for assets held in trust for the benefit of employees of the Hospital. The pension plan is sponsored by the Hospital and governed by the Board of Commissioners of the Hospital; therefore, the pension plan is included as a fiduciary component unit of the Hospital.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### ***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 affecting the reported amounts of assets, liabilities, deferrals, inflows and outflows, revenues and expenses, as well as disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates and assumptions are used for, but are not limited to, contractual allowances for revenue adjustments, allowance for doubtful accounts, depreciable lives of assets and net pension liability self-insurance reserves.

Accounting estimates used in the preparation of the financial statements may change as new events occur, as more experience is acquired, and as additional information is obtained. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. In particular, laws and regulations governing Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates related to these programs will change by a material amount in the near term.

### ***Cash and Cash Equivalents***

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

### ***Assets Limited as to Use***

Assets limited as to use include amounts restricted for self-insurance programs.

### ***Patient Accounts Receivable***

Patient accounts receivable is reported at net realizable value, after recognition of allowances for contractual adjustments and estimated uncollectible accounts. The allowance for uncollectible accounts is based on historical losses, economic trends and on analysis of currently outstanding amounts. This account is generally increased by charges to a provision for uncollectible amounts and decreased by write-offs of accounts determined by management to be uncollectible.

### ***Inventories***

Inventories, which consist primarily of medical supplies and drugs, are valued at the lower of average cost or market.

### ***Prepaid Expenses***

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis.

### ***Capital Assets***

Capital asset acquisitions are recorded at cost if purchased or at fair value at date of receipt if donated. Equipment under lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included with depreciation in the accompanying financial statements. Depreciation of property

# Greenwood Leflore Hospital

## Notes to Financial Statements

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and equipment is provided over the estimated useful life of each class of depreciable assets using the straight-line method.

Useful lives for the major asset classes are as follows:

Asset Category	Useful Lives (Years)
Land improvements	5-20
Buildings and improvements	5-40
Fixed equipment	5-25
Major moveable equipment	5-20
Leased assets - equipment	2-5

Management evaluates assets for potential impairment when a significant, unexpected decline in the service utility of a capital asset occurs.

Major improvements and betterments to capital assets are capitalized. Expenses for maintenance and repairs, which do not extend the lives of the related assets, are charged to expense as incurred. When retired or otherwise disposed of, the asset and its related accumulated depreciation or amortization is adjusted accordingly, and any resulting gain or loss is included in the statements of revenues, expenses and changes in net position.

### ***Subscription Assets and Liabilities***

The Hospital determines if an arrangement is a Subscription-Based Information Technology Arrangement (SBITA) at inception. Net subscription assets are included in capital assets, net, and current maturities of subscription liabilities, and subscription liabilities, net of current maturities are included in the statements of net position.

Subscription assets represent the Hospital's control of the right to use a subscription-based information technology for the arrangement term, as specified in the contract, in an exchange or exchange-like transaction. Subscription assets are recognized at the commencement date based on initial measurement of the subscription liability, adjusted for payments made to the vendor at or before the commencement of the SBITA term and certain initial direct costs. Subscription assets are amortized in a systematic and rational manner over the shorter of the arrangement term or the useful life of the underlying asset.

Subscription liabilities represent the Hospital's obligation to make payments arising from the SBITA. Subscription liabilities are initially recognized at the commencement date based on the present value of expected payments over the lease term, adjusted for SBITA incentives. Subsequently, the subscription liability is reduced by the principal portion of the payments made. Interest expense is recognized ratably over the term of the arrangement.

The Hospital has elected to recognize payments for short-term SBITAs with an arrangement term of 12 months or less as expenses are incurred, and these SBITAs are not included as subscription liabilities or right-to-use subscription assets on the statements of net position.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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The individual SBITA contracts do not provide information about the discount rate implicit in the arrangement. Therefore, the Hospital has elected to use their incremental borrowing rate to calculate the present value of expected subscription payments.

### ***Leases***

The Hospital determines if an arrangement is a lease at inception. Leases are included in capital assets, net, current maturities of lease obligations, and lease obligations, net of current maturities in the statements of net position.

Lease assets represent the Hospital's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on initial measurement of the lease liability, adjusted for payments made to the lessor at or before the commencement of the lease term and certain initial direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease obligations represent the Hospital's obligation to make lease payments arising from the lease. Lease obligations are initially recognized at the commencement date based on the present value of expected lease payments over the lease term, adjusted for lease incentives. Subsequently, the lease liability is reduced by the principal portion of the lease payment made. Interest expense is recognized ratably over the contract term.

The Hospital has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Hospital has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

### ***Intangible Assets***

Intangible assets consist of a certificate of need acquired in a business combination. Intangible assets with indefinite lives are not amortized but are tested for impairment annually and more frequently in the event of an impairment indicator. In the event intangible assets are considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

### ***Compensated Absences***

The Hospital's employees earn vacation days at varying rates depending on years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Employees may accumulate vacation and sick leave up to a specified maximum. Employees are not paid for accumulated sick leave upon termination. Vacation time resets at the start of the calendar year, does not carry over and any unused balance expires at calendar year-end. The Hospital accrues for vacation and sick leave remaining at fiscal year-end to be used up until calendar year-end.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### ***Income Taxes***

The Hospital qualifies as a tax-exempt organization under existing provisions of the Internal Revenue Code and its income is generally not subject to federal and state income taxes.

### ***Deferred Outflows / Inflows of Resources***

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as outflow of resources (expense) until that time. In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Hospitals deferred outflows and inflows of resources are related to the pension.

### ***Net Position***

Net position consists of those resources invested in capital assets (property and equipment), net of related debt, restricted net position and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets net of accumulated depreciation and the outstanding balance of any related debt that is attributable to the acquisitions of the capital assets. Restricted net position are those assets that are externally restricted by creditors, grants or contributors, or laws and regulations or those restricted by constitutional provisions and enabling legislation. Unrestricted net position consists of all other assets and is in a deficit position at September 30, 2025 and 2024.

When both restricted and unrestricted resources are available to finance particular programs, it is the Hospital's policy to use the restricted resources before using the unrestricted resources.

### ***Operating Revenue and Expenses***

The Hospital's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services, which is the Hospital's principal activity. Non-exchange revenues, including gifts and bequests, and revenues and expenses associated with investment income and financing, are reported as non-operating revenues and expenses. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

### ***Net Patient Service Revenue***

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Patient service revenue is reported at estimated net realizable amounts from patients, third-party payors and others for services rendered, and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are considered in the recognition and accrual of revenue on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex and subject to interpretation and frequent changes. As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Although no assurance can be given, management believes it has complied with the requirements of these programs.

### ***Charity Care***

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. See Note 10 for further information.

