

**MONTEZUMA COUNTY HOSPITAL DISTRICT**  
**EMS Training Room, Southwest Health System**  
**WEDNESDAY, February 18, 2026**  
**Meeting Starts: 6:00pm**

**AGENDA**

**6:00pm Call to Order** - 5 minutes

**Roll Call**

**Changes or additions to agenda**

**Public Comment:** *Public is invited to attend and provide comments please RSVP [bjabour@swhealth.org](mailto:bjabour@swhealth.org) as seating is limited.*

**NEW BOARD MEMBER APPOINTMENT**

• Appointment of New Board Member - 5 minutes

**CONSENT AGENDA** (Enclosure 1) - 5 minutes

- January 21, 2026 Regular Meeting Minutes
- Payment of Bills

**REPORTS and ACTION ITEMS**

**SHS Report** (Enclosure 2)

- SHS Board Report - 5 minutes
- Finance Report - 5 minutes
- Strategic Operations Report - 25 minutes

**Financial Report** (Enclosure 3) - 10 minutes

- Financial Report

**Capital Infrastructure Committee Report** - 15 minutes

- Report
- DOLA Grant Application Update

**Foundation Update** - 5 minutes

**Optional Board Member Presentation/Report** - 10 minutes

- MCHD Manager / Support Needs
- Landscaping Ideas

**Attorney Report** - 10 minutes

- RFP Status for Owner's Rep/CM/GC for Microgrid

**Adjournment**

**Mission Statement**

It is the mission of the Montezuma County Hospital District to assure high quality healthcare facilities for the community, Montezuma County, and the surrounding areas and to provide support and assistance in a manner which is consistent with a high standard of healthcare.



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# Consent Agenda

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## Mission Statement

It is the mission of the Montezuma County Hospital District to assure high quality healthcare facilities for the community, Montezuma County, and the surrounding areas and to provide support and assistance in a manner which is consistent with a high standard of healthcare.

**Montezuma County Hospital District Regular Board Meeting  
EMS Training Room  
January 21, 2026**

**Present:**

**Also Present:**

Brandon Johnson, Chairperson	Rob Owens, SHS Plant Operations Dir	<b><u>Recorded by:</u></b>
Bob Ower, Vice Chair	Marty Justice, Community Member	Bridgett Jabour, Secretary
Sean Flaherty, Director	Adam Conley, SHS CFO	
	Eric Croke, SHS Vice-Chair	<b><u>Counsel:</u></b>
Abby Nuetzel, Director	Joe Theine, SHS CEO	Keenen Lovett, MCHD Attorney
Scott Anderson, Director via Teams		
		<b><u>Excused/Absent:</u></b>
		Jerry Whited, Director

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
<b>Call to order</b>	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
<b>Roll Call</b>	The roll was called by Mr. Flaherty.		
<b>Change/Additions to Agenda</b>	Addition of Cutler & Associates bill to Consent Agenda for \$8,500; and adjustment to bill presented by Utility Notification of Colorado. It should have been for \$100 as updated. Mr. Johnson asked that the addition of discussion on the DOLA Grant for Fuel Storage Replacement be added under Board Member presentation.	It was moved and seconded to approve the addition of the referenced bills to the Consent Agenda and addition of DOLA Grant for Fuel Storage under Board Member Presentation. MOTION: Abby Nuetzel SECOND: Sean Flaherty Motion carried.	
<b>Public Comment</b>	Mr. Justice introduced himself to the MCHD board and shared why he is interested in joining the MCHD board.		
<b>Consent Agenda</b>	December 10, 2025 Regular Meeting Minutes January 7, 2026 Special Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda with the additions noted. MOTION: Sean Flaherty	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
		SECOND: Bob Ower Motion carried.	
<b><u>REPORTS and ACTION ITEMS</u></b>			
<b>SHS Board Report</b>	SHS Board Chair Eric Croke advised that there are challenges ahead that were presented by the Advisory Board on Tuesday regarding the anticipated One Big Beautiful Bill (OB BB). The intent of the assessment, done pro bono, is to take an offensive approach and ensure we're looking into opportunities and focusing proactively on the best road forward continuing the mission of SHS in the community.		
<b>SHS Operating Report – CEO Joe Theine</b>  <b>SHS Finance Report – CFO Adam Conley</b>	<p>Mr. Theine expounded on the Advisory Board work explaining that the work of the Advisory Board will help SHS find opportunities to leverage capacity utilization and growth in service areas.</p> <p>SHS CFO Adam Conley reported on SHS's October interim financials. Days Cash On Hand is lower with planned expenditures but is still well over 100 days as of the end of October. Mr. Conley reviewed the variances on the income statement and balance sheet, ratios and all other reports enclosed. EBIDA for Oct is \$967k/YTD \$8.427m. Financials for Nov &amp; Dec '25 show interim statement of \$7.5m.</p>	<p>Much of the detailed work will be done over the next several months.</p> <p>OB BB and other legislative headwinds will not have a financial effect until the 2027 fiscal year.</p>	
<b>MCHD Financial Report – Sean Flaherty Scty/Treas</b> <ul style="list-style-type: none"> <li>• <b>LPL Financial Report</b></li> <li>• <b>Cash Account Review with Vectra</b></li> </ul>	<p>MCHD Scty/Treas Sean Flaherty reviewed the enclosed investment report.</p> <p>Mr. Flaherty advised he met with the Vectra Financial Advisors and review the MCHD-owned accounts. The main takeaway is that MCHD has a non-interest bearing checking account. Mr. Flaherty recommends closing that account and opening as an interest-bearing account.</p>	<p>It was moved and seconded to move the checking account to an interest-bearing account. MOTION Sean Flaherty</p>	Ms. Jabour

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>There is also a savings account that does not appear to be in use. There was discussion regarding the need for a savings account with the DOLA Grant funds in receipt for the fuel oil design and Microgrid funding.</p> <p>Financial statements for January were just received, but not in time to make the packet. Sales tax totals were \$167, 039.73. This payment will be cut to SHS in February to align the financials between both entities.</p> <p>Mr. Flaherty continues to Work with Danny Mozer to move the \$1m to the OGXXX account, per the action taken at the December meeting.</p> <p>Walston was not able to provide financials by the date of the meeting. This is because audit results require some reconciliation. Next month financial report will include a year-end summary of 2025.</p> <p>Mr. Flaherty stated he is looking at the opportunity to procure a credit card to pay vendors and bills for MCHD. This statement would be included in the bill pay and could streamline and improve recurring bill pay processes. MCHD Attorney Keenen Lovett stated this does not require board action. Mr. Flaherty is delegated to administer and the board has final approval on payments through the consent agenda and bill approval action.</p>	<p>SECOND: Bob Ower Motion carried.</p> <p>Ms. Jabour will check the account number on the EFT to DOLA direction for payment and forward to Mr. Flaherty to confirm.</p>	
<p><b>LOMA Grant Letter Update Fuel Oil Grant Extension</b></p>	<p>Mr. Johnson reviewed the project breakdowns (handout) in capital infrastructure and overview of pending and completed projects.</p> <p>Specific to the fuel oil design project, there still remains the need to complete a geotechnical survey in order to</p>		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>adequately ensure the new fuel tank contemplated is properly designed from that point of view</p> <p>The board reviewed the DOLA grant tier setup and review process, and the 50/50 match requirement. The board discussed the different components and pros and cons to the different tiers and timelines.</p>	<p>It was moved and seconded to approve that a Geotech survey be completed with a cost up to \$7500. MOTION: Sean Flaherty SECOND: Bob Ower Motion carried.</p> <p>It was moved and seconded to approve Brandon Johnson to sign the letter to apply for the current Mineral DOLA grant cycle ending February 13, 2026 at a Tier 1 level for \$200,000. MOTION: Abby Nuetzel SECOND: Sean Flaherty Motion carried.</p>	
<b>Foundation Report</b>	<p>Mr. Ower advised that the Foundation was able to procure \$281,000 for the year! The foundation has already approved \$168,000 for the purchase of equipment at SHS.</p> <p>Additional equipment requests totaling \$94,000 continue to go through their review and approval process in the coming months.</p>		
<p><b>Optional Board Member Presentation/Report</b></p> <ul style="list-style-type: none"> <li>MCHD Manager / Admin Assistant Job Duties</li> </ul>	<p>The board in full engage in discussion on the need to have more support than what is currently being provided. It was noted that this role could pay for itself if the board the right person. MCHD Attorney Keenen Lovett explained the potential pitfalls of hiring or contracting a person to fill the role and tasks being defined. Mr. Theine offered to provide SHS assistance through several different SHS departments such as IT and Accounting as examples to fulfill the needs the District might have. No formal decisions were made.</p>	<p>More details of what exactly is needed will need to be identified to determine the best course of action moving forward on how to make sure the needed work is completed.</p>	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
<ul style="list-style-type: none"> <li>• Start 5 to 10 year plan for the properties</li>   <li>• Access to new land purchase</li>   <li>• PUD Discussion</li>   <li>• Colorado Health Institute</li> </ul>	<p>Mr. Johnson brought up the need for MCHD to have a 5-10 year plan as the amendment with SHS requires. Mr. Theine advised that from that standpoint, SHS will be providing this update each May as the lease requires. The latest review occurred in 2022 to update the infrastructure needs of the full plant.</p> <p>Mr. Johnson advised that Karen Libsch, who owns a lot that could be used for a second egress in hopes she might be interested in trading her lot for one more centrally location in the PUD.</p> <p>Mr. Johnson wanted to make sure the new board members had seen the PUD lots. Mr. Johnson requested input and feedback from other member so the board if there are any opportunities for how to use the lots the District owns.</p> <p>Mr. Ower reported that the Republican Party is putting on a seminar with Colorado Health Institute, led by Sarah Schmitt to talk to them about how changes in Medicare and Medicaid might impact rural communities. This is scheduled for February 10<sup>th</sup> at 6pm in the Chamber of Commerce Building. This is a non-partisan presentation in which Bob shared that all are encouraged to attend.</p>		
<p><b>Attorney Report</b></p>	<p>Atty Keenen Lovett presented the owner’s representative Request for Proposal for the Microgrid project. Latest proposed OR is for one entity to manage the project including design and construction. Discussion on RFP going out to bid and discuss potential avenues based on the responses received.</p>		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>Mr. Lovett was directed to post with proposals to be due 2/13/26 as described. Questions received by 2/6. Response by from MCHD to the requester by 2/11.</p> <p>Mr. Lovett also requested input from the board on what to do with the current agreement with CAPM. If nothing is done, this OR agreement will naturally end on 1/31/26.</p> <p>Mr. Justice will go by McCabe’s office to complete application for MCHD Board to open seat.</p> <p>Mr. Lovett will reach out to the other interested person who would like to serve on the MCHD and fill the open seat to attend the February meeting.</p>		
<b>Adjournment</b>		It was moved and seconded to adjourn the meeting at 8:50pm. Motion carried.	

