LAKE CHELAN
HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

7/28/2026

LAKE CHELAN HEALTH

Chelan County Public Hospital District No. 2
Board Training 12:30-1:15PM
Regular Meeting of the Board of Commissioners
July 28, 2026, at 1:30 am via TEAMS
Meeting Link Available on Website

Agenda

*Mission- "*To provide the highest quality healthcare with compassion and respect to the community we serve.*"*

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

Time	*Agenda Item*	*Facilitator*	*Topic/Action*
1:30	Call to Order/ Changes to Agenda	L. Withrow	
1:31	Public Comment		
1:35	Chair Report	L. Withrow	
1:40	Consent Agenda	Commission	A. Regular Board Meeting Minutes 6/23/2026(FM) B. Special Board Meeting Minutes 6/25-26/2026 (FM) C. Bad Debt & Charity Care (FM) D. Warrants & Vouchers (FM) E. Finance Committee Minutes 7/21/2026 (FA) F. June Unaudited Finance Report (FA)
1:45	Quarterly Reports	Dr. Rothmeyer	A. Chief of Staff Report (FI)
2:15	Executive Session		A. RCW 42.30.110(1)(o) to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205
2:45	Reports	J. Barich, S.Freed S. Ottley/J.Cussins A. Edwards Commissioners	A. Med Staff Report & Credentialing (FI) B. Financial i. June Financial Summary (FI) ii. Revenue Cycle (FI) iii. 2027 Budget Planning Outlook (FD) iv. ERP Update (FI) v. Rural Health Collaborative GPO – HealthTrust (FM) C. CEO Report (FI) i. Update on EHR ii. Update on HR1/RHTP i. Collaborative Funding 1. Charmaster Review 2. CBO 3. GPO 4. Rev Cycle Automation 5. Shared Reference Lab ii. WSHA Funding iii. UW Residency Funding iii. Grand opening for the EMS building iv. OB Task Force Update v. Med Mal/D&O EPL Insurance Renewal D. Community Connections (FD)
4:00	Old Business	A Edwards/S. Ottley Commissioners	A. Strat Planning (FD) i. IT Retreat B. Philanthropy Update (FI)
4:30	New Business	Commissioners	A. Board Education (FD) i. WSHA Conference

			C. Resolution 2026-14 2004 Ford E 350 bus (FM) D. Resolution 2026-15 ECG Machine (FM) E. Resolution 2026-16 Rural Health Collaborative IT Emergency Interlocal (FM)
5:15	Public Comment		
5:20	Executive Session		A. RCW 42.30.110(1)(g) to evaluate the performance of a public employee.
6:00	Roundtable/Action Items	Commission	
6:10	Adjournment	L. Withrow	

Board Calendar Reminders:

7/9/2026	Medical Staff Meeting	Bragg Room/TEAMS	7-8:30 am
7/9/2026	Quality Committee	Bragg Room/ TEAMS	1 – 3 pm
TBA	Credentialing Committee	TBA	TBA
7/23/2026	Finance Committee	Bragg Room/ TEAMS	10 am
7/28/2026	Board Education	Bragg Room/TEAMS	12:15 pm
7/28/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

8/13/2026	Quality Committee	Bragg Room/ TEAMS	1 – 3 pm
TBA	Credentialing Committee	TBA	TBA
8/20/2026	Finance Committee	Bragg Room/ TEAMS	10 am
8/25/2026	Board Education	Bragg Room/TEAMS	12:15 pm
8/25/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

9/10/2026	Quality Committee	Bragg Room/ TEAMS	1 –2:30pm
TBA	Credentialing Committee	TBA	11:30 am
9/24/2026	Finance Committee	Bragg Room/ TEAMS	10 am
9/29/2026	Board Education	Bragg Room/TEAMS	12:15 pm
9/29/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
Meeting Minutes June 23, 2026 at 1:30 pm

Commission Attendance:

(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary ☒Doug Gibson, Vice Chair	☒Len England

Staff Participants: A. Edwards, J. Barich, B. Fields, A. Benegas, Jim Cussins, T Lautiki
Community Members:

Recorder: Wendy Kenck

Agenda Item	Topic/Action
Call to Order Chair Report	• L. Withrow called the meeting to order at 1:30 pm and recited the Mission statement. • L. Withrow expressed appreciation for the work and due diligence demonstrated during this week's strategic planning sessions. She recognized the time, effort, and collaboration contributed by leaders and staff and thanked everyone for their commitment to helping shape the organization's future direction, priorities, and long-term success.
Public Comment	• No Public Comment
Consent Agenda	• **Consent Agenda** o J. Cussins led the discussion regarding Bad Debt and Charity Care finances o *J. LaPorte motioned to approve the Consent Agenda, seconded, and motion approved.*
-	
Executive Session	• L. Withrow, Chair announced an Executive Session at 1:36 pm for 15 minutes, scheduled to end at 4:01 pm, citing RCW 70.44.062 and RCW 42.30.110(1)(o) to consider information regarding staff privileges and matters discussed by quality improvement committees. o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o L. Withrow announced Executive Session ended at 2:01 pm. The Board returned to the open meeting. o Action Following Executive Session: ▪ *D. Gibson , after reviewing the medical recommendations from the Medical Executive Committee (MEC), motioned to approve the Initial appointment of May Fu, DO (Pathology) and Brent Morel, MD (Tele-neurology) with the reappointment of Tyler Jankowski, DO, (Pathology), Amit Kansara, MD (Tele-neurology), Joseph Freeburg, MD (Tele-neurology), Kinjal Desai, MD (Tele-neurology), Kishan Patel, MD (Tele-neurology), Kyle Ogami, MD (Tele-neurology), Robert Lada, MD (Tele-neurology), Ketan Davae, MD (Tele-radiology), Renata Kesala, DO (Tele-radiology), Scott Chang, MD (Tele-radiology) and noted*

<table>
<tr><td></td><td>Christopher Hughes, MD (Emergency Medicine), Felipe Gutierrez, MD (Infectious Disease), Christine Malino, MD (General Surgery) chose not to renew their privileges, seconded, motion approved.</td></tr>
<tr><td>Reports</td><td>

Med Staff Report: One resident will begin rotations this year. Drs. Lemire and Carver will complete their residency programs and will be leaving the area.
Finance:

J. Cussins provided highlights to the unaudited May 2026 finance report.

J. Cussins presented highlights from the unaudited May 2026 financial report. Financial statement completion was delayed due to payroll system GL interface and account mapping issues, as well as reconciliation delays resulting from the county cybersecurity incident. Following his review, J. Cussins reported the statements are materially accurate and recommended approval as presented, noting only minor potential variances between liabilities and cash balances.

J. Cussins reported on the Revenue Cycle for May.
M. Murphy motioned to approve the Charity Care Policy, seconded, motion approved.
M. Murphy motioned to approve the 2025 Financial Audit, seconded, motion approved.
M. Murphy motioned to accept the financial report, second, motion approved
J. Cussins reported that all required USDA items have been completed, which allows the movement forward with the purchase of a building and property.

CEO Report: A. Edwards provided updates on conceptual plans for improvements to the Primary Care and Express Care Clinic facility, including discussions related to facility enhancements and branding consistency.
Strat Plan: No update to present
Community Connection Opportunities:

L. Withrow attended the Manson Community Council meeting and shared key discussion topics with the Board.
M. Murphy attended a Chelan City Comprehensive Plan meeting and reported on the Apple Blossom Center subarea plan; development is expected to include more than 700 housing units and cottages. City Comprehensive Plan approval anticipated by year-end and ongoing annual reviews and adjustments.
A. Edwards attended the Foundation meeting and presented the employee assistance application process. He also requested a standardized reporting format for fund activity to improve transparency and awareness of available resources.

</td></tr>
<tr><td>Old Business</td><td>

EMS Capital Project Update: S. Ottley provided a progress update on the EMS Capital Project. Current timelines target September 15 for project completion and September 30 for issuance of the certificate of occupancy. October will be dedicated to furnishing the facility and completing supply installation, with a grand opening anticipated in November. A. Edwards recommended that two Board members participate on the grand opening planning committee.
Strategic Planning: The Board discussed upcoming strategic planning activities, including the decision to conduct the planning session in person only.
</td></tr>
<tr><td>New Business</td><td>