### ***Grants and Contributions***

Revenues from grants and contributions either from governmental units or private organizations are recognized when all eligibility requirements, including time requirements, are met. Non-exchange transactions, incidental or transactions not considered to be central to the provision of healthcare services are reported as non-operating revenues and expenses and include investment income, interest expense and certain grants. Gifts and bequests may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to specific operating purposes are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

### ***Estimated Health Insurance***

The Hospital periodically considers the need for recording a liability for health insurance claims. When determined to be necessary, the provision for estimated health insurance claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

### ***Defined Benefit Pension Plan (the Plan)***

The Hospital uses GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) on the statements to recognize the net pension liability, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans. The Hospital recognizes benefit payments when due and payable in accordance with benefit terms. Investment assets are reported at fair value. More information on pension activity for the Hospital is included in Note 7.

### ***Estimated Malpractice Costs***

The Hospital considers the need for recording a liability for malpractice claims. The provision for estimated malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### *Accounting Pronouncements Adopted*

#### *Governmental Accounting Standards Board Statement No. 101 (GASB 101)*

The Hospital adopted GASB 101, *Compensated Absences*, in fiscal year 2025. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. This statement also establishes guidance for measuring a liability. As required, the accounting standard was applied retroactively, effective October 1, 2023. The retroactive application resulted in a restatement of prior period balances.

The adoption of GASB 101 resulted in an adjustment to the following items:

#### *Year ended September 30, 2024*

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	Previously Reported	Restatement Adjustment	Restated
<b>Statements of Net Position</b>			
Compensated absences	\$ -	\$ 157,637	\$ 157,637
<b>Statements of Revenues, Expenses, and Changes in Net Position</b>			
Net position, beginning of year	16,521,059	(199,387)	16,321,672
Employee health and welfare	6,436,652	(41,750)	6,394,902
Increase in net position	2,473,825	41,750	2,515,575

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#### *Governmental Accounting Standards Board Statement No. 102 (GASB 102)*

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures*, to provide users of the government financial statements with essential information about risks related to a government's vulnerability due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, the adoption of GASB 102 required additional disclosure regarding the recently enacted One Big Beautiful Bill Act.

### *Reclassifications*

Certain prior year amounts have been reclassified to conform to the 2025 presentation, with no impact to total net assets.

## **2. Going Concern Risks and Uncertainties**

During recent years, the Hospital has incurred recurring losses from operations due primarily to continuing decreased patient volumes, rising labor and supply costs and unfavorable payor contracts. Staffing shortages have also caused limitations in the Hospital's ability to provide services. The Hospital's days cash on hand, as of September 30, 2025 and January 31, 2026

# Greenwood Leflore Hospital

## Notes to Financial Statements

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represents 24 days and 38 days of operations, respectively. The lasting impact of the public health emergency combined with decreasing provisions of payer models and a significant, unfavorable Mississippi Hospital Access Payment (MHAP) program reconciliation (Note 8) in 2025 continues to negatively impact the financial condition of the Hospital.

Management has evaluated these conditions and has determined that they are significant in relation to the Hospital's ability to meet its obligations as they come due. Management's plan of action includes focusing existing resources on core services and continuing to seek additional funding from other sources including the City of Greenwood, Leflore County and the State of Mississippi.

Management is also pursuing additional reimbursement and/or grant opportunities at the Federal level. Additionally, management is continually evaluating the overall structure of the Hospital and is taking action to improve the efficiency of operations and determine if more viable methods of operations may exist. The ultimate outcome of management's plan of action and requests for funding remains uncertain.

In December 2025, the Hospital's Board of Commissioners resolved to seek legislative action concerning Chapter 9 bankruptcy proceedings of the Hospital, as well as to initiate procedures for the sale or lease of the Hospital. The ultimate outcome of these resolutions remains uncertain as of the date of these financial statements.

### 3. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Hospital's deposits might not be recovered. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann (1972). Under this program, the Hospital's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). All deposits with financial institutions must be collateralized in an amount equal to 105.0% of uninsured deposits and are, therefore, fully insured. The bank balance of the collateralized and insured balances was \$5,378,634 and \$6,350,835 at September 30, 2025 and 2024, respectively.

Deposits are presented on the statements of net position as follows:

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 2,260,834	\$ 4,248,537
Assets limited as to use	2,191,184	1,629,749
<b>Total</b>	<b>\$ 4,452,018</b>	<b>\$ 5,878,286</b>

The Hospital's Board of Commissioners did not internally designate any amounts at September 30, 2025 and 2024.

# Greenwood Leflore Hospital

## Notes to Financial Statements

### 4. Capital Assets

Major classes of capital assets are summarized as follows:

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
Land	\$ 578,395	\$ 578,395
Construction in progress	892,093	439,364
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,470,488</b>	<b>1,017,759</b>
Land improvements	1,371,522	1,371,522
Buildings	58,025,156	57,905,682
Fixed equipment	8,040,039	8,034,157
Moveable equipment	136,034,894	135,711,784
Leased assets - equipment	3,698,812	1,538,227
Subscription assets	6,098,995	5,822,042
<b>Total Capital Assets Being Depreciated</b>	<b>213,269,418</b>	<b>210,383,414</b>
Less: accumulated depreciation and amortization	<b>(186,856,659)</b>	<b>(181,721,958)</b>
<b>Capital Assets, Net</b>	<b>\$ 27,883,247</b>	<b>\$ 29,679,215</b>

Right-of-use assets acquired through outstanding leases are included in capital assets, net.

The Hospital's investment in capital assets consisted of the following:

<i>September 30,</i>	<b>2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>2025</b>
Capital assets not being depreciated:				
Land	\$ 578,395	\$ -	\$ -	\$ 578,395
Construction in progress	439,364	479,354	(26,625)	892,093
<b>Total</b>	<b>1,017,759</b>	<b>479,354</b>	<b>(26,625)</b>	<b>1,470,488</b>
Capital assets being depreciated:				
Land improvements	1,371,522	-	-	1,371,522
Buildings	57,905,682	119,474	-	58,025,156
Fixed equipment	8,034,157	5,882	-	8,040,039
Movable equipment	135,711,784	410,137	(87,027)	136,034,894
Leased assets - equipment	1,538,227	2,160,585	-	3,698,812
Subscription assets	5,822,042	276,953	-	6,098,995
<b>Total</b>	<b>210,383,414</b>	<b>2,973,031</b>	<b>(87,027)</b>	<b>213,269,418</b>
Less accumulated depreciation and amortization for:				
Land improvements	(578,508)	(9,007)	-	(587,515)
Buildings	(28,498,927)	(1,261,590)	-	(29,760,517)
Fixed equipment	(8,060,901)	(90,140)	-	(8,151,041)
Movable equipment	(137,736,367)	(1,705,067)	81,361	(139,360,073)
Leased assets - equipment	(2,999,124)	(607,989)	-	(3,607,113)
Subscription assets	(3,848,131)	(1,542,269)	-	(5,390,400)
<b>Total</b>	<b>(181,721,958)</b>	<b>(5,216,062)</b>	<b>81,361</b>	<b>(186,856,659)</b>
<b>Depreciable Capital Assets, Net</b>	<b>28,661,456</b>	<b>(2,243,031)</b>	<b>(5,666)</b>	<b>26,412,759</b>
<b>Total Capital Assets, Net</b>	<b>\$ 29,679,215</b>	<b>\$ (1,763,677)</b>	<b>\$ (32,291)</b>	<b>\$ 27,883,247</b>