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Bridgett Jabour, MCHD Secretary

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Sean Flaherty, Secretary/Treasurer

**CONSENT  
AGENDA  
PAYMENT OF BILLS**

## February 2026 Bills

<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
Kelly R. McCabe, PC	Invoice 6697 (incl total 1700.25)	\$ 3,181.75
Montezuma Valley Irrigation	Invoice 3138	\$ 890.00
		<b>\$ 4,071.75</b>



McCABE • LOVETT • McCABE

ATTORNEYS AT LAW

22 E. Main Street  
Cortez, Colorado 81321  
United States  
Phone: 970-565-7209  
Fax: 970-565-6355  
www.mccabelawcortez.com

# INVOICE

Invoice # 6697  
Date: 01/27/2026  
Due On: 02/26/2026

MONTEZUMA C. HOSPITAL DISTRICT .  
P.O. Box 1034  
Cortez, CO 81321

## Statement of Account

Outstanding Balance	New Charges	Payments Received	<b>Total Amount Outstanding</b>
( \$0.00	+ \$1,481.50	) - ( \$0.00	) = <b>\$1,481.50</b>

**Please make all amounts payable to: Kelly R. McCabe P.C.**  
**Invoice includes 2% credit card service charge. (If paying by check or cash pay the SUBTOTAL below.)**

## Montezuma C. Hospital District - 9001

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Type	Date	Notes	Quantity	Attorney	Rate	Total
Service	01/19/2026	Modify RFP for Owners Rep re: Microgrid	1.20	KRM	\$425.00	\$510.00
Service	01/21/2026	January Meeting	2.40	KDL	\$335.00	\$804.00
Service	01/21/2026	Finalize RFP	0.50	KDL	\$335.00	\$167.50

Time Keeper	Quantity	Rate	Total
Keenen Lovett	2.9	\$335.00	\$971.50



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Kelly McCabe	1.2	\$425.00	\$510.00
		<b>Subtotal</b>	<b>\$1,481.50</b>
		<b>Total</b>	<b>\$1,481.50</b>

## Detailed Statement of Account

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
6697	02/26/2026	\$1,481.50	\$0.00	\$1,481.50
			<b>Outstanding Balance</b>	<b>\$1,481.50</b>
			<b>Total Amount Outstanding</b>	<b>\$1,481.50</b>

Account	Balance
DSB- Trust Account Balance	\$0.00
<b>Total Account Balance</b>	<b>\$0.00</b>

Please make all amounts payable to: Kelly R. McCabe, PC



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Montezuma Valley Irrigation Company

PO Box 1056  
Cortez, CO 81321 (970) 565-3332

Date 1/26/2026 Account# 3138

Montezuma County Hospital District  
PO Box 1034  
Cortez, CO 81321

Total Shares Assessed	5
Previous Balance	
Current Assessment	\$890.00
Interest	\$0.00
Misc Charges	\$0.00
Amount Paid	\$0.00
<b>Balance Due</b>	

2026 ANNUAL ASSESSMENTS & FEES

Description	Shares	Rate	Amount
2025 Assessment per Share	5	\$26.00	\$130.00
2026 Fee per Account	0	\$760.00	\$760.00
		<u>Current Assessment</u>	\$890.00

Headgate	Gate Shares
CP-33	5

All accounts not paid by March 31st will be charged a one-time \$50 late fee in addition to 1.5% interest per month starting April 1st. No statements will be sent after April 1. Montezuma Valley Irrigation Company Bylaws state, no water or other services shall be delivered to a stockholder until all assessments, charges, and arrearages then due the company, with regard to the ownership interest of the stockholder, have been fully paid.

Please return stub with payment

Please verify your contact information for our records

Montezuma County Hospital District  
PO Box 1034  
Cortez, CO 81321

**FULL PAYMENT DUE BY:**  
**3/31/2026**

Account# 3138

Balance Due

Phone: 970-749-8272

Cell: 970-903-0726

Email: rowens@swhealth.org

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# XXX Report

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## Mission Statement

It is the mission of the Montezuma County Hospital District to assure high quality healthcare facilities for the community, Montezuma County, and the surrounding areas and to provide support and assistance in a manner which is consistent with a high standard of healthcare.



**Patient Volumes and Utilization Statistics**

**Southwest Health System Consolidated**

Through the Period Ending Dec-25

High Low

	Fiscal-Year-to-Date						Six-Month Trend						Current Month				
	Current	Budget	# Var	% Var	Prior	% Var	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Budget	# Var	% Var	Prior Year	% Var
<b>Admissions, Total</b>	836	893	(57)	(6.4%)	845	(1.1%)	53	56	74	61	56	65	84	(19)	(22.6%)	64	1.6%
Acute	772	814	(42)	(5.2%)	773	(0.1%)	47	49	69	59	55	62	72	(10)	(13.9%)	62	0.0%
SNF	64	79	(15)	(19.0%)	72	(11.1%)	6	7	5	2	1	3	12	(9)	(75.0%)	2	50.0%
<b>Discharges, Total</b>	845	893	(48)	(5.4%)	861	(1.9%)	60	56	75	60	55	66	84	(18)	(21.4%)	52	26.9%
Acute	779	814	(35)	(4.3%)	787	(1.0%)	54	50	70	56	54	62	72	(10)	(13.9%)	51	21.6%
SNF	66	79	(13)	(16.5%)	74	(10.8%)	6	6	5	4	1	4	12	(8)	(66.7%)	1	300.0%
<b>Patient Days, Total</b>	3,998	4,163	(165)	(4.0%)	3,877	3.1%	270	252	389	319	246	301	425	(124)	(29.2%)	241	24.9%
Acute	3,185	3,048	137	4.5%	2,912	9.4%	214	181	287	264	233	266	259	7	2.7%	203	31.0%
SNF	813	1,115	(302)	(27.1%)	965	(15.8%)	56	71	102	55	13	35	166	(131)	(78.9%)	38	(7.9%)
<b>ALOS, Total Discharges</b>	4.73	4.66	(0.07)	(1.5%)	4.50	(5.1%)	4.50	4.50	5.19	5.32	4.47	4.56	5.06	0.50	9.9%	4.63	1.6%
Acute	4.09	3.74	(0.34)	(9.2%)	3.70	(10.5%)	3.96	3.62	4.10	4.71	4.31	4.29	3.60	(0.69)	(19.3%)	3.98	(7.8%)
SNF	12.32	14.11	1.80	12.7%	13.04	5.5%	9.33	11.83	20.40	13.75	13.00	8.75	13.83	5.08	36.7%	38.00	77.0%
Adj Admissions	6,013	6,337	(324)	(5.1%)	6,181	(2.7%)	515	575	492	469	516	446	601	(155)	(25.8%)	635	(29.8%)
<b>Adj Discharges</b>	<b>6,078</b>	<b>6,337</b>	<b>(259)</b>	<b>(4.1%)</b>	<b>6,298</b>	<b>(3.5%)</b>	<b>582</b>	<b>575</b>	<b>499</b>	<b>461</b>	<b>507</b>	<b>453</b>	<b>601</b>	<b>(148)</b>	<b>(24.6%)</b>	<b>516</b>	<b>(12.3%)</b>
Adj Patient Days	28,755	29,541	(786)	(2.7%)	28,359	1.4%	2,621	2,587	2,587	2,453	2,268	2,064	3,038	(974)	(32.1%)	2,392	(13.7%)
<b>Births</b>	126	139	(13)	(9.4%)	144	(12.5%)	8	6	8	13	14	9	13	(4)	(30.8%)	10	(10.0%)
<b>Observation Days</b>	554	460	94	20.4%	524	5.7%	55	36	43	57	50	52	44	8	18.2%	68	(23.5%)
<b>Case Mix Index, Total</b>	1.2364	1.2987	(0.0623)	(4.8%)	1.2162	1.7%	1.1786	1.2326	1.2397	1.1960	1.0360	1.2577	1.2987	(0.0410)	(3.2%)	1.1330	11.0%
<b>Case Mix Index, Medicare</b>	1.3707	1.3654	0.0053	0.4%	1.3274	3.3%	1.2854	1.2517	1.3641	1.2961	1.2868	1.0901	1.3654	(0.2753)	(20.2%)	1.2763	(14.6%)



