

Kaweah Delta Health Care District Board Of Directors Committee Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.

NOTICE

The Finance Property Services Acquisition Board Committee of the Kaweah Delta Health Care District will meet at the Executive Office Conference Room {305 W Acequia Avenue, Visalia, CA} on Wednesday, October 15, 2025:

- 10:00AM Open meeting

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing near the Mineral King entrance.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department/Executive Offices) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: kedavis@kaweahhealth.org, or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT

David Francis, Secretary/Treasurer



Kelsie Davis

Board Clerk / Executive Assistant to CEO

DISTRIBUTION:

Governing Board, Legal Counsel, Executive Team, Chief of Staff, www.kaweahhealth.org

Kaweah Delta Health Care District Board of Directors Committee Meeting

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KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS FINANCE, PROPERTY, SERVICES & ACQUISITION COMMITTEE

Kaweah Health Medical Center
305 W. Acequia Avenue, Executive Office Conference Room (1st Floor)

Wednesday October 15, 2025

ATTENDING: Directors: David Francis (Chair) & Dean Levitan; Gary Herbst, Chief Executive Officer. Malinda Tupper, Chief Financial Officer; Marc Mertz, Chief Strategy Officer; Jennifer Stockton, Director of Finance, Jag Batth, Chief Operating Officer, Ryan Gates, Chief Population Health Office; Kelsie Davis, Board Clerk Recording

OPEN MEETING – 10:00AM

CALL TO ORDER – *David Francis, Board Secretary/Treasurer*

PUBLIC PARTICIPATION – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time.

- 1. MINUTES-** Review of the open minutes from September 2025.
- 2. FINANCIALS-** Review of the most current fiscal year financial results and budget.

ADJOURN – *David Francis, Board Secretary/Treasurer*

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Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

Dean Levitan, MD • Zone 3
Board Member

David Francis • Zone 4
Secretary/Treasurer

Armando Murrieta • Zone 5
Board Member

Kaweah Delta Health Care District

Board of Directors Committee

Meeting Minutes

Health is our Passion. Excellence is our Focus. Compassion is our Promise.

Finance, Property, Services, and Acquisition Committee – OPEN MEETING

Wednesday September 17, 2025

Kaweah Health Medical Center – Executive Office Conference Room

Present: Directors: David Francis & Dean Levitan, M.D.; Gary Herbst, CEO; Malinda Tupper, Chief Financial Officer; Marc Mertz, Chief Strategy Officer; Jennifer Stockton, Director of Finance; Jag Batth, Chief Operating Officer; R. Gates, Chief Ambulatory Officer; K. Davis, Board Clerk
Recording

Called to order at 10:01AM

Public Participation- None.

MINUTES- Minutes were reviewed and to be presented to the Board of Directors.

FINANCIALS – Review of the most current fiscal year financial results and a progress review of projections relative to the Kaweah Health initiatives to decrease costs and improve cost efficiencies (copy attached to the original of these minutes and considered a part thereof) - *Malinda Tupper – Chief Financial Officer*

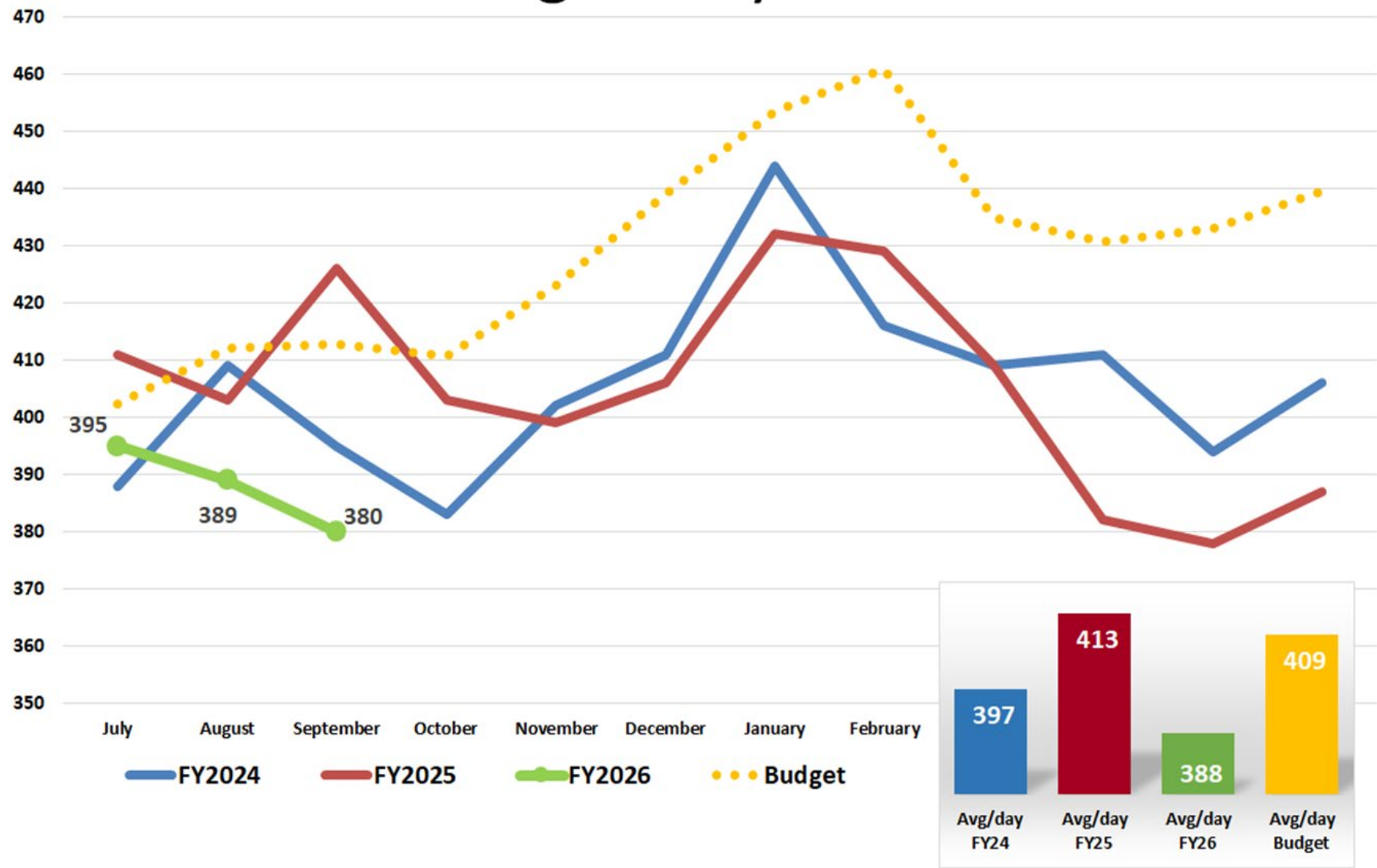
Adjourned at 11:02 AM

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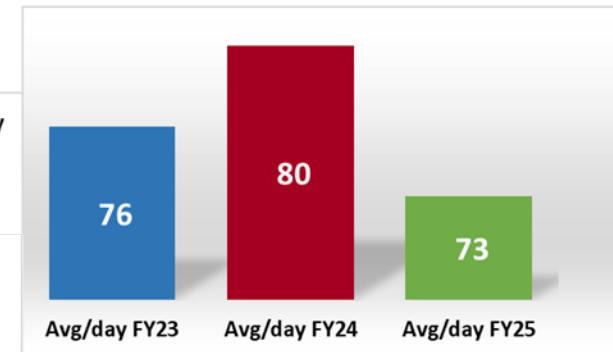
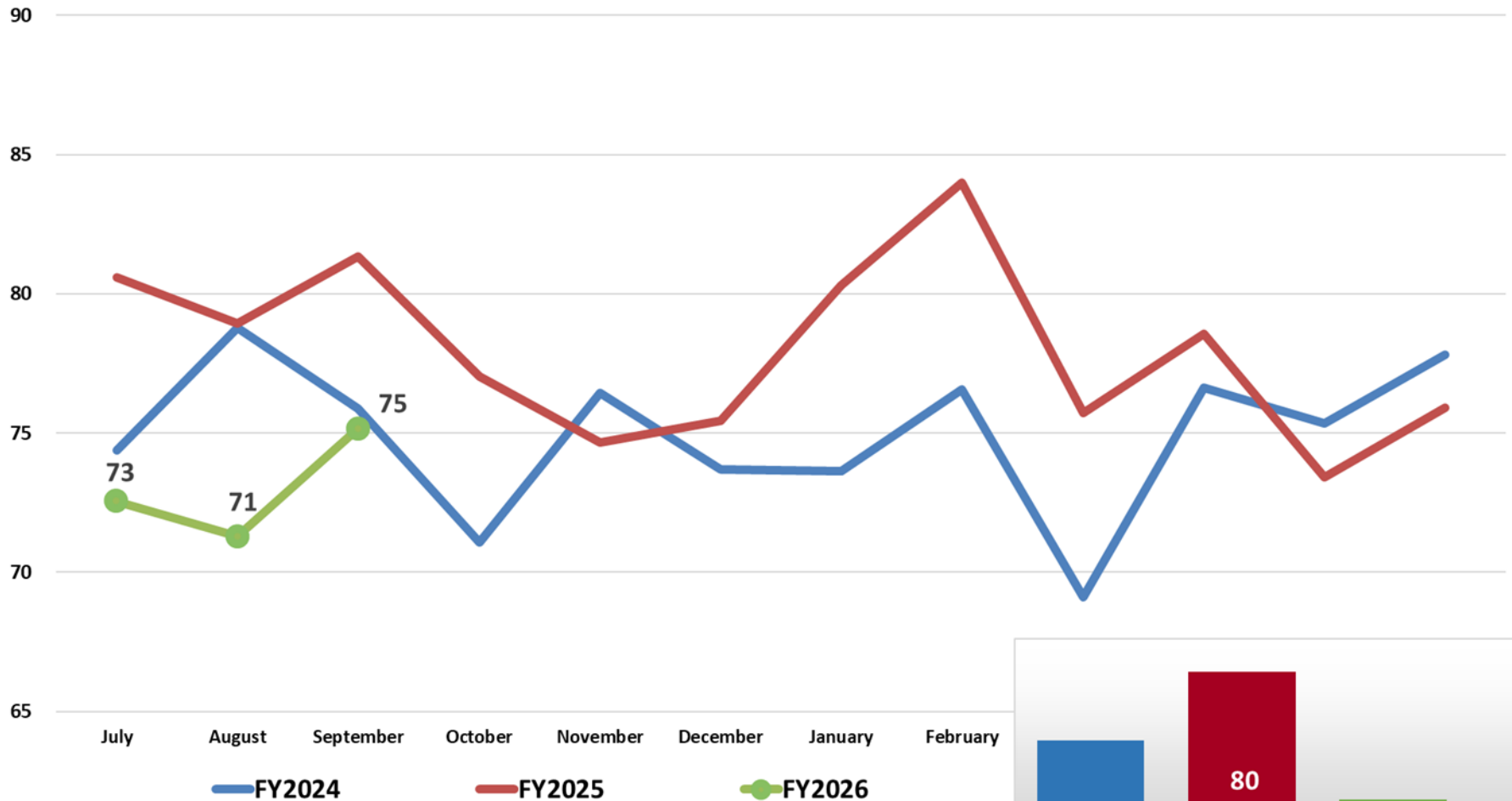
CFO Financial Report

Month Ending September 2025

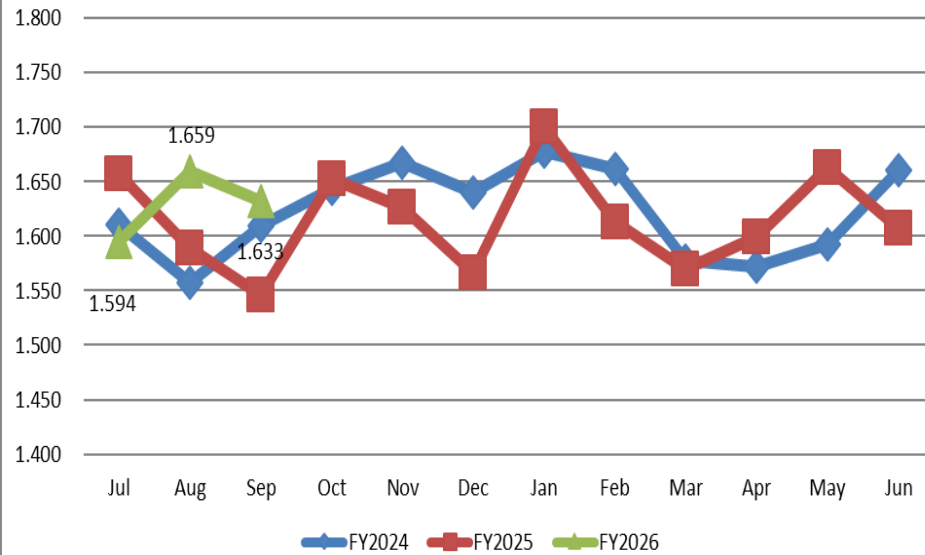
Average Daily Census



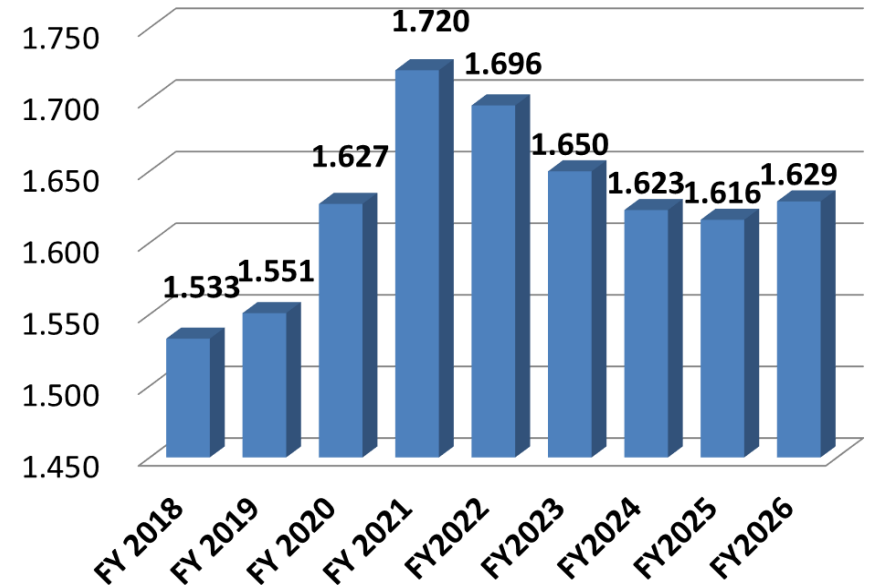
Average Discharges per Day



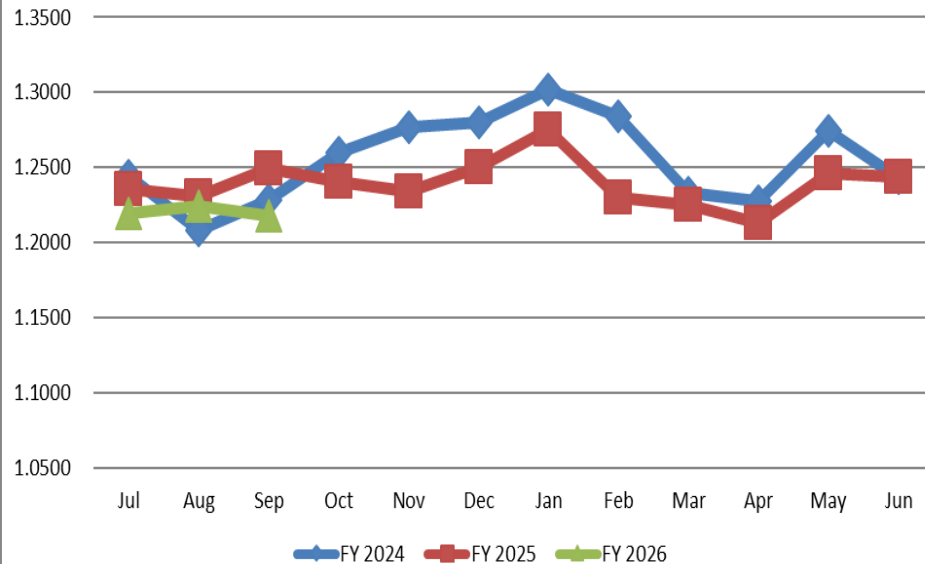
Case Mix Index w/o Normal Newborns



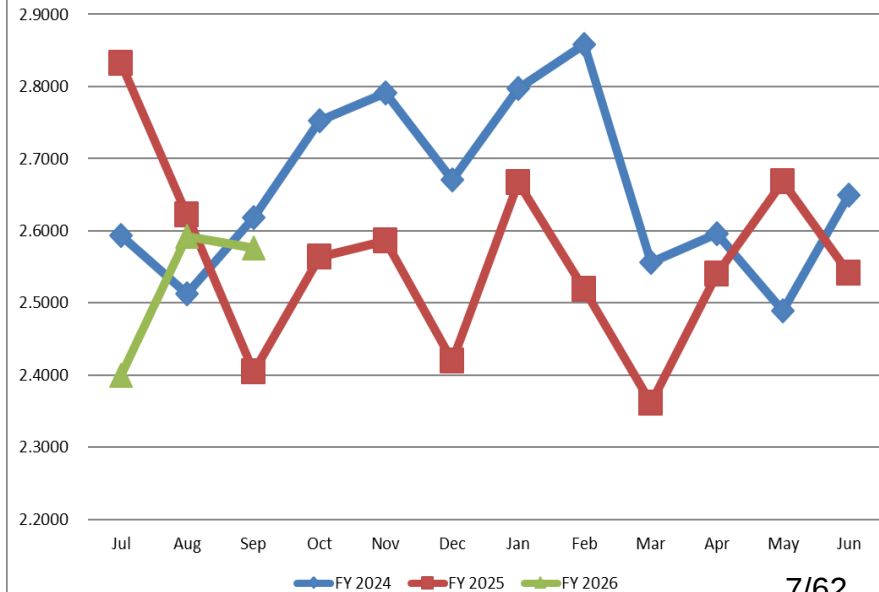
Case Mix Index w/o Normal Newborns - All



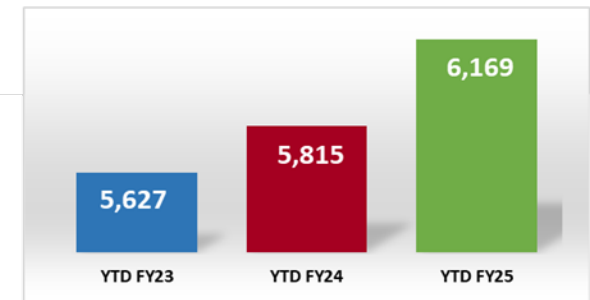
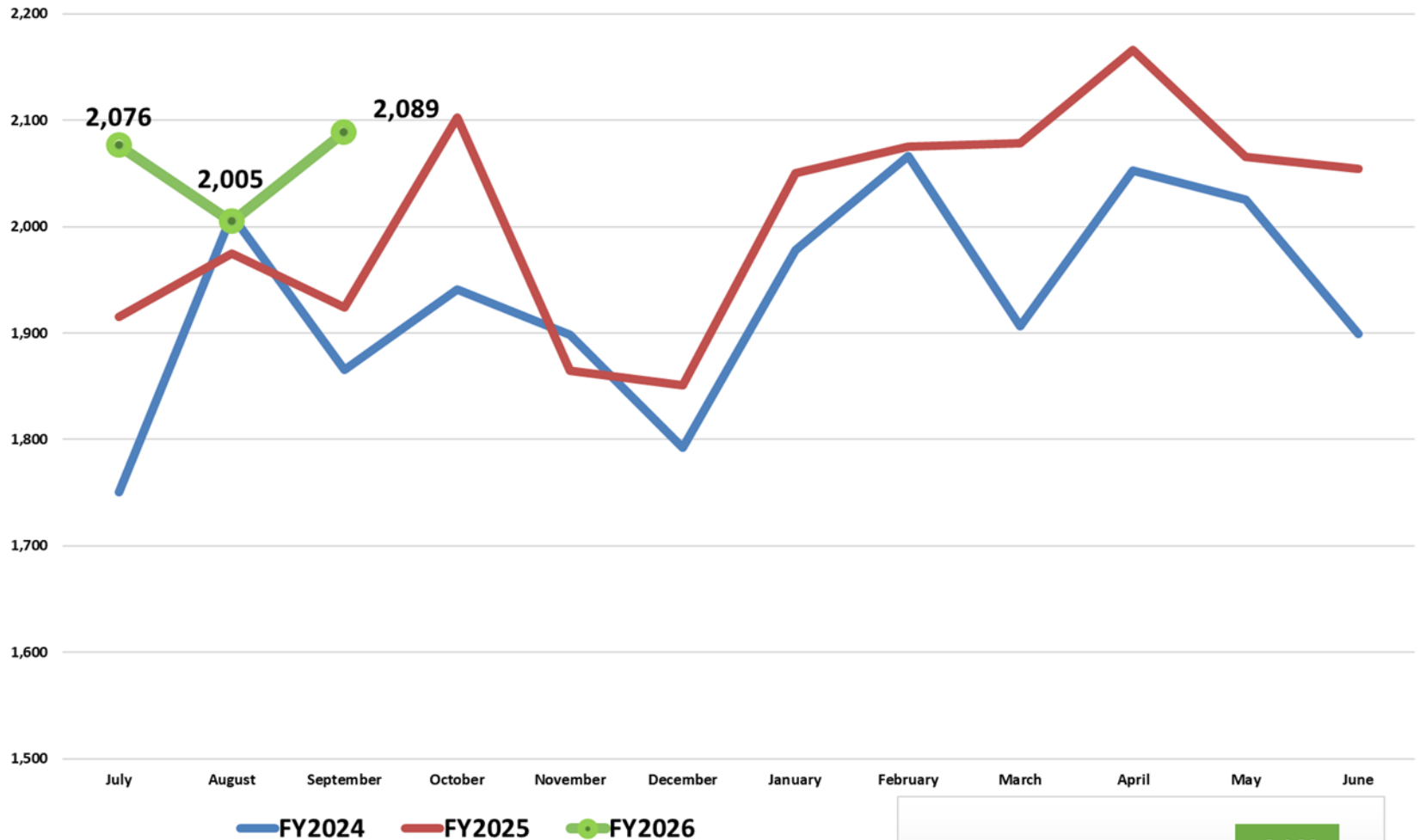
Case Mix **Medical** w/o Normal Newborns