# Greenwood Leflore Hospital

## Notes to Financial Statements

<i>September 30,</i>	2023	Increases	Decreases	2024
Capital assets not being depreciated:				
Land	\$ 578,395	\$ -	\$ -	\$ 578,395
Construction in progress	533,822	187,766	(282,224)	439,364
<b>Total</b>	<b>1,112,217</b>	<b>187,766</b>	<b>(282,224)</b>	<b>1,017,759</b>
Capital assets being depreciated:				
Land improvements	1,371,522	-	-	1,371,522
Buildings	57,792,061	113,621	-	57,905,682
Fixed equipment	8,029,297	4,860	-	8,034,157
Movable equipment	135,834,123	551,799	(674,138)	135,711,784
Leased assets - equipment	1,711,481	241,082	(414,336)	1,538,227
Subscription assets	4,938,651	883,391	-	5,822,042
<b>Total</b>	<b>209,677,135</b>	<b>1,794,753</b>	<b>(1,088,474)</b>	<b>210,383,414</b>
Less accumulated depreciation and amortization for:				
Land improvements	(568,690)	(9,818)	-	(578,508)
Buildings	(27,207,983)	(1,290,944)	-	(28,498,927)
Fixed equipment	(7,968,644)	(92,257)	-	(8,060,901)
Movable equipment	(135,867,135)	(2,543,082)	673,850	(137,736,367)
Leased assets - equipment	(2,587,869)	(825,591)	414,336	(2,999,124)
Subscription assets	(2,329,364)	(1,518,767)	-	(3,848,131)
<b>Total</b>	<b>(176,529,685)</b>	<b>(6,280,459)</b>	<b>1,088,186</b>	<b>(181,721,958)</b>
<b>Depreciable Capital Assets, Net</b>	<b>33,147,450</b>	<b>(4,485,706)</b>	<b>(288)</b>	<b>28,661,456</b>
<b>Total Capital Assets, Net</b>	<b>\$ 34,259,667</b>	<b>\$ (4,297,940)</b>	<b>\$ (282,512)</b>	<b>\$ 29,679,215</b>

Construction in progress at September 30, 2025, consisted mainly of expenditures associated with repairs and renovations. There is no budgeted amount related to completion of these projects in fiscal year 2026.

### 5. Lease Obligations and Subscription Liabilities

A summary of the Hospital's lease obligations and subscription liabilities follows:

<i>September 30,</i>	2025	2024
Lease obligations, with payments due through 2030, collateralized by leased equipment.	\$ 2,647,436	\$ 1,300,591
Subscription liabilities	364,967	1,828,684
<b>Total Lease Obligations and Subscription Liabilities</b>	<b>3,012,403</b>	<b>3,129,275</b>
Less: current maturities	(934,106)	(2,078,445)
<b>Lease Obligations and Subscription Liabilities Excluding Current Maturities</b>	<b>\$ 2,078,297</b>	<b>\$ 1,050,830</b>

The Hospital leases various equipment, each with unique terms. The leases expire at various dates through May 2030. Interest rates on the leases range from 1.40% to 8.95%. Upon maturity of the lease obligation for leased equipment, the ownership of the equipment is transferred to the Hospital.

# Greenwood Leflore Hospital

## Notes to Financial Statements

The Hospital has various SBITAs, each with unique terms. These SBITAs expire at various dates through January 2027 and provide for varying renewal options. The interest rate on the SBITAs, determined by using the Hospital's incremental borrowing rate, is 6.50%.

Scheduled interest and principal payments of lease obligations and subscription liabilities are as follows:

***Year ending September 30,***

	Lease Obligations		Subscription Liabilities	
	Principal	Interest	Principal	Interest
<b>2026</b>	<b>\$ 613,553</b>	<b>\$ 184,868</b>	<b>\$ 320,553</b>	<b>\$ 11,577</b>
<b>2027</b>	<b>650,754</b>	<b>139,201</b>	<b>44,414</b>	<b>3,039</b>
<b>2028</b>	<b>668,657</b>	<b>90,423</b>	<b>-</b>	<b>-</b>
<b>2029</b>	<b>415,884</b>	<b>47,160</b>	<b>-</b>	<b>-</b>
<b>2030</b>	<b>298,588</b>	<b>10,108</b>	<b>-</b>	<b>-</b>
	<b>\$ 2,647,436</b>	<b>\$ 471,760</b>	<b>\$ 364,967</b>	<b>\$ 14,616</b>

A schedule of changes in the Hospital's lease obligations and subscription liabilities for 2025 follows:

	Balance, September 30, 2024	Additions	Retirements	Balance, September 30, 2025	Due Within One Year
Lease obligations	\$ 1,300,591	\$ 2,160,585	\$ (813,740)	\$ 2,647,436	\$ 613,553
Subscription liabilities	1,828,684	161,881	(1,625,598)	364,967	320,553
<b>Total Long-Term Liabilities</b>	<b>\$ 3,129,275</b>	<b>\$ 2,322,466</b>	<b>\$ (2,439,338)</b>	<b>\$ 3,012,403</b>	<b>\$ 934,106</b>

A schedule of changes in the Hospital's lease obligations and subscription liabilities for 2024 follows:

	Balance, September 30, 2023	Additions	Retirements	Balance, September 30, 2024	Due Within One Year
Lease obligations	\$ 1,762,513	\$ 241,082	\$ (703,004)	\$ 1,300,591	\$ 525,915
Subscription liabilities	2,689,834	883,391	(1,744,541)	1,828,684	1,552,530
<b>Total Long-Term Liabilities</b>	<b>\$ 4,452,347</b>	<b>\$ 1,124,473</b>	<b>\$ (2,447,545)</b>	<b>\$ 3,129,275</b>	<b>\$ 2,078,445</b>

### 6. Other Receivables

The Hospital has entered into various agreements with physicians, registered nurses and other healthcare professionals specifically to benefit the Hospital's community service area. These agreements include income guarantees, loans, scholarships and other advances, all of which are generally conditioned upon a service commitment to the community. Amounts paid under income guarantee arrangements are generally expensed as incurred, unless repayment is expected under the terms of the related agreements. Loans are generally due within five years.

Advances under some agreements are forgiven upon fulfillment of the professional's contractual service commitment but are due in full if such commitment is not fulfilled. Advances under those arrangements are amortized to expense using the straight-line method over the related commitment

# Greenwood Leflore Hospital

## Notes to Financial Statements

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period. Amounts expected to be amortized in the ensuing fiscal year are classified as a current asset in the accompanying statements of net position.