**Patient Volumes and Utilization Statistics**

**Southwest Health System Consolidated**

Through the Period Ending Dec-25

High Low

	Fiscal-Year-to-Date						Six-Month Trend						Current Month				
	Current	Budget	# Var	% Var	Prior	% Var	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Budget	# Var	% Var	Prior Year	% Var
<b>Total O/P Registrations</b>	62,048	62,745	(697)	(1.1%)	61,244	1.3%	5,328	5,117	5,171	5,241	4,737	4,951	5,048	(97)	(1.9%)	5,102	(3.0%)
<b>Surgeries, Total</b>	<b>870</b>	<b>834</b>	<b>36</b>	<b>4.3%</b>	<b>808</b>	<b>7.7%</b>	<b>77</b>	<b>58</b>	<b>76</b>	<b>82</b>	<b>70</b>	<b>61</b>	<b>69</b>	<b>(8)</b>	<b>(11.6%)</b>	<b>60</b>	<b>1.7%</b>
Inpatient	165	192	(27)	(14.1%)	181	(8.8%)	10	6	20	14	7	10	21	(11)	(52.4%)	7	42.9%
Outpatient	705	642	63	9.8%	627	12.4%	67	52	56	68	63	51	48	3	6.3%	53	(3.8%)
<b>Total GI Procedures</b>	996	1,289	(293)	(22.7%)	981	1.5%	104	75	69	79	76	51	106	(55)	(51.9%)	61	(16.4%)
<b>Emergency Visits</b>	13,986	14,058	(72)	(0.5%)	13,529	3.4%	1,148	1,193	1,159	1,141	1,045	1,130	1,186	(56)	(4.7%)	1,072	5.4%
<b>ER Conversion Rate</b>	6.1%	5.0%	--	1.1%	6.4%	(0.3%)	4.6%	4.7%	6.4%	5.4%	5.4%	5.8%	3.5%	--	2.3%	6.0%	(0.2%)
<b>ER Transfers Out</b>	626	0	626	0.0%	651	(3.8%)	40	65	51	47	44	49	0	49	0.0%	43	14.0%
<b>Rural Health Clinic Visits</b>	40,004	40,514	(510)	(1.3%)	42,381	(5.6%)	3,275	3,186	3,452	3,582	2,986	3,186	3,462	(276)	(8.0%)	3,543	(10.1%)
<b>Provider Based or Specialty Clinic Visits</b>	8,813	9,656	(843)	(8.7%)	9,664	(8.8%)	671	734	799	840	649	714	825	(111)	(13.5%)	818	(12.7%)
<b>Lab Tests</b>	154,810	147,839	6,971	4.7%	148,835	4.0%	12,069	12,045	12,925	12,819	11,544	13,084	11,815	1,269	10.7%	12,562	4.2%
<b>Total Therapy Treatments</b>	<b>36,627</b>	<b>40,881</b>	<b>(4,254)</b>	<b>(10.4%)</b>	<b>35,100</b>	<b>4.4%</b>	<b>2,842</b>	<b>3,527</b>	<b>3,760</b>	<b>3,657</b>	<b>3,044</b>	<b>3,321</b>	<b>3,501</b>	<b>(180)</b>	<b>(5.1%)</b>	<b>2,591</b>	<b>28.2%</b>
Occupational Therapy Treatments	1,835	2,165	(330)	(15.2%)	597	207.4%	10	295	548	330	300	352	213	139	65.3%	0	0.0%
Physical Therapy Treatments	29,019	32,542	(3,523)	(10.8%)	28,531	1.7%	2,408	2,480	2,845	2,853	2,300	2,577	2,698	(121)	(4.5%)	2,131	20.9%
Speech Therapy Treatments	5,773	6,174	(401)	(6.5%)	5,972	(3.3%)	424	752	367	474	444	392	590	(198)	(33.6%)	460	(14.8%)
<b>Wound Care Procedures</b>	248	1,451	(1,203)	(82.9%)	1,300	(80.9%)	0	0	0	0	0	0	129	(129)	(100.0%)	110	(100.0%)
<b>Pain Management Cases</b>	209	239	(30)	(12.6%)	210	(0.5%)	22	18	16	19	18	17	17	0	0.0%	16	6.3%
<b>Sleep Studies</b>	472	613	(141)	(23.0%)	512	(7.8%)	51	37	37	37	34	35	38	(3)	(7.9%)	30	16.7%
<b>Total Imaging Procedures</b>	<b>28,426</b>	<b>27,821</b>	<b>605</b>	<b>2.2%</b>	<b>27,005</b>	<b>5.3%</b>	<b>2,417</b>	<b>2,529</b>	<b>2,426</b>	<b>2,473</b>	<b>2,106</b>	<b>2,172</b>	<b>2,372</b>	<b>(200)</b>	<b>(8.4%)</b>	<b>2,175</b>	<b>(0.1%)</b>
CT Procedures	6,593	6,622	(29)	(0.4%)	6,212	6.1%	566	626	577	551	492	436	524	(88)	(16.8%)	515	(15.3%)
<b>MRI Procedures</b>	<b>1,810</b>	<b>1,652</b>	<b>158</b>	<b>9.6%</b>	<b>1,522</b>	<b>18.9%</b>	<b>160</b>	<b>152</b>	<b>137</b>	<b>165</b>	<b>122</b>	<b>162</b>	<b>132</b>	<b>30</b>	<b>22.7%</b>	<b>115</b>	<b>40.9%</b>
Inpatient	64	45	19	42.2%	51	25.5%	5	8	4	2	3	8	4	4	100.0%	7	14.3%
Outpatient	1,746	1,607	139	8.6%	1,471	18.7%	155	144	133	163	119	154	128	26	20.3%	108	42.6%
Mammography	4,293	4,155	138	3.3%	4,114	4.4%	303	399	342	382	343	351	389	(38)	(9.8%)	364	(3.6%)
Ultrasound	4,202	4,310	(108)	(2.5%)	4,224	(0.5%)	353	366	368	393	228	309	334	(25)	(7.5%)	328	(5.8%)
Nuclear Medicine	244	329	(85)	(25.8%)	182	34.1%	32	13	25	9	24	23	22	1	4.5%	6	283.3%
Other Imaging	11,287	685	10,602	1,547.7%	10,751	5.0%	1,005	974	977	973	897	891	62	829	1,337.1%	847	5.2%



**Operating Performance Summary**  
**Southwest Health System Consolidated**  
 Through the Period Ending Dec-25

	Fiscal-Year-to-Date						Six-Month Trend						Current Month				
	Actual	Budget	\$ Var	% Var	Prior	% Var	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Budget	\$ Var	% Var	Prior Year	% Var
Inpatient Revenue	\$24,061	\$23,207	\$854	3.7%	\$21,497	11.9%	\$1,563	\$1,389	\$2,193	\$1,912	\$1,354	\$2,106	\$1,908	\$198	10.4%	\$1,349	56.1%
Outpatient Revenue	148,996	141,473	7,523	5.3%	135,746	9.8%	13,612	12,872	12,392	12,788	11,127	12,334	11,734	600	5.1%	12,041	2.4%
<b>Gross Patient Revenue</b>	<b>173,057</b>	<b>164,680</b>	<b>8,377</b>	<b>5.1%</b>	<b>157,243</b>	<b>10.1%</b>	<b>15,175</b>	<b>14,261</b>	<b>14,585</b>	<b>14,700</b>	<b>12,481</b>	<b>14,440</b>	<b>13,642</b>	<b>798</b>	<b>5.9%</b>	<b>13,390</b>	<b>7.8%</b>
							0.10	0.10	0.15	0.13	0.11	0.15					
<b>Revenue Deductions</b>																	
Medicare	30,680	26,917	(3,763)	(14.0%)	25,865	(18.6%)	2,974	2,759	2,354	2,696	2,182	2,806	2,230	(576)	(25.8%)	2,264	(23.9%)
Medicaid	31,841	29,995	(1,846)	(6.2%)	26,748	(19.0%)	2,755	2,534	1,993	2,891	2,428	2,308	2,474	166	6.7%	2,347	1.7%
Prior Year Cost Report Adj-MCARE	100	0	(100)	0.0%	(807)	(112.4%)	476	45	93	100	134	16	0	(16)	0.0%	0	0.0%
Prior Year Cost Report Adj-MCAID	1	0	(1)	0.0%	(27)	(103.7%)	0	0	0	(1)	0	1	0	(1)	0.0%	0	0.0%
Other Directed Payment Programs	(12,355)	(12,565)	(210)	(1.7%)	(14,540)	(15.0%)	(1,047)	(1,047)	(1,230)	(1,795)	(977)	(977)	(1,047)	(70)	(6.7%)	(2,111)	(53.7%)
Managed Medicare	21,518	18,919	(2,599)	(13.7%)	18,527	(16.1%)	1,652	1,871	2,230	1,855	1,557	1,957	1,564	(393)	(25.1%)	1,770	(10.6%)
Managed Care (HMO/PPO) Discounts	10,148	11,871	1,723	14.5%	10,565	3.9%	973	810	1,369	670	677	952	1,000	48	4.8%	886	(7.4%)
Charity & Indigent care	4,351	5,032	681	13.5%	4,872	10.7%	466	290	457	314	451	213	420	207	49.3%	399	46.6%
Other Discounts	5,316	5,597	281	5.0%	4,793	(10.9%)	677	243	400	383	404	463	466	3	0.6%	405	(14.3%)
Administrative Adjustments	599	0	(599)	0.0%	1,003	40.3%	140	17	38	47	44	(71)	0	71	0.0%	116	161.2%
Implicit Price Concessions	7,953	3,451	(4,502)	(30.5%)	6,008	(32.4%)	680	845	877	722	843	327	286	(41)	(14.3%)	323	(1.2%)
<b>Total Deductions</b>	<b>100,152</b>	<b>89,217</b>	<b>(10,935)</b>	<b>(12.3%)</b>	<b>83,007</b>	<b>(20.7%)</b>	<b>9,746</b>	<b>8,367</b>	<b>8,581</b>	<b>7,882</b>	<b>7,743</b>	<b>7,995</b>	<b>7,393</b>	<b>(602)</b>	<b>(8.1%)</b>	<b>6,399</b>	<b>(24.9%)</b>
<b>Net Patient Revenue</b>	<b>72,905</b>	<b>75,463</b>	<b>(2,558)</b>	<b>(3.4%)</b>	<b>74,236</b>	<b>(1.8%)</b>	<b>5,429</b>	<b>5,894</b>	<b>6,004</b>	<b>6,818</b>	<b>4,738</b>	<b>6,445</b>	<b>6,249</b>	<b>196</b>	<b>3.1%</b>	<b>6,991</b>	<b>(7.8%)</b>
Other Revenue	9,094	7,590	1,504	19.8%	7,603	19.6%	679	683	699	964	994	622	695	(73)	(10.5%)	622	0.0%
<b>Net Operating Revenue</b>	<b>81,999</b>	<b>83,053</b>	<b>(1,054)</b>	<b>(1.3%)</b>	<b>81,839</b>	<b>0.2%</b>	<b>6,108</b>	<b>6,577</b>	<b>6,703</b>	<b>7,782</b>	<b>5,732</b>	<b>7,067</b>	<b>6,944</b>	<b>123</b>	<b>1.8%</b>	<b>7,613</b>	<b>(7.2%)</b>
<b>Operating Expenses</b>																	
Salaries	31,743	34,150	2,407	7.0%	32,109	1.1%	2,618	2,630	2,572	2,809	2,578	2,292	2,853	561	24.5%	2,507	8.6%
Contract Labor	6,012	4,353	(1,659)	(38.1%)	6,226	3.4%	585	519	668	582	760	573	368	(205)	(55.7%)	317	(80.8%)
Employee Benefits	7,088	7,265	177	2.4%	6,921	(2.4%)	537	624	562	828	333	734	606	(128)	(17.4%)	356	(106.2%)
Professional Fees	1,422	1,844	422	22.9%	1,609	11.6%	128	122	119	137	127	149	152	3	2.0%	197	24.4%
Medical Supplies	3,810	4,312	502	11.6%	4,032	5.5%	241	384	395	305	284	215	350	135	62.8%	288	25.3%
Pharmaceutical Supplies	10,793	9,598	(1,195)	(12.5%)	9,102	(18.6%)	948	909	774	1,166	943	894	824	(70)	(7.8%)	883	(1.2%)
Other Supplies	978	1,266	288	22.7%	1,057	7.5%	79	80	83	81	105	67	104	37	55.2%	74	9.5%
Purchased Services	4,677	3,815	(862)	(22.6%)	3,857	(21.3%)	459	380	357	333	510	472	314	(158)	(33.5%)	378	(24.9%)
Lease and Rent	250	343	93	27.1%	266	6.0%	22	22	22	18	23	18	29	11	61.1%	5	(260.0%)
Insurance	918	1,061	143	13.5%	1,005	8.7%	82	81	79	79	79	68	88	20	29.4%	75	9.3%
Utilities	893	1,076	183	17.0%	996	10.3%	78	124	67	86	87	64	92	28	43.8%	94	31.9%
Depreciation & Amortization	3,112	3,574	462	12.9%	3,445	9.7%	265	263	255	263	258	266	298	32	12.0%	265	(0.4%)
Interest	1,218	1,412	194	13.7%	1,339	9.0%	103	103	99	101	98	100	118	18	18.0%	107	6.5%
Other	7,627	7,943	316	4.0%	7,300	(4.5%)	529	727	360	678	627	595	660	65	10.9%	688	13.5%
<b>Total Operating Expenses</b>	<b>80,541</b>	<b>82,012</b>	<b>1,471</b>	<b>1.8%</b>	<b>79,264</b>	<b>(1.6%)</b>	<b>6,674</b>	<b>6,968</b>	<b>6,412</b>	<b>7,466</b>	<b>6,812</b>	<b>6,507</b>	<b>6,856</b>	<b>349</b>	<b>5.4%</b>	<b>6,234</b>	<b>(4.4%)</b>
<b>Operating Margin</b>	<b>1,458</b>	<b>1,041</b>	<b>417</b>	<b>40.1%</b>	<b>\$2,575</b>	<b>247.4%</b>	<b>(566)</b>	<b>(391)</b>	<b>291</b>	<b>316</b>	<b>(1,080)</b>	<b>560</b>	<b>\$88</b>	<b>472</b>	<b>84.3%</b>	<b>\$1,379</b>	<b>(59.4%)</b>
<b>Non-Operating Revenue (Exp)</b>																	
Investment Income	848	237	611	257.8%	441	92.3%	17	100	59	63	57	47	20	27	135.0%	(7)	771.4%
Other	3,445	2,084	1,361	65.3%	2,385	44.4%	154	222	235	224	275	1,073	174	899	516.7%	160	570.6%
<b>Total Non-Operating Revenue (Exp)</b>	<b>4,293</b>	<b>2,321</b>	<b>1,972</b>	<b>85.0%</b>	<b>2,826</b>	<b>51.9%</b>	<b>171</b>	<b>322</b>	<b>294</b>	<b>287</b>	<b>332</b>	<b>1,120</b>	<b>194</b>	<b>926</b>	<b>477.3%</b>	<b>153</b>	<b>632.0%</b>
<b>Net Margin</b>	<b>\$5,751</b>	<b>\$3,362</b>	<b>\$2,389</b>	<b>71.1%</b>	<b>\$5,401</b>	<b>6.5%</b>	<b>(\$395)</b>	<b>(\$69)</b>	<b>\$585</b>	<b>\$603</b>	<b>(\$748)</b>	<b>\$1,680</b>	<b>\$282</b>	<b>\$1,398</b>	<b>495.7%</b>	<b>\$1,532</b>	<b>9.8%</b>
<b>EBIDA</b>	<b>\$10,081</b>	<b>\$8,348</b>	<b>\$1,733</b>	<b>20.8%</b>	<b>\$10,185</b>	<b>(1.0%)</b>	<b>(\$27)</b>	<b>\$297</b>	<b>\$939</b>	<b>\$967</b>	<b>(\$392)</b>	<b>\$2,046</b>	<b>\$698</b>	<b>\$1,348</b>	<b>193.1%</b>	<b>\$1,904</b>	<b>7.5%</b>
<b>Total Profit Margin</b>	7.0%	4.0%			6.6%		(6.5%)	(1.0%)	8.7%	7.7%	(13.0%)	23.8%	4.1%			20.1%	
<b>EBIDA Margin</b>	12.3%	10.1%			12.4%		(0.4%)	4.5%	14.0%	12.4%	(6.8%)	29.0%	10.1%			25.0%	