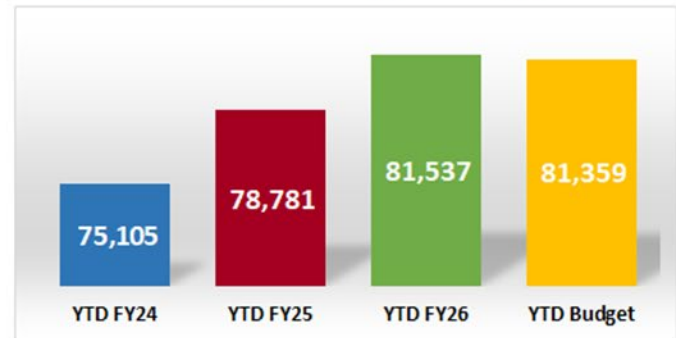
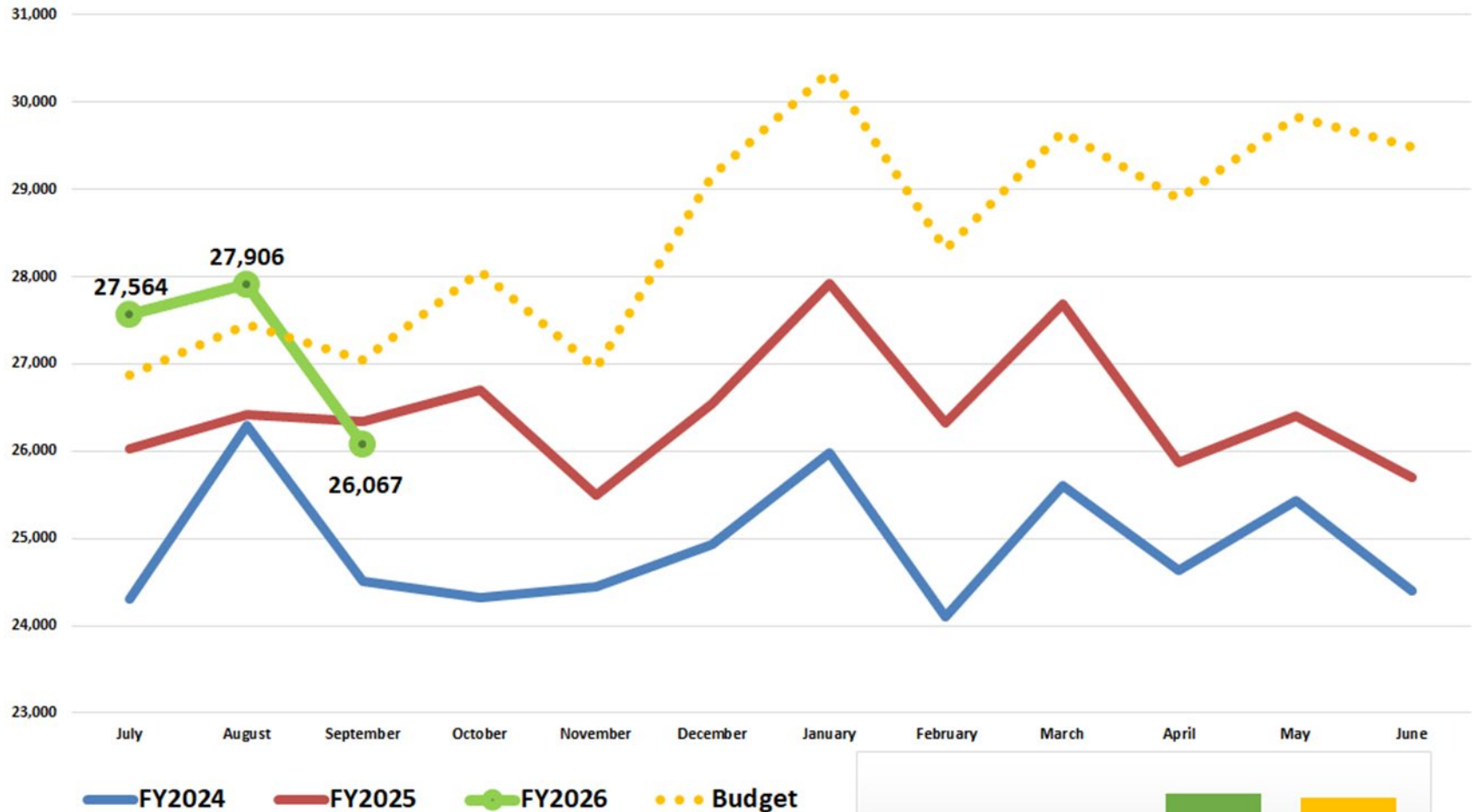
Case Mix Index **Surgical** w/o Normal Newborns



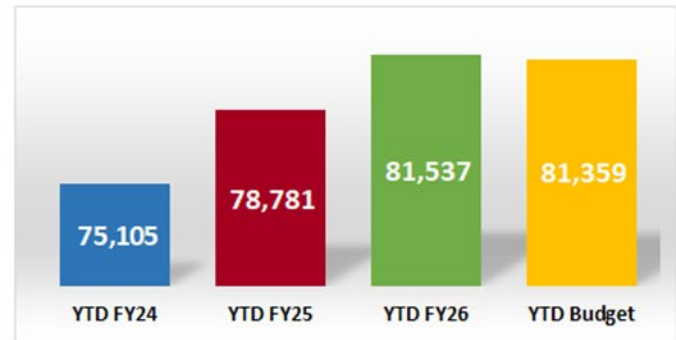
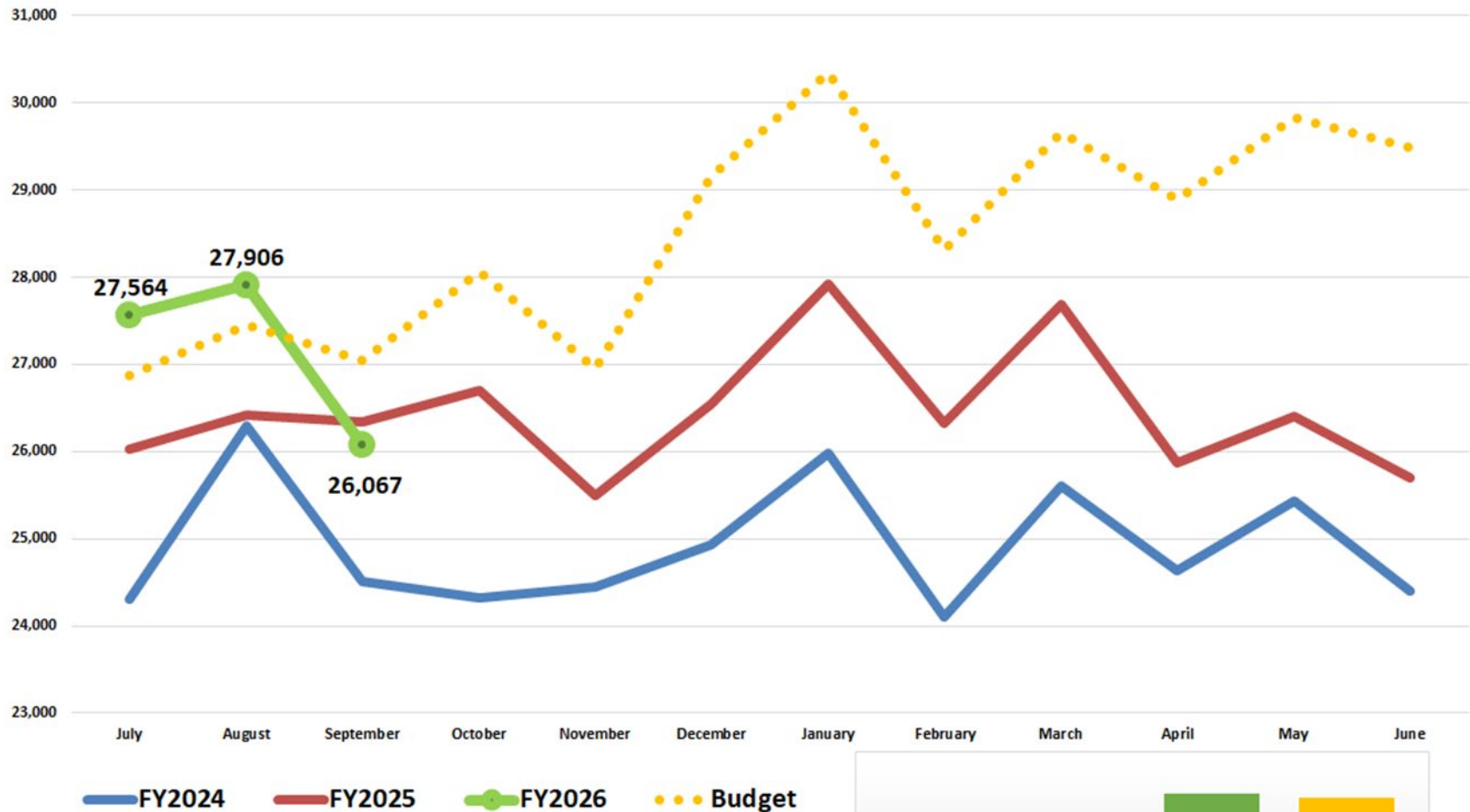
Outpatient Registrations Per Day



Adjusted Patient Days



Adjusted Patient Days



Statistical Results – Fiscal Year Comparison (Sep)

Actual Results			Budget	Budget Variance	
Sep 2024	Sep 2025	% Change	Sep 2025	Change	% Change

Average Daily Census	426	380	(10.9%)	413	(33)	(8.0%)
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KDHCD Patient Days:

Medical Center	8,557	7,433	(13.1%)	8,234	(801)	(9.7%)
Acute I/P Psych	1,114	1,321	18.6%	1,440	(119)	(8.3%)
Sub-Acute	919	863	(6.1%)	899	(36)	(4.0%)
Rehab	716	573	(20.0%)	639	(66)	(10.3%)
TCS-Ortho	354	409	15.5%	357	52	14.6%
NICU	556	343	(38.3%)	372	(29)	(7.8%)
Nursery	558	445	(20.3%)	442	3	0.7%

Total KDHCD Patient Days	12,774	11,387	(10.9%)	12,383	(996)	(8.0%)
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Total Outpatient Volume	57,720	62,670	8.6%	68,462	(5,792)	(8.5%)
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Statistical Results – Fiscal Year Comparison (Jul-Sep)

Actual Results			Budget	Budget Variance	
FYTD 2025	FYTD 2026	% Change	FYTD 2025	Change	% Change

Average Daily Census	413	388	(6.1%)	409	(21)	(5.2%)
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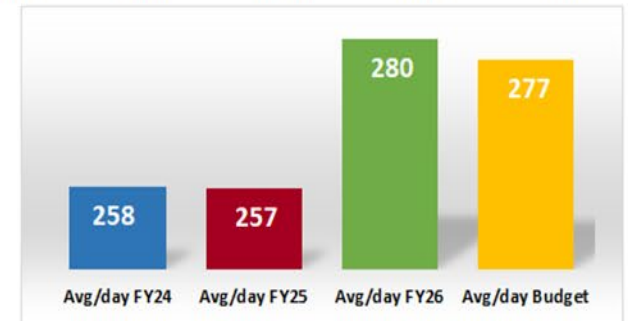
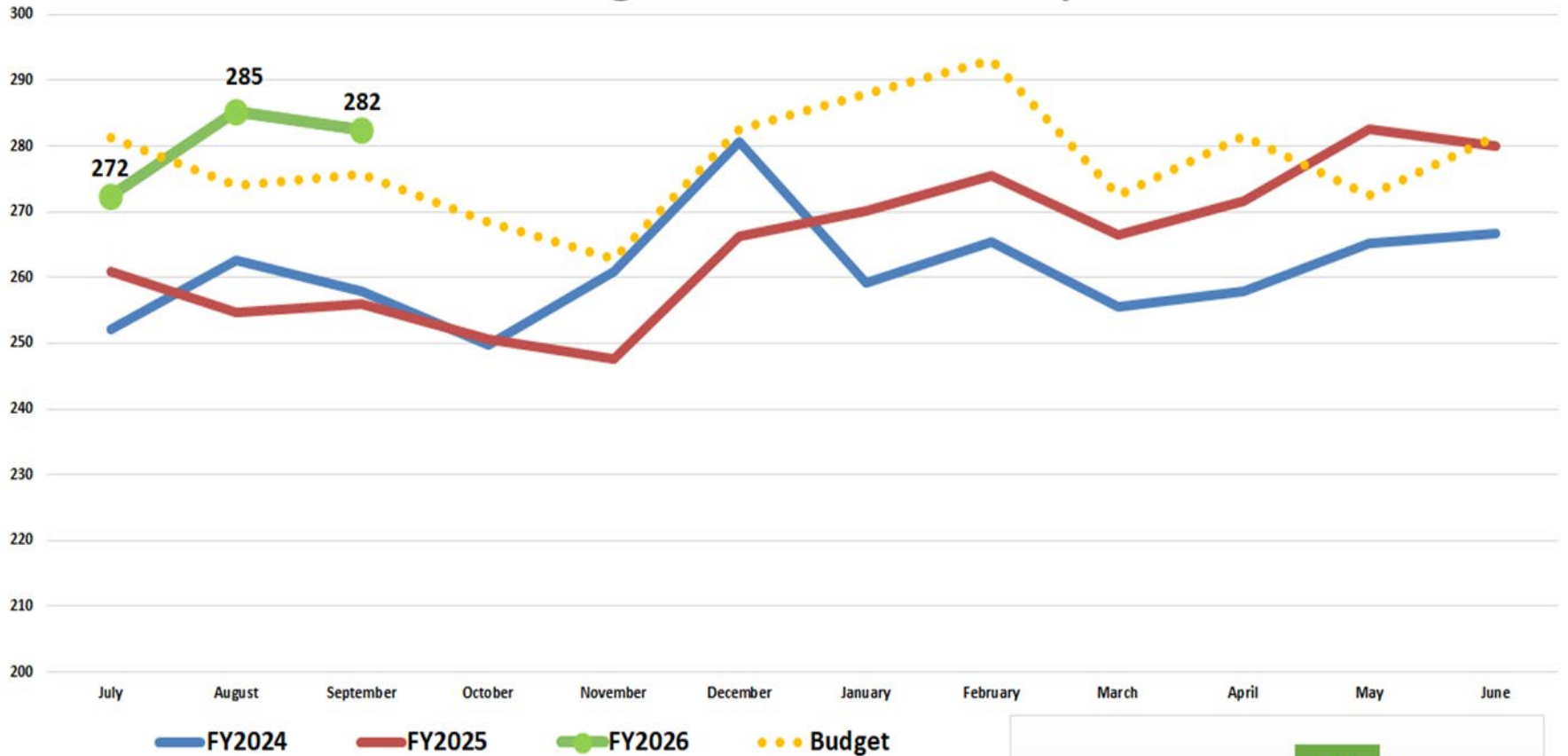
KDHCD Patient Days:

Medical Center	26,475	23,185	(12.4%)	25,242	(2,057)	(8.1%)
Acute I/P Psych	3,394	4,122	21.4%	4,292	(170)	(4.0%)
Sub-Acute	2,707	2,616	(3.4%)	2,725	(109)	(4.0%)
Rehab	1,648	1,774	7.6%	1,841	(67)	(3.6%)
TCS-Ortho	984	1,292	31.3%	1,175	117	10.0%
NICU	1,307	1,231	(5.8%)	1,072	159	14.8%
Nursery	1,502	1,457	(3.0%)	1,287	170	13.2%

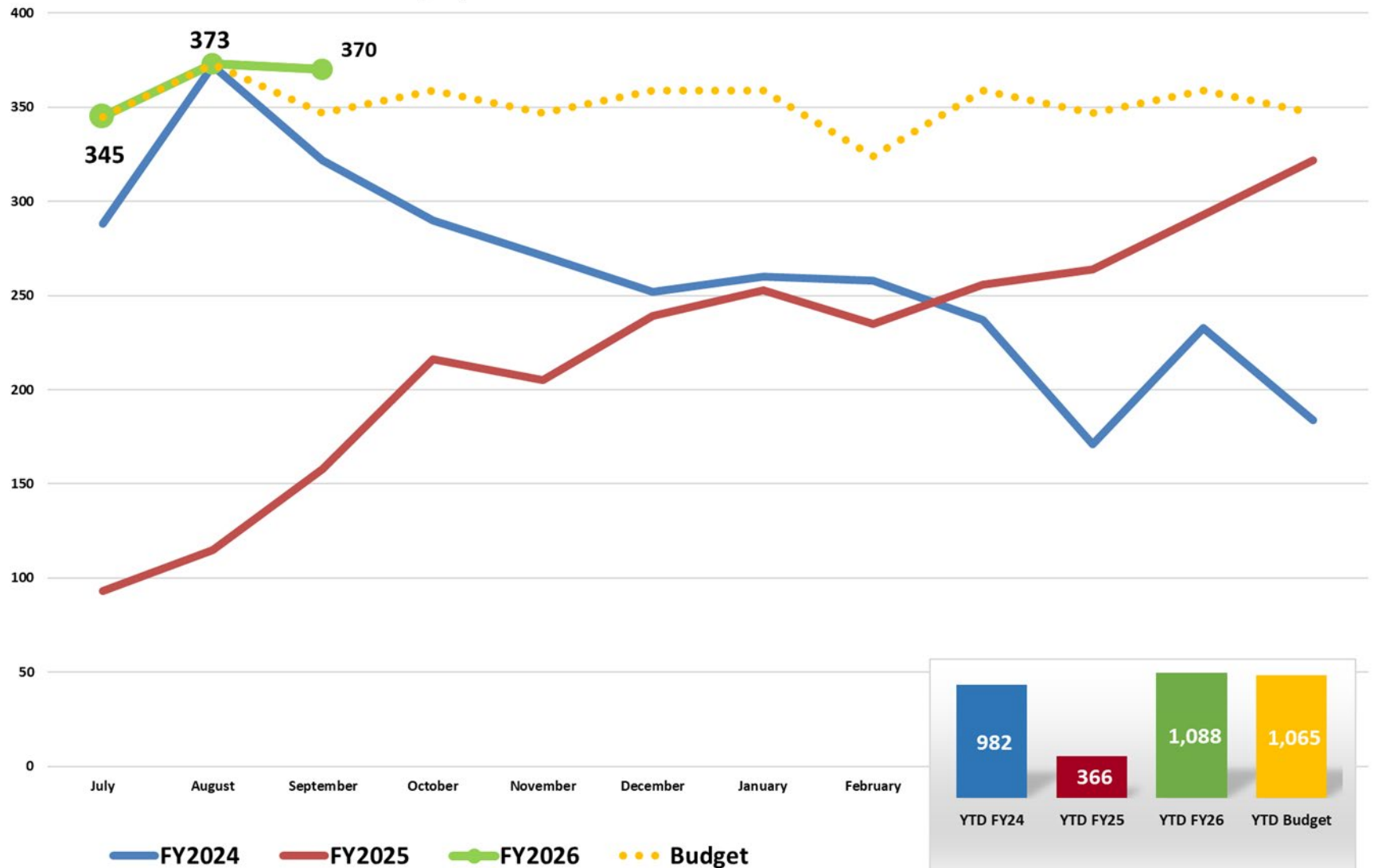
Total KDHCD Patient Days	38,017	35,677	(6.1%)	37,634	(1,957)	(5.2%)
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Total Outpatient Volume	178,310	189,181	6.1%	209,950	(20,769)	(9.9%)
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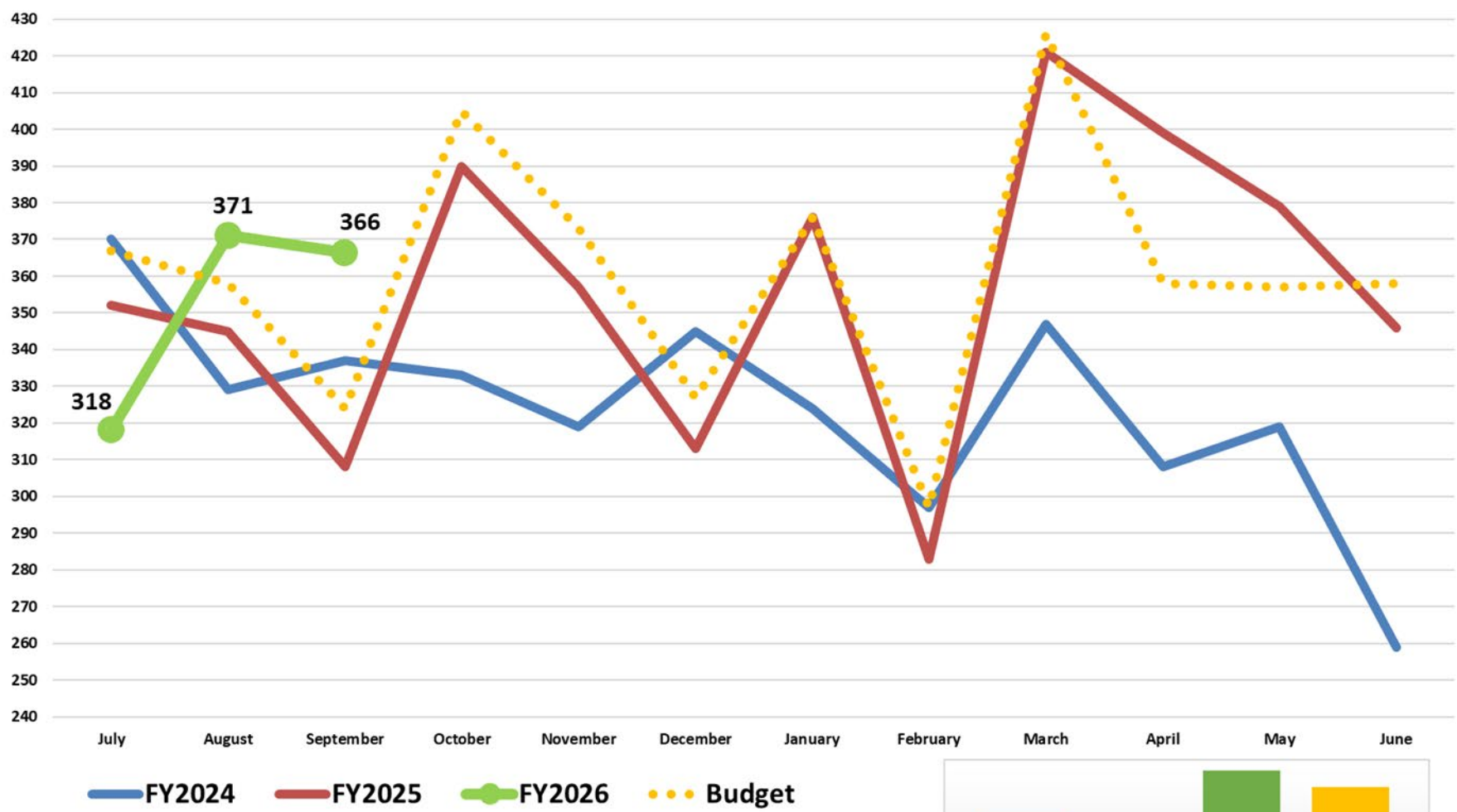
ED - Avg Treated Per Day