### 7. Defined Benefit Pension Plan

Greenwood Leflore Hospital Pension Plan (the Plan) is a single employer defined benefit pension plan sponsored by the Hospital. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. The Hospital elected to freeze the Plan to new members as of March 31, 2012. The Plan issues a publicly available financial report that can be obtained from the Chief Financial Officer of Greenwood Leflore Hospital at Post Office Box 1410, Greenwood, Mississippi, 38935.

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to the defined benefit plan, and defined benefit pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### *Normal Retirement Benefit*

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

The normal retirement benefit, payable monthly for life, is equal to the sum of (i), (ii), and (iii) as follows:

- (i) For service before October 1, 1972:
  - a. 1.00% of average compensation multiplied by benefit service through September 30, 1972.
- (ii) For service from October 1, 1972 through September 30, 1988:
  - a. 0.85% of average compensation plus 1.00% of average compensation in excess of \$15,000, all multiplied by benefit service from October 1, 1972 through September 30, 1988 (limited to 16 years).
- (iii) For each year of participation on and after October 1, 1988:
  - a. 1.25% of compensation for a given year of participation plus 0.65% of compensation for that year in excess of the integration level for that year.

"Years of participation" as used in (iii) above for the benefit attributable to compensation in excess of the integration level cannot exceed 35 years minus the number of years of benefit service used in (ii) above.

"Average compensation" is the average of a participant's compensation for the three consecutive plan years preceding October 1, 1988, which produce the highest average (or the average over all years of benefit service if less than three).

# Greenwood Leflore Hospital

## Notes to Financial Statements

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“Integration level” for a plan year means one-half of Social Security-covered compensation for an individual who reaches Social Security retirement age in that year, but not less than \$10,000.

### *Summary of Participant Data*

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
Inactive plan participants:		
Retirees and beneficiaries currently receiving benefits	<b>448</b>	431
Terminated employees entitled to deferred benefits	<b>602</b>	603
Disabled employees entitled to deferred benefits	-	-
<b>Total</b>	<b>1,050</b>	1,034
Active plan participants:		
Vested	<b>129</b>	154
Non-vested	-	-
<b>Total</b>	<b>129</b>	154
<b>Total Plan Participants</b>	<b>1,179</b>	1,188

### *Funding Policy*

Although a formal funding policy has not been established, the Hospital generally contributes the amount necessary to fund the Plan at an actuarially determined rate. Employees are not allowed to contribute to the Plan. The Hospital contributed \$556,538 and \$1,697,098 to the Plan for the years ended September 30, 2025 and 2024, respectively. While the 2024 contribution met the actuarially determined requirement, the 2025 amount was reduced as a result of a Medicaid recoupment.

### *Net Pension Liability*

The Hospital’s net pension liability was measured as of September 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2024 and 2023, respectively.

### *Summary of Assumptions*

The total pension liability as of September 30, 2025 and 2024 was measured using the following actuarial assumptions, applied to all periods in the measurement:

*Investment Rate of Return* - 7.60% and 7.45%, respectively, per annum, compounded annually.

*Discount Rate* - 7.60% and 7.45%, respectively, per annum, compounded annually.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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 projected benefit payments to determine the total pension liability.

*Salary Increases* - Not applicable, benefits are frozen.

Effective September 30, 2022, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2020 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2021 to better recognize current and future mortality improvements.

All liabilities and normal costs are calculated based on the Entry Age Normal method.

### *Schedule of Changes in Net Pension Liability*

	Total Pension Liability (a)	Increase (Decrease) Plan Net Position (b)	Net Pension Liability (a)-(b)
<b>Balance, September 30, 2024</b>	\$ 50,011,907	\$ 38,267,658	\$ 11,744,249
Changes for the year:			
Interest	3,725,887	-	3,725,887
Difference between expected and actual experience	317,994	-	317,994
Changes of assumptions	(655,412)	-	(655,412)
Contributions - employer	-	556,538	(556,538)
Net investment income	-	3,671,760	(3,671,760)
Benefits paid/refunds	(3,832,088)	(3,832,088)	-
Administrative expenses	-	(146,957)	146,957
<b>Net Changes</b>	<b>(443,619)</b>	<b>249,253</b>	<b>(692,872)</b>
<b>Balance, September 30, 2025</b>	<b>\$ 49,568,288</b>	<b>\$ 38,516,911</b>	<b>\$ 11,051,377</b>

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# Greenwood Leflore Hospital

## Notes to Financial Statements

	Total Pension Liability (a)	Increase (Decrease) Plan Net Position (b)	Net Pension Liability (a)-(b)
<b>Balance, September 30, 2023</b>	\$ 49,163,162	\$ 32,719,711	\$ 16,443,451
Changes for the year:			
Interest	3,662,656	-	3,662,656
Difference between expected and actual experience	753,913	-	753,913
Changes of assumptions	-	-	-
Contributions - employer	-	1,697,098	(1,697,098)
Net investment income	-	7,559,836	(7,559,836)
Benefits paid/refunds	(3,567,824)	(3,567,824)	-
Administrative expenses	-	(141,163)	141,163
<b>Net Changes</b>	<b>848,745</b>	<b>5,547,947</b>	<b>(4,699,202)</b>
<b>Balance, September 30, 2024</b>	<b>\$ 50,011,907</b>	<b>\$ 38,267,658</b>	<b>\$ 11,744,249</b>

The following represents the net pension liability as calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current rate:

	1% Decrease (6.60%)	Current Rate (7.60%)	1% Increase (8.60%)
<b>September 30, 2025</b>			
<b>Net Pension Liability</b>	<b>\$ 15,740,838</b>	<b>\$ 11,051,377</b>	<b>\$ 7,057,272</b>

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
<b>September 30, 2024</b>			
<b>Net Pension Liability</b>	<b>\$ 16,670,337</b>	<b>\$ 11,744,249</b>	<b>\$ 7,567,717</b>

The asset allocations for each major asset class are summarized below in the following table:

	Allocation	
	2025 (%)	2024 (%)
<b>September 30,</b>		
<b>Asset</b>		
Mutual funds - fixed income	38.3	38.1
Mutual funds - equities	45.2	45.3
Common stock - equities	3.3	3.2
International mutual funds	12.2	12.5
Cash and cash equivalents	1.0	0.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The following represents the best estimates of weighted-average expected rates of return for each major asset class:

# Greenwood Leflore Hospital

## Notes to Financial Statements

Asset Class	Weighted Long-Term Rate of Return (%)
Equities	55.0
Fixed income	45.0
<b>Total</b>	<b>100.0</b>

The following investments represented 5% or more of the Plan's fiduciary net position:

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
T Rowe Price Large-Cap Growth Fund	\$ 4,061,371	\$ 3,966,693
Vanguard 500 Index Fund	6,689,307	6,719,091
Vanguard Mid-Cap Index Fund	2,438,780	2,039,802
Vanguard Small-Cap Index Fund	1,597,992	1,985,153
Victory Pioneer Bond Fund	2,282,095	-
Baird Aggregate Bond Fund	3,060,303	3,055,788
Dodge & Cox Income Fund	3,796,328	3,764,245
Fidelity Investment Grade Bond Fund	2,092,040	2,064,092
Vanguard Short-Term Bond Index Fund	2,067,645	2,041,122
Pioneer Bond Fund	-	2,248,324