The Governance Committee presented a proposed Desired Skills of a Commissioner
</td></tr>
</table>

	document for Board discussion and feedback. Board suggested posting to LCH website with position description. • An update was provided on EPIC fundraising efforts. Guild B is actively fundraising in support of EPIC and has requested additional information and assistance to support its efforts. L. Withrow will arrange a meeting. • *D. Gibson motioned to approve Resolution 2026-13, seconded, motion approved.*
Public	• No Public Comment
Executive Session	• L. Withrow announced an Executive Session at 4:23 PM for 30 minutes to end at 4:53 PM citing RCW 42.30.110(1)(g) to evaluate the performance of a public employee. An Action could be anticipated. o L. Withrow extended the Executive Session 15 minutes o L. Withrow extended the Executive Session 15 minutes o L. Withrow extended the Executive Session 7 minutes o Executive Session ended at 5:30 pm and the Board resumed in open meeting.
Action Items	• D. Gibson and J. LaPorte volunteered to serve on the EMS Grand Opening Committee. • W. Kenck will post the Desired Skills of a Commissioner document and Board Commissioner position descriptions on the LCH website. • The Governance Committee will develop commissioner biographies for display on the reader boards located throughout LCH facilities. • J. LaPorte volunteered to participate in Guild B fundraising meetings in support of the EPIC project.
Adjournment	• Roundtable discussion • L. Withrow adjourned the meeting at 5:40 pm

Attest:

____ ____

Mary Murphy, Secretary Aaron Edwards, CEO

____

Wendy Kenck, Executive Assistant

Chelan County Public Hospital District No. 2
Special Meeting of the Board of Commissioners
Meeting Minutes June 25 & 26, 2026

Commission Attendance: DAY 1 June 25, 2026
(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary ☒Doug Gibson, Vice Chair	☒Len England

Staff Participants: A. Edwards, S. Ottley, T. Lautiki, L. Sahlinger, Dr. Freed, S. Ottley
Guests: Alan Yordy, Brock Slabech
Community Members:
Recorder: Wendy Kenck

Agenda Item	Topic/Action
Call to Order	• L. Withrow called the meeting to order at 5 pm on June 25, 2026 and recited the mission statement.
New Business	• Presentation by Brock Slabach, NRHA Executive Director, regarding issues and trends in Rural Healthcare.
Public	• No Public Comment
Adjournment	• Roundtable discussion • L. Withrow adjourned the meeting at 6:50 pm on June 25, 2026

Commission Attendance: DAY 2 June 26, 2026
(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary ☒Doug Gibson, Vice Chair	☒Len England

Staff Participants: A. Edwards, S. Ottley, T. Lautiki, L. Sahlinger, Dr. Freed, S. Ottley
Guests: Alan Yordy, Ron Rerko
Community Members:
Recorder: Wendy Kenck

Agenda Item	Topic/Action
Call to Order	• L. Withrow called the meeting to order at 8:03 am on June 26, 2026
	• L. Withrow expressed appreciation for the efforts to gather and sustain a strong, responsive organization serving the community. She acknowledged past growth and thanked leadership and staff for their continued work in an evolving environment with ongoing funding challenges. She emphasized the need for thoughtful planning, strong leadership, and engaged governance to navigate these challenges. She noted the Board's responsibility to focus on broader strategic priorities and to ensure the strategic plan outlines a clear direction over the next three years to achieve the greatest impact and long-term financial stability. She welcomed Alan Yordy as a facilitator and encouraged active participation in the process.

	• A. Edwards expressed appreciation for the Board's dedication and support and echoed the remarks shared by Chair Withrow. He thanked Alan Yordy, Brock Slabach, and AWPHD for their contributions and support.
New Business	• A strategic planning session was conducted by Alan Yordy, TIG Consulting, to review organizational performance, assess current challenges, and establish priorities for the upcoming planning horizon. • An AI presentation provided by Ron Rerko, Senior Director, Wellhive • Group breakout session: Participants reviewed current strategic goals, evaluated priorities, and adjusted them to align with emerging needs and changing conditions.
Adjournment	L. Withrow adjourned the meeting at 3:15 pm on June 26, 2026

Attest:

____ ____

Mary Murphy, Secretary Aaron Edwards, CEO

____

Wendy Kenck, Executive Assistant

DATE June 2026

TOTAL BAD DEBTS - HOSPITAL $270,187.07
TOTAL MEDICARE BAD DEBTS $3,278.32
TOTAL BANKRUPTCY $0
TOTAL CHARITY CARE – HOSPITAL $156,555.35
TOTAL MEDICARE CHARITY CARE - $0

TOTAL ATTESTATION $430,020.74

I, The undersigned, do hereby certify that the accounts, as described on the attached "bad debt list", have been duly examined and have been duly processed in accordance with the hospital credit/collection policies. It is hereby submitted and recommended to the Governing Board that the said accounts be turned over to outside professional collector (s) as indicated on the attached list.