**Income Statement**  
**Southwest Health System Consolidated**  
 Through the Period Ending Dec-25  
 (\$ in Thousands)

Current Month							Prior						
Actual	%GPR	Budget	%GPR	Variance *		Prior Year	%GPR	Variance *		Actual	%GPR	Budget	%GPR
				\$	%			\$	%				
\$2,106	14.6%	\$1,908	14.0%	\$198	10.4%	\$1,349	10.1%	\$757	56.1%	\$2,106	14.6%	\$1,908	14.0%
12,334	85.4%	11,734	86.0%	600	5.1%	12,041	89.9%	293	2.4%	12,334	85.4%	11,734	86.0%
<b>14,440</b>	<b>100.0%</b>	<b>13,642</b>	<b>100.0%</b>	<b>798</b>	<b>5.9%</b>	<b>13,390</b>	<b>100.0%</b>	<b>1,050</b>	<b>7.8%</b>	<b>14,440</b>	<b>100.0%</b>	<b>13,642</b>	<b>100.0%</b>
2,806	19.4%	2,230	16.3%	(576)	(26.5%)	2,264	16.9%	(542)	(24.6%)	2,806	19.4%	2,230	16.3%
2,308	16.0%	2,474	18.1%	166	6.6%	2,347	17.5%	39	1.6%	2,308	16.0%	2,474	18.1%
16	0.1%	0	0.0%	(16)	0.0%	0	0.0%	(16)	0.0%	16	0.1%	0	0.0%
1	0.0%	0	0.0%	(1)	0.0%	0	0.0%	(1)	0.0%	1	0.0%	0	0.0%
(977)	-6.8%	(1,047)	-7.7%	(70)	(6.7%)	(2,111)	-15.8%	(1,134)	(53.7%)	(977)	-6.8%	(1,047)	-7.7%
1,957	13.6%	1,564	11.5%	(393)	(25.1%)	1,770	13.2%	(187)	(10.5%)	1,957	13.6%	1,564	11.5%
952	6.6%	1,000	7.3%	48	4.8%	886	6.6%	(66)	(7.4%)	952	6.6%	1,000	7.3%
213	1.5%	420	3.1%	207	49.2%	399	3.0%	186	46.5%	213	1.5%	420	3.1%
463	3.2%	466	3.4%	3	0.7%	405	3.0%	(58)	(14.1%)	463	3.2%	466	3.4%
(71)	-0.5%	0	0.0%	71	0.0%	116	0.9%	187	161.3%	(71)	-0.5%	0	0.0%
327	2.3%	286	2.1%	(41)	(14.4%)	323	2.4%	(4)	(1.1%)	327	2.3%	286	2.1%
<b>7,995</b>	<b>55.4%</b>	<b>7,393</b>	<b>54.2%</b>	<b>(602)</b>	<b>(8.1%)</b>	<b>6,399</b>	<b>47.8%</b>	<b>(1,596)</b>	<b>(24.9%)</b>	<b>7,995</b>	<b>55.4%</b>	<b>7,393</b>	<b>54.2%</b>
<b>6,445</b>	<b>44.6%</b>	<b>6,249</b>	<b>45.8%</b>	<b>196</b>	<b>3.2%</b>	<b>6,991</b>	<b>52.2%</b>	<b>(546)</b>	<b>(7.8%)</b>	<b>6,445</b>	<b>44.6%</b>	<b>6,249</b>	<b>45.8%</b>
622	4.3%	695	5.1%	(73)	(10.5%)	622	4.6%	0	0.0%	622	4.3%	695	5.1%
<b>7,067</b>	<b>48.9%</b>	<b>6,944</b>	<b>50.9%</b>	<b>123</b>	<b>1.8%</b>	<b>7,613</b>	<b>56.9%</b>	<b>(546)</b>	<b>(7.2%)</b>	<b>7,067</b>	<b>48.9%</b>	<b>6,944</b>	<b>50.9%</b>
	<b>%NOR</b>		<b>%NOR</b>				<b>%NOR</b>				<b>%NOR</b>		<b>%NOR</b>
2,292	32.4%	2,853	41.1%	561	19.7%	2,507	32.9%	215	8.6%	2,292	32.4%	2,853	41.1%
573	8.1%	368	5.3%	(205)	(55.7%)	317	4.2%	(256)	(80.8%)	573	8.1%	368	5.3%
734	10.4%	606	8.7%	(128)	(21.1%)	356	4.7%	(378)	(106.0%)	734	10.4%	606	8.7%
149	2.1%	152	2.2%	3	2.3%	197	2.6%	48	24.5%	149	2.1%	152	2.2%
215	3.0%	350	5.0%	135	38.6%	288	3.8%	73	25.3%	215	3.0%	350	5.0%
894	12.7%	824	11.9%	(70)	(8.5%)	883	11.6%	(11)	(1.2%)	894	12.7%	824	11.9%
67	0.9%	104	1.5%	37	35.8%	74	1.0%	7	9.9%	67	0.9%	104	1.5%
472	6.7%	314	4.5%	(158)	(50.1%)	378	5.0%	(94)	(24.7%)	472	6.7%	314	4.5%
18	0.3%	29	0.4%	11	37.8%	5	0.1%	(13)	(227.7%)	18	0.3%	29	0.4%
68	1.0%	88	1.3%	20	23.6%	75	1.0%	7	10.0%	68	1.0%	88	1.3%
64	0.9%	92	1.3%	28	30.2%	94	1.2%	30	32.1%	64	0.9%	92	1.3%
266	3.8%	298	4.3%	32	10.6%	265	3.5%	(1)	(0.6%)	266	3.8%	298	4.3%
100	1.4%	118	1.7%	18	14.6%	107	1.4%	7	6.2%	100	1.4%	118	1.7%
595	8.4%	660	9.5%	65	9.8%	688	9.0%	93	13.4%	595	8.4%	660	9.5%
<b>6,507</b>	<b>92.1%</b>	<b>6,856</b>	<b>98.7%</b>	<b>349</b>	<b>5.1%</b>	<b>6,234</b>	<b>81.9%</b>	<b>(273)</b>	<b>(4.4%)</b>	<b>6,507</b>	<b>92.1%</b>	<b>6,856</b>	<b>98.7%</b>
<b>560</b>	<b>7.9%</b>	<b>88</b>	<b>1.3%</b>	<b>472</b>	<b>545.5%</b>	<b>1,379</b>	<b>18.1%</b>	<b>(819)</b>	<b>(59.3%)</b>	<b>560</b>	<b>7.9%</b>	<b>88</b>	<b>1.3%</b>
47	0.7%	20	0.3%	27	135.0%	(7)	-0.1%	54	771.4%	47	0.7%	20	0.3%
1,073	15.2%	174	2.5%	899	516.7%	160	2.1%	913	570.6%	1,073	15.2%	174	2.5%
<b>1,120</b>	<b>15.8%</b>	<b>194</b>	<b>2.8%</b>	<b>926</b>	<b>477.3%</b>	<b>153</b>	<b>2.0%</b>	<b>967</b>	<b>632.0%</b>	<b>1,120</b>	<b>15.8%</b>	<b>194</b>	<b>2.8%</b>
<b>\$1,680</b>	<b>23.8%</b>	<b>\$282</b>	<b>4.1%</b>	<b>\$1,398</b>	<b>495.7%</b>	<b>\$1,532</b>	<b>20.1%</b>	<b>\$148</b>	<b>9.7%</b>	<b>\$1,680</b>	<b>23.8%</b>	<b>\$282</b>	<b>4.1%</b>
<b>\$2,046</b>	<b>29.0%</b>	<b>\$698</b>	<b>10.1%</b>	<b>\$1,348</b>	<b>193.1%</b>	<b>\$1,904</b>	<b>25.0%</b>	<b>\$142</b>	<b>7.5%</b>	<b>\$2,046</b>	<b>29.0%</b>	<b>\$698</b>	<b>10.1%</b>