### ***Pension Expense and Deferred Outflows/Inflows of Resources***

For the years ended September 30, 2025 and 2024, the Hospital recognized pension expense of \$557,185 and \$1,922,955, respectively. The Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
<b>Deferred Inflows of Resources</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 4,476,089	\$ 1,774,576
<b>Total Deferred Inflows of Resources</b>	<b>\$ 4,476,089</b>	<b>\$ 1,774,576</b>

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
<b>Deferred Outflows of Resources</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 2,007,994	\$ -
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,007,994</b>	<b>\$ -</b>

# Greenwood Leflore Hospital

## Notes to Financial Statements

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

*Year ending September 30,*

2026	\$ 481,550
2027	(1,526,443)
2028	(1,234,820)
2029	(188,382)
<b>Total</b>	<b>\$ (2,468,095)</b>

### ***Amortization Period***

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is one year for the measurement periods ended September 30, 2025 and 2024.

### ***Plan Termination***

In the event the Hospital concludes that it is impossible or inadvisable to continue the Plan, the Board of Hospital Commissioners of the Hospital shall have the right to terminate the Plan by an appropriate resolution or resolutions which shall specify the date of termination.

Additionally, the Plan shall automatically terminate upon the occurrence of any of the following events: 1) discontinuance or liquidation of the Hospital's business, 2) the merger or consolidation of the Hospital into any other hospital, corporation or business, or 3) the sale by the Hospital of substantially all of its assets to any hospital, corporation or business.

Upon termination of the Plan, the rights of participants, retired participants and beneficiaries to benefits accrued to the date of such termination of the Plan shall be non-forfeitable and shall be determined in accordance with the Plan Document.

### ***Pension Plan Assets***

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, provides for 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). The three levels of the fair value hierarchy under ASC 820 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 Plan has 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.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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- 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.

A financial instrument's 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.

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying statements of fiduciary net position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, Plan assets are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on investments of the Plan, net of investment expense, was 9.99% and 23.87%, respectively.

The fair values of the Hospital's Plan assets, by asset class are as follows:

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<i>June 30, 2025</i>	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	\$ 38,137,706	\$ -	\$ -	\$ 38,137,706
Cash	379,205	-	-	379,205
<b>Total Investments, at fair value</b>	<b>\$ 38,516,911</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,516,911</b>

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<i>June 30, 2024</i>	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds	\$ 37,917,686	\$ -	\$ -	\$ 37,917,686
Cash	349,972	-	-	349,972
<b>Total Investments, at fair value</b>	<b>\$ 38,267,658</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,267,658</b>

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# Greenwood Leflore Hospital

## Notes to Financial Statements

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*Custodial Credit Risk* - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Concentration of Credit Risk* - The Hospital places no limit on the amount that may be invested in any one issuer.

*Interest Rate Risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Hospital's investment policy limits at least its investment portfolio to maturities not to exceed ten years. The weighted average maturity of the portfolio may not exceed five years.

### 8. Net Patient Service Revenue

The Hospital has agreements with governmental and other third-party payors that provide for payments to the Hospital for services rendered at amounts different from its established rates. Patient revenue is reported net of contractual adjustments arising from these third-party arrangements, as well as net of provisions for uncollectible accounts. A summary of the payment arrangements with major third-party payors follows:

*Medicare* - Inpatient acute, rehabilitation and outpatient services rendered to Medicare beneficiaries are paid primarily by prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Medicare bad debts and disproportionate share payments are paid 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.

*Medicaid* - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon the Ambulatory Payment Classification (APC) system for outpatient payments and all Patient Refined Diagnosis Related Groups (APR-DRGs) system for inpatient payments.

*Other* - Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

The Hospital participates in the Mississippi Division of Medicaid (DOM) Mississippi Hospital Access Payment program (the MHAP Program). The MHAP Program is administered by the Mississippi DOM through the MississippiCAN coordinated care organizations (CCO). The CCO's subcontract with the Hospitals throughout the State for distribution of the MHAP for the purpose of protecting patient access to hospital care. The MHAP payments and associated tax are distributed monthly. In December 2023, the Centers for Medicare and Medicaid Services (CMS) approved an amendment to the existing MHAP Program, whereby hospitals would be reimbursed near the average commercial rate for Medicaid managed care reimbursement retroactive to July 1, 2023, the beginning of the State fiscal year. The net benefit recognized for the Hospital associated with the MHAP Program was approximately \$6,765,000 and \$19,376,000 for the years ended September 30, 2025 and 2024, respectively. The Hospital received approximately \$9,276,000 and \$23,658,000 from the MHAP Program, shown as net patient service revenue, with related tax assessments of approximately \$2,511,000 and \$4,282,000 recorded in operating expenses for the years ended September 30, 2025 and 2024, respectively.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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During fiscal year 2025, the Mississippi DOM completed reconciliations of the State fiscal year (SFY) SFY 2025 and SFY 2024 MHAP Program activity. Based on these reconciliations, the DOM determined that the Hospital's managed care utilization for the respective periods declined relative to the previous years' base periods used to calculate interim payments. Accordingly, the Hospital is subject to recoupments of approximately \$1,779,000 and \$5,519,000 related to SFY 2025 and SFY 2024, respectively. The Hospital remitted approximately \$0 and \$1,995,000 toward the SFY 2025 and SFY 2024 recoupments, respectively, during the year ended September 30, 2025. The remaining balances owed to the Mississippi DOM as of the year ended September 30, 2025 totaled approximately \$1,779,000 and \$3,524,000 for the SFY 2025 and SFY 2024 recoupments, respectively. The combined liability of approximately \$5,304,000 has been recorded as an MHAP reconciliation liability in the statements of net position.

The Medicaid program described above is subject to review and scrutiny by both the Mississippi legislation and CMS, and the program could be modified or terminated based on new legislation or regulation in future periods.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change. The 2025 and 2024 net patient service revenue decreased by \$41,287 and \$185,596, respectively, due to prior year retroactive adjustments in excess of amounts previously estimated. The Hospital's cost reports have been settled through September 30, 2021.