BOARD DESIGNATED AUDITOR______________________DATE:_____________________

BOARD APPROVAL

DATE:_________________

CHAIR____

VICE CHAIR____

SECRETARY____

MEMBER____

MEMBER____

ATTEST. ADMINISTRATOR_____________________________________

Form 02-a Revised 4-26-95

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - JUNE 2026	WARRANT#'S PAYROLL	AMOUNT	pay period
ACH	$ 99,119.99			DIRECT DEPOSIT	$ 720,963.78	5/30/2026
243606-243658	$ 492,765.08			PAYROLL TAXES	$ 308,565.34	5/30/2026
ACH	$ 340,456.46			CHILD SUPPORT	$ 712.61	5/30/2026
243659-243715	$ 320,471.40			PAYROLL TAXES - IDAHO & MONTANA	$ 1,193.00	5/30/2026
243716-243717	$ 3,862.59			DIRECT DEPOSIT	$ 721,369.88	6/13/2026
DOR	$ 17,783.30			PAYROLL TAXES	$ 284,586.19	6/13/2026
ACH	$ 153,718.84			CHILD SUPPORT	$ 712.61	6/13/2026
243718-243760	$ 358,598.39			PAYROLL TAXES - IDAHO & MONTANA	$ 374.00	6/13/2026
				DIRECT DEPOSIT	$ 734,555.30	6/27/2026
				PAYROLL TAXES	$ 307,978.52	6/27/2026
				CHILD SUPPORT	$ 760.61	6/27/2026
				PAYROLL TAXES - IDAHO & MONTANA	$ 452.00	6/27/2026
	$ 1,786,776.05				***$ 1,031,434.73***	

Finance Committee Meeting Minutes

<table>
<tr><td colspan="3" align="center">Group:
Finance Committee
July 21, 2026 at 1:30 p.m. in person and via Teams</td></tr>
<tr><td colspan="2">Facilitator: Jordana LaPorte</td><td>Recorder: W. Kenck</td></tr>
<tr><td colspan="3">Member Attendance:</td></tr>
<tr><td>☒ Jordana LaPorte, BOC
☒ Doug Gibson, BOC (virtual)</td><td>☒ Shawn Ottley, COO/CFO
☒ Jim Cussins, Interim CFO</td><td>☒ Aaron Edwards, CEO (virtual)
☒ Rhianna Montgomery, CNO</td></tr>
<tr><td colspan="3">Participants:
Guests:</td></tr>
</table>

FI – For Information; FD – For Discussion; FR – For Recommendation

Agenda Item	*Topic/Action*
1. Call to Order	• J. LaPorte called the meeting to order at 1:38 p.m.
2. New Business	• J. Cussins reviewed highlights from the Revenue Cycle report. • The committee reviewed the ERP selection process and next steps for scheduling vendor demonstrations. • S. Ottley reviewed the 2025-2026 Capital Budget Sources and Uses. • The Finance Committee recommends Board review of the disposal of the 2004 Ford E-350 bus and ECG machine. • J. Cussins previewed a new 10-year budget projection. • The committee reviewed the price increase for the insurance renewal.
3. Reports	• J. Cussins reviewed the new finance report format. The committee recommends presenting the format to the Board for review.
4. Action Items	• *V. Bodle clarify how revenue from the former hospital is applied to amortization.* • *Review Budget Workshop schedule at the Board meeting.*
5. Adjournment	• *Meeting adjourned at 3:56 p.m.*