(164)  
 (20)  
 (252)  
 (17)  
 0  
 1,594

Fiscal-Year-to-Date														
Actual	%GPR	Budget	%GPR	Variance *		Prior Year	%GPR	Variance *		Actual	%GPR	Budget	%GPR	
				\$	%			\$	%					
Inpatient Revenue	\$24,061	13.9%	\$23,207	14.1%	\$854	3.7%	\$21,497	13.7%	\$2,564	11.9%	\$24,061	13.9%	\$23,207	14.1%
Outpatient Revenue	148,996	86.1%	141,473	85.9%	7,523	5.3%	135,746	86.3%	13,250	9.8%	148,996	86.1%	141,473	85.9%
<b>TOTAL GROSS PATIENT REVENUE</b>	<b>173,057</b>	<b>100.0%</b>	<b>164,680</b>	<b>100.0%</b>	<b>8,377</b>	<b>5.1%</b>	<b>157,243</b>	<b>100.0%</b>	<b>15,814</b>	<b>10.1%</b>	<b>173,057</b>	<b>100.0%</b>	<b>164,680</b>	<b>100.0%</b>
<b>REVENUE DEDUCTIONS</b>														
Medicare Contractual	30,680	17.7%	26,917	16.3%	(3,763)	(14.4%)	25,865	16.4%	(4,815)	(22.8%)	30,680	17.7%	26,917	16.3%
Medicaid Contractual	31,841	18.4%	29,995	18.2%	(1,846)	(6.2%)	26,748	17.0%	(5,093)	(19.2%)	31,841	18.4%	29,995	18.2%
Prior Year Medicare Cost Report Adj.	100	0.1%	0	0.0%	(100)	0.0%	(807)	-0.5%	(907)	(112.4%)	100	0.1%	0	0.0%
Prior Year Medicaid Cost Report Adj.	1	0.0%	0	0.0%	(1)	0.0%	(27)	0.0%	(28)	(102.0%)	1	0.0%	0	0.0%
Other Directed Payment Programs	(12,355)	-7.1%	(12,565)	-7.6%	(210)	(1.7%)	(14,540)	-9.2%	(2,185)	(15.0%)	(12,355)	-7.1%	(12,565)	-7.6%
Managed Medicare	21,518	12.4%	18,919	11.5%	(2,599)	(13.7%)	18,527	11.8%	(2,991)	(16.1%)	21,518	12.4%	18,919	11.5%
Managed Care (HMO/PPO) Discounts	10,148	5.9%	11,871	7.2%	1,723	14.5%	10,565	6.7%	417	3.9%	10,148	5.9%	11,871	7.2%
Charity & Indigent Discounts	4,351	2.5%	5,032	3.1%	681	13.5%	4,872	3.1%	521	10.7%	4,351	2.5%	5,032	3.1%
Other Discounts	5,316	3.1%	5,597	3.4%	281	5.0%	4,793	3.0%	(523)	(10.9%)	5,316	3.1%	5,597	3.4%
Administrative Adjustments	599	0.3%	0	0.0%	(599)	0.0%	1,003	0.6%	404	40.3%	599	0.3%	0	0.0%
Implicit Price Concessions	7,953	4.6%	3,451	2.1%	(4,502)	(130.4%)	6,008	3.8%	(1,945)	(32.4%)	7,953	4.6%	3,451	2.1%
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>100,152</b>	<b>57.9%</b>	<b>89,217</b>	<b>54.2%</b>	<b>(10,935)</b>	<b>(12.3%)</b>	<b>83,007</b>	<b>52.8%</b>	<b>(17,145)</b>	<b>(20.7%)</b>	<b>100,152</b>	<b>57.9%</b>	<b>89,217</b>	<b>54.2%</b>
<b>TOTAL NET PATIENT REVENUE</b>	<b>72,905</b>	<b>42.1%</b>	<b>75,463</b>	<b>45.8%</b>	<b>(2,558)</b>	<b>(3.4%)</b>	<b>74,236</b>	<b>47.2%</b>	<b>(1,331)</b>	<b>(1.8%)</b>	<b>72,905</b>	<b>42.1%</b>	<b>75,463</b>	<b>45.8%</b>
Other Revenue	9,094	5.3%	7,590	4.6%	1,504	19.8%	7,603	4.8%	1,491	19.6%	9,094	5.3%	7,590	4.6%
<b>TOTAL NET REVENUE</b>	<b>81,999</b>	<b>47.4%</b>	<b>83,053</b>	<b>50.4%</b>	<b>(1,054)</b>	<b>(1.3%)</b>	<b>81,839</b>	<b>52.0%</b>	<b>160</b>	<b>0.2%</b>	<b>81,999</b>	<b>47.4%</b>	<b>83,053</b>	<b>50.4%</b>
<b>OPERATING EXPENSE</b>														
Salaries	31,743	38.7%	34,150	41.1%	2,407	7.0%	32,109	39.2%	366	1.1%	31,743	38.7%	34,150	41.1%
Contract Labor	6,012	7.3%	4,353	5.2%	(1,659)	(38.1%)	6,226	7.6%	214	3.4%	6,012	7.3%	4,353	5.2%
Employee Benefits	7,088	8.6%	7,265	8.7%	177	2.4%	6,921	8.5%	(167)	(2.4%)	7,088	8.6%	7,265	8.7%
Professional Fees	1,422	1.7%	1,844	2.2%	422	22.9%	1,609	2.0%	187	11.6%	1,422	1.7%	1,844	2.2%
Medical Supplies	3,810	4.6%	4,312	5.2%	502	11.7%	4,032	4.9%	222	5.5%	3,810	4.6%	4,312	5.2%
Pharmaceutical Supplies	10,793	13.2%	9,598	11.6%	(1,195)	(12.4%)	9,102	11.1%	(1,691)	(18.6%)	10,793	13.2%	9,598	11.6%
Other Supplies	978	1.2%	1,266	1.5%	288	22.7%	1,057	1.3%	79	7.4%	978	1.2%	1,266	1.5%
Purchased Services	4,677	5.7%	3,815	4.6%	(862)	(22.6%)	3,857	4.7%	(820)	(21.2%)	4,677	5.7%	3,815	4.6%
Lease and Rent	250	0.3%	343	0.4%	93	27.0%	266	0.3%	16	5.9%	250	0.3%	343	0.4%
Insurance	918	1.1%	1,061	1.3%	143	13.5%	1,005	1.2%	87	8.6%	918	1.1%	1,061	1.3%
Utilities	893	1.1%	1,076	1.3%	183	17.0%	996	1.2%	103	10.3%	893	1.1%	1,076	1.3%
Depreciation & Amortization	3,112	3.8%	3,574	4.3%	462	12.9%	3,445	4.2%	333	9.7%	3,112	3.8%	3,574	4.3%
Interest	1,218	1.5%	1,412	1.7%	194	13.7%	1,339	1.6%	121	9.1%	1,218	1.5%	1,412	1.7%
Other Total Operating Expenses	7,627	9.3%	7,943	9.6%	316	4.0%	7,300	8.9%	(327)	(4.5%)	7,627	9.3%	7,943	9.6%
<b>TOTAL OPERATING EXPENSES</b>	<b>80,541</b>	<b>98.2%</b>	<b>82,012</b>	<b>98.7%</b>	<b>1,471</b>	<b>1.8%</b>	<b>79,264</b>	<b>96.9%</b>	<b>(1,277)</b>	<b>(1.6%)</b>	<b>80,541</b>	<b>98.2%</b>	<b>82,012</b>	<b>98.7%</b>
<b>OPERATING MARGIN</b>	<b>1,458</b>	<b>1.8%</b>	<b>1,041</b>	<b>1.3%</b>	<b>417</b>	<b>39.9%</b>	<b>2,575</b>	<b>3.1%</b>	<b>(1,117)</b>	<b>(43.3%)</b>	<b>1,458</b>	<b>1.8%</b>	<b>1,041</b>	<b>1.3%</b>
<b>NON-OPERATING REVENUE (EXP)</b>														
Investment Income	848	1.0%	237	0.3%	611	257.8%	441	0.5%	407	92.3%	848	1.0%	237	0.3%
Other Total Non-Operating Expenses (EXP)	3,445	4.2%	2,084	2.5%	1,361	65.3%	2,385	2.9%	1,060	44.4%	3,445	4.2%	2,084	2.5%
<b>TOTAL NON-OPERATING REVENUE (EXP)</b>	<b>4,293</b>	<b>5.2%</b>	<b>2,321</b>	<b>2.8%</b>	<b>1,972</b>	<b>85.0%</b>	<b>2,826</b>	<b>3.5%</b>	<b>1,467</b>	<b>51.9%</b>	<b>4,293</b>	<b>5.2%</b>	<b>2,321</b>	<b>2.8%</b>
<b>NET MARGIN</b>														



**Balance Sheet**

**Southwest Health System Consolidated**

(\$ in Thousands)