The composition of net patient service revenue includes:

<i>September 30,</i>	<b>2025</b>	<b>2024</b>
Gross patient service revenue	\$ 171,504,459	\$ 175,432,467
Less:		
Provisions for contractual adjustments	(103,643,308)	(91,735,081)
Provisions for bad debts	(9,808,116)	(11,984,548)
<b>Net Patient Service Revenue</b>	<b>\$ 58,053,035</b>	<b>\$ 71,712,838</b>

## 9. Non-Operating Income and Transfers In

### *Non-Operating Income*

In fiscal year 2020, the Hospital applied for and was paid approximately \$16,500,000 as an advance on six months of its Medicare payments through the Medicare Accelerated and Advance Payment Program expanded to increase cash flow to providers of services impacted by the COVID-19 pandemic. Recoupment of the advance payments began one year after the advance payments were received. After the first year, Medicare began automatically recouping 25.0% of the Medicare payments otherwise owed to the provider for 11 months. The Hospital requested and was granted an extended repayment schedule with a 4.0% interest rate. As of September 30, 2025, Medicare has recouped approximately \$15.4 million of these funds. The Hospital has accounted for the remaining unrecouped funds as a contractual liability at September 30, 2025 and 2024. As of September 30, 2025 and 2024, the Hospital had a total unpaid balance in the amount of \$1,120,034 and \$2,438,157, respectively. As of September 30, 2025, the Hospital has 11 monthly principal and interest payments in the amount of \$102,631 each remaining, plus one additional payment for the remaining balance.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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On October 17, 2023, the Hospital received an award notification regarding the Mississippi Hospital Sustainability Grant Program from the Mississippi State Department of Health (MSDH). On October 18, 2023, the Hospital entered into a beneficiary agreement with MSDH resulting in the conditional award of funds not to exceed \$1,000,000. The Hospital received the grant in the full amount on October 24, 2023. The Hospital recognized the proceeds received from MSDH of \$1,000,000 as grant income within the accompanying 2024 statements of revenues, expenses and changes in net position.

On November 25, 2024, the Hospital was approved for approximately \$970,000 regarding a reimbursement request for Public Assistance Funds provided by the Federal Emergency Management Agency (FEMA). On April 11, 2025, an additional amount of approximately \$48,000 was approved. The Hospital received these awards for the full amounts on December 6, 2024, and May 5, 2025, respectively. The Hospital recognized the total proceeds received from FEMA of approximately \$1,018,000 in non-operating income within the accompanying 2025 statements of revenues, expenses and changes in net position.

On March 3, 2025, the Hospital executed a purchase and sale agreement with Encompass Health Owned Hospitals Holdings, LLC (Encompass) to sell the Hospital's Certificate of Need for Comprehensive Medical Rehabilitation beds (CMR Bed CON). The sale of this CMR Bed CON occurred on April 7, 2025, and the Hospital received \$3,610,000. The Hospital recognized the total proceeds received from Encompass and the related gain in non-operating income within the accompanying 2025 statements of revenues, expenses and changes in net position.

### *Transfers In*

On July 5, 2023, the County entered into a debt agreement, the Mississippi Development Bank Special Obligation Bonds, Series 2023 (the Series 2023 Bonds), with Mississippi Development Bank to provide proceeds from the sale of bonds of up to \$10,000,000 to be used by the Hospital to fund operations and other projects. Any proceeds from the bonds are considered legal obligations of the County. Pursuant to the Tax Regulatory Agreement and Arbitrage Certificate (Tax Certificate), dated July 5, 2023, between the Mississippi Development Bank (the Issuer), being a political subdivision of the State of Mississippi, the County and the Hospital, in connection with the issuance of the Series 2023 Bonds, agreed that all payments of principal and interest are expected to be made from the general fund of the County, whereas the County has the authority to levy ad valorem taxes of up to five mills in any one year for the retirement of debt incurred by or on behalf of the Hospital. The Tax Certificate further outlined that in accordance with applicable Treasury regulations, the Hospital is required to determine the first fiscal year in which it expects to have Available Amounts, as defined therein, and that year will be the First Testing Year, as defined. The Hospital determined that the First Testing Year will be October 1, 2027, continuing each subsequent year thereafter and beginning then, the Hospital will be required to deposit funds in excess of a Reasonable Working Capital Reserve, as defined, into the general fund of the County for the ongoing debt service of the bonds.

In fiscal year 2024, the Hospital received a requisition certificate relating to the Series 2023 Bonds totaling \$3,000,000. The Hospital recognized the proceeds received from the County of \$3,000,000 as transfers in within the accompanying 2024 statements of revenues, expenses and changes in net position. The Hospital's total draw was approximately \$7,400,000 and there was no remaining availability to draw down as of September 30, 2025.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### 10. Charity Care

The Hospital has established a policy under which it provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Following that policy, the Hospital maintains records to identify and monitor the level of charity care it provides, which includes the amount of charges foregone for services and supplies furnished under its policy. The direct and indirect costs associated with these services cannot be identified to specific charity care patients. Therefore, management estimated the costs of these services by calculating a cost-to-gross-charge ratio and multiplying it by the charges associated with services provided to patients meeting the Hospital's charity care guidelines. Charges foregone, based on the cost-to-charge ratio, were approximately \$1,173,000 and \$1,155,000 in 2025 and 2024, respectively.

### 11. Concentration of Credit Risks and Patient Service Revenue

#### *Accounts Receivable*

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

The percentage mix of net accounts receivable, based on gross charges, from patients and major third-party payors are as follows:

<i>September 30,</i>	<b>2025 (%)</b>	<b>2024 (%)</b>
Medicare/Medicare Advantage	30	33
Medicaid	27	23
Blue Cross	10	9
Self-pay	8	7
Other	25	28
<b>Total</b>	<b>100</b>	<b>100</b>

#### *Patient Service Revenue*

The percentage mix of gross revenue for patient services rendered under contract with major third-party cost reimbursors follows:

<i>Year ended September 30,</i>	<b>2025 (%)</b>	<b>2024 (%)</b>
Medicare/Medicare Advantage	53	51
Medicaid	14	15
Blue Cross	11	11
Self-pay	5	5
Other	17	18
<b>Total</b>	<b>100</b>	<b>100</b>

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### 12. Commitments and Contingencies

#### *Risk Management*

The Hospital is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets, business interruption, errors and omissions, employee injuries and illness, natural disasters, and professional and general liability claims and judgments. Commercial liability insurance is purchased for most of these risks. However, employee health and dental insurance and certain general and professional liability risks are self-funded as further explained below. The Hospital has accrued for these estimates of self-funded claims and they are included in accrued expenses on the accompanying statements of net position.

#### *Medical Malpractice Program*

The Hospital holds professional and general liability insurance under a self-funded plan. At year-end, the Hospital has accrued for an estimate of losses for malpractice and general liability claims outstanding, based on historical loss and loss adjustment expense development patterns. The future assertion of claims for occurrences prior to year-end is reasonably possible and may occur, although not anticipated.