LAKE CHELAN
HEALTH

Unaudited Financial Statements

for

For the month ended June 30, 2026

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Balance Sheet

Lake Chelan Health

	Current Month 6/30/2026 unaudited	Prior Year 12/31/2025 AUDITED	Prior Year 6/30/2025 Unaudited	
ASSETS:				
CASH	1,648,660	$ 710,559	$ 78,221	
PATIENT RECEIVABLES	19,636,529	17,873,725	$ 14,882,611	
LESS: RESERVES FOR ALLOWANCES	(10,146,190)	(9,145,837)	$ (7,678,975)	
NET PATIENT ACCOUNTS RECEIVABLES	9,490,338	8,727,889	7,203,635	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	895,439	261,253	187,274	
OTHER RECEIVABLES	(2,955,316)	608,064	376,674	property taxes are accrued over 12 months
INVENTORIES	393,817	333,784	337,731	
PREPAID EXPENSES	384,039	518,700	486,400	
TOTAL CURRENT ASSETS	$ 9,856,977	$ 11,160,248	$ 8,670,136	
GENERAL RESERVES	$ 1,897,130	599,257	$ 1,997,284	
Unrestricted Reserves	$ (2,896)	2,517,941	$ 6,336,762	
Internally Restricted Reserves	$ 4,139,524	4,139,524	$ 4,139,524	
2018 BONDS	0	0	$ -	
USDA 2023	547,200	547,200	$ 410,400	
Coastal Bank	50,017	50,012	$ 50,007	
TOTAL LIMITED USE ASSETS	$ 6,630,975	$ 7,853,934	$ 12,933,977	
LAND	$ 4,133,845	4,133,845	$ 4,133,845	
LAND IMPROVEMENTS	5,570,759	2,969,105	$ -	
BUILDINGS & IMPROVEMENTS	0	0	$ -	
EQUIPMENT	9,664,124	9,235,793	$ 8,785,562	
SOFTWARE	2,245,630	2,242,422	$ 2,383,004	
NEW HOSPITAL	44,757,019	44,757,019	$ 44,757,019	
LOCUM HOUSING	691,665	691,665	$ 691,665	
GASB 87 BUILDINGS AND EQUIPMENT	4,561,351	5,023,746	4,955,878	
CONSTRUCTION-IN-PROGRESS - PROJECTS	8,933,276	1,892,126	$ 3,393,082	
CONSTRUCTION-IN-PROGRESS - HOSPITAL	113,942	74,248	$ 64,927	
GROSS PROPERTY, PLANT, & EQUIPMENT	80,671,611	71,019,969	69,164,982	
LESS: ACCUMULATED DEPRECIATION	(18,922,484)	(17,077,985)	$ (15,295,210)	
GASB 87 AMORTIZATION	(1,834,871)	(1,443,601)	(1,460,010)	
NET PROPERTY, PLANT, & EQUIPMENT	$ 59,914,257	$ 52,498,382	$ 52,409,762	
DEFERRED ITEMS	$ 2,406,824	2,416,456	$ 1,454,350	
TOTAL ASSETS	$ 78,809,032	$ 73,929,020	$ 75,468,225	
LIABILITIES:				
ACCOUNTS PAYABLE	$ 667,143	663,522	1,315,660	
ACCRUED PAYROLL	(59,269)	1,076,786	925,672	
ACCRUED VACATION/HOLIDAY/SICK PAY	1,914,817	1,596,206	704,187	
PAYROLL TAXES PAYABLE	91,516	210,226	171,195	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	0	0	0	
OTHER CURRENT LIABILITIES	1,529,202	1,154,183	982,227	
INTEREST PAYABLE	88,099	89,348	90,476	
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,204,038	1,189,475	1,129,475	
LINE OF CREDIT	0	0	0	
TOTAL CURRENT LIABILITIES	$ 5,435,546	$ 5,979,746	$ 5,318,892	
CAPITALIZED LEASES	$ -	$ -	$ -	
2018 BONDS	$ 17,951,552	17,958,807	18,351,063	
2013 BONDS	3,896,171	3,893,592	4,286,014	
USDA LOANS	17,886,818	18,113,606	18,320,390	
LEASES	2,560,896	3,253,660	3,254,731	
PAID LEAVE - LT PORTION	89,941	179,000	147,000	
2025 BONDS	3,992,555	1,392,333	1,392,555	
TOTAL LONG TERM LIABILITIES	$ 46,377,933	$ 44,791,019	$ 45,751,752	
DEFERRED ITEMS	$ 9,405,731	4,776,042	4,064,873	
TOTAL LIABILITIES	$ 61,219,209	$ 55,546,806	$ 55,135,517	
FUND BALANCE:				
UNRESTRICTED FUND BALANCE	$ 17,804,271	19,160,312	20,166,553	
TEMPORARY RESTRICTED FUND BALANCE	$ -	0	0	
YTD Net Revenue/(Expenses)	(214,448)	(778,098)	166,155	
TOTAL NET ASSETS	$ 17,589,823	$ 18,382,214	$ 20,332,708	
TOTAL LIABILITIES AND NET ASSETS	$ 78,809,032	$ 73,929,020	$ 75,468,225	