	Dec-25	Nov-25	Variance*		Dec-24	Variance		Dec-24	Variance*	
	Current Month	Previous Month	\$	%	Last Year	\$	%	Last Year End	\$	%
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	\$5,452	\$5,117	\$335	6.5%	\$5,936	(\$484)	(8.1%)	\$5,936	(\$484)	(8.2%)
Short-Term Investments	11,397	11,366	31	0.3%	10,771	626	5.8%	10,771	626	5.8%
Assets Whose Use is Limited, and Required for Current Liabilities	0	0	0	0.0%	0	0	0.0%	0	0	0.0%
Patient Accounts Receivable, Net	6,411	6,371	40	0.6%	7,189	(778)	(10.8%)	7,189	(778)	(10.8%)
Inventories	1,908	1,723	185	10.7%	1,597	311	19.5%	1,597	311	19.5%
Other Current Assets	2,055	2,272	(217)	(9.6%)	1,625	430	26.5%	1,625	430	26.5%
<b>Total Current Assets</b>	<b>27,223</b>	<b>26,849</b>	<b>374</b>	<b>1.4%</b>	<b>27,118</b>	<b>105</b>	<b>0.4%</b>	<b>27,118</b>	<b>105</b>	<b>0.4%</b>
Assets Whose Use is Limited or Donor-Restricted Net of Amount Required for Current Liabilities	7,830	7,962	(132)	(1.7%)	5,657	2,173	38.4%	5,657	2,173	38.4%
Property, Plant, and Equipment, Net	27,609	27,793	(184)	(0.7%)	29,306	(1,697)	(5.8%)	29,306	(1,697)	(5.8%)
Noncurrent Investments (Unrestricted)	0	0	0	0.0%	0	0	0.0%	0	0	0.0%
Other Assets	301	290	11	4.4%	196	105	52.8%	196	105	53.6%
<b>Total Assets</b>	<b>\$62,963</b>	<b>\$62,894</b>	<b>\$69</b>	<b>0.1%</b>	<b>\$62,277</b>	<b>\$686</b>	<b>1.1%</b>	<b>\$62,277</b>	<b>\$686</b>	<b>1.1%</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Current Liabilities</b>										
Accounts Payable	\$2,179	\$2,075	\$104	5.0%	\$2,352	(\$173)	(7.4%)	\$2,352	(\$173)	(7.4%)
Accrued Expense Payable	3,901	4,418	(517)	(11.7%)	3,526	375	10.6%	3,526	375	10.6%
Estimated Third Party Payor Settlements	1,279	1,936	(657)	(33.9%)	3,049	(1,770)	(58.0%)	3,049	(1,770)	(58.1%)
Other Current Liabilities	2,166	2,612	(446)	(17.1%)	4,137	(1,971)	(47.6%)	4,137	(1,971)	(47.6%)
Current Portion of Long-Term Debt	0	92	(92)	(100.0%)	408	(408)	(100.0%)	408	(408)	(100.0%)
Short Term Lease Obligations	0	0	0	0.0%	0	0	0.0%	0	0	0.0%
<b>Total Current Liabilities</b>	<b>9,525</b>	<b>11,133</b>	<b>(1,608)</b>	<b>(14.5%)</b>	<b>13,472</b>	<b>(3,947)</b>	<b>(29.3%)</b>	<b>13,472</b>	<b>(3,947)</b>	<b>(29.3%)</b>
Inter-Company	0	0	\$0	0.0%	0	0	0.0%	0	0	0.0%
Long Term Lease Obligations	0	0	\$0	0.0%	0	0	0.0%	0	0	0.0%
Long-Term Debt, Net of Current Portion	24,102	24,099	3	0.0%	25,141	(1,039)	(4.1%)	25,141	(1,039)	(4.1%)
Other Liabilities	0	0	0	0.0%	0	0	0.0%	0	0	0.0%
<b>Total Liabilities</b>	<b>33,627</b>	<b>35,232</b>	<b>(1,605)</b>	<b>(4.6%)</b>	<b>38,613</b>	<b>(4,986)</b>	<b>(12.9%)</b>	<b>38,613</b>	<b>(4,986)</b>	<b>(12.9%)</b>
<b>Fund Balances</b>										
Unrestricted	29,517	27,836	1,681	6.0%	\$23,773	\$5,744	24.2%	\$23,773	\$5,744	24.2%
Temporarily Donor-Restricted	(181)	(174)	(7)	(3.8%)	(109)	(72)	(66.1%)	(109)	(\$72)	66.0%
Permanently Donor-Restricted	0	0	0	0.0%	0	0	0.0%	0	\$0	0.0%
<b>Total Fund Balances</b>	<b>29,336</b>	<b>27,662</b>	<b>1,674</b>	<b>6.1%</b>	<b>23,664</b>	<b>5,672</b>	<b>24.0%</b>	<b>23,664</b>	<b>5,672</b>	<b>24.0%</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$62,963</b>	<b>\$62,894</b>	<b>\$69</b>	<b>0.1%</b>	<b>\$62,277</b>	<b>\$686</b>	<b>1.1%</b>	<b>\$62,277</b>	<b>\$686</b>	<b>1.1%</b>
<b>Days Cash on Hand</b>										
Capital Infrastructure Reserve	78	76	2	2.5%	79	(0)	(0.6%)	79	(0)	(0.6%)
Bond Deb Reserve	25	23								
	6	6								
<b>Total Reportable DCOH</b>	<b>110</b>	<b>106</b>								



**Statement Of Cash Flows**  
**Southwest Health System Consolidated**

Dec-25

(\$ in Thousands)

	<u>Current Month</u>	<u>Fiscal YTD</u>
<b>Cash Flows From Operating Activities</b>		
Net Margin	\$1,680	\$5,751
Adjustment for Depreciation and Amortization	266	3,112
Change in Working Capital		
Short-Term Investments	(31)	(626)
Assets Whose Use Is Limited	0	0
Patient Accounts Receivable (Net)	(40)	778
Inventories	(185)	(311)
Other Current Assets	217	(430)
Accounts Payable	104	(173)
Accrued Expense Payable	(517)	375
Estimated Third-Party Payor Settlements	(657)	(1,770)
Other Current Liabilities	(446)	(1,971)
Net Cash Provided (Used) by Operating Activities	<u>391</u>	<u>4,735</u>
<b>Changes in Noncurrent Assets and Liabilities</b>		
Assets Whose Use is Limited or Donor-Restricted	132	(2,173)
Noncurrent Investments (Unrestricted)	0	0
Other Assets	(11)	(105)
Other Liabilities	0	0
Net Cash Provided by Noncurrent Operating Activities	<u>121</u>	<u>(2,278)</u>
<b>Capital and Related Financing Activities</b>		
Property, Plant & Equipment	(82)	(1,415)
Inter-Company	0	0
Current Portion of Long-Term Debt	(92)	(408)
Long-Term Debt	3	(1,039)
Short Term Lease Obligations	0	0
Long Term Lease Obligations	0	0
Donor Restricted Contributions Received	0	0
Other Fund Balance Changes	(6)	(79)
Net Capital & Related Financing Activities	<u>(177)</u>	<u>(2,941)</u>
Net Increase (Decrease) in Cash	<u>335</u>	<u>(484)</u>
Cash at Beginning of Period	5,117	5,936
<b>Cash at End of Period</b>	<b><u><u>\$5,452</u></u></b>	<b><u><u>\$5,452</u></u></b>

Southwest Health System, Inc  
Schedule of Debt Payments  
12/31/2025

	District Sales Tax MCHD	Hosp Portion SWHS	Total Debt Payment	Restricted for Capital Imprvmt	Disbursement	Interest Earned Capital Imprvmt
Jan-22	167,985.86	134,726.31	302,712.17			
Feb-22	280,228.83	22,223.62	302,452.45			
Mar-22	139,780.84	162,935.04	302,715.58			
Apr-22	139,048.74	163,545.48	302,624.22			
May-22	173,697.25	129,012.06	302,709.11			
Jun-22	171,334.44	130,791.41	302,125.85			
Jul-22	185,064.66	117,619.79	302,684.45			
Aug-22	205,825.45	96,803.89	302,629.34			
Sep-22	195,991.81	106,516.59	302,508.40			
Oct-22	202,652.82	99,993.51	302,646.33			
Nov-22	203,107.00	95,781.49	298,888.49			
Dec-22	190,835.07	111,643.33	302,479.40			
2022 YTD	<u>2,255,552.77</u>	<u>1,371,592.52</u>	<u>3,627,175.79</u>			
	62.2%	37.8%	100%			
2023						
Jan-23	161,584.44	120,159.11	281,743.55			
Feb-23	184,839.65	117,470.50	302,310.15			
Mar-23	137,543.23	165,097.63	302,640.86			
Apr-23	137,628.31	164,960.23	302,588.54			
May-23	159,286.51	143,231.35	302,517.86			
Jun-23	164,346.28	97,069.92	261,416.20			
Jul-23	192,819.87	109,615.48	302,435.35			
Aug-23	212,821.08	165,000.00	163,672.92	214,148.16		
Transfer from Bond Reserve *New Agreement				501,560.84		
Sep-23	199,996.83	165,000.00	163,672.92	201,323.91		1,097.55
Oct-23	191,742.64	165,000.00	163,672.92	193,069.72		3,237.51
Nov-23	208,249.00	165,000.00	163,672.92	209,576.08		4,249.14
Dec-23	196,447.24	165,000.00	163,672.92	197,774.32		4,905.81
Dec-23 Int from Bond Debt Res						40,661.13
2023 YTD	<u>2,147,305.08</u>	<u>1,742,604.22</u>	<u>2,874,017.11</u>	<u>1,517,453.03</u>	-	<u>54,151.14</u>
2024						
Jan-24	178,384.07	165,000.00	163,672.92	179,711.15		6,273.64
Feb-24	184,406.61	165,000.00	163,672.92	185,733.69		7,224.13
Mar-24	141,586.09	165,000.00	163,672.92	142,913.17	(5,527.03)	7,404.17
Apr-24	143,071.51	165,000.00	163,672.92	144,398.59	(507,603.00)	8,965.31
May-24	168,289.71	165,000.00	163,672.92	169,616.79		8,772.22
Jun-24	178,686.12	165,000.00	163,672.92	180,013.20	(28,613.50)	43,054.09
Jul-24	204,292.71	165,000.00	163,672.92	205,619.79		8,601.90
Aug-24	203,478.86	165,000.00	163,672.92	204,805.94		9,831.61
Sep-24	207,268.98	165,000.00	163,672.92	208,596.06		10,472.66
Oct-24	203,966.64	165,000.00	163,672.92	205,293.72		10,928.61
Nov-24	202,684.29	165,000.00	163,672.92	204,011.37	\$(54,420.00)	11,431.63
Dec-24	194,790.61	165,000.00	163,672.92	196,117.69	(340,850.00)	44,783.62
2024 YTD	<u>2,210,906.20</u>	<u>1,980,000.00</u>	<u>1,964,075.04</u>	<u>2,226,831.16</u>	<u>(937,013.53)</u>	<u>177,743.59</u>
<b>Running Total</b>				<b>3,744,284.19</b>	<b>(937,013.53)</b>	<b>231,894.73</b>
2025						
Jan-25	181,478.36	165,000.00	163,672.92	182,805.44		12,254.40
Feb-25	195,724.47	165,000.00	163,672.92	197,051.55		11,515.63
Mar-25	152,721.94	165,000.00	163,672.92	154,049.02		10,765.50
Apr-25	128,621.06	165,000.00	163,672.92	129,948.14		12,566.56
May-25	212,221.57	165,000.00	163,672.92	213,548.65	(52,500.00)	12,882.00
Jun-25	214,996.26	165,000.00	163,672.92	216,323.34	(131,883.94)	13,584.69
Jul-25	180,193.88	165,000.00	163,672.92	181,520.96		13,671.44
Aug-25	222,783.46	165,000.00	163,672.92	224,110.54		14,822.77
Sep-25	209,442.26	165,000.00	163,672.92	210,769.34		15,385.80
Oct-25	191,643.46	165,000.00	163,672.92	192,970.54	(26,800.00)	15,589.35
Nov-25	202,091.72	165,000.00	163,672.92	203,418.80		16,357.39
Dec-25	178,268.46	165,000.00	163,672.92	179,595.54		72,305.92
2025 YTD	<u>2,270,186.90</u>	<u>1,980,000.00</u>	<u>1,964,075.04</u>	<u>2,286,111.86</u>	<u>(211,183.94)</u>	<u>221,701.45</u>
<b>Running Total</b>				<b>6,030,396.05</b>	<b>(1,148,197.47)</b>	<b>453,596</b>
				Available for Capital Improvements		5,335,795

Re-amortization of Debt occurred on Aug 17th. At this time the Debt Prin amount was decreased for the next 40 months. In addition the calculation for DCOH changed to a 3 month average of expenses and now includes the Bond Reserve and Restricted for Capital Improvement accounts.