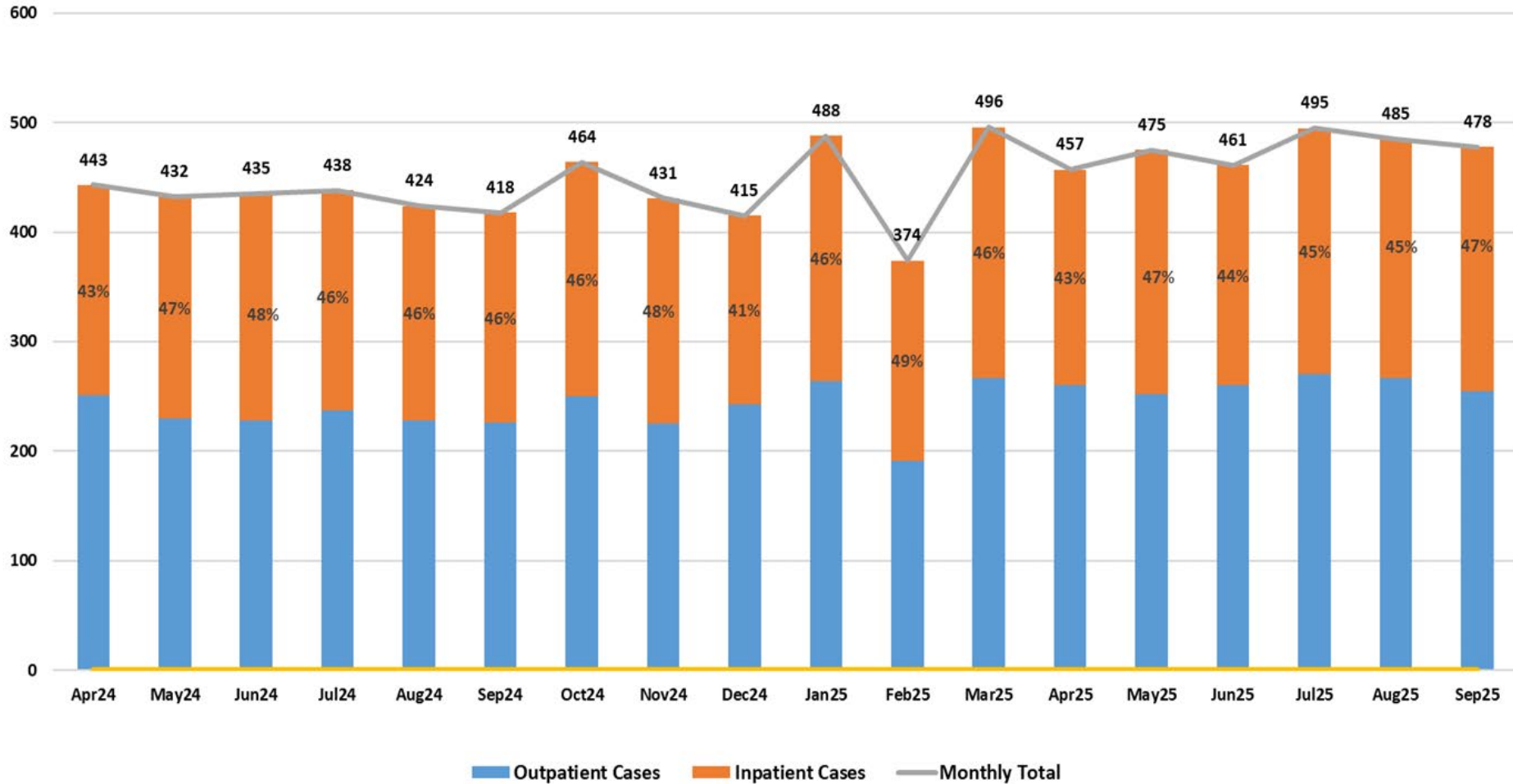
Therapy-Wound Care Encounters



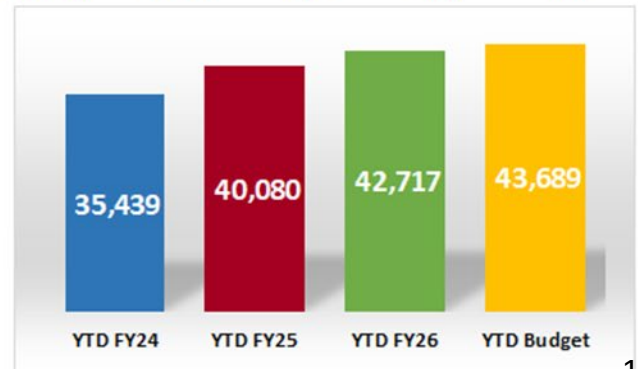
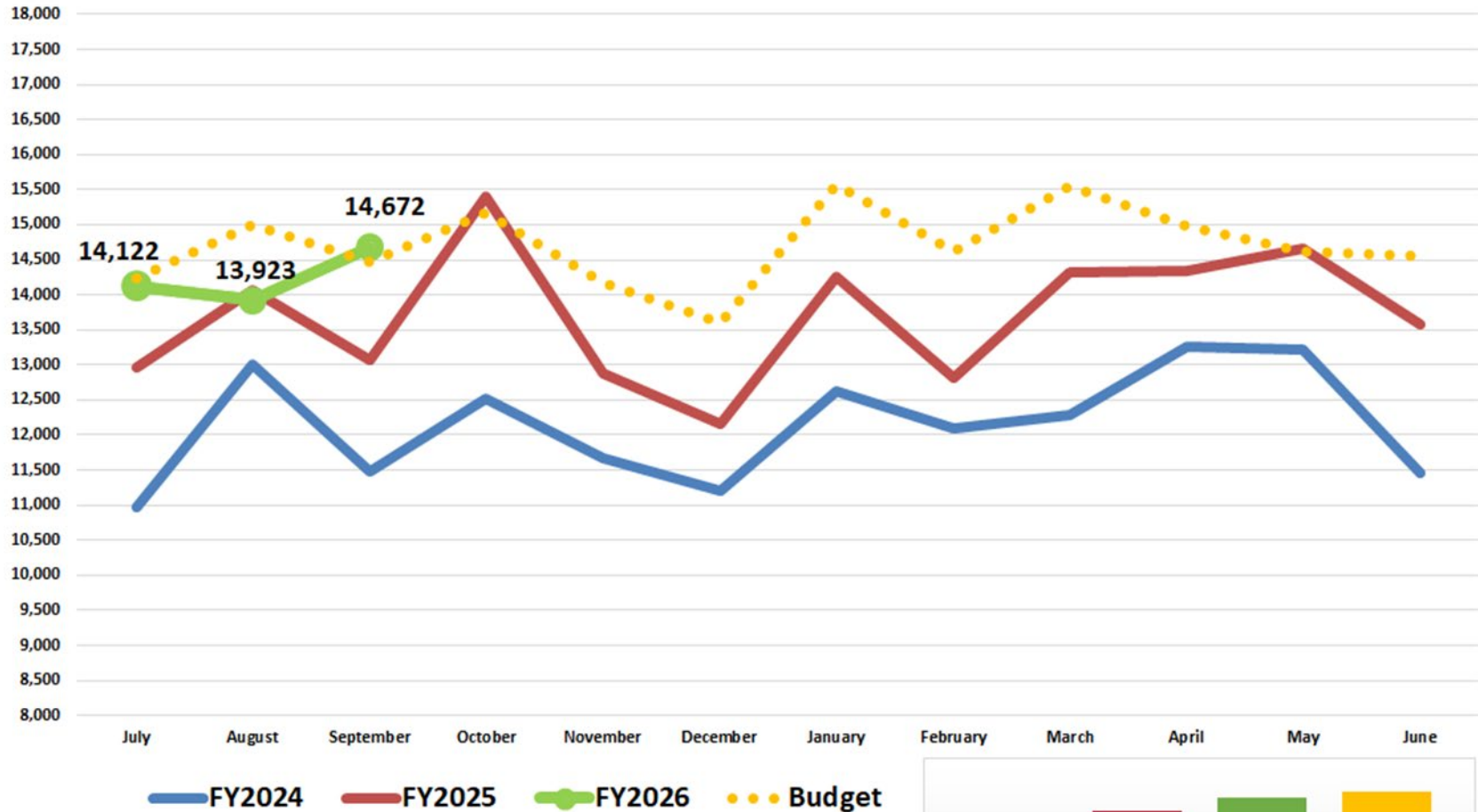
Cath Lab (IP & OP) – 100 Min Units



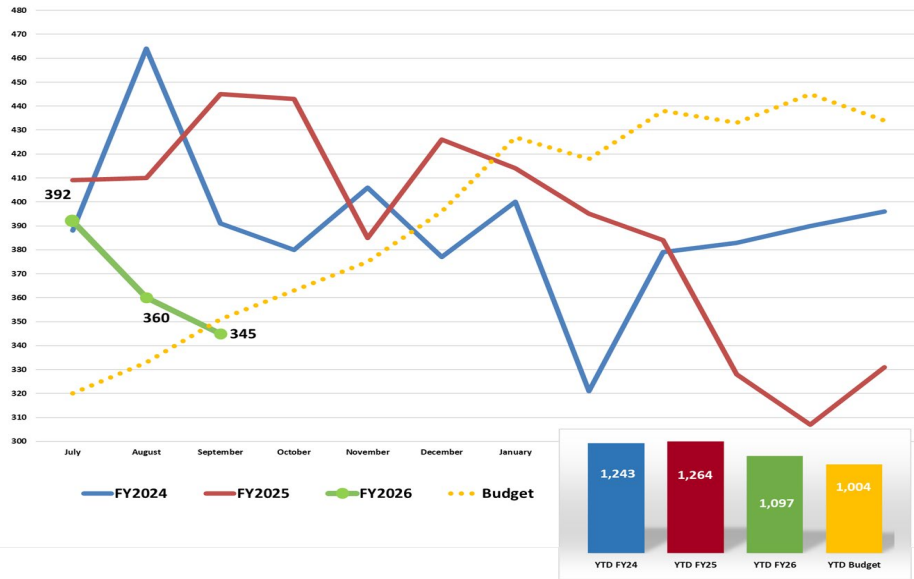
Cath Lab Patients (IP & OP)



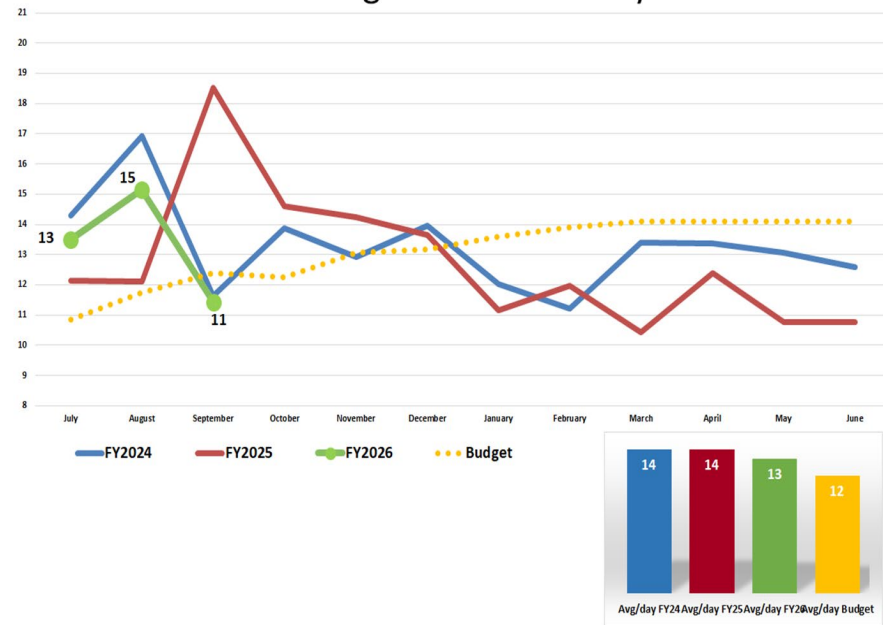
Rural Health Clinics Registrations



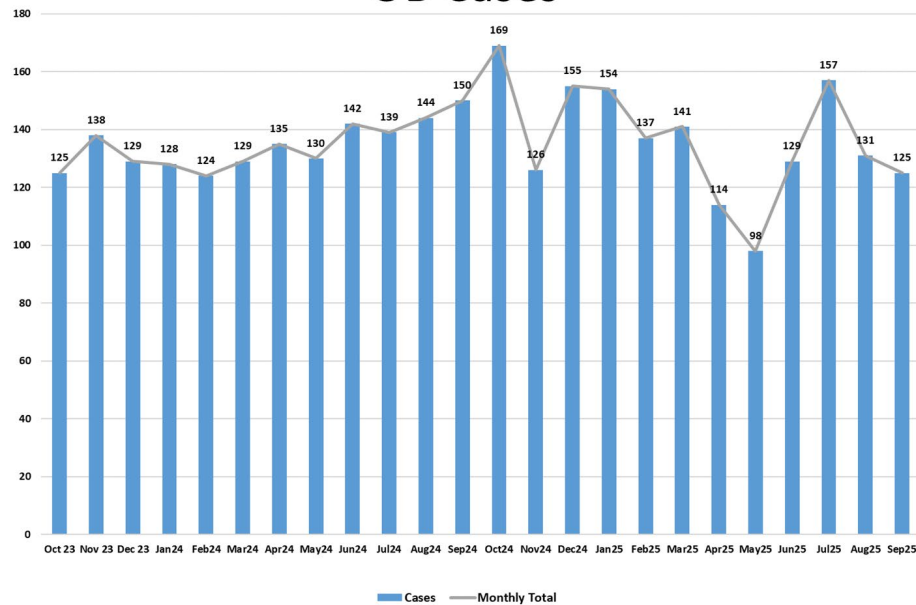
Deliveries



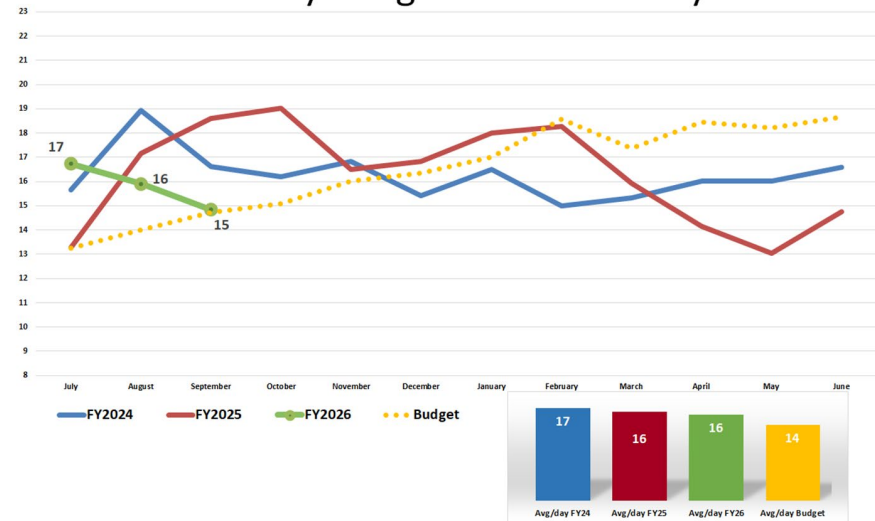
NICU - Avg Patients Per Day



OB Cases



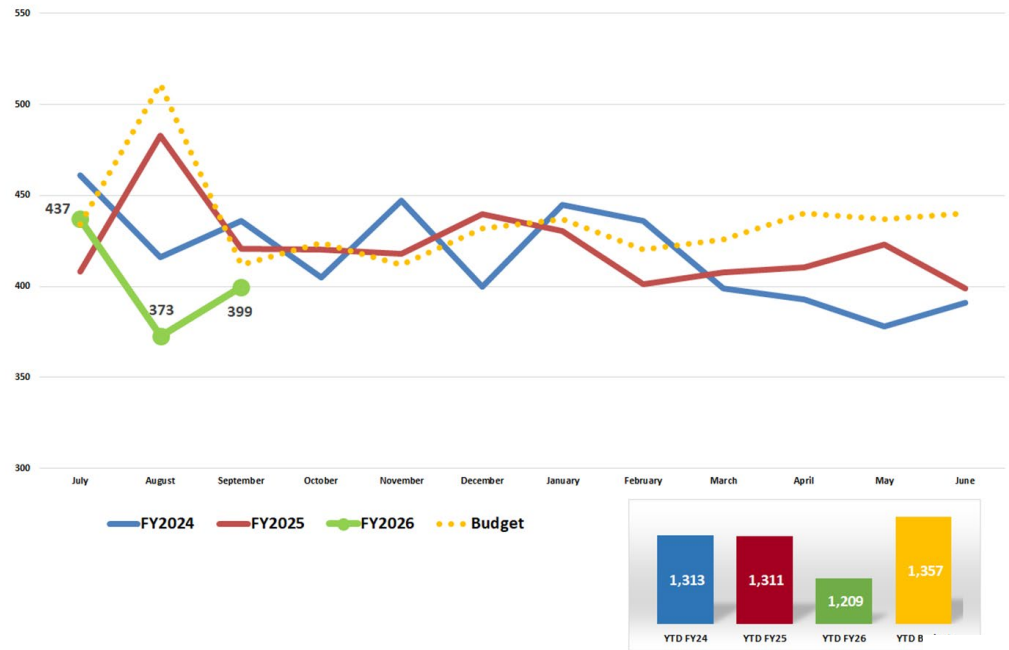
Nursery - Avg Patients Per Day



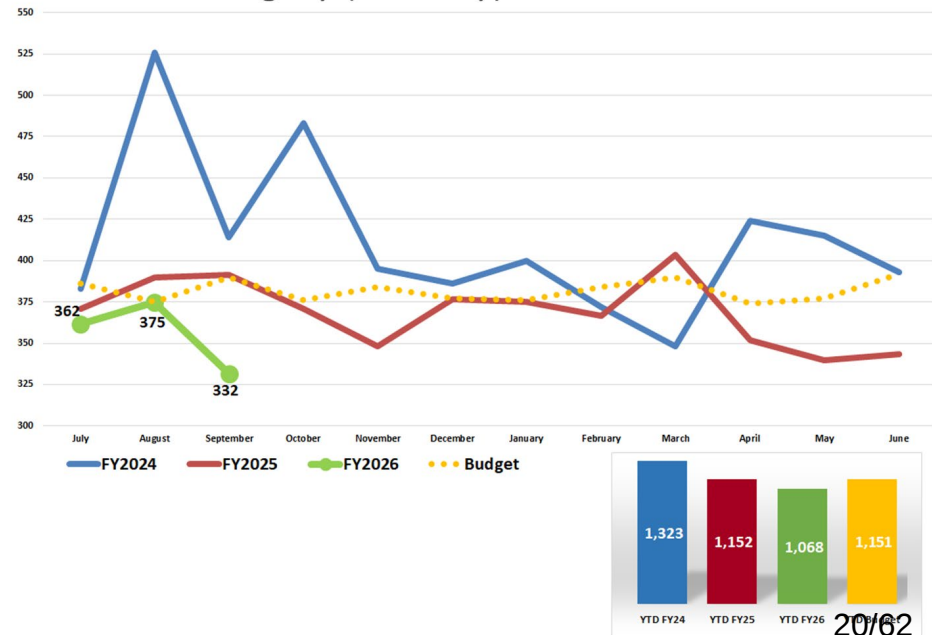
Surgery Cases (IP & OP)



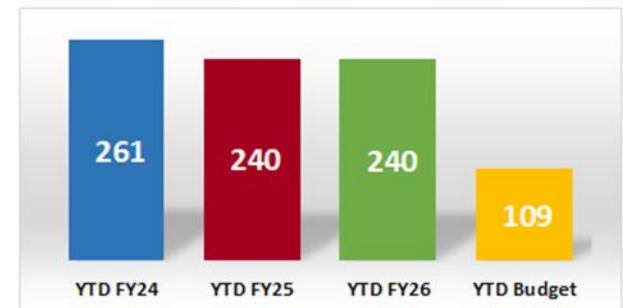
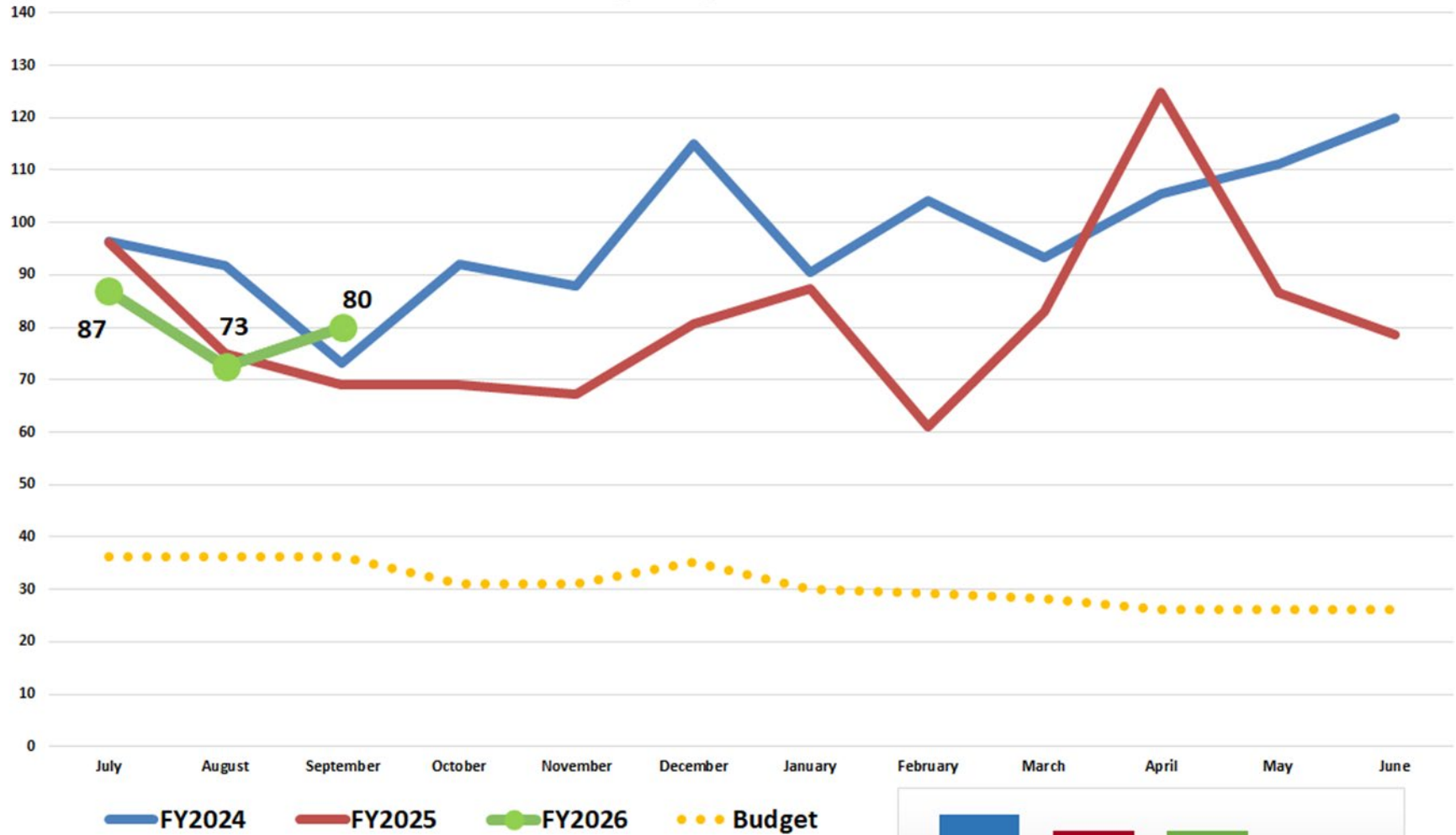
Surgery (IP Only) - 100 Min Unit