Statement of Revenue and Expense
Lake Chelan Health

For the month ended June 30, 2026

	CURRENT MONTH				
	Actual 06/30/26	Budget 06/30/26	Positive (Negative) Variance		Prior Year 06/30/25
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 686,695	$ 811,193	(124,498)	-15%	$ 602,359
OUTPATIENT	7,448,555	8,126,339	(677,784)	-8%	6,498,381
TOTAL PATIENT SERVICE REVENUES	8,135,250	8,937,531	(802,281)	-9%	7,100,741
DEDUCTIONS FROM REVENUE					
CONTRACTUAL ALLOWANCES	(3,089,521)	(3,977,202)	887,680	-22%	(3,040,981)
BAD DEBT	(273,465)	0	(273,465)	0.00%	(259,823)
CHARITY	(156,555)	0	(156,555)	0.00%	(42,060)
TOTAL DEDUCTIONS FROM REVENUES	(3,519,542)	(3,977,202)	457,660	12%	(3,342,864)
	43.3%	44.5%			47.1%
NET PATIENT SERVICE REVENUES	4,615,708	4,960,330	(344,622)	-7%	3,757,877
OTHER OPERATING REVENUES	80,496	71,085	9,410	13%	148,364
TOTAL OPERATING REVENUES	**4,696,204**	**5,031,415**	(335,211)		**3,906,240**
OPERATING EXPENSES					
SALARIES/WAGES	2,260,294	2,115,902	(144,392)	-7%	1,788,712
EMPLOYEE BENEFITS	490,804	451,549	(39,255)	-9%	410,480
PROFESSIONAL SERVICES	486,615	514,921	28,306	5%	332,449
FOOD SUPPLIES	21,053	23,260	2,207	9%	23,980
MINOR EQUIPMENT	69,075	38,518	(30,557)	-79%	10,189
SUPPLIES	257,782	364,615	106,833	29%	215,789
PLANT UTILITIES	29,111	38,466	9,355	24%	27,984
PURCHASED SERVICES	339,500	368,236	28,736	8%	448,328
REPAIR/MAINTENANCE	110,002	100,392	(9,610)	-10%	80,247
PUBLIC RELATIONS/RECRUITM	4,154	10,453	6,299	60%	779
RENT/LEASES	79,437	46,382	(33,055)	-71%	35,767
INSURANCE	34,459	45,329	10,870	24%	39,554
LICENSES/TAXES	22,303	36,461	14,158	39%	15,865
DUES/SUBSCRIPTIONS/OTHER	68,707	72,659	3,952	5%	66,784
TRAVEL/TRAINING	7,583	15,491	7,907	51%	17,103
DEPRECIATION	372,322	365,828	(6,495)	-2%	292,161
AMORTIZATION	0	64,583	64,583		63,184
TOTAL OPERATING EXPENSES	**4,653,200**	**4,673,043**	**19,843**	0.4%	**3,869,354**
NET OPERATING SURPLUS (LOSS)	**43,004**	**358,372**	**(315,368)**		**36,886**
NON-OPERATING REVENUES	235,438	204,874	30,564		262,743
TAXES	0				
INTEREST	0				
GIFTS & GRANTS	24,339	0	24,339		216,508
OTHER	0	0	0		0
NET INCOME	302,781	563,246	(260,465)		516,138
margin	6.4%	11.2%			13.2%
TOTAL NET INCOME (LOSS)	**$ 302,781**	**$ 563,246**	**(260,465)**		**$ 516,138**