The Mississippi Tort Claims Act (MTCA) provides a cap on the amount of damages recoverable against government entities, including governmental hospitals. The amount recoverable for claims is the greater of \$500,000 or the amount of liability insurance coverage that has been retained. Changes in the Hospital's medical malpractice liability are as follows:

	Beginning, October 1 Claims Liability	Current Year Claims and Change in Estimates	Current Year Claim Payments	Ending, September 30 Claims Liability
2025	\$ 2,713,912	\$ (19,186)	\$ (241,576)	\$ 2,453,150
2024	2,935,310	551,307	(772,705)	2,713,912

#### *Self-Funded Health Insurance*

The Hospital is self-insured for employee health coverage, up to a limit of \$70,000 per individual claim. Substantial coverage with a third-party carrier is maintained for excess losses. The Hospital records a liability for employee health claims incurred but not reported or paid. This liability as of September 30, 2025 and 2024 is based on the requirements of GASB, which requires that liability claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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Changes in the Hospital's health insurance claims liability amount in fiscal years 2025 and 2024 are as follows:

	Beginning, October 1 Claims Liability	Current Year Claims and Change in Estimates	Current Year Claim Payments	Ending, September 30 Claims Liability
2025	\$ 292,000	\$ 2,329,178	\$ (2,341,178)	\$ 280,000
2024	254,811	2,077,103	(2,039,914)	292,000

### 13. Risks Related to Legislative and Regulatory Changes (One Big Beautiful Bill Act)

On July 4, 2025, the U.S. government enacted the "One Big Beautiful Bill Act" (OBBBA), which includes significant tax code changes and modifications to federal healthcare programs, including Medicare and Medicaid. This new law introduces substantial financial and operational risks for the Hospital, and its full impact is not yet known.

#### *Revenue Cycle Risk*

The OBBBA includes provisions that alter eligibility criteria and reduce federal funding for certain Medicaid and Affordable Care Act (ACA) marketplace coverage. These changes are expected to increase the number of uninsured individuals and decrease overall reimbursement rates. These factors could lead to a decline in net patient service revenue and a corresponding increase in uncollectible patient accounts. The Hospital is actively analyzing the potential revenue cycle impacts, which are highly dependent on the state specific Medicaid policy interpretations and the ultimate number of patients who lose coverage.

#### *Billing and Compliance Risk*

The OBBBA has directed significant federal investment into artificial intelligence (AI) tools designed to detect fraudulent billing and utilization patterns, especially within Medicare and Medicaid programs. While the technology is intended to identify fraudulent use, it creates a risk of billing errors or false positives that could lead to denied claims, payment delays, and potential penalties. The Hospital is evaluating and updating its billing workflows, software, and compliance protocols to mitigate this risk.

#### *Operational and Liquidity Risk*

Changes to reimbursement rates, coupled with ongoing inflationary pressures on labor and supply costs, may reduce the Hospital's operating margins and cash flows. The OBBBA also increases regulatory oversight of private equity investment in healthcare, which could reduce the availability of capital for operational improvements. These factors may affect the Hospital's liquidity and ability to fund strategic initiatives and capital expenditures.

#### *Forward-Looking Statement*

This disclosure is based on current interpretations of the OBBBA and is subject to change. The Hospital will continue to monitor developments and adjust its risk mitigation strategies and financial reporting as more information becomes available.

# Greenwood Leflore Hospital

## Notes to Financial Statements

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### 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 17, 2026 and determined that no events occurred that require additional accrual or disclosure other than the event noted in Note 2. No events occurring after this date have been evaluated for inclusion in these financial statements.

## Required Supplementary Information

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**Greenwood Leflore Hospital**

**Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)**

<i>September 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,725,887	3,662,656	3,613,256	3,533,342	3,509,805	3,474,705	3,514,817	3,413,176	3,363,064	3,384,889
Difference between expected and actual experience	317,994	753,913	(7,970)	470,361	126,746	377,521	(1,120,322)	740,367	(355,795)	(294,088)
Changes of assumptions	(655,412)	-	(1,173,531)	(376,907)	(683,581)	876,677	382,573	(299,489)	-	(1,336,081)
Benefit payments/refunds	(3,832,088)	(3,567,824)	(3,452,704)	(3,208,071)	(3,327,653)	(2,848,623)	(2,665,455)	(2,461,722)	(2,320,792)	(2,053,702)
<b>Net change in total pension liability</b>	<b>(443,619)</b>	<b>848,745</b>	<b>(1,020,949)</b>	<b>418,725</b>	<b>(374,683)</b>	<b>1,880,280</b>	<b>111,613</b>	<b>1,392,332</b>	<b>686,477</b>	<b>(298,982)</b>
<b>Total pension liability - beginning</b>	<b>50,011,907</b>	<b>49,163,162</b>	<b>50,184,111</b>	<b>49,765,386</b>	<b>50,140,069</b>	<b>48,259,789</b>	<b>48,148,176</b>	<b>46,755,844</b>	<b>46,069,367</b>	<b>46,368,349</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 49,568,288</b>	<b>\$ 50,011,907</b>	<b>\$ 49,163,162</b>	<b>\$ 50,184,111</b>	<b>\$ 49,765,386</b>	<b>\$ 50,140,069</b>	<b>\$ 48,259,789</b>	<b>\$ 48,148,176</b>	<b>\$ 46,755,844</b>	<b>\$ 46,069,367</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 556,538	\$ 1,697,098	\$ 1,432,171	\$ 1,519,619	\$ 1,598,738	\$ 1,413,913	\$ 1,340,319	\$ 1,452,904	\$ 1,367,610	\$ 1,394,632
Net investment income (loss)	3,671,760	7,559,836	3,627,808	(7,243,261)	6,100,827	3,654,209	1,826,911	2,073,394	2,883,575	2,229,987
Benefit payments/refunds	(3,832,088)	(3,567,824)	(3,452,704)	(3,208,071)	(3,327,653)	(2,848,623)	(2,665,455)	(2,461,722)	(2,320,792)	(2,053,702)
Administrative expenses	(146,957)	(141,163)	(153,251)	(91,235)	(92,923)	(87,105)	(85,539)	(85,579)	(80,239)	(78,351)
<b>Net change in plan fiduciary net position</b>	<b>249,253</b>	<b>5,547,947</b>	<b>1,454,024</b>	<b>(9,022,948)</b>	<b>4,278,989</b>	<b>2,132,394</b>	<b>416,236</b>	<b>978,997</b>	<b>1,850,154</b>	<b>1,492,566</b>
<b>Plan fiduciary net position - beginning</b>	<b>38,267,658</b>	<b>32,719,711</b>	<b>31,265,687</b>	<b>40,288,635</b>	<b>36,009,646</b>	<b>33,877,252</b>	<b>33,461,016</b>	<b>32,482,019</b>	<b>30,631,865</b>	<b>29,139,299</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 38,516,911</b>	<b>\$ 38,267,658</b>	<b>\$ 32,719,711</b>	<b>\$ 31,265,687</b>	<b>\$ 40,288,635</b>	<b>\$ 36,009,646</b>	<b>\$ 33,877,252</b>	<b>\$ 33,461,016</b>	<b>\$ 32,482,019</b>	<b>\$ 30,631,865</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 11,051,377</b>	<b>\$ 11,744,249</b>	<b>\$ 16,443,451</b>	<b>\$ 18,918,424</b>	<b>\$ 9,476,751</b>	<b>\$ 14,130,423</b>	<b>\$ 14,382,537</b>	<b>\$ 14,687,160</b>	<b>\$ 14,273,825</b>	<b>\$ 15,437,502</b>
<b>Plan fiduciary net position as a percent of the total pension liability</b>	<b>77.7%</b>	<b>76.5%</b>	<b>66.6%</b>	<b>62.3%</b>	<b>81.0%</b>	<b>71.8%</b>	<b>70.2%</b>	<b>69.5%</b>	<b>69.5%</b>	<b>66.5%</b>
<b>Covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Net pension liability as a percent of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

See notes to required supplementary information.