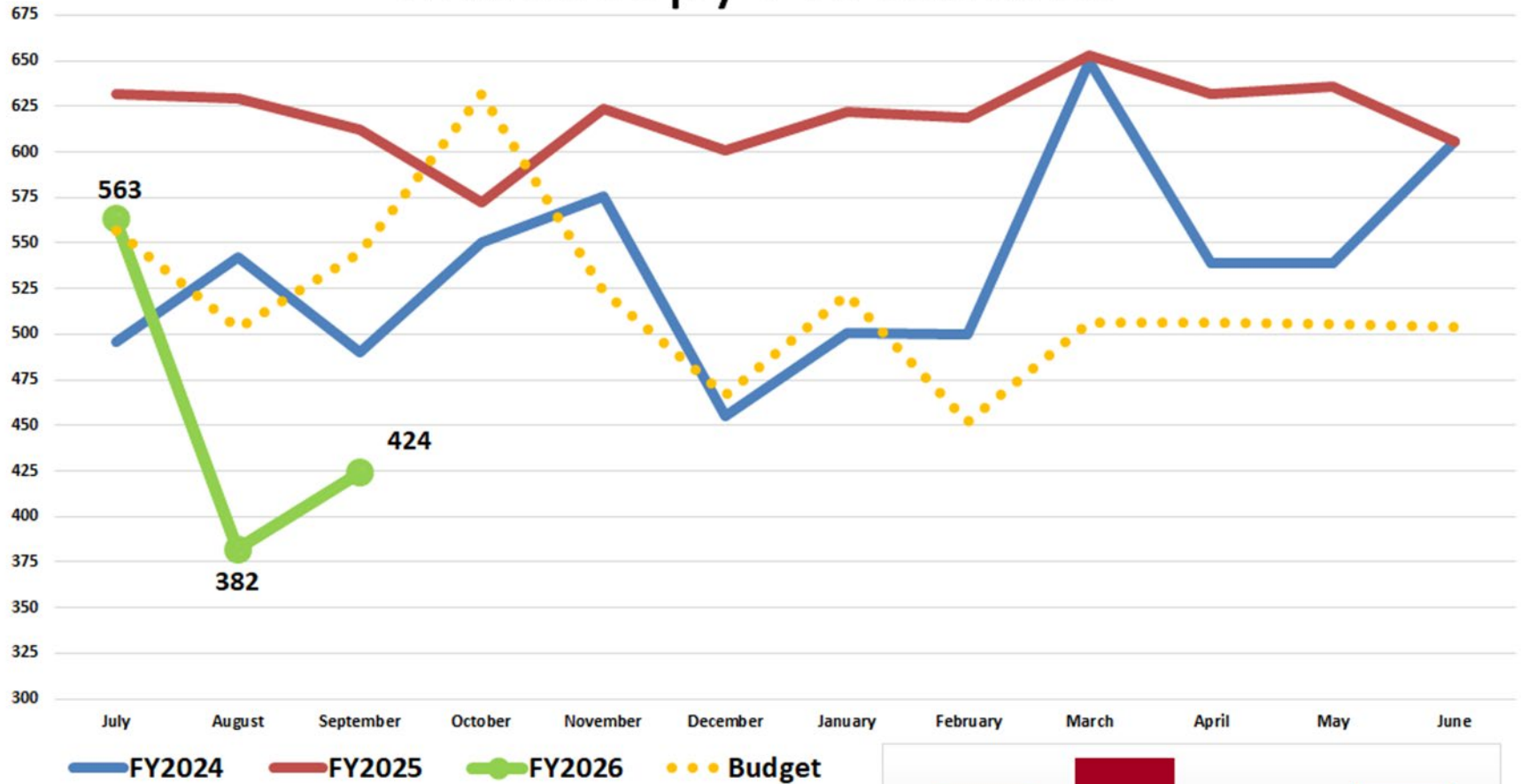
Surgery (OP Only) - 100 Min Units



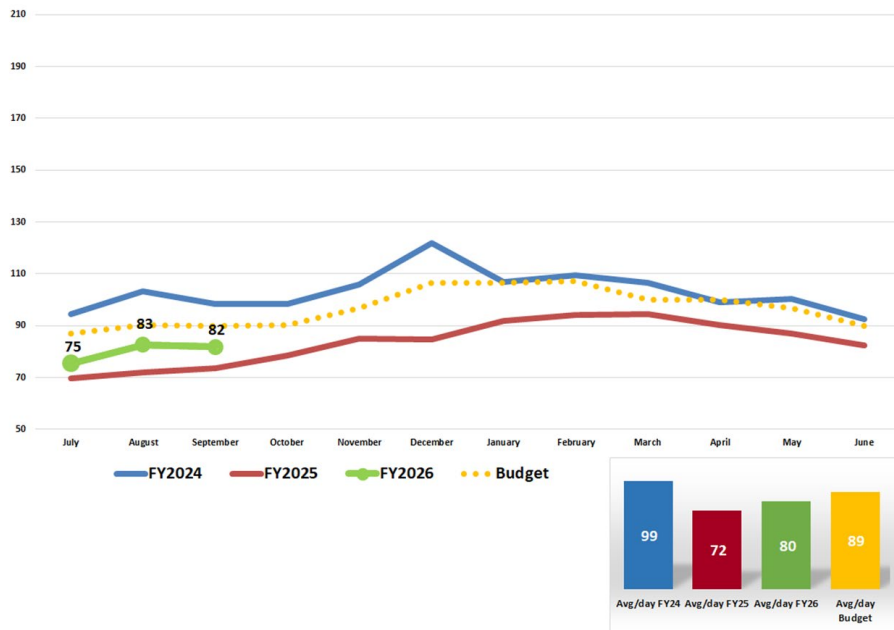
Cardiac Surgery - 100 Min Units



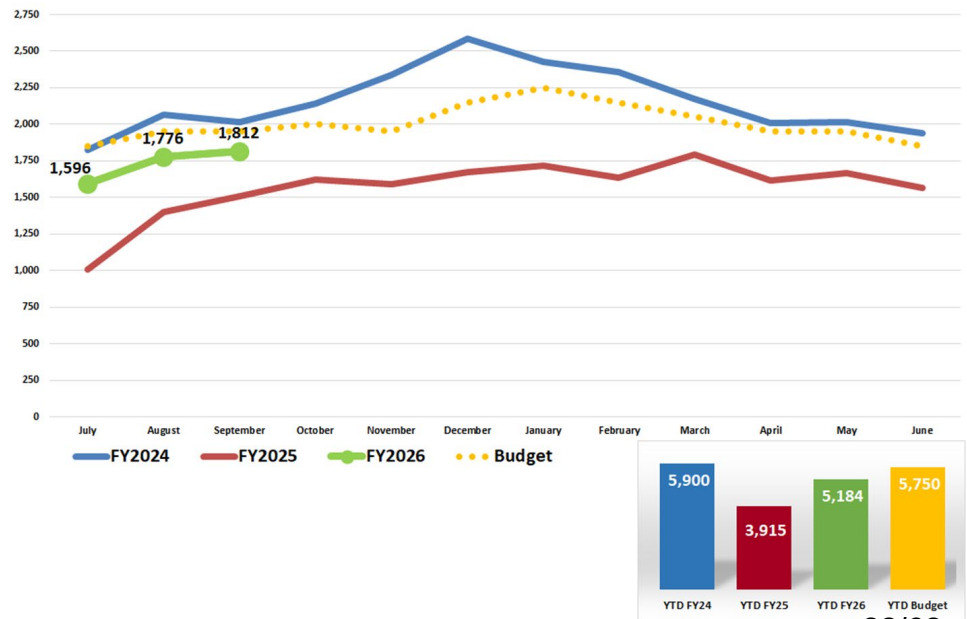
Endoscopy Procedures



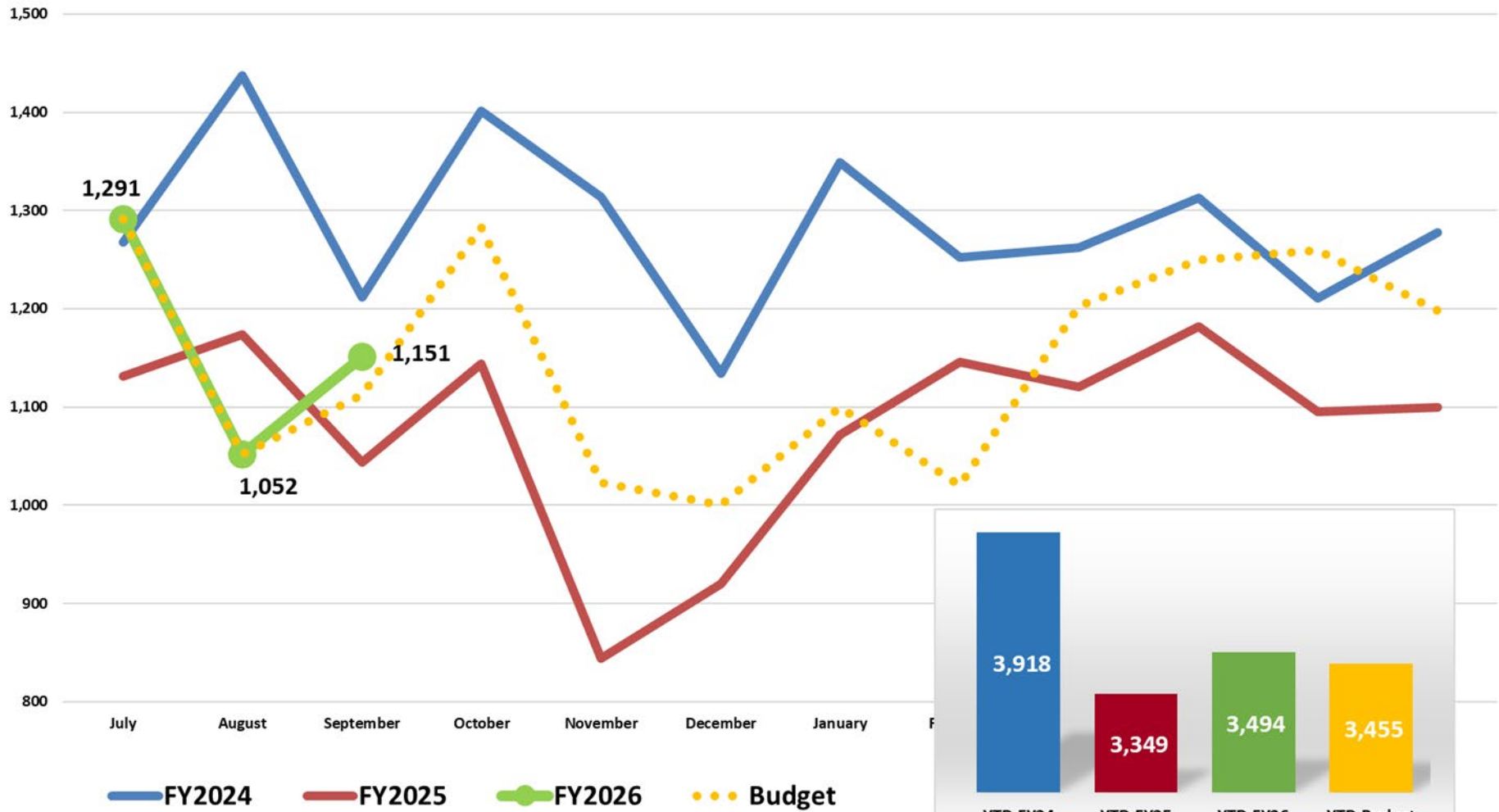
Urgent Care – Court Avg Visits Per Day



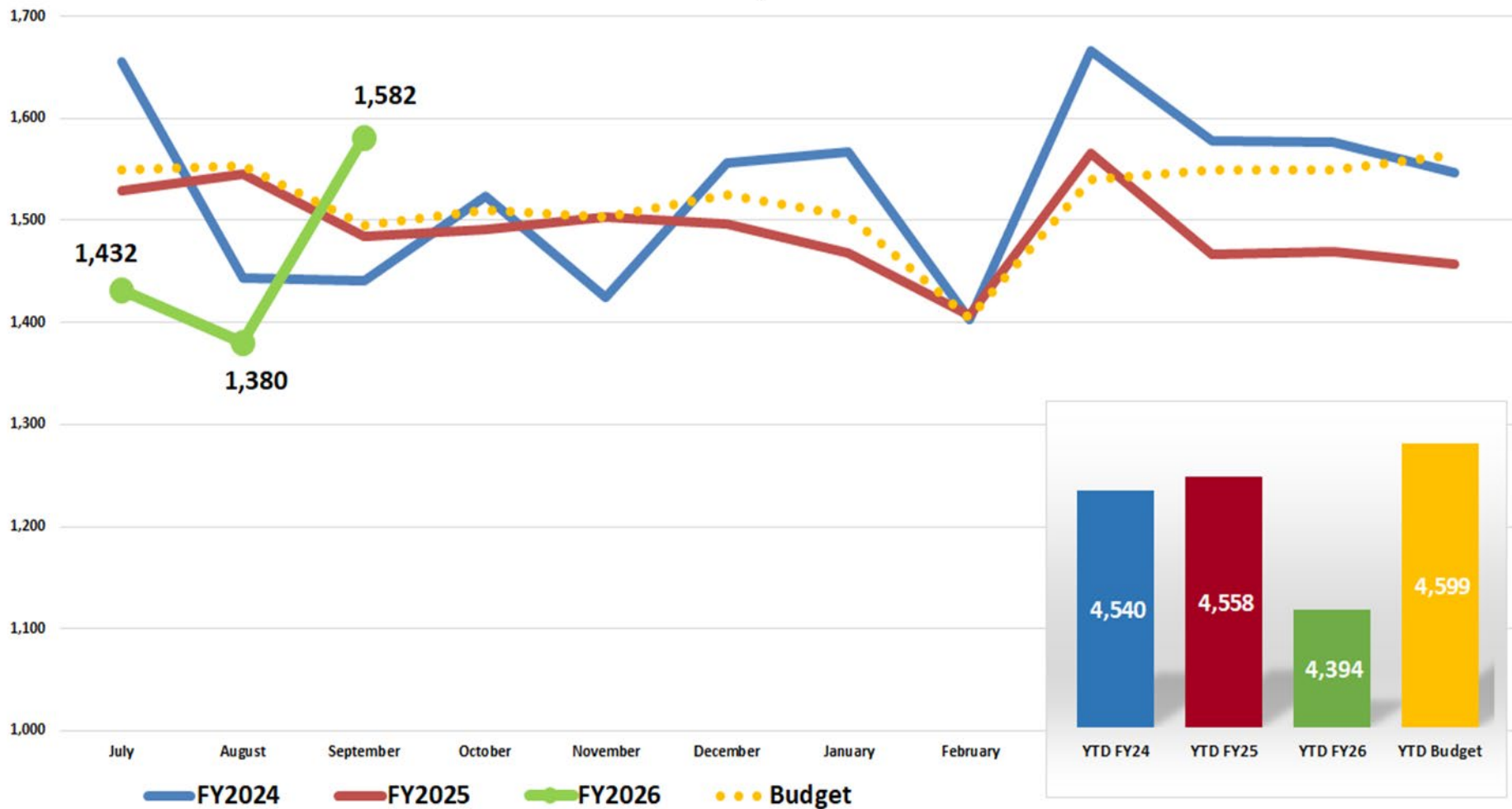
Urgent Care – Demaree Total Visits



Medical Oncology Treatments



Chronic Dialysis - Visalia



Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
ED - Avg Treated Per Day	256	282	26	10.3%	276	7	2.5%
Surgery (IP & OP) – 100 Min Units	812	731	(81)	(9.9%)	802	(71)	(8.8%)
Endoscopy Procedures	612	424	(188)	(30.7%)	545	(121)	(22.2%)
Cath Lab (IP & OP) - 100 Min Units	308	366	58	19.0%	324	42	13.1%
Cardiac Surgery Cases	21	29	8	38.1%	36	(7)	(19.8%)
Deliveries	445	345	(100)	(22.5%)	351	(6)	(1.7%)
Clinical Lab	240,254	258,892	18,638	7.8%	264,278	(5,387)	(2.0%)
Reference Lab	6,763	7,754	991	14.7%	6,728	1,026	15.2%
Dialysis Center - Visalia Visits	1,484	1,582	98	6.6%	1,495	87	5.8%
Infusion Center - Units of Service	399	614	215	53.9%	630	(16)	(2.5%)
Hospice Days	3,442	4,147	705	20.5%	4,022	125	3.1%
Home Health Visits	2,757	3,189	432	15.7%	3,071	118	3.8%
Home Infusion Days	21,174	23,489	2,315	10.9%	21,630	1,859	8.6%

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
ED - Avg Treated Per Day	257	280	23	8.9%	277	3	1.1%
Surgery (IP & OP) – 100 Min Units	2,464	2,278	(186)	(7.6%)	2,508	(230)	(9.2%)
Endoscopy Procedures	1,873	1,369	(504)	(26.9%)	1,605	(236)	(14.7%)
Cath Lab (IP & OP) - 100 Min Units	1,005	1,055	50	5.0%	1,049	6	0.6%
Cardiac Surgery Cases	80	87	7	8.8%	109	(22)	(19.8%)
Deliveries	1,264	1,097	(167)	(13.2%)	1,004	93	9.3%
Clinical Lab	734,363	775,827	41,464	5.6%	807,799	(31,973)	(4.0%)
Reference Lab	22,743	24,089	1,346	5.9%	22,302	1,787	8.0%
Dialysis Center - Visalia Visits	4,558	4,394	(164)	(3.6%)	4,599	(205)	(4.5%)
Infusion Center - Units of Service	1,319	1,937	618	46.9%	1,953	(16)	(0.8%)
Hospice Days	10,411	11,995	1,584	15.2%	12,188	(193)	(1.6%)
Home Health Visits	8,676	9,249	573	6.6%	9,170	79	0.9%
Home Infusion Days	67,883	73,647	5,764	8.5%	66,951	6,696	10.0%

Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
All O/P Rehab Svcs Across District	19,709	21,038	1,329	6.7%	20,804	234	1.1%
Physical & Other Therapy Units (I/P & O/P)	18,936	18,191	(745)	(3.9%)	19,325	(1,134)	(5.9%)
Radiology - CT - All Areas	4,749	5,259	510	10.7%	4,568	691	15.1%
Radiology - MRI - All Areas	841	944	103	12.2%	852	92	10.7%
Radiology - Ultrasound - All Areas	2,906	2,976	70	2.4%	2,977	(1)	(0.0%)
Radiology - Diagnostic Radiology	9,651	10,036	385	4.0%	9,665	371	3.8%
Radiology – Main Campus	15,674	16,210	536	3.4%	15,247	963	6.3%
Radiology - Ultrasound - Main Campus	2,338	2,276	(62)	(2.7%)	2,141	135	6.3%
West Campus - Diagnostic Radiology	1,050	1,298	248	23.6%	1,119	179	15.9%
West Campus - CT Scan	470	573	103	21.9%	456	117	25.7%
West Campus - MRI	385	434	49	12.7%	404	30	7.4%
West Campus - Ultrasound	568	700	132	23.2%	836	(136)	(16.3%)
West Campus - Breast Center	1,513	1,361	(152)	(10.0%)	1,514	(153)	(10.1%)
Med Onc Visalia Treatments	1,044	1,151	107	10.2%	1,112	39	3.5%
Rad Onc Visalia Treatments	1,533	1,671	138	9.0%	1,584	87	5.5%
Rad Onc Hanford Treatments	217	306	89	41.0%	233	73	31.2%

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
All O/P Rehab Svcs Across District	62,496	62,338	(158)	(0.3%)	62,944	(606)	(1.0%)
Physical & Other Therapy Units (I/P & O/P)	55,841	55,835	(6)	(0.0%)	59,637	(3,802)	(6.4%)
Radiology - CT - All Areas	14,028	15,479	1,451	10.3%	13,885	1,594	11.5%
Radiology - MRI - All Areas	2,609	2,805	196	7.5%	2,663	142	5.3%
Radiology - Ultrasound - All Areas	9,236	9,238	2	0.0%	9,192	46	0.5%
Radiology - Diagnostic Radiology	28,750	28,902	152	0.5%	29,076	(174)	(0.6%)
Radiology – Main Campus	46,698	47,454	756	1.6%	46,111	1,343	2.9%
Radiology - Ultrasound - Main Campus	7,265	7,066	(199)	(2.7%)	6,657	409	6.2%
West Campus - Diagnostic Radiology	3,253	3,896	643	19.8%	3,461	435	12.6%
West Campus - CT Scan	1,466	1,614	148	10.1%	1,438	176	12.2%
West Campus - MRI	1,235	1,288	53	4.3%	1,271	17	1.3%
West Campus - Ultrasound	1,971	2,172	201	10.2%	2,535	(363)	(14.3%)
West Campus - Breast Center	5,157	4,179	(978)	(19.0%)	5,158	(979)	(19.0%)
Med Onc Visalia Treatments	3,349	3,494	145	4.3%	3,455	39	1.1%
Rad Onc Visalia Treatments	4,699	5,246	547	11.6%	4,851	395	8.2%
Rad Onc Hanford Treatments	721	875	154	21.4%	721	154	21.4%

Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
Rural Health Clinics Registrations	13,060	14,440	1,380	10.6%	13,761	679	4.9%
RHC Exeter - Registrations	6,312	6,786	474	7.5%	6,675	111	1.7%
RHC Lindsay - Registrations	1,721	1,951	230	13.4%	1,900	51	2.7%
RHC Woodlake - Registrations	1,253	917	(336)	(26.8%)	730	187	25.6%
RHC Woodlake Valencia - Registrations	0	696	696	0.0%	704	(8)	(1.1%)
RHC Dinuba - Registrations	1,506	1,513	7	0.5%	1,850	(337)	(18.2%)
RHC Tulare - Registrations	2,268	2,577	309	13.6%	2,606	(29)	(1.1%)
Urgent Care – Court Total Visits	2,205	2,456	251	11.4%	2,700	(244)	(9.0%)
Urgent Care – Demaree Total Visits	1,510	1,812	302	20.0%	1,950	(138)	(7.1%)
KH Medical Clinic - Ben Maddox Visits	867	1,204	337	38.9%	1,250	(46)	(3.7%)
KH Medical Clinic - Plaza Visits	229	232	3	1.3%	229	3	1.3%
KH Medical Willow Clinic Visits	0	794	794	0.0%	1,000	(206)	(20.6%)
KH Cardiology Center Visalia Registrations	1,526	1,461	(65)	(4.3%)	1,685	(224)	(13.3%)
KH Mental Wellness Clinic Visits	259	299	40	15.4%	390	(91)	(23.3%)
Urology Clinic Visits	323	152	(171)	(52.9%)	308	(156)	(50.6%)

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
Rural Health Clinics Registrations	40,080	42,042	1,962	4.9%	41,577	465	1.1%
RHC Exeter - Registrations	18,991	19,683	692	3.6%	20,330	(647)	(3.2%)
RHC Lindsay - Registrations	5,621	5,847	226	4.0%	6,100	(253)	(4.1%)
RHC Woodlake - Registrations	3,732	2,511	(1,221)	(32.7%)	2,190	321	14.7%
RHC Woodlake Valencia - Registrations	0	1,960	1,960	0.0%	2,112	(152)	(7.2%)
RHC Dinuba - Registrations	4,733	4,559	(174)	(3.7%)	5,400	(841)	(15.6%)
RHC Tulare - Registrations	7,003	7,482	479	6.8%	7,556	(74)	(1.0%)
Urgent Care – Court Total Visits	6,600	7,358	758	11.5%	8,200	(842)	(10.3%)
Urgent Care – Demaree Total Visits	3,915	5,184	1,269	32.4%	5,750	(566)	(9.8%)
KH Medical Clinic - Ben Maddox Visits	2,476	3,428	952	38.4%	3,300	128	3.9%
KH Medical Clinic - Plaza Visits	839	675	(164)	(19.5%)	839	(164)	(19.5%)
KH Medical Willow Clinic Visits	0	2,474	2,474	0.0%	2,750	(276)	(10.0%)
KH Cardiology Center Visalia Registrations	4,641	4,349	(292)	(6.3%)	4,891	(542)	(11.1%)
KH Mental Wellness Clinic Visits	887	1,022	135	15.2%	1,170	(148)	(12.6%)
Urology Clinic Visits	977	559	(418)	(42.8%)	924	(365)	(39.5%)

FY25 Financials – Before and After Final Audit Entries(000's)

	FY25 PreAudit	FY25 Post Audit	FY25 Change	Explanations
Operating Revenue				
Net Patient Service Revenue	\$657,902	\$648,904	(\$8,999)	\$7.7M 2019-2024 Medicare cost reports amendments; \$621 Medi-Cal final settlements true-up; \$642k FY25 final cost report calculation
Supplemental Govt Programs	\$95,229	\$94,965	(\$265)	Final true up of DHDP program
Prime Program	\$13,994	\$13,994	\$0	
Premium Revenue	\$85,330	\$85,931	\$601	Accrual of Wellcare payment
Other Revenue	\$51,482	\$51,793	\$311	Additional retail pharmacy collections
Other Operating Revenue	\$246,035	\$246,682	\$647	
Total Operating Revenue	\$903,938	\$895,585	(\$8,352)	
Operating Expenses				
Salaries & Wages	\$386,197	\$386,997	\$800	At risk compensation accrual of FY25 estimate
Contract Labor	\$25,550	\$25,550	(\$0)	
Employee Benefits	\$81,591	\$79,249	(\$2,342)	Final pension valuation - investment earnings 4th quarter higher than projection
Total Employment Expenses	\$493,338	\$491,796	(\$1,542)	
Medical & Other Supplies	\$165,989	\$165,851	(\$138)	Inventory valuations
Physician Fees	\$88,113	\$88,396	\$283	Invoice Accruals
Purchased Services	\$21,103	\$21,412	\$309	Invoice Accruals
Repairs & Maintenance	\$25,354	\$25,463	\$109	Invoice Accruals
Utilities	\$10,522	\$10,556	\$34	
Rents & Leases	\$1,689	\$1,706	\$17	
Depreciation & Amortization	\$39,841	\$39,870	\$29	
Interest Expense	\$7,229	\$7,229	(\$0)	
Other Expense	\$25,978	\$32,950	\$6,972	Increase due to updated risk reserves \$6.5m
Humana Cap Plan Expenses	48,086	48,086	(0)	
Total Other Expenses	\$433,904	\$441,519	\$7,615	
Total Operating Expenses	\$927,242	\$933,315	\$6,073	
Operating Margin	(\$23,304)	(\$37,730)	(\$14,426)	
Stimulus/FEMA	\$48,412	\$48,412	\$0	
Operating Margin after Stimulus/FEMA	\$25,107	\$10,682	(\$14,426)	
Nonoperating Revenue (Loss)	\$17,007	\$16,977	(\$30)	
Excess Margin	\$42,114	\$27,658	(\$14,456)	

FY26 Budget Modifications – Before and After (000's)

	FY26 Bdgt Original	FY26 Bdgt After changes	Chg from Original FY26 Bdgt
Operating Revenue			
Net Patient Service Revenue	\$692,141	\$689,140	(\$3,001)
Supplemental Gov't Programs	\$123,100	\$116,718	(\$6,382)
Prime Program	\$8,268	\$7,568	(\$700)
Premium Revenue	\$83,170	\$86,863	\$3,693
Other Revenue	\$50,635	\$51,881	\$1,246
Other Operating Revenue	\$265,173	\$263,030	(\$2,143)
Total Operating Revenue	\$957,314	\$952,170	(\$5,144)
Operating Expenses			
Salaries & Wages	\$404,038	\$404,657	\$619
Contract Labor	\$19,832	\$20,584	\$753
Employee Benefits	\$91,631	\$88,175	(\$3,457)
Total Employment Expenses	\$515,501	\$513,416	(\$2,085)
			0%
Medical & Other Supplies	\$172,828	\$171,448	(\$1,379)
Physician Fees	\$90,890	\$90,619	(\$272)
Purchased Services	\$22,454	\$22,470	\$17
Repairs & Maintenance	\$31,356	\$30,420	(\$935)
Utilities	\$11,642	\$11,593	(\$49)
Rents & Leases	\$1,695	\$1,656	(\$39)
Depreciation & Amortization	\$42,042	\$42,042	\$0
Interest Expense	\$6,739	\$6,739	\$0
Other Expense	\$28,194	\$27,492	(\$703)
Humana Cap Plan Expenses	\$43,803	44,403	\$600
Total Other Expenses	\$451,643	\$448,882	(\$2,761)
Total Operating Expenses	\$967,144	\$962,298	(\$4,846)
Operating Margin	(\$9,830)	(\$10,128)	(\$298)
Nonoperating Revenue (Loss)	\$10,175	\$10,472	\$297
Excess Margin	\$345	\$345	\$0

Budget savings identified to offset Supplemental/Medicare \$ reductions

Note: No changes to 401K match and annual merit

Revenue: Summary of Primary Impacts

- **Net Patient Revenue:** Offsetting impacts – Gross charge increases were offset by additional reductions in payments due to the Medicare Sequestration
 - Medicare sequestration: \$7.35M less Net Revenue than originally budgeted and is spread over all Medicare visits throughout all revenue departments
 - Increases in gross revenue were made in our Infusion Center \$9.3M, SRCC Med Onc \$6.7M, Wound Care \$2.6m. Women's Health \$1.5M and Cardiac Surgery \$1.2M plus an additional \$3M across 12 other departments. (Overall \$24.3M increase in gross revenue over original budget)
 - Gross revenue decreases were made in the original budgets for the Youth Crisis Center \$8.5M, Ben Maddox clinic \$2.8M, Akers Clinic \$350K, plus \$687K in therapies at the downtown campus. (Overall \$12.3M decrease in gross revenue)
- **Supplemental Revenue:** We experienced a \$6.4M reduction in the supplemental revenue compared to our original budget due to the BBB Act. This is lower than originally estimated for our HQAF, Directed payments, and Rate Range programs as we worked through more recent information and fine tuned the estimates with DHLF.
- **Premium Revenue:** Increased by \$3.7M due to higher Humana premium payments that was updated to reflect the current population mix and future projections.
- **Other Revenue:** Increased by \$1.5M due to Retail Pharmacy by \$646K, Food & Nutritional Services and Gift shop \$603K

Main Budget Savings Initiatives: Employee Expenses

Summary of Primary Impacts: Employee Expenses

- **Employee Wages**
 - 58 Departments cut their budgeted FTEs by \$7.8M, or 126 budgeted FTEs. The largest cuts (over \$300K) were in ED, Software Training, Patient Financial Services, Surgery, Ben Maddox Clinic, ICU, and some Med/Surg nursing areas.
 - The Vacancy Factor was reduced by (\$5.4M) to reduce the overall vacancy estimate based on recent analysis which gets it more in line with prior years. The dollar impact was made possible by the updated estimated reduction of supplemental payments.
 - Primarily related to the additional volume or staffing changes, there were 15 department with FTE increases offsetting the FTE reductions: ICCU for \$1.2M due to corrections in their staffing matrix. Cardiac Cath lab, Willow Women's Health, SRCC Med Onc, Security Services, Subacute, Radiology KHMC
- **Contract Labor**
 - The ED increased their budget for contract services by \$128K this was offset by decrease in Finance and Radiology as well as the removal of \$900K in unidentified budgeted savings goal for contract labor. Which net to \$753K decrease.
- **Benefits**
 - A decrease of \$3.5M was recorded in our Pension plan due to market rates currently and projections

Main Budget Savings Initiatives: Other Expenses

Summary of Primary Impacts: Other Expenses

This category has the highest # of reduction strategies impacting over 60 departments at \$6.4M in reductions. The reductions were offset by \$3.7M in increases primarily related to revenue growth strategies.

- **Supplies:** Some of the larger impacts were in the Emergency Department by a reduction of \$699K, followed by Pharmacy Patients Drug Sold by \$584K, Surgery by \$410K, and \$831K across 20 other departments. These were offset by the Infusion center due to growth (987K).
- **Repairs and Maintenance:** The main department reduction is in ISS Applications of \$799K
- **Other Expenses:** 32 Departments reduced (\$677K) in this category with all under \$100K. The largest reduction was in the Service Call Center with \$100K in telephone savings strategies.
- **Capitated Third Party Claims Expenses:** Increased by \$600K which is related to the increase in premium of \$3.7M - volume

September Financial Summary (000's) Budget Comparison

Operating Revenue

Net Patient Service Revenue

Other Operating Revenue

Total Operating Revenue

Operating Expenses

Employment Expenses

Other Expenses

Total Operating Expenses

Operating Margin

Stimulus/FEMA

Operating Margin after Stimulus/FEMA

Nonoperating Revenue (Loss)

Excess Margin

Comparison to Budget - Month of September			
Budget Sep-2025	Actual Sep-2025	\$ Change	% Change
\$55,037	\$56,822	\$1,785	3.1%
\$21,723	\$22,899	\$1,175	5.1%
\$76,760	\$79,720	\$2,960	3.7%
\$41,165	\$42,190	\$1,025	2.4%
\$36,523	\$38,038	\$1,515	4.0%
\$77,688	\$80,228	\$2,540	3.2%
(\$928)	(\$507)	\$420	
\$0	(\$0)	(\$0)	
(\$928)	(\$507)	\$420	
\$992	\$1,968	\$976	
\$65	\$1,461	\$1,396	

Year to Date Financial Summary (000's)

Operating Revenue

Net Patient Service Revenue

Other Operating Revenue

Total Operating Revenue

Operating Expenses

Employment Expenses

Other Expenses

Total Operating Expenses

Operating Margin

Stimulus/FEMA

Operating Margin after Stimulus/FEMA

Nonoperating Revenue (Loss)

Excess Margin

Comparison to Budget - YTD September			
Budget YTD Sep-2025	Actual YTD Sep-2025	\$ Change	% Change
\$168,784	\$166,612	(\$2,172)	-1.3%
\$64,988	\$68,651	\$3,662	5.3%
\$233,772	\$235,263	\$1,490	0.6%
\$126,061	\$128,483	\$2,422	1.9%
\$111,789	\$113,508	\$1,720	1.5%
\$237,850	\$241,992	\$4,141	1.7%
(\$4,078)	(\$6,729)	(\$2,651)	
\$0	(\$0)	(\$0)	
(\$4,078)	(\$6,729)	(\$2,651)	
\$2,712	\$4,270	\$1,558	
(\$1,366)	(\$2,459)	(\$1,093)	

September Financial Comparison (000's)

	Comparison to Budget - Month of September				Comparison to Prior Year - Month of September			
	Budget Sep-2025	Actual Sep-2025	\$ Change	% Change	Actual Sep-2024	Actual Sep-2025	\$ Change	% Change
Operating Revenue								
Net Patient Service Revenue	\$55,037	\$56,822	\$1,785	3.1%	\$51,648	\$56,822	\$5,173	9.1%
Supplemental Gov't Programs	\$9,727	\$10,083	\$357	3.5%	\$7,482	\$10,083	\$2,601	25.8%
Prime Program	\$631	\$631	(\$0)	0.0%	\$792	\$631	(\$161)	-25.6%
Premium Revenue	\$7,062	\$7,126	\$64	0.9%	\$7,145	\$7,126	(\$20)	-0.3%
Other Revenue	\$4,304	\$5,059	\$755	14.9%	\$3,722	\$5,059	\$1,337	26.4%
Other Operating Revenue	\$21,723	\$22,899	\$1,175	5.1%	\$19,142	\$22,899	\$3,757	16.4%
Total Operating Revenue	\$76,760	\$79,720	\$2,960	3.7%	\$70,790	\$79,720	\$8,930	11.2%
Operating Expenses								
Salaries & Wages	\$31,857	\$33,046	\$1,188	3.6%	\$31,522	\$33,046	\$1,524	4.6%
Contract Labor	\$2,125	\$1,376	(\$749)	-54.4%	\$1,279	\$1,376	\$97	7.0%
Employee Benefits	\$7,183	\$7,768	\$585	7.5%	\$4,869	\$7,768	\$2,899	37.3%
Total Employment Expenses	\$41,165	\$42,190	\$1,025	2.4%	\$37,671	\$42,190	\$4,519	10.7%
Medical & Other Supplies	\$13,604	\$14,494	\$890	6.1%	\$13,940	\$14,494	\$554	3.8%
Physician Fees	\$7,499	\$7,632	\$133	1.7%	\$7,618	\$7,632	\$14	0.2%
Purchased Services	\$1,801	\$2,109	\$308	14.6%	\$1,521	\$2,109	\$588	27.9%
Repairs & Maintenance	\$2,500	\$2,205	(\$294)	-13.4%	\$2,099	\$2,205	\$106	4.8%
Utilities	\$1,012	\$1,069	\$56	5.3%	\$961	\$1,069	\$108	10.1%
Rents & Leases	\$136	\$196	\$60	30.7%	\$155	\$196	\$41	21.0%
Depreciation & Amortization	\$3,502	\$3,473	(\$29)	-0.8%	\$3,232	\$3,473	\$241	6.9%
Interest Expense	\$554	\$568	\$14	2.5%	\$583	\$568	(\$15)	-2.6%
Other Expense	\$2,264	\$2,172	(\$92)	-4.2%	\$2,315	\$2,172	(\$143)	-6.6%
Humana Cap Plan Expenses	\$3,650	\$4,120	\$470	11.4%	\$3,053	\$4,120	\$1,066	25.9%
Total Other Expenses	\$36,523	\$38,038	\$1,515	4.0%	\$35,477	\$38,038	\$2,560	6.7%
Total Operating Expenses	\$77,688	\$80,228	\$2,540	3.2%	\$73,148	\$80,228	\$7,079	8.8%
Operating Margin	(\$928)	(\$507)	\$420		(\$2,358)	(\$507)	\$1,851	
Stimulus/FEMA	\$0	(\$0)	(\$0)		\$0	(\$0)	(\$0)	
Operating Margin after Stimulus/FEMA	(\$928)	(\$507)	\$420		(\$2,358)	(\$507)	\$1,851	
Nonoperating Revenue (Loss)	\$992	\$1,968	\$976		\$4,720	\$1,968	(\$2,752)	
Excess Margin	\$65	\$1,461	\$1,396		\$2,362	\$1,461	(\$901)	

Year to Date: July through September Financial Comparison (000's)

	Comparison to Budget - YTD September				Comparison to Prior Year - YTD September			
	Budget YTD Sep-2025	Actual YTD Sep-2025	\$ Change	% Change	Actual YTD Sep-2024	Actual YTD Sep-2025	\$ Change	% Change
Operating Revenue								
Net Patient Service Revenue	\$168,784	\$166,612	(\$2,172)	-1.3%	\$155,964	\$166,612	\$10,648	6.4%
Supplemental Gov't Programs	\$29,180	\$29,522	\$342	1.2%	\$22,660	\$29,522	\$6,862	23.2%
Prime Program	\$1,892	\$1,892	(\$0)	0.0%	\$2,376	\$1,892	(\$484)	-25.6%
Premium Revenue	\$21,186	\$22,160	\$975	4.4%	\$21,848	\$22,160	\$312	1.4%
Other Revenue	\$12,731	\$15,076	\$2,345	15.6%	\$11,768	\$15,076	\$3,308	21.9%
Other Operating Revenue	\$64,988	\$68,651	\$3,662	5.3%	\$58,652	\$68,651	\$9,999	14.6%
Total Operating Revenue	\$233,772	\$235,263	\$1,490	0.6%	\$214,616	\$235,263	\$20,646	8.8%
Operating Expenses								
Salaries & Wages	\$97,047	\$100,552	\$3,505	3.5%	\$95,390	\$100,552	\$5,161	5.1%
Contract Labor	\$7,209	\$6,333	(\$876)	-13.8%	\$3,344	\$6,333	\$2,989	47.2%
Employee Benefits	\$21,805	\$21,599	(\$206)	-1.0%	\$16,259	\$21,599	\$5,340	24.7%
Total Employment Expenses	\$126,061	\$128,483	\$2,422	1.9%	\$114,993	\$128,483	\$13,490	10.5%
Medical & Other Supplies	\$42,486	\$43,751	\$1,265	2.9%	\$43,719	\$43,751	\$32	0.1%
Physician Fees	\$22,461	\$23,729	\$1,268	5.3%	\$22,225	\$23,729	\$1,504	6.3%
Purchased Services	\$5,524	\$5,829	\$305	5.2%	\$4,708	\$5,829	\$1,122	19.2%
Repairs & Maintenance	\$7,665	\$6,615	(\$1,050)	-15.9%	\$6,325	\$6,615	\$290	4.4%
Utilities	\$2,913	\$2,946	\$33	1.1%	\$2,790	\$2,946	\$156	5.3%
Rents & Leases	\$421	\$407	(\$14)	-3.5%	\$401	\$407	\$6	1.6%
Depreciation & Amortization	\$10,512	\$9,859	(\$653)	-6.6%	\$9,537	\$9,859	\$323	3.3%
Interest Expense	\$1,698	\$1,707	\$9	0.5%	\$1,778	\$1,707	(\$71)	-4.2%
Other Expense	\$6,915	\$6,159	(\$756)	-12.3%	\$6,271	\$6,159	(\$112)	-1.8%
Humana Cap Plan Expenses	\$11,192	\$12,505	\$1,313	10.5%	\$11,443	\$12,505	\$1,063	8.5%
Total Other Expenses	\$111,789	\$113,508	\$1,720	1.5%	\$109,196	\$113,508	\$4,313	3.8%
Total Operating Expenses	\$237,850	\$241,992	\$4,141	1.7%	\$224,189	\$241,992	\$17,803	7.4%
Operating Margin	(\$4,078)	(\$6,729)	(\$2,651)		(\$9,572)	(\$6,729)	\$2,843	
Stimulus/FEMA	\$0	(\$0)	(\$0)		\$0	(\$0)	(\$0)	
Operating Margin after Stimulus/FEM.	(\$4,078)	(\$6,729)	(\$2,651)		(\$9,572)	(\$6,729)	\$2,843	
Nonoperating Revenue (Loss)	\$2,712	\$4,270	\$1,558		\$6,806	\$4,270	(\$2,536)	
Excess Margin	(\$1,366)	(\$2,459)	(\$1,093)		(\$2,767)	(\$2,459)	\$307	

Month of September - Budget Variances

- **Net Patient Service Revenue:** The favorable budget variance in revenue is primarily due to the increase in our outpatient volume.
- **Other Revenue:** The \$755K favorable budget variance is primarily due to an increase over budget in our retail pharmacy revenue.
- **Salaries and Wages:** The \$1.2M unfavorable variance is due to increases in registered nurse expenses as compared to budget.
- **Medical & Other Supplies:** The \$890k unfavorable variance is due to an increase in retail pharmacy costs (\$365K) due to increase in revenue, and other minor equipment of (\$323K) due to some closure of projects and IS projects.