unaudited

Statement of Revenue and Expense

Lake Chelan Health

For the month ended June 30, 2026

	YEAR-TO-DATE				
	Actual 06/30/26	Budget 06/30/26	Positive (Negative) Variance		Prior Year 06/30/25
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 4,248,422	$ 5,217,347	(968,925)	-19%	$ 3,874,190
OUTPATIENT	41,965,822	39,405,634	2,560,187	6%	31,973,282
TOTAL PATIENT SERVICE REVENUES	46,214,244	44,622,981	1,591,263	4%	35,385,651
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(19,713,940)	(19,857,224)	143,284	-1%	(13,731,998)
BAD DEBT	(978,148)	0	(978,148)	0.00%	(815,952)
CHARITY	(821,872)	0	(821,872)	0.00%	(534,338)
TOTAL DEDUCTIONS FROM REVENUES	(21,513,960)	(19,857,224)	(1,656,736)	-8%	(15,082,288)
	46.6%	44.5%			42.6%
NET PATIENT SERVICE REVENUES	24,700,283	24,765,757	(65,473)	0%	20,303,363
OTHER OPERATING REVENUES	281,142	426,512	(145,370)	-34%	302,449
TOTAL OPERATING REVENUES	24,981,426	25,192,269	(210,843)	-1%	20,605,812
OPERATING EXPENSES					
SALARIES/WAGES	13,093,491	12,765,934	(327,556)	-3%	10,803,889
EMPLOYEE BENEFITS	2,925,379	2,724,354	(201,025)	-7%	2,295,456
PROFESSIONAL SERVICES	2,554,305	3,089,525	535,220	17%	1,717,514
FOOD SUPPLIES	138,178	139,558	1,379	1%	128,318
MINOR EQUIPMENT	235,906	231,108	(4,798)	-2%	89,485
SUPPLIES	1,820,042	1,820,447	405	0%	1,147,075
PLANT UTILITIES	196,844	230,794	33,950	15%	176,077
PURCHASED SERVICES	1,930,808	2,209,416	278,608	13%	2,645,497
REPAIR/MAINTENANCE	625,238	602,353	(22,884)	-4%	560,078
PUBLIC RELATIONS/RECRUITMENT	62,076	62,718	641	1%	53,855
RENT/LEASES	303,312	278,292	(25,020)	-9%	253,487
INSURANCE	320,204	271,972	(48,232)	-18%	252,619
LICENSES/TAXES	140,492	218,816	78,324	36%	149,211
DUES/SUBSCRIPTIONS/OTHER	408,502	435,954	27,452	6%	366,098
TRAVEL/TRAINING	72,135	92,943	20,808	22%	52,700
DEPRECIATION	1,999,057	2,194,967	195,910	9%	1,754,997
AMORTIZATION	326,881	387,500	60,619		363,248
TOTAL OPERATING EXPENSES	27,152,849	27,756,651	603,802	2.2%	22,809,602
NET OPERATING SURPLUS (LOSS)	**(2,171,423)**	**(2,564,382)**	**392,959**		**(2,203,790)**
NON-OPERATING REVENUES					
PROPERTY TAXES FOR OPERATIONS	1,448,550	911,360			1,395,891
GRANTS/CONTRIBUTIONS	424,036	74,750			1,135,722
EMS COMMERCE GRANT	0	2,224,715			(365,672)
INVESTMENT EARNINGS	92,233	101,723			199,054
OTHER EXPENSE			0		
TAXES FOR DEBT SVC PMTS	668,330	420,000			649,042
INTEREST EXPENSE	(955,057)	(682,918)			(930,884)
GAIN / (LOSS) ON ASSET DISPOSAL	278,882	106,704			276,691
TOTAL NON OPERATING REVENUES	1,956,974	3,156,334	(1,199,360)		2,359,844
NET INCOME	(214,449)	591,952	392,959		156,054
margin	-0.9%	2.3%			0.8%
TOTAL NET INCOME (LOSS)	**$ (214,449)**	**$ 591,952**	**$ (806,401)**		**$ 156,054**

unaudited

Patient Statistics
Lake Chelan Health

For the month ended June 30, 2026

06/30/26	YTD		06/30/25	YTD
30		Restricted Days Cash-on-Hand (USDA requirement)	4	
4		Internally Restricted	36	
26		Unrestricted Days Cash-on-Hand	74	
80		Net AR Days	61	
1.06		Debt Coverage Ratio	1.19	
4.89		Average Age of Plant		
275.4		Payroll FTEs	228.2	