**Greenwood Leflore Hospital**  
**Schedule of Contributions (Unaudited)**

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*Year ended September 30,*

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	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percent of Covered Payroll
2025	\$ 1,697,098	\$ 556,538	\$ (1,140,560)	N/A	N/A
2024	1,697,098	1,697,098	-	N/A	N/A
2023	1,432,171	1,432,171	-	N/A	N/A
2022	1,519,619	1,519,619	-	N/A	N/A
2021	1,598,738	1,598,738	-	N/A	N/A
2020	1,405,581	1,413,913	8,332	N/A	N/A
2019	1,340,319	1,340,319	-	N/A	N/A
2018	1,452,904	1,452,904	-	N/A	N/A
2017	1,367,610	1,367,610	-	N/A	N/A
2016	1,394,632	1,394,632	-	N/A	N/A

**Greenwood Leflore Hospital**  
**Schedule of Investment Returns (Unaudited)**

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The annual money-weighted rate of return, net of investment expense, was as follows:

<i>Plan year ended September 30,</i>	<i>Rate (%)</i>
2025	9.99
2024	23.87
2023	11.99
2022	18.36
2021	17.39
2020	11.01
2019	5.56
2018	6.48
2017	9.75
2016	7.91

See notes to required supplementary information.

***Summary of Assumptions and Methods Used to Determine Contributions Rates***

The total pension liability as of September 30, 2025 and 2024 was determined using the following actuarial assumptions, applied to all periods in the measurement:

*Investment Rate of Return* - 7.60% and 7.45%, respectively, per annum, compounded annually.

*Discount Rate* - 7.60% and 7.45%, respectively, per annum, compounded annually.

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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 projected benefit payments to determine the total pension liability.

*Salary Increases* - Not applicable, benefits are frozen.

Effective September 30, 2022, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2020 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2021 to better recognize current and future mortality improvements.

***Amortization Period***

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is one year for the measurement periods ended September 30, 2025 and 2024.

# Greenwood Leflore Hospital

## Schedule of Investment Returns (Unaudited)

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### *Schedule of Investment Returns*

<i>Year ended September 30,</i>	<b>2025 (%)</b>	<b>2024 (%)</b>
<b>Net investment yield</b>	<b>9.99</b>	<b>23.87</b>

The annual money-weighted rate of return is based on monthly cash flows on pension plan investments, net of pension plan investment expense.

Fiduciary net position is the amount of assets available for benefits in the Plan.

Total pension liability is the Plan liability determined using assumption listed in the Summary of Actuarial Assumption.

Net pension liability is the difference in the total pension liability and the fiduciary net position.

### *Amortization Period (Funding)*

The actuarially determined contribution for the Plan year ended September 30, 2025 and 2024 uses a closed period of 16 and 17 years, respectively.

### *Assumptions and Valuation Method*

The Hospital selected the assumptions and funding methods based on the review of Plan experience in conjunction with the October 1, 2024 and 2023 Actuarial Valuation Reports. The actuary annually reviews the assumptions and methods for reasonableness.

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

## Supplementary Information

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# Greenwood Leflore Hospital

## Schedule of Surety Bonds for Officers and Employees

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Name	Position	Surety		Amount
Harris Powers, Jr.	Board Member	Travelers	\$	100,000
Emma Bell	Board Member	Travelers	\$	100,000
Tracy Shelton	Board Member	Travelers	\$	100,000
Hank Hargrove	Board Member	Travelers	\$	100,000

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**Greenwood LeFlore Hospital**  
**Schedule of Expenditure of Federal Awards**

*Year ended September 30, 2025*

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity	Award/Pass- Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Homeland Security COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Mississippi Emergency Management Agency	4528-DR-MS	\$1,017,962
<b>Total U.S. Department of Homeland Security</b>				<b>1,017,962</b>
U.S. Department of Health and Human Services Cancer Prevention and Control Programs for State, Territorial, and Tribal Organizations	93.898	Mississippi State Department of Health	N/A	29,942
<b>Total Department of Health and Human Services</b>				<b>29,942</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$1,047,904</b>

# Greenwood LeFlore Hospital

## Notes to the Schedule of Expenditures of Federal Awards

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### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Greenwood Leflore Hospital (the Hospital) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Hospital, it is not intended to and does not present the financial position, changes in net positions or cash flows of the Hospital.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. Indirect Cost Rate

The Hospital has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.

### 4. Disaster Grants - Public Assistance

Disaster Grants - Public Assistance (97.036) a portion of expenditures included in the Schedule for the year ended September 30, 2025, were incurred in previous years. The Hospital incurred \$173,468, \$663,957, \$132,063, \$2,641 and \$45,833 of eligible expenditures in fiscal years 2020, 2021, 2022, 2024 and 2025, respectively. The Federal Emergency Management Agency (FEMA) approved the project worksheets for these expenditures in the current fiscal year and have been reported on the Schedule in accordance with the reporting requirements required by the OMB Compliance Supplement.



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## **Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Hospital Commissioners  
Greenwood Leflore Hospital  
Greenwood, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Greenwood Leflore Hospital (the Hospital), a component unit of Leflore County, including the City of Greenwood, Mississippi, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hospital’s basic financial statements, and have issued our report thereon dated March 17, 2026.

### **Report on Internal Control Over Financial Reporting**

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

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

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

BDO USA, P.C.

March 17, 2026



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## **Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Hospital Commissioners  
Greenwood Leflore Hospital  
Greenwood, Mississippi

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Greenwood Leflore Hospital’s (the Hospital), a component unit of Leflore County, including the City of Greenwood, Mississippi, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Hospital’s major federal programs for the year ended September 30, 2025. The Hospital’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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



### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 Hospital's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hospital's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in



internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

BDO USA, P.C.

March 17, 2026

# Greenwood Leflore Hospital

## Schedule of Findings and Questioned Costs Year Ended September 30, 2025

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### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Non-compliance material to financial statements noted?

yes  no

#### *Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes  no

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grants - Public Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$1,000,000

Auditee qualified as low-risk auditee?

yes  no

### Section II - Financial Statement Findings

There are no audit findings that relate to the financial statements for which *Government Auditing Standards* requires reporting.

### Section III - Federal Award Findings and Questioned Costs

There are no audit findings that are required to be reported by 2 CFR 200.516(a).