Budget and Actual Fiscal Year 2026: Trended Operating Margin (000's)

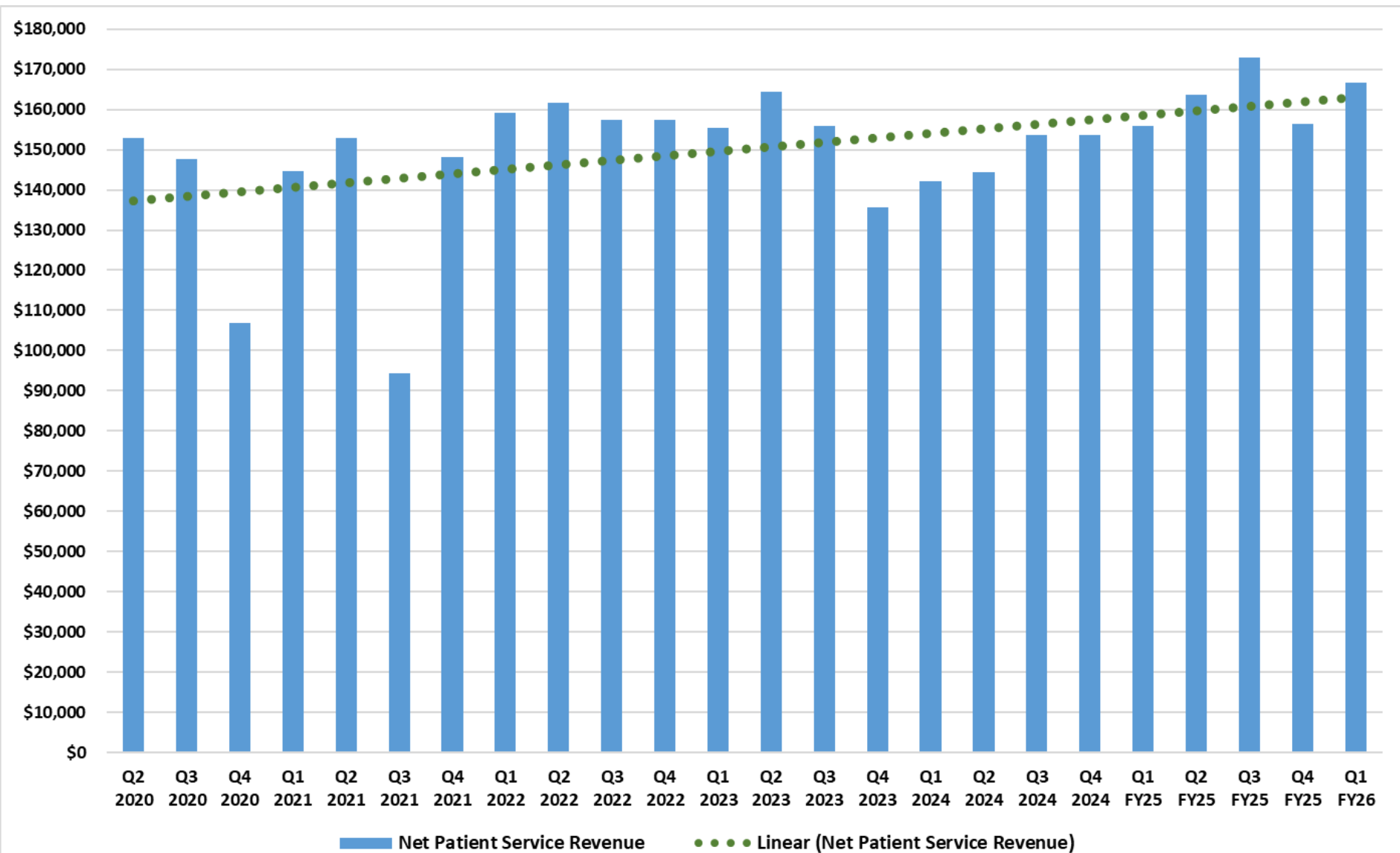
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	FY 2026
Patient Service Revenue	\$61,895	\$53,731	\$57,324	\$55,188	\$56,648	\$44,473	\$56,501	\$53,289	\$56,822	\$166,612
Other Revenue	\$18,042	\$18,979	\$21,231	\$20,234	\$20,167	\$29,489	\$21,848	\$23,904	\$22,899	\$68,651
Total Operating Revenue	\$79,938	\$72,710	\$78,555	\$75,422	\$76,815	\$73,962	\$78,349	\$77,193	\$79,720	\$235,263
Employee Expense	\$39,859	\$38,637	\$42,423	\$43,595	\$46,037	\$40,488	\$43,550	\$42,743	\$42,190	\$128,483
Other Operating Expense	\$36,630	\$33,796	\$36,024	\$34,988	\$38,656	\$44,194	\$38,484	\$36,987	\$38,038	\$113,508
Total Operating Expenses	\$76,489	\$72,433	\$78,446	\$78,583	\$84,693	\$84,682	\$82,034	\$79,730	\$80,228	\$241,992
Net Operating Margin	\$3,448	\$277	\$109	(\$3,161)	(\$7,878)	(\$10,720)	(\$3,685)	(\$2,537)	(\$507)	(\$6,729)
Stimulus/FEMA	\$0	\$0	\$690	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NonOperating Income	\$845	\$1,166	\$1,313	\$1,114	\$955	\$2,603	\$1,059	\$1,243	\$1,968	\$4,270
Excess Margin	\$4,293	\$1,443	\$2,111	(\$2,047)	(\$6,923)	(\$8,117)	(\$2,625)	(\$1,295)	\$1,461	(\$2,459)

Profitability											Moody's A
Operating Margin %	4.3%	0.4%	0.1%	(4.2%)	(10.3%)	(14.5%)	(4.7%)	(3.3%)	(0.6%)	(2.9%)	0.1%
Operating Margin %excl. Int	5.1%	1.1%	0.9%	(3.4%)	(9.5%)	(13.6%)	(4.0%)	(2.6%)	0.1%	(2.1%)	
Operating EBIDA	\$7,207	\$4,052	\$4,115	\$920	(\$3,534)	(\$6,230)	\$104	\$1,200	\$3,534	\$4,837	
Operating EBIDA Margin	9.0%	5.6%	5.2%	1.2%	(4.6%)	(8.4%)	0.1%	1.6%	4.4%	2.1%	5.6%

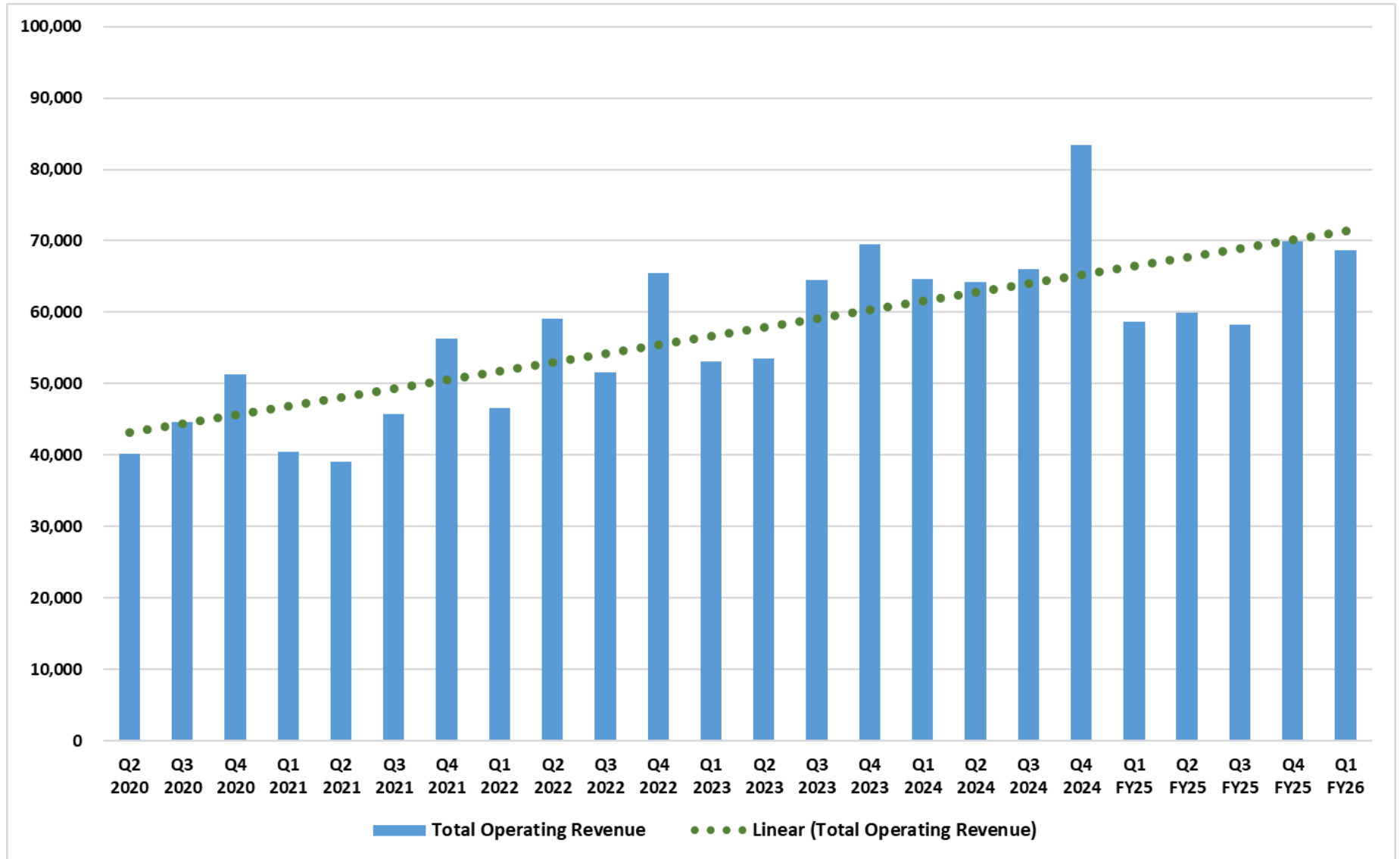
Liquidity Indicators											
Day's Cash on Hand	80.3	88.9	88.1	95.7	90.5	95.7	102.7	96.4	93.2	93.2	206.5
Day's in Accounts Rec.	70.6	73.0	68.6	63.6	71.3	68.8	72.0	71.2	67.9	67.9	48.0

Debt & Other Indicators											
Debt Service Coverage (MADS)	3.20	3.90	4.10	4.00	3.70	4.00	0.50	0.90	1.60	1.60	3.80
Discharges (Monthly)	2,339	2,352	2,347	2,357	2,276	2,277	2,249	2,210	2,255	2,238	
Adj Discharges (Case mix adj)	8,294	8,320	8,053	8,500	8,534	8,255	8,071	8,493	8,430	8,331	
Adjusted patient Days (Mo.)	27,924	26,332	27,682	25,868	26,409	25,593	27,564	27,906	26,067	27,179	
Cost/Adj Discharge	\$9.2	\$8.7	\$9.7	\$9.2	\$9.9	\$10.3	\$10.2	\$9.4	\$9.5	\$9.7	
Compensation Ratio	64%	72%	74%	79%	81%	91%	77%	80%	74%	77%	

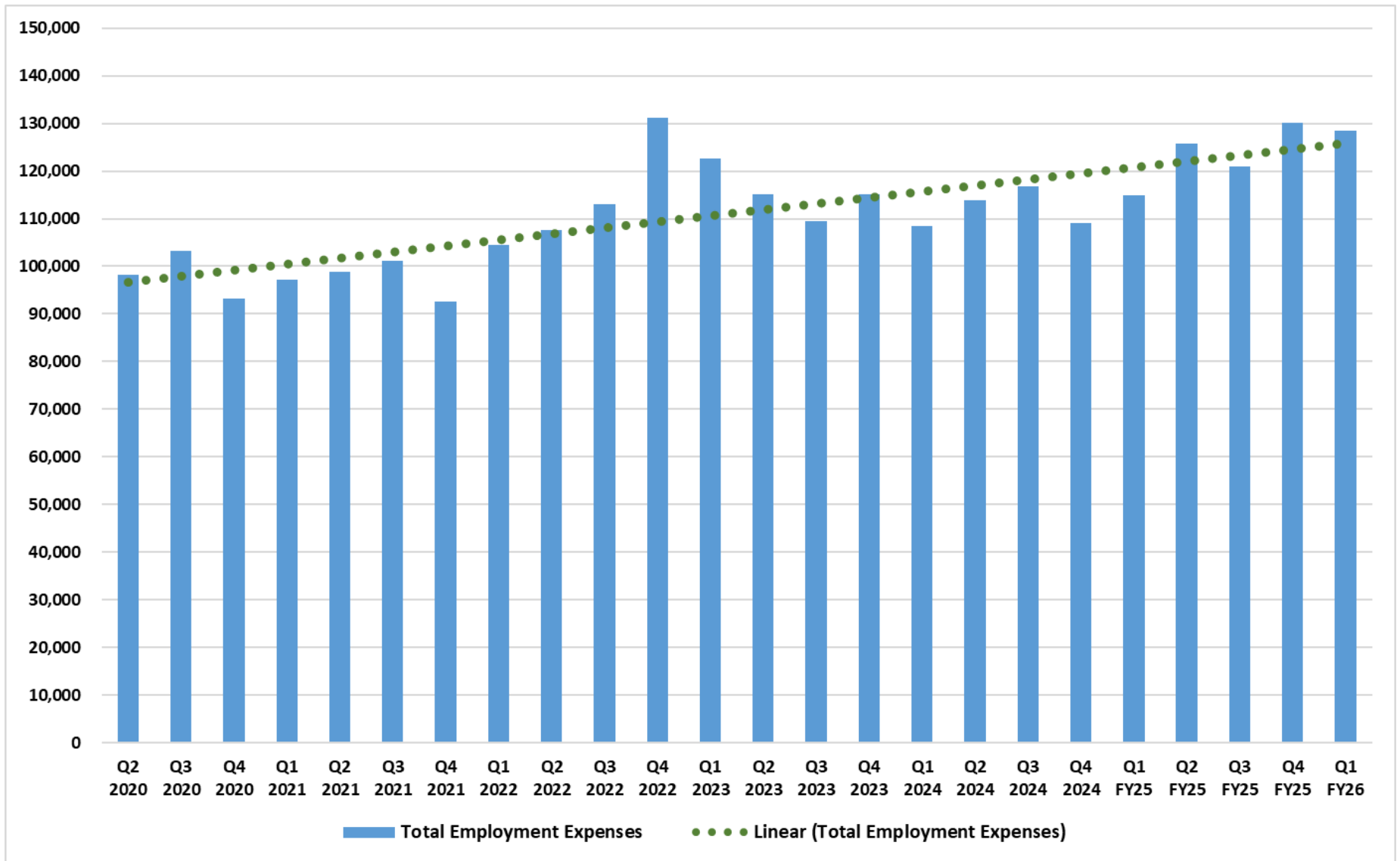
Quarterly Results: Trended Net Patient Revenue (000's)



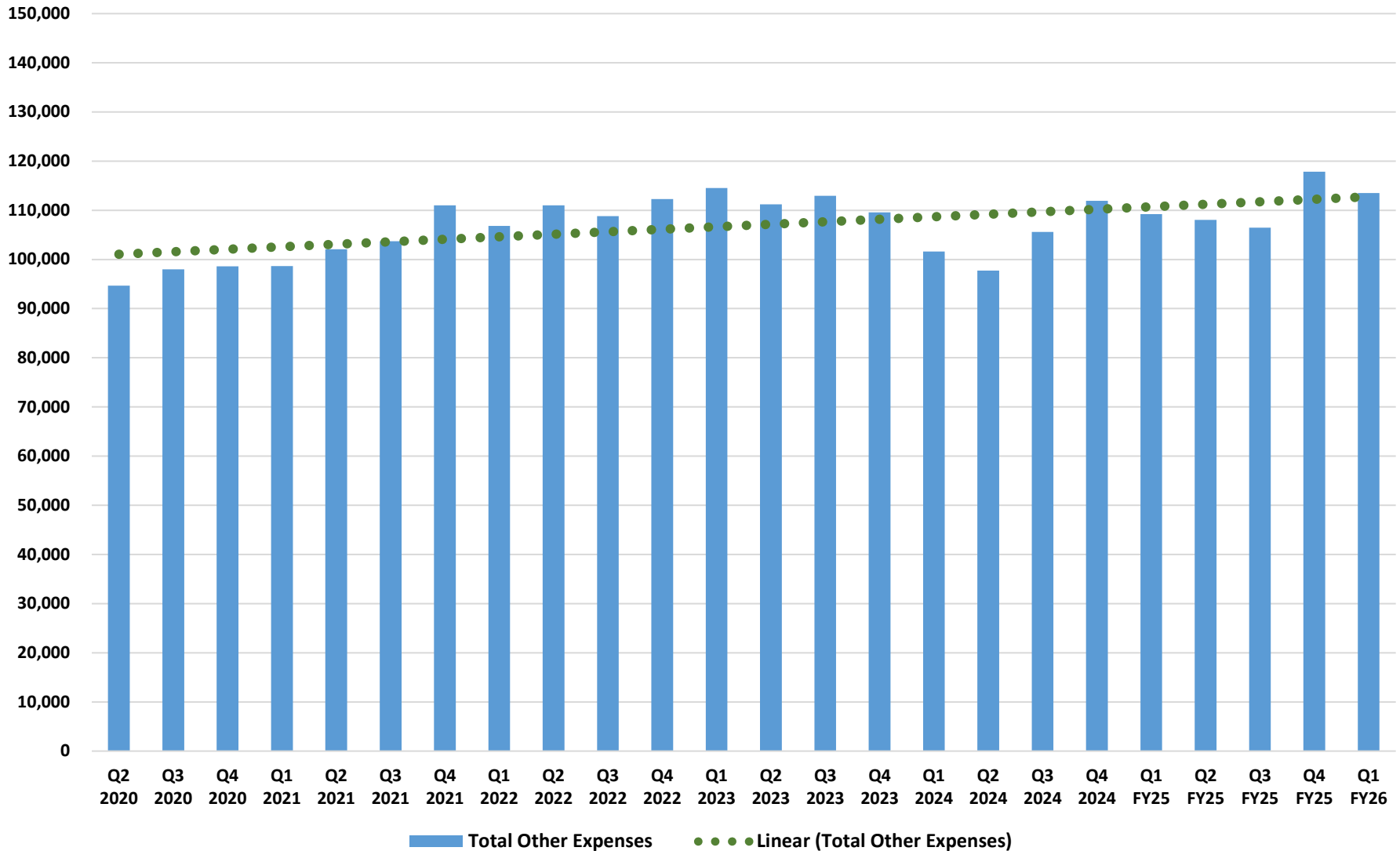
Quarterly Results: Other Operating Income (000's)



Quarterly Results: Total Employment Costs (000's)



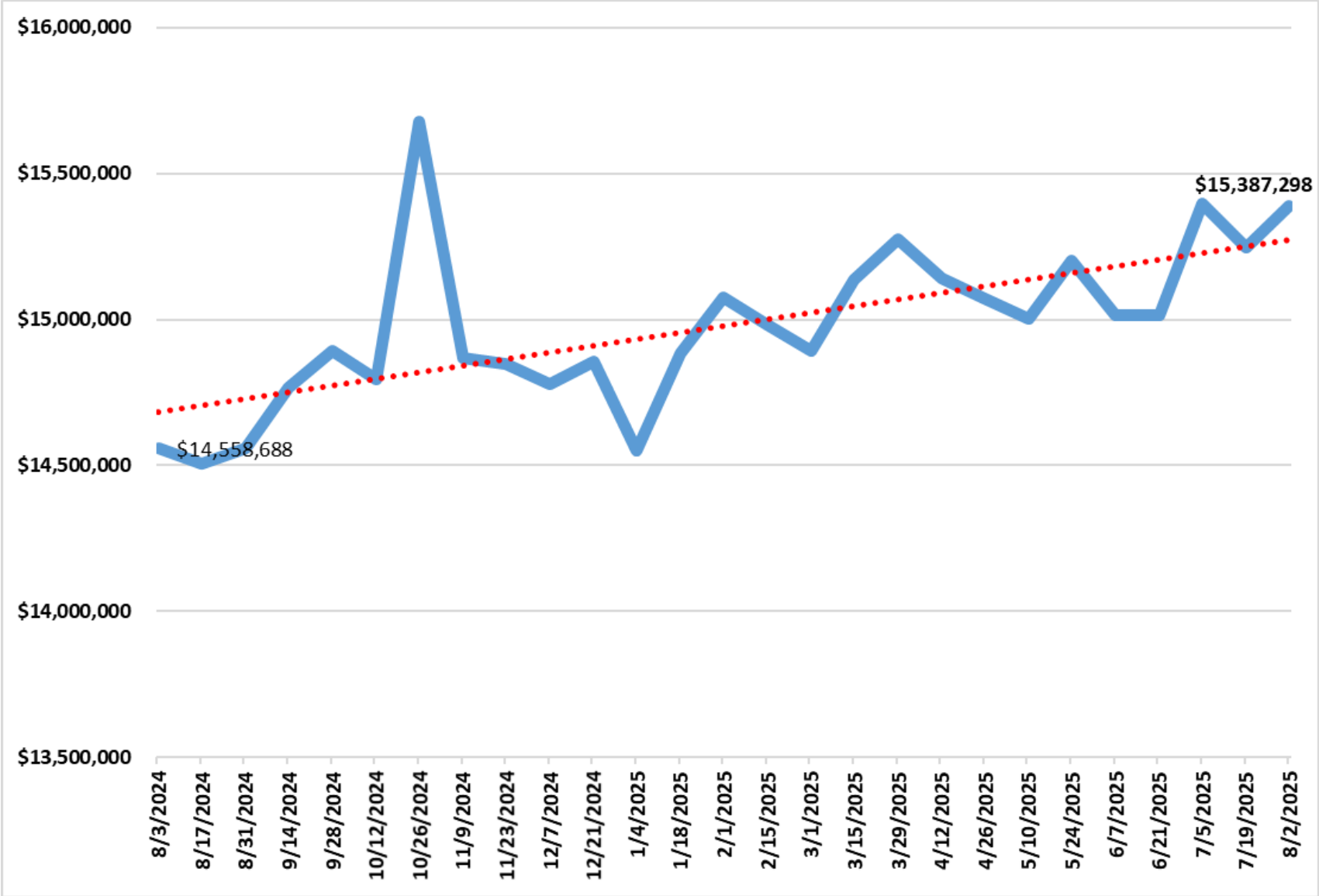
Quarterly Results: Total Other Operating Expenses (000's)