Southwest Health System Operational Analysis		Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	Qtr End	
		31	30	30	31	31	30	30	31	31	30	30	31
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
<b>Return on Assets</b> ↑		<b>6.86%</b>	<b>5.72%</b>	<b>10.01%</b>	<b>10.11%</b>	<b>9.95%</b>	<b>9.01%</b>	<b>8.58%</b>	<b>8.67%</b>	<b>6.04%</b>	<b>3.74%</b>	<b>6.04%</b>	<b>4.16%</b>
25th Percentile		1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%
37 1/2th Percentile		1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%	1.73%
50th Percentile		2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
75th Percentile		2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%
<b>Acid Test Ratio</b>													
Cash and Cash Equivalents		13,783,678	14,244,937	14,974,148	14,151,422	13,489,967	14,708,660	16,682,581	16,706,845	17,786,077	17,291,940	19,377,269	16,848,866
Accounts Receivable		6,934,439	5,509,664	5,855,165	6,199,239	7,963,525	6,576,725	7,434,147	7,189,199	7,403,668	7,526,213	7,521,971	6,410,611
Unrestricted Investments		1,131,110	1,180,793	1,186,233	1,303,804	1,381,570	1,424,474	1,427,067	1,501,408	1,504,411	1,701,925	1,733,758	1,481,711
Current Liabilities		18,044,197	16,620,586	16,675,836	16,525,284	16,467,918	16,444,750	16,577,158	13,722,766	14,023,714	12,714,247	14,552,334	9,524,254
<b>Acid Test Ratio</b> ↑		<b>1.21</b>	<b>1.26</b>	<b>1.32</b>	<b>1.31</b>	<b>1.39</b>	<b>1.38</b>	<b>1.54</b>	<b>1.85</b>	<b>1.90</b>	<b>2.09</b>	<b>2.25</b>	<b>2.60</b>
25th Percentile		0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
37 1/2th Percentile		0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
50th Percentile		0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
75th Percentile		0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
<b>Current Ratio</b>													
Total Current Assets		23,968,195	22,911,541	23,698,427	23,276,391	24,526,181	24,613,214	27,436,295	27,117,651	29,017,201	28,718,038	30,951,204	27,222,505
Unrestricted Investments		1,131,110	1,180,793	1,186,233	1,303,804	1,381,570	1,424,474	1,427,067	1,501,408	1,504,411	1,701,925	1,733,758	1,481,711
Current Liabilities		18,044,197	16,620,586	16,675,836	16,525,284	16,467,918	16,444,750	16,577,158	13,722,766	14,023,714	12,714,247	14,552,334	9,524,254
<b>Current Ratio</b> ↓		<b>1.39</b>	<b>1.45</b>	<b>1.49</b>	<b>1.49</b>	<b>1.57</b>	<b>1.58</b>	<b>1.74</b>	<b>2.09</b>	<b>2.18</b>	<b>2.39</b>	<b>2.25</b>	<b>3.01</b>
25th Percentile		1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
37 1/2th Percentile		1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97
50th Percentile		2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63
75th Percentile		3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29
<b>Days Cash on Hand</b>													
Total Cash and Equivalents		13,783,678	14,244,937	14,974,148	14,151,422	13,489,967	14,708,660	16,682,581	16,706,845	17,786,077	17,291,940	19,377,269	16,848,866
Daily Cash Operating Expense (Rolling 3 mos)				196,745	212,739	205,016	206,471	212,569	210,294	209,129	212,838	209,776	217,491
Daily Cash Operating Expense (Rolling 6 mos)				201,347	204,605	208,898	205,743	209,537	211,431	209,718	210,994	211,299	213,634
Daily Cash Operating Expense (Rolling 12 mos)				203,701	205,737	205,123	205,240	209,217	208,603	209,627	211,214	210,510	212,324
DCOH (Unrestricted Cash)		52	53	58	17	26	31	27	28	32	29	39	25
DCOH (Self-Restricted/Restricted Investments)		18	17	30	63	57	57	70	72	76	78	83	83
DCOH OLD *		69	70	74	69	66	72	80	80	85	82	92	79
DCOH CHC **		67	70	74	69	65	71	80	79	85	82	92	79
DCOH NEW ***				88	80	83	88	98	100	109	106	121	108
<b>Debt Service Coverage Ratio (Rolling 12 months)</b>													
Total Available for Debt Service		4,158,932	4,037,100	4,608,999	6,038,633	7,001,022	6,543,169	8,351,709	9,848,471	11,300,005	13,181,548	10,545,804	9,779,752
Investment Value Change		45,951	24,123	-109,336	52,969	21,839	41,426	64,005	-31,468	28,277	58,020	3,484	-3,463
MADS		3,629,172	3,629,172	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048	2,626,048
<b>Debt Service Coverage Ratio</b>		<b>1.15</b>	<b>1.11</b>	<b>2.35</b>	<b>2.30</b>	<b>2.67</b>	<b>2.49</b>	<b>3.18</b>	<b>3.75</b>	<b>4.30</b>	<b>5.02</b>	<b>4.02</b>	<b>3.72</b>
<b>Debt to Capitalization</b>													
Long Term Debt		26,075,139	25,503,776	25,289,882	24,770,872	25,145,137	25,155,497	25,165,895	25,140,805	24,071,743	24,081,798	24,091,885	24,101,892
District Funded Per Agreement		-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952	-1,796,952
Long Term Debt Adjusted		24,278,188	23,706,825	23,784,054	22,973,921	23,348,185	23,358,545	23,368,944	23,343,854	22,274,791	22,284,846	22,294,933	22,304,941
URNA		17,077,662	18,498,192	17,896,120	17,516,899	18,284,393	18,067,098	18,960,037	19,643,648	24,943,784	24,208,491	24,350,251	31,197,499
<b>Debt to Capitalization Ratio</b>		<b>58.71%</b>	<b>56.17%</b>	<b>57.06%</b>	<b>56.74%</b>	<b>56.08%</b>	<b>56.39%</b>	<b>55.21%</b>	<b>54.30%</b>	<b>47.17%</b>	<b>47.93%</b>	<b>47.80%</b>	<b>41.69%</b>

\*DCOH OLD utilizes a rolling 12 month daily cash operating expense and does not include restricted investment but does include self restricted

\*\*DCOH CHC utilizes a rolling 6 month daily cash operating expense and does not include restricted investments

\*\*\*DCOH NEW utilizes a 3 month daily cash operating expense and includes both self restricted and restricted investments.

# CEO Report

Board Meeting Date: January 28, 2026

Committee or Staff Completing Report: Joe Theine

Date of Committee Meeting (if applicable): n/a



<b>Wins – one to two highlights of what has gone well.</b>
<ul style="list-style-type: none"><li>Curated group of seventeen (17) new, potential leaders for “Trailhead – Beginning a Path Towards Great Leadership”. First leadership essential “The One Thing: What Great Manager’s Do” completed.</li></ul>
<b>Opportunities – one to two highlights of current upcoming opportunities or challenges.</b>
<ul style="list-style-type: none"><li>Colorado’s general fund budget will be strained again in 2026-27. The Governor’s proposed budget includes a rate decrease for Medicaid. This challenge is in addition to Federal changes to Medicaid that will take effect in the future.</li></ul>
<b>Report</b>
<b>Physician   APP Recruiting</b> <ul style="list-style-type: none"><li>OB/GYN: 17 total candidates, 1 active.</li><li>Family Medicine   OB: 20 total candidates, 4 active; 1 offer pending.</li><li>General Surgery: 25 total candidates, 3 active.</li><li>Advanced Practice Provider for general surgery / wound care interviewing candidate.</li><li>Family Medicine (no OB): Three candidate in discussion. Physician space available to hire one.</li><li>Actively recruiting for advanced practice provider (APP) Emergency Department. One as needed APP hired, continuing search for additional part-time or as needed APP.</li><li>Board Provider Recruiting, Contracting &amp; Retention Committee resuming work on Medical Staff Development Plan</li><li>Dr. Martin Breakfast and Hospital Tour   Rural Physician Group Hospitalist Candidate</li></ul>
<b>Operations Updates</b> <ul style="list-style-type: none"><li>Posted Executive Assistant Position</li><li>Contract Manager and Medical Staff Officer Manager positions filled with internal staff.</li><li>Cerner ambulatory (clinic-based) electronic health record conversion in process.</li><li>Trailhead – Leadership Essentials year long training / development program began.</li></ul>
<b>Community Engagement</b> <ul style="list-style-type: none"><li>Karen Zink, FNP Meeting</li><li>Young Republicans Presentation</li></ul>
<b>Staff Meetings &amp; Internal Engagement</b> <ul style="list-style-type: none"><li>Christmas Holiday Meal Served to SHS Caregivers</li><li>SHS Holiday Party</li></ul>
<b>Other Meetings / Engagement</b> <ul style="list-style-type: none"><li>Continued Participation in Governor’s AI Workgroup Meetings</li><li>Shelly Burke, Axis Health System</li><li>Josh Neff, President Mercy Hospital</li><li>Cecile Fraley, MD, CEO Pediatric Partners of the Southwest</li><li>Senator Dafna Michaelson Jenet Dinner; Senate Health &amp; Human Services Vice Chair</li><li>Colorado Opportunity Caucus Holiday ReceptionColorado School of Public Health</li><li>Colorado Perinatal Access Study</li></ul>
<b>Other Notable Items</b> <ul style="list-style-type: none"><li>N/A</li></ul>
<b>Attachments (if any)</b>
None



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# MCHD Finance Report

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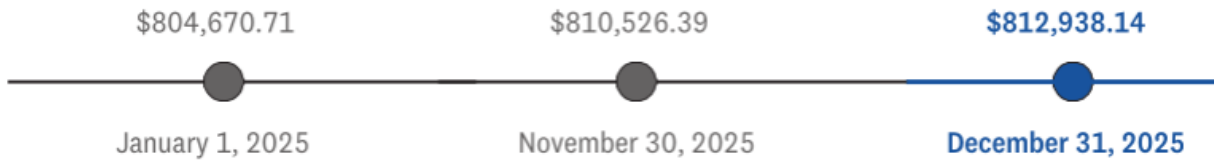
## Mission Statement

It is the mission of the Montezuma County Hospital District to assure high quality healthcare facilities for the community, Montezuma County, and the surrounding areas and to provide support and assistance in a manner which is consistent with a high standard of healthcare.