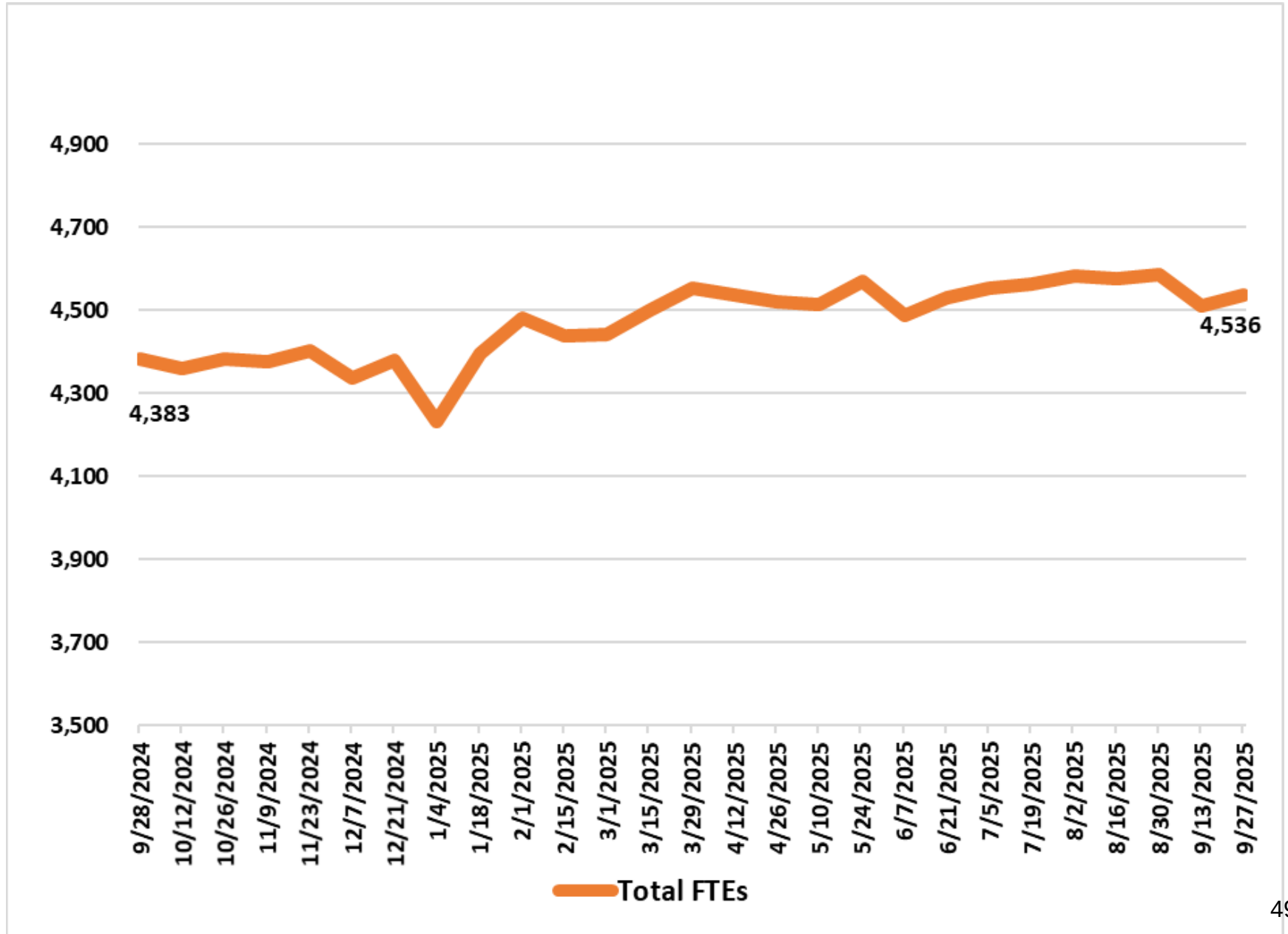
Trended Income Statement (000's)

	FY 19	FY 20	FY 21	FY 22	FY23	FY 24	FY 25	FY26 Q1	FY 25 Budget	FY 26 Budget	Diff FY25 Actual - Budget
Operating Revenue											
Net Patient Service Revenue	\$561,911	\$557,860	\$596,175	\$635,520	\$611,350	\$593,846	\$648,904	\$166,612	\$637,868	\$691,090	\$11,036
Supplemental Gov't Programs	76,471	61,392	56,081	75,202	81,807	106,005	94,965	29,522	89,717	113,560	5,247
Prime Program	17,717	16,196	10,668	15,850	8,719	8,832	13,994	1,892	9,502	7,568	4,491
Premium Revenue	40,871	50,903	58,107	69,495	79,051	88,413	85,931	22,761	90,567	86,863	(4,636)
Management Services Revenue	31,751	32,805	34,167	36,060	38,651	37,518	0	0	0	0	0
Other Revenue	24,245	21,422	22,674	25,811	32,387	37,459	51,793	14,476	52,872	51,881	(1,079)
Other Operating Revenue	191,056	182,718	181,697	222,418	240,615	278,228	246,682	68,651	242,658	259,872	4,024
Total Operating Revenue	752,967	740,578	777,872	857,938	851,965	872,074	895,585	235,263	880,525	950,962	15,060
Operating Expenses											
Salaries & Wages	287,902	308,594	324,151	350,198	337,091	353,465	387,194	100,552	375,604	404,066	11,591
Contract Labor	14,997	9,767	9,778	41,435	49,160	21,040	25,550	6,333	14,685	20,584	10,865
Employee Benefits	73,216	74,158	55,994	63,754	75,963	73,526	79,052	21,599	64,017	88,104	15,035
Total Employment Expenses	376,115	392,520	389,923	455,386	462,214	448,031	491,796	128,483	454,306	512,754	37,490
Medical & Other Supplies	112,866	119,490	131,449	130,842	130,224	127,531	165,851	43,751	174,807	171,169	(8,956)
Physician Fees	85,521	92,595	96,690	108,238	105,007	81,122	88,396	23,729	86,628	90,352	1,769
Purchased Services	21,151	20,096	19,231	19,289	18,647	18,892	21,412	5,829	21,484	22,470	(72)
Repairs & Maintenance	25,878	25,488	26,144	28,402	25,814	27,429	25,463	6,615	24,899	30,420	563
Utilities	5,642	6,001	7,392	9,170	10,151	10,467	10,556	2,946	10,987	11,593	(431)
Rents & Leases	6,119	6,373	6,192	6,171	2,201	1,928	1,706	407	1,843	1,656	(137)
Depreciation & Amortization	30,851	30,678	31,646	32,882	39,653	34,589	39,870	9,859	39,621	42,042	249
Interest Expense	5,453	5,886	6,771	7,563	7,482	7,545	7,229	1,707	7,163	6,739	66
Other Expense	17,260	20,422	20,737	22,748	26,810	23,280	32,950	6,159	26,858	27,492	6,092
Humana Cap Plan Expenses	19,151	23,441	34,758	38,443	43,179	48,426	48,086	12,505	44,345	44,403	3,740
Management Services Expense	31,359	32,363	34,447	34,977	39,037	35,614	0	0	0	0	0
Total Other Expenses	361,250	382,834	415,456	438,725	448,205	416,822	441,519	113,508	438,636	448,336	2,883
Total Operating Expenses	737,366	775,353	805,379	894,111	910,418	864,854	933,315	241,992	892,942	961,090	40,374
Operating Margin	15,601	(34,775)	(27,507)	(36,173)	(58,453)	7,221	(37,730)	(6,729)	(12,416)	(10,128)	(25,314)
Stimulus Funds	0	10,149	32,461	18,742	609	\$14	\$48,412	\$0	\$6,600		41,812
Operating Margin after Stimulus	15,601	(24,626)	4,954	(17,431)	(57,844)	7,234	10,682	(6,729)	(5,816)	(10,128)	16,498
Nonoperating Revenue (Loss)	12,306	16,975	7,460	(8,036)	10,627	\$14,124	\$16,977	\$4,270	\$7,916	10,472	9,061
Excess Margin	\$27,907	(\$7,651)	\$12,414	(\$25,467)	(\$47,218)	\$21,358	\$27,658	(\$2,459)	\$2,100	\$344	\$25,559
Operating Margin before Stimulus	2.1%	(4.7%)	(3.5%)	(4.2%)	(6.9%)	0.8%	(4.2%)	(2.9%)	(1.4%)	(1.1%)	
Operating Margin after Stimulus	2.1%	(3.3%)	0.6%	(2.0%)	(6.8%)	0.8%	1.2%	(2.9%)	(0.7%)	(1.1%)	
Excess Margin	3.7%	(1.0%)	1.6%	(3.0%)	(5.5%)	2.4%	3.1%	(1.0%)	0.2%	0.0%	

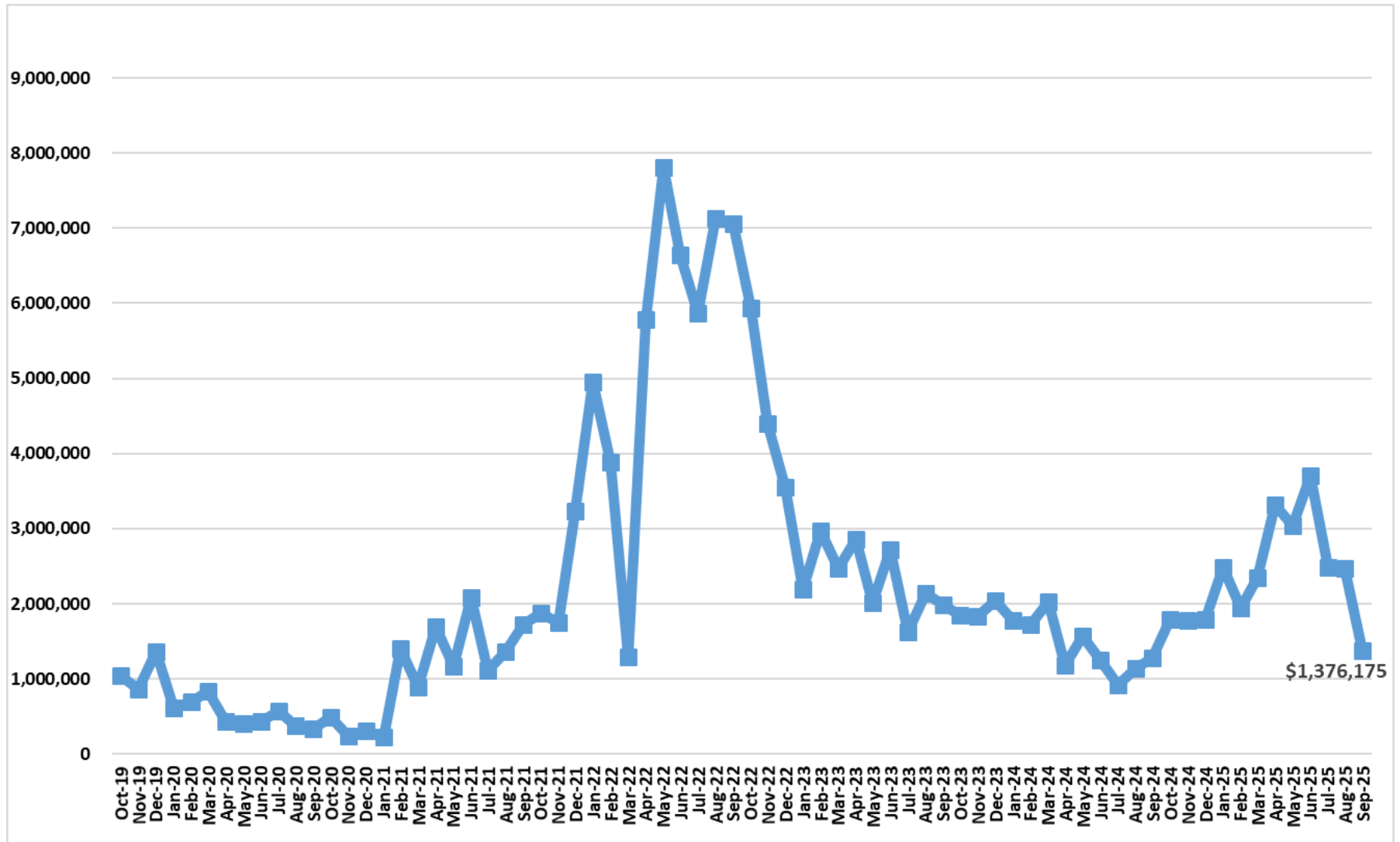
Biweekly Payroll Costs excluding Contract Labor



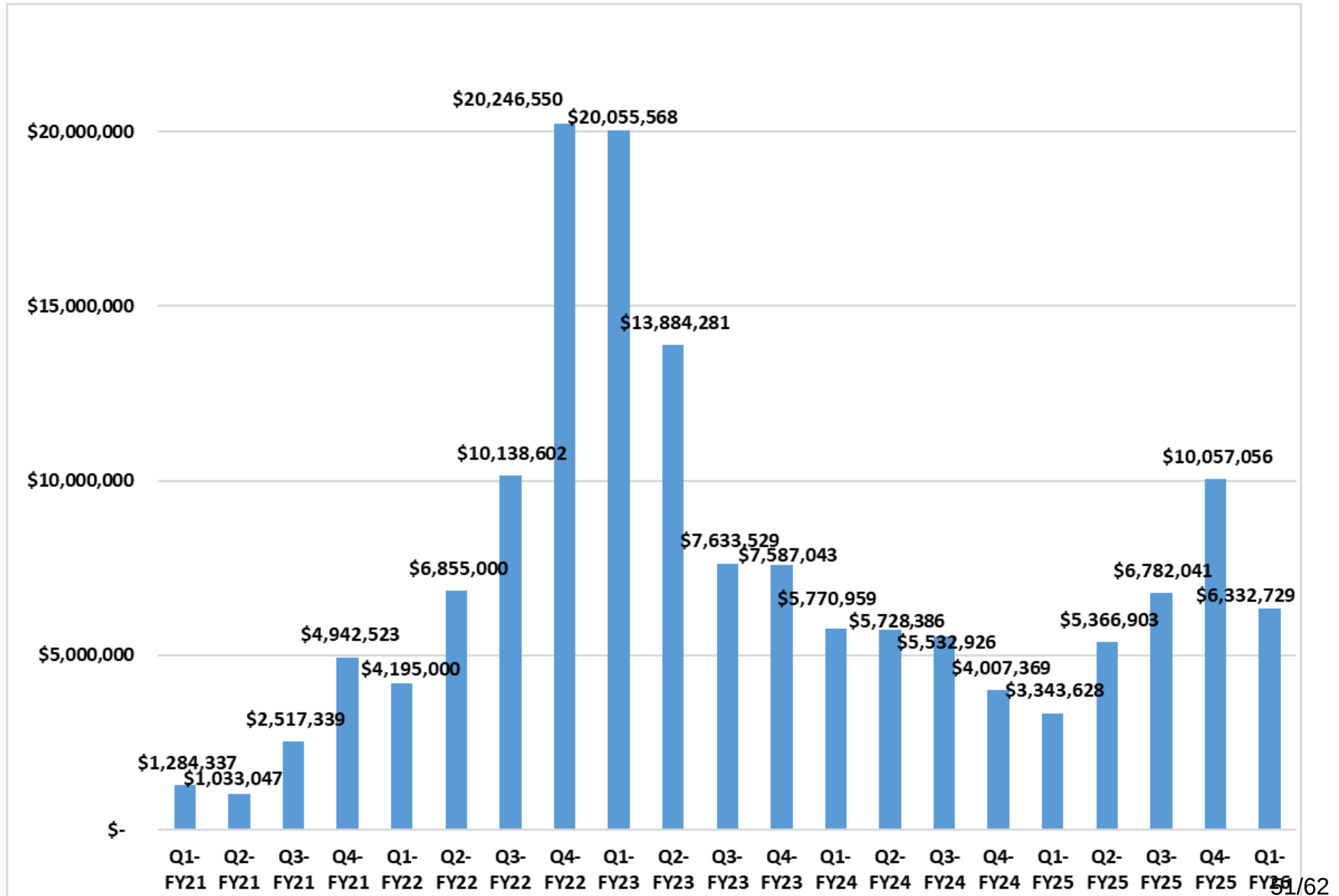
Total FTEs (includes Contract Labor)



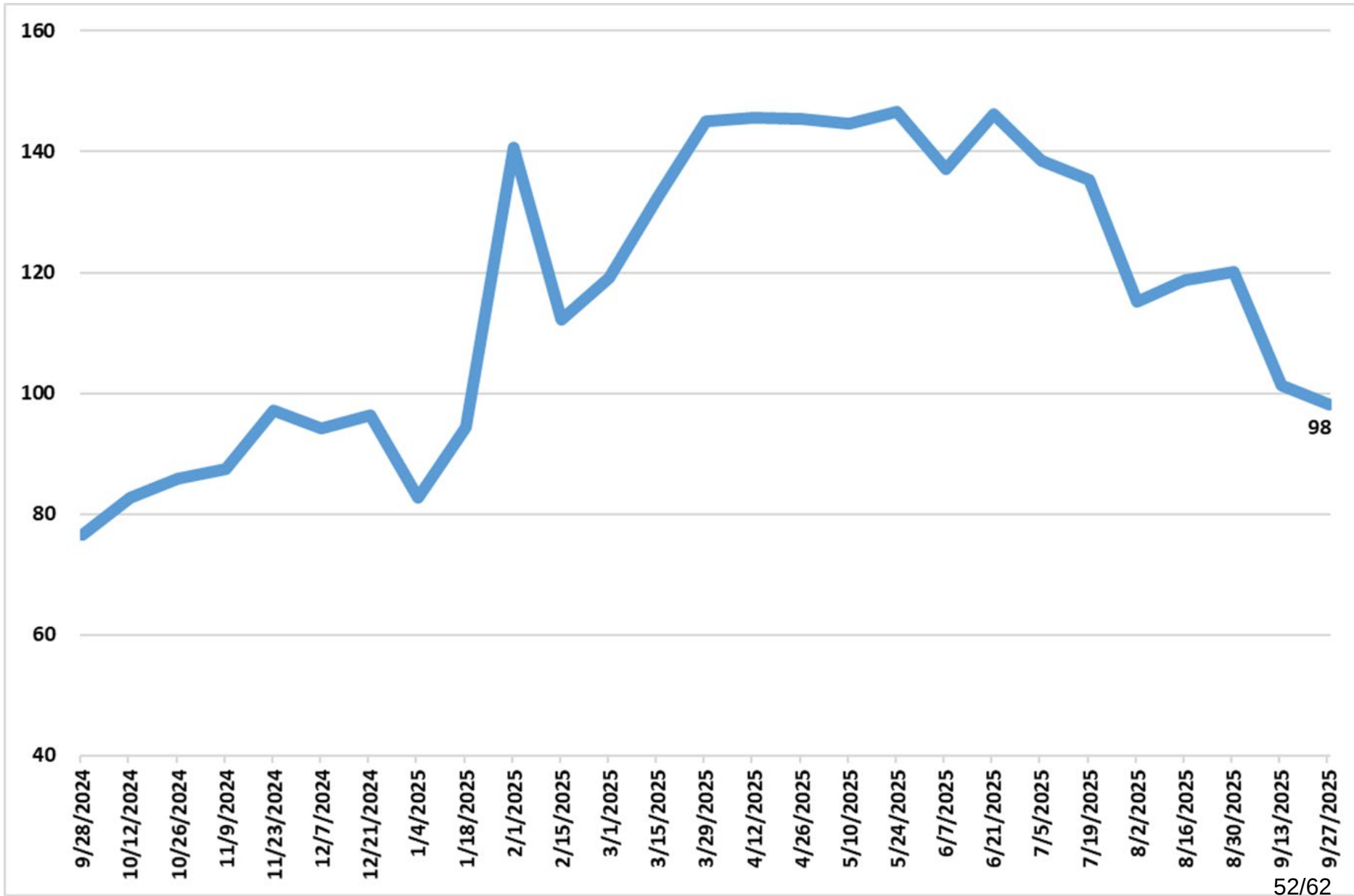
Monthly Contract Labor Costs



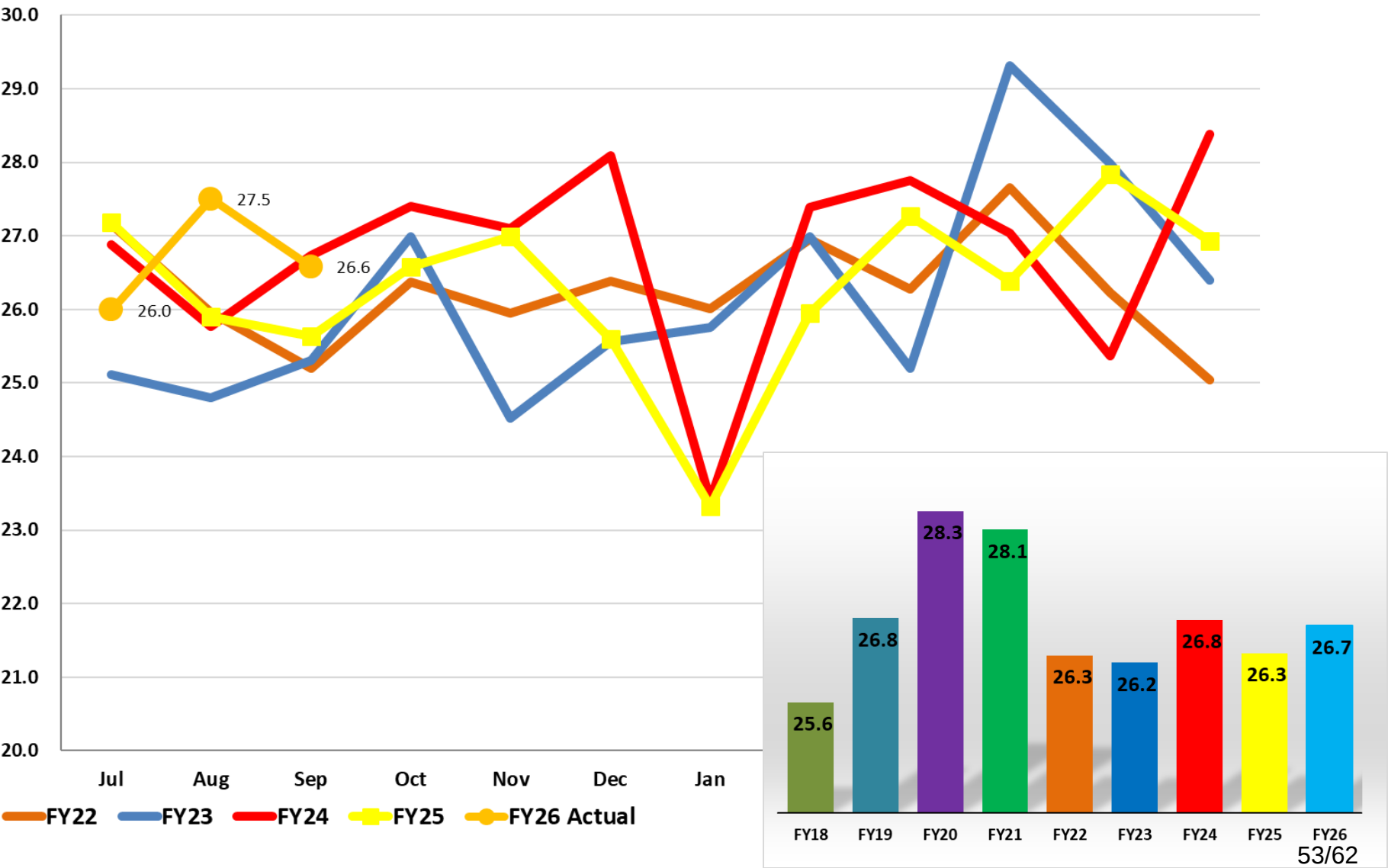
Quarterly Contract Labor Expenses



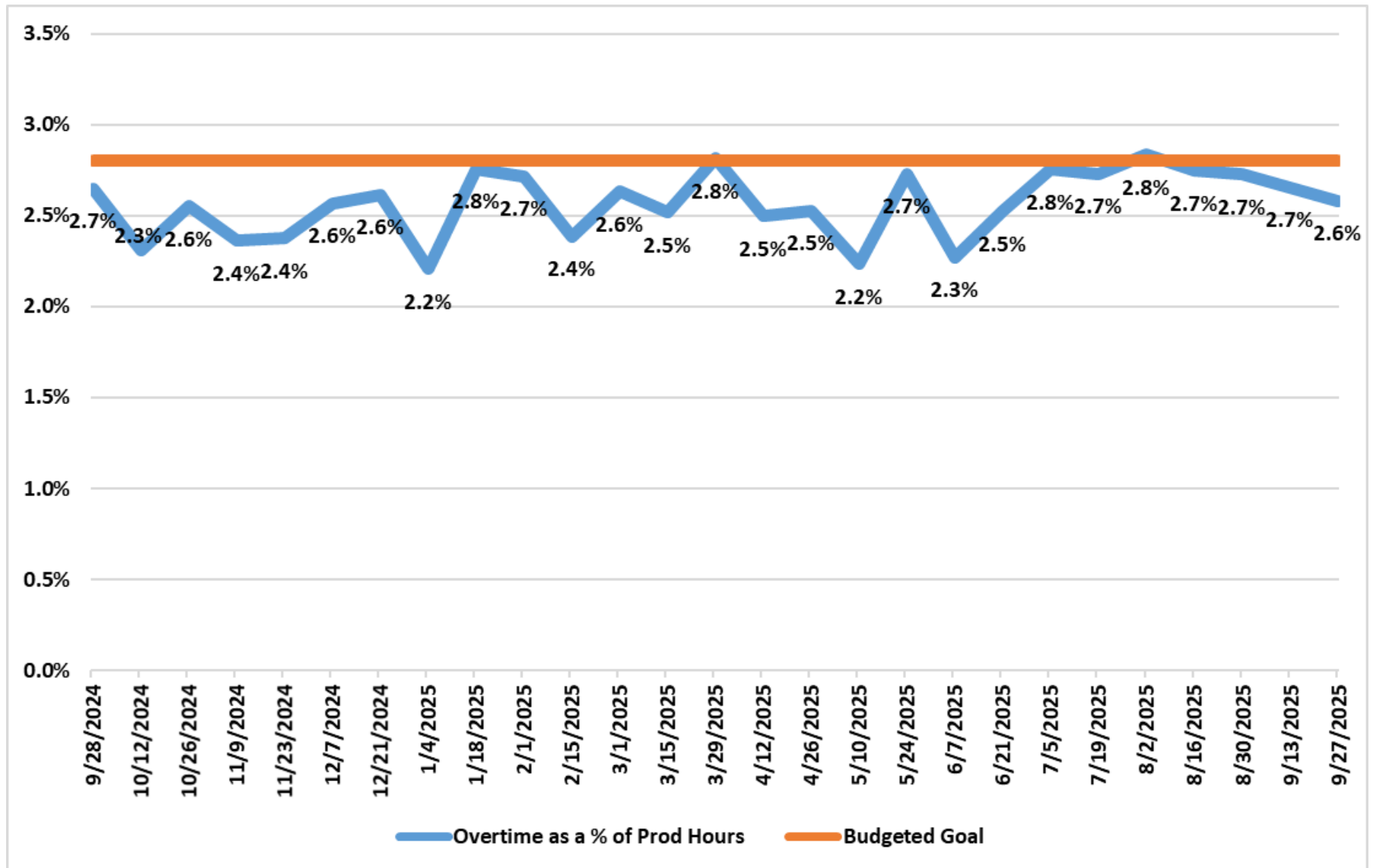
Contract Labor Full Time Equivalents (FTEs)



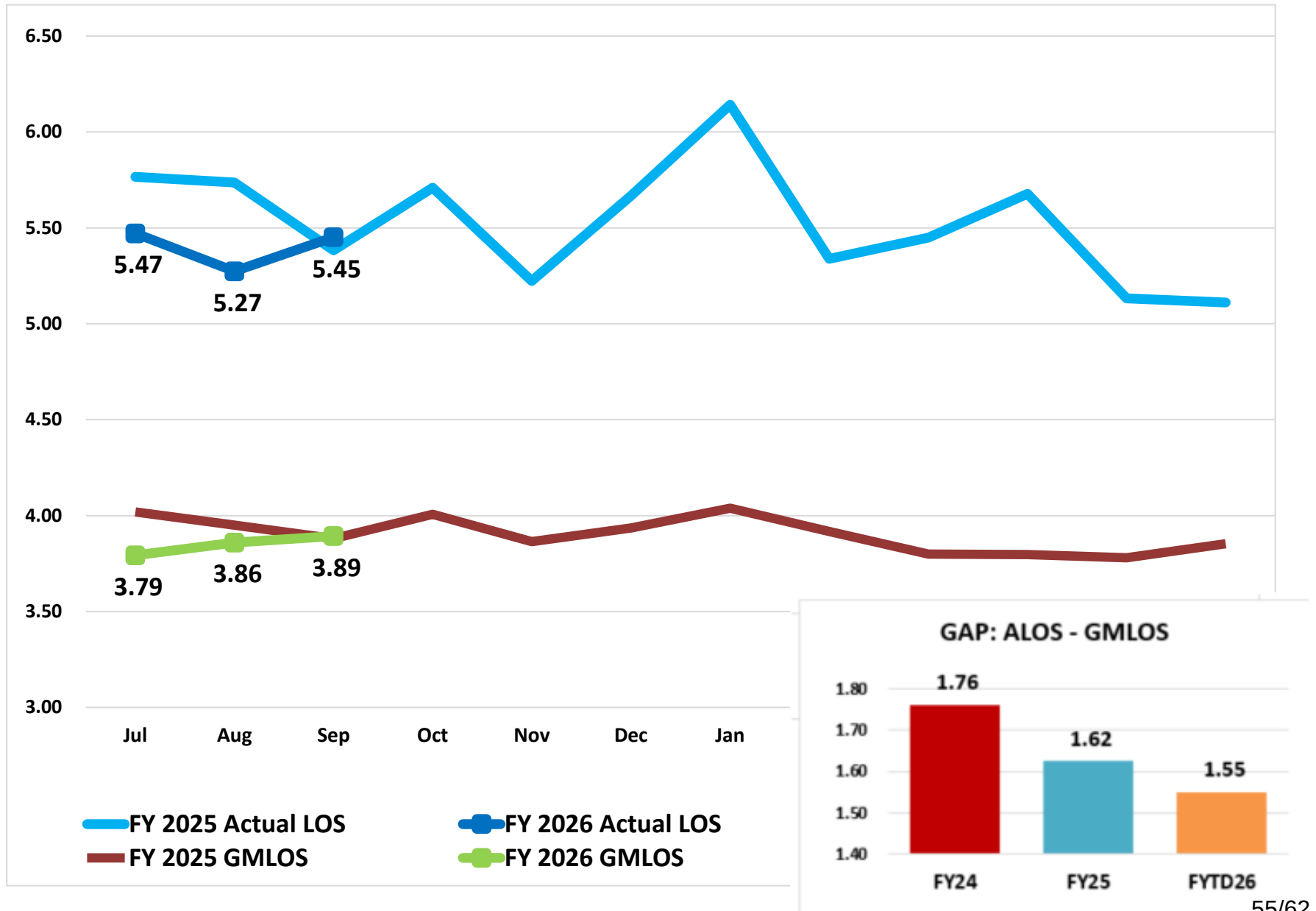
Productivity Measure : Worked Hours/ Adj. Patient Days



Overtime as a % of Productive Hours

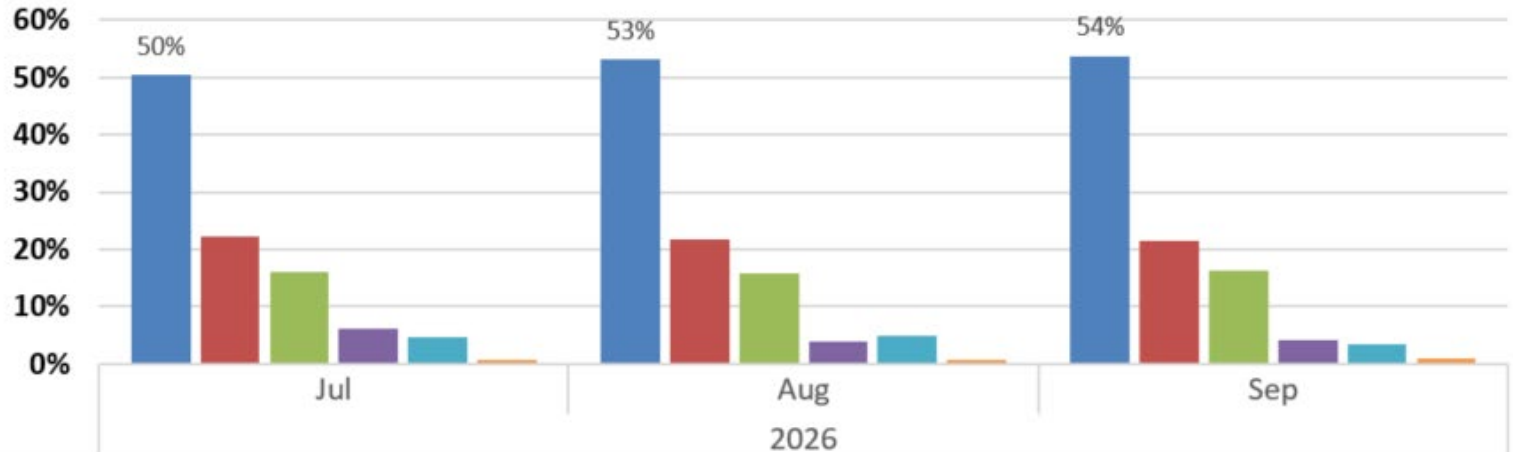


Average Length of Stay versus National Average (GMLOS)



Average Length of Stay Distribution

FY26 Overall LOS Distribution

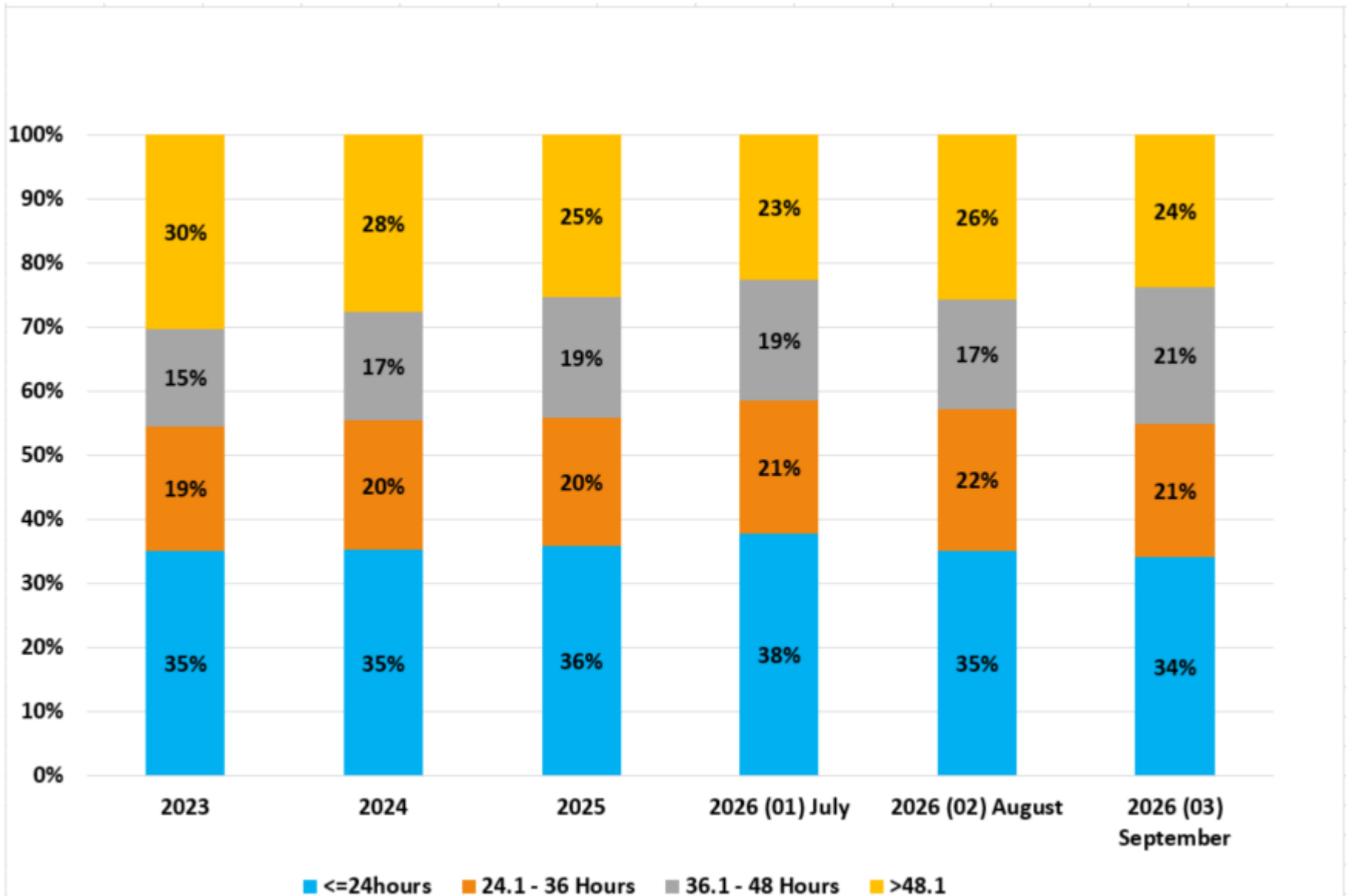


■ at GMLOS or Better	50%	53%	54%
■ 1-2 days over GMLOS	22%	22%	22%
■ 2-6 days over GMLOS	16%	16%	16%
■ 6-10 days over GMLOS	6%	4%	4%
■ 10-30 days over GMLOS	5%	5%	4%
■ 30+ days over GMLOS	0.6%	0.6%	0.9%

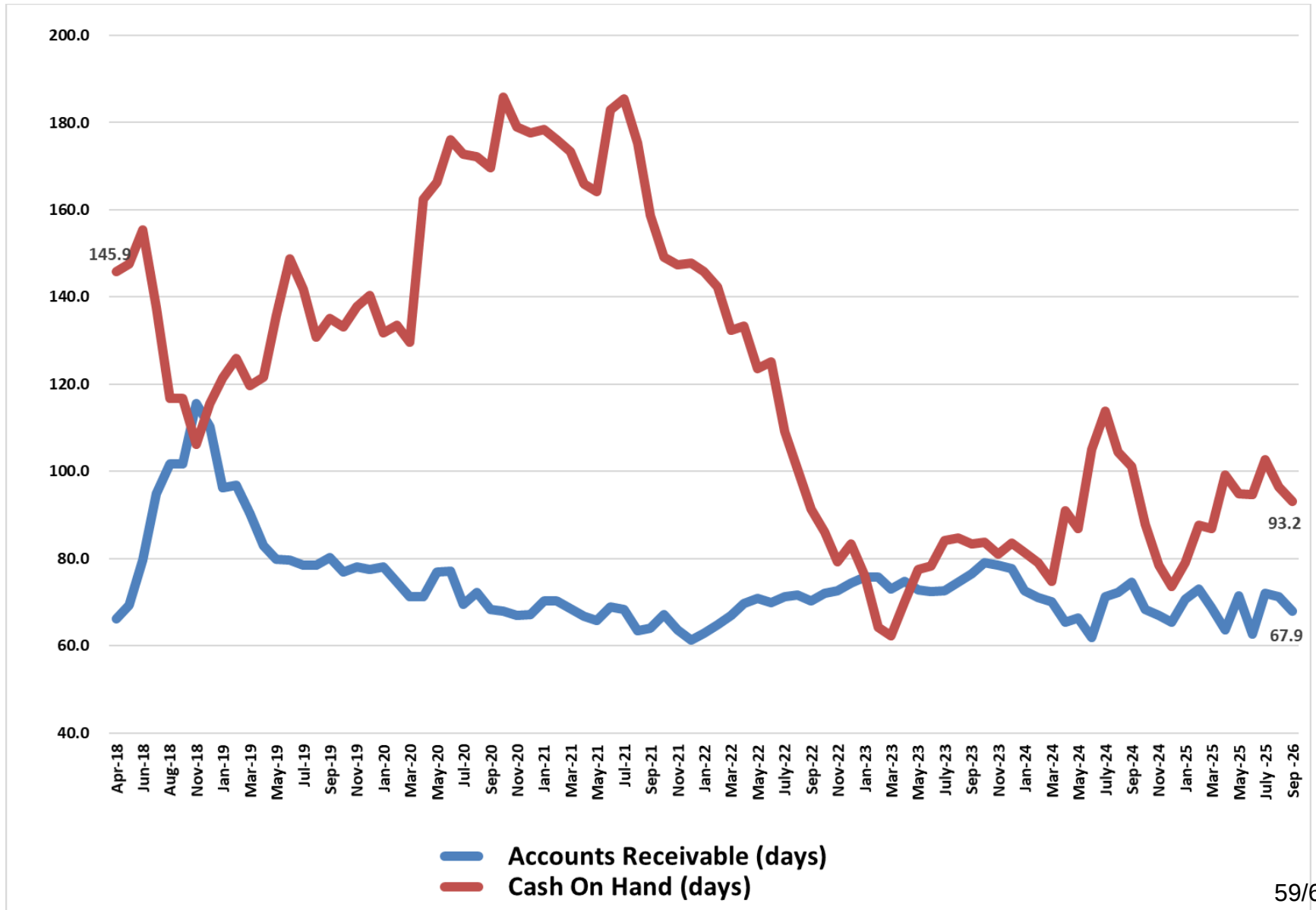
Average Length of Stay versus National Average (GMLOS)

	ALOS	GMLOS	GAP
Jul-24	5.77	4.02	1.75
Aug-24	5.74	3.95	1.79
Sep-24	5.38	3.88	1.50
Oct-24	5.71	4.01	1.70
Nov-24	5.22	3.86	1.36
Dec-24	5.67	3.94	1.73
Jan-25	6.14	4.04	2.10
Feb-25	5.34	3.92	1.42
Mar-25	5.45	3.80	1.65
Apr-25	5.68	3.80	1.88
May-25	5.13	3.78	1.35
Jun-25	5.11	3.85	1.26
Jul-25	5.47	3.79	1.68
Aug-25	5.27	3.86	1.41
Sep-25	5.45	3.89	1.56

Trended % of Observation by Length of Stay



Trended Liquidity Ratios



Ratio Analysis Report

SEPTEMBER 30, 2025

	Current Month Value	Prior Month Value	June 30, 2025 Unaudited Value	2023 Moody's Median Benchmark		
				Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	2.6	2.5	2.5	1.7	1.8	1.7
Accounts Receivable (days)	67.9	71.2	72.2	47.8	47.7	47.8
Cash On Hand (days)	93.2	96.4	95.2	273.9	188.4	134.1
Cushion Ratio (x)	11.0	11.3	10.9	44.7	24.2	16.6
Average Payment Period (days)	48.2	48.6	53.9	70.9	62.7	64.0
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	115.9%	119.0%	114.9%	271.7%	164.5%	131.0%
Debt-To-Capitalization	31.7%	31.4%	31.1%	22.5%	31.1%	35.0%
Debt-to-Cash Flow (x)	6.0	10.7	2.6	2.4	3.6	6.9
Debt Service Coverage	2.0	1.1	4.6	6.7	4.5	2.1
Maximum Annual Debt Service Coverage (x)	1.6	0.9	3.6	6.8	3.8	1.9
Age Of Plant (years)	14.0	14.5	13.6	11.1	12.8	13.9
PROFITABILITY RATIOS						
Operating Margin	(2.9%)	(4.0%)	(3.6%)	2.1%	0.5%	(2.3%)
Excess Margin	(1.0%)	(2.5%)	3.4%	5.5%	2.7%	(.9%)
Operating Cash Flow Margin	2.1%	0.8%	1.6%	6.7%	5.5%	3.0%
Return on Assets	(1.1%)	(2.6%)	3.6%	3.9%	2.4%	(.7%)

Consolidated Statements of Net Position (000's)

	Sep-25	Jun-25
	(Unaudited)	
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,334	\$ 6,595
Current Portion of Board designated and trusted assets	21,374	\$ 17,533
Accounts receivable:		\$ -
Net patient accounts	144,669	\$ 154,634
Other receivables	32,586	\$ 70,335
	177,255	224,969
Inventories	14,133	\$ 13,871
Medicare and Medi-Cal settlements	83,459	\$ 62,463
Prepaid expenses	12,431	\$ 8,234
Total current assets	315,986	333,666
NON-CURRENT CASH AND INVESTMENTS -		
less current portion		
Board designated cash and assets	219,123	\$ 218,025
Revenue bond assets held in trust	23,147	\$ 22,950
Assets in self-insurance trust fund	616	\$ 626
Total non-current cash and investments	242,886	241,602
INTANGIBLE RIGHT TO USE LEASE,	15,531	\$ 15,613
net of accumulated amortization		
INTANGIBLE RIGHT TO USE SBITA,	7,112	\$ 8,062
net of accumulated amortization		
CAPITAL ASSETS		
Land	17,542	\$ 17,542
Buildings and improvements	438,525	\$ 437,184
Equipment	343,677	\$ 340,593
Construction in progress	20,163	\$ 18,729
	819,908	814,048
Less accumulated depreciation	547,712	\$ 541,607
	272,196	272,441
OTHER ASSETS		
Property not used in operations	5,145	\$ 5,155
Health-related investments	1,832	\$ 2,147
Other	22,203	\$ 20,922
Total other assets	29,180	28,224
Total assets	882,890	899,608
DEFERRED OUTFLOWS	12,802	\$ 13,133
Total assets and deferred outflows	\$ 895,692	\$ 912,741

Consolidated Statements of Net Position (000's)

	Sep-25	Jun-25
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 27,684	\$ 43,963
Accrued payroll and related liabilities	71,729	\$ 71,620
SBITA liability, current portion	2,912	\$ 3,031
Lease liability, current portion	3,396	\$ 3,204
Bonds payable, current portion	15,564	\$ 13,014
Notes payable, current portion	384	\$ -
Total current liabilities	121,668	134,831
LEASE LIABILITY, net of current portion	12,603	\$ 12,850
SBITA LIABILITY, net of current portion	2,998	\$ 3,941
LONG-TERM DEBT, less current portion		
Bonds payable	196,669	\$ 201,619
Notes payable	20,366	\$ 20,750
Total long-term debt	217,035	222,369
NET PENSION LIABILITY	18,841	\$ 16,169
OTHER LONG-TERM LIABILITIES	52,684	\$ 50,472
Total liabilities	425,829	440,632
NET ASSETS		
Invested in capital assets, net of related debt	59,823	\$ 60,147
Restricted	63,673	\$ 58,980
Unrestricted	346,367	\$ 352,983
Total net position	469,863	\$ 472,110
Total liabilities and net position	\$ 895,692	\$ 912,741