SHS Sales Tax For January 2025: \$167,039.73

Jan 13, 2026		
So	State of CO VENDOR PAY COUNTY HOSPI NTE Health Services District Use Tax Disbursement	\$16,904.32 \$446,039.85 >
So	State of CO VENDOR PAY COUNTY HOSPI NTE Health Services District SalesTax Disbursemen	\$840.50 \$429,135.53 >
Jan 09, 2026		
CD	CO DOR SALES TAX DISTRIB COUNT	\$149,294.91 \$428,295.03 >

LPL Investment account – December 2025:



Account Summary

Investment Account (██████████)	Current Month 12/01 - 12/31	Quarter to Date 10/01 - 12/31	Year to Date 01/01 - 12/31
<b>Starting Value</b>	\$810,526.39	\$808,851.05	\$804,670.71
Inflows	\$0.00	\$0.00	\$0.00
Outflows	\$0.00	\$0.00	\$0.00
Change in Market Value	\$2,411.75	\$4,087.09	\$8,267.43
<b>Total Ending Value</b>	<b>\$812,938.14</b>	<b>\$812,938.14</b>	<b>\$812,938.14</b>



Transaction List

Dec 01, 2025 to Dec 31, 2025

Interest Checking \*\*\*\*\*7189

Balance as of 02/12/2026 \$1,019,145.98

Date	Account	Account Number	Account Type	Description	Check #	Memo	Credit	Debit	Running Balance
<b>Daily Balance for 12/31/2025: \$1,991,518.93</b>									
12/31/2025	Interest Checking	*****7189	Public Funds Interest Checking	INTEREST PAYMENT			\$3,789.15		\$1,991,518.93
12/31/2025	Interest Checking	*****7189	Public Funds Interest Checking	Southwest Health Payable REF # 025365000873496 Southwest Health1841337350Payable CCD1895 MONTEZUMA COUNTY HOSPIREF # 25365000873496 873496 (Southwest Health Payable MONTEZUMA COUNTY HOSPI)			\$4,630.00		\$1,987,729.78
<b>Daily Balance for 12/23/2025: \$1,983,099.78</b>									
12/23/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000003031	3031			-\$6,236.00	\$1,983,099.78
<b>Daily Balance for 12/09/2025: \$1,989,335.78</b>									
12/09/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000003029	3029			-\$777.00	\$1,989,335.78
<b>Daily Balance for 12/08/2025: \$1,990,112.78</b>									
12/08/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000003027	3027			-\$1,072.50	\$1,990,112.78
12/08/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000003028	3028			-\$17,945.00	\$1,991,185.28
<b>Daily Balance for 12/05/2025: \$2,009,130.28</b>									
12/05/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000003026	3026			-\$3,032.00	\$2,009,130.28

**Daily Balance for 12/02/2025: \$2,012,162.28**

12/02/2025	Interest Checking	*****7189	Public Funds Interest Checking	Check No: 000000001001	1001			-\$1,497.00	\$2,012,162.28
12/02/2025	Interest Checking	*****7189	Public Funds Interest Checking	SAFE BOX DEBITS RENTAL REF # 025336002174418 SAFE BOX DEBITS 249743351 RENTAL PPD00130487021230 487-021230SAFEBOX REF # 25336002174418 2174418 (SAFE BOX DEBITS RENTAL SAFEBOX)				-\$35.00	\$2,013,659.28

Totals: 9 items \$8,419.15 -\$30,594.50

Public Funds Savings \*\*\*\*\*8382  
 Balance as of 02/12/2026 \$1,924.65

Date	Account	Account Number	Account Type	Description	Check #	Memo	Credit	Debit	Running Balance
<b>Daily Balance for 12/31/2025: \$1,924.40</b>									
12/31/2025	Public Funds Savings	*****8382	Public Funds Savings	INTEREST PAYMENT			\$0.02		\$1,924.40
Totals: 1 items							\$0.02	\$0.00	

State Sales Tax Pass Through Checking \*\*\*\*\*0897

Balance as of 02/12/2026 \$670,237.98

Date	Account	Account Number	Account Type	Description	Check #	Memo	Credit	Debit	Running Balance
<b>Daily Balance for 12/15/2025: \$279,000.12</b>									
12/15/2025	State Sales Tax Pass Through Checking	*****0897	Public Funds Interest Checking	Check No: 000000001113	1113			-\$178,268.46	\$279,000.12
<b>Daily Balance for 12/10/2025: \$457,268.58</b>									
12/10/2025	State Sales Tax Pass Through Checking	*****0897	Public Funds Interest Checking	State of CO VENDOR PAY REF # 025342009154220 State of CO 8406447392VENDOR PAYCCD202512053101346MONTEZUMA COUNTY HOSPIREF # 25342009154220NTE*12016744470899 *Health Services District SalesTax Disbursemen 9154220 (State of CO VENDOR PAY COUNTY HOSPI NTE Health Services District SalesTax Disbursemen)			\$1,088.55		\$457,268.58
12/10/2025	State Sales Tax Pass Through Checking	*****0897	Public Funds Interest Checking	State of CO VENDOR PAY REF # 025342009154218 State of CO 8406447392VENDOR PAYCCD202512053101345MONTEZUMA COUNTY HOSPIREF # 25342009154218NTE*12016744470900 *Health Services District Use Tax Disbursement 9154218 (State of CO VENDOR PAY COUNTY HOSPI NTE Health Services District Use Tax Disbursement)			\$19,706.96		\$456,180.03
<b>Daily Balance for 12/08/2025: \$436,473.07</b>									
12/08/2025	State Sales Tax Pass Through Checking	*****0897	Public Funds Interest Checking	CO DOR SALES TAX DISTRIB REF # 025342007729196 CO DOR SALES TAX5846000537DISTRIB CCD09801264004RLAS2112358MONTEZUMA COUNTREF # 25342007729196 7729196 (CO DOR SALES TAX DISTRIB COUNT)			\$157,472.95		\$436,473.07
<b>Daily Balance for 12/02/2025: \$279,000.12</b>									
12/02/2025	State Sales Tax Pass Through Checking	*****0897	Public Funds Interest Checking	Check No: 000000001112	1112			-\$202,091.64	\$279,000.12

Totals: 5 items

\$178,268.46

-\$380,360.10

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# Capital Infrastructure Committee

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## Mission Statement

It is the mission of the Montezuma County Hospital District to assure high quality healthcare facilities for the community, Montezuma County, and the surrounding areas and to provide support and assistance in a manner which is consistent with a high standard of healthcare.

**SHS / MCHD CAPITAL INFRASTRUCTURE COMMITTEE**

**February 11, 2026**

**Main Hospital Campus; Admin Conference Room**

**Attendees:**

X	Eric Croke, SHS board		Joe Theine, SHS CEO		Heather Frazier, Controller
X	Brandon Johnson, MCHD board president	X	Rob Owens, SHS Plant Ops Director	X	Adam Conley SHS CFO
	George Augustini, Mazzetti Eng.	X	Joel Rouse, Plant Ops Asst.		
X	Sean Flaherty MCHD board	X	Ethan Schwartz Materials Management Dir		Bridgett Jabour

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
<b>Call to order</b>	Rob Owens called the meeting to order at 9:03am.		
<b>Minutes for Approval</b>	October meeting minutes approved		
<b>Old Business</b>	<ul style="list-style-type: none"> <li>AHU-4 project status</li> <li>Kitchen compressor project update.</li> <li>Facility bulb replacement project update.</li> <li>RTU 2 compressor update</li> <li>Microgrid</li> </ul>	<p>Installation of unit is complete and it is operating properly. Still waiting on 2 pneumatic valves for re-heat units before project is complete.</p> <p>The units for the 2 kitchen refrigerators are installed and in service. Freezer units installation waiting on a reefer unit from Meadow Gold for temporary storage of frozen goods while compressors are installed. (2-3 days for each unit).</p> <p>Permanent fixture bulbs to be replaced by Plant Operations techs except for those requiring emergency battery backup. These need to be installed by a certified electrician. Waiting on a bid from Anytime Electric.</p> <p>2 new compressors installed bringing the total of new compressors for RTU 2 to 4</p> <p>Bridgett is working with DOLA on Phase 1 items. (Energy storage).</p>	<p>Rob</p> <p>Rob</p> <p>Rob</p> <p>Rob</p> <p>Joe/Adam</p>

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<ul style="list-style-type: none"> <li>Emergency Fuel Oil upgrade</li> </ul>	<p>An outline for the Scope of Work for Geotechnical Investigation has been received from Mazzetti. An ROM bid has been requested from Westland Construction which will help with the DOLA grant submittal.</p>	Rob/Joe
	<ul style="list-style-type: none"> <li>Landscaping and property management</li> <li>Boiler/Steam valve repair update</li> <li>Mancos sewer line repair update</li> <li>Capital Infrastructure project list</li> </ul>	<p>Determined that the hospital is responsible for the annual general grounds maintenance for the facility. Any maintenance needed in addition to the contractor's general terms will be reviewed by MCHD on an as-needed basis.</p> <p>Boiler repair performed in January did not fully resolve the leak problem with Boiler #1. Options include re-rolling the tubes once again or re-tubing the boiler. Quotes for each have been received from Rasmussen. Re-tubing will involve the removal of a portion of the dirt hillside outside the boiler room and the installation of a retaining wall. It will also require the creation of an access point in the back wall of the boiler room to gain adequate space to install the replacement tubes. Rob will gather quotes for the work needed including obtaining the service of an engineering firm for the work that will be needed removing and replacing a portion of the back wall of the boiler room.</p> <p>An approximately 4' section of damaged cast sewer line was replaced. Determined that the entire line will need replaced at some point both within the building and from the building out to the main line in the street. Rob will solicit quotes for the project which will be added to the 1, 5, 10 year project list.</p> <p>Project priority list to be included with monthly meeting packet.</p>	<p>Brandon/Sean</p> <p>Rob</p> <p>Rob</p> <p>Committee</p>

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
<b>New Business</b>	<ul style="list-style-type: none"> <li>Diagnostic Imaging Upgrade</li> </ul>	Discussed allocated funds for the project and potential timeline update. Noted that the end of service for the CT unit is 12/31/2027.	Committee
<b>Action Items (if any)</b>			
<b>Adjournment</b>		It was moved to adjourn the meeting at 10:00 AM.	Brandon/Sean

Respectfully submitted:

**Joel Rouse**

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Joel Rouse, Recorder