Current Month			Year-To-Date	
Actual 06/30/26	Prior Year 06/30/25	STATISTICS	Actual 06/30/26	Prior Year 06/30/25
19	19	medical	145	113
0	0	surgical	1	0
11	7	OB	40	35
30	**26**	**Acute**	**186**	**148**
3	**1**	**Swing Bed**	**21**	**33**
11	**6**	**Total Deliveries**	**39**	**33**
		Patient Days		
69	48	medical	511	323
0	0	surgical	2	0
16	11	OB	66	68
85	**59**	**Acute**	**579**	**391**
27	**9**	**Swing Bed**	**164**	**320**
14	**9**	**Total Newborn Days**	**49**	**47**
		Average Length of Stay		
2.8	**2.3**	Total Inpatient	**3.1**	**2.6**
9.0	**9.0**	Swing Bed	**7.8**	**9.6**
		Avg Daily Census - Hospital		
2.8	2.0	Total Inpatient	3.2	2.2
0.9	0.3	Swing Bed	0.9	1.8
3.7	2.3	total	4.1	3.9
657	601	ED Visits	3,195	2,985
88	43	Surgeries	394	326
1,547	1,333	Imaging Procedures	8,368	7,307
5,152	3,894	Lab Tests	27,743	22,764
911	713	Rehab Visits	5,534	4,324
143	134	EMS Runs	742	700
0	825	Clinic Visits	0	5,151
572	**189**	**SPECIALTY**	**2,919**	**812**
71	14	General Surgery	320	122
159	20	Orthopedics	870	244
56	0	ENT	388	0
175	155	Dermatology	1,019	446
2	0	Urology	11	0
109	0	Cardiology	311	0
768	**636**	**RHC**	**4,202**	**4,339**
208	142	primary care	1,068	914
12	0	audiology	45	0
45	0	pediatric	243	0
503	494	express clinic	2,846	3,425
20	20	working days	128	130

Note #1 CONTRACTUALS
AR decreased $297,961 from May to June.

Charity Care was $156,555 for June. Bad Debt was $273,465
Charity and Bad Debt are 3.89% of gross charges ytd compared to 3.85% this same time last year.
Medicare Cost Report YTD through June $334,000.

Note #2 SALARIES AND WAGES
General Surgery is over budget by $630k due to the fact that the cost was originally budgeted under professional fees.

Note #3 BENEFITS
Taxes are higher for 1st part of the year for high wage earners. This amount will decrease once the thresshold has been reached
Health Insurance is also running over budget. Benefits will also be higher because of wages being higher than budgeted.

Note #4 SUPPLIES
Surgery is currently at budget

PROFESSIONAL SERVICES
General Surgeons are employed

Note #5 REPAIRS & MAINTENANCE
There have been some unbudgeted expenses in various departments.

Note #6 RENT/LEASES
MRI lease has not yet been reclassed as GASB 87 (reduce rent, incr amortization and interest)

Note #7 INSURANCE
There are 7 professional liability charges due to the fact that December's was not paid until 2026.

Note #8 NON OPERATING REVENUE
The sale of the old hospital resulted in a net gain of $996,288

There were assets that had not been fully depreciated
Current gain recognized is $228,651 for 2024, $547,446 for 2025 and $274,382 for 2026
Gain on sale of other assets $4,500

Grants/Contributions -
restricted contributions
WA ST Ecology
Misc 9,223
Nick of Time
Foundation 2,258
Grant
AWPHD - CHNA
North Central Regional EMS
ems booth donation $200
Hearth Health LCHW $11,400
AZ Wells 32,805
ems banquet $1,000
grants
Action Health Partners - 138,509
Community Choice - CARES
DSHS distressed hospital 199,543
WA ST Health 8,000
WA ST ED Trauma 13,400
WA ST Health
LCHW-EMS ATV Grant
Population Grant
North Central Emer
Misc Grants
wa commerce grant - deferred

For the month ended June 30, 2026

5/31/2026	GL ACCOUNT #	ACCT DESCRIPTION	6/30/2026	EXPLANATION	
1,121,025	10002000	General Fund Cash In Bank (Wheatland)	1,845,432	**724,407**	
				8,074,823	deposits
				0	
				0	commerce grant
				(5,600)	Isys/payplus fees
				(19,959)	fees mckesson/cardinal
				142	fees and interest
				0	rebates
					café sales
				(7,325,000)	transfer to county
712,060	10004000	General Fund Cash w/ Treasurer	516,001	**(196,059)**	
				(2,601,654)	clinic purchase
				389	Voids
				1,221,961	warrants issued
				(1,535,551)	warrants redeemed
				7,325,000	Bank Transfers from 10002000
				0	Bank Transfer to/from 10106000
				(88,992)	Bank Transfer for USDA pmt
				0	Bank Transfer from reserves 10760000
				(7,108,399)	AP/Payroll/Benefits
				(17,783)	B&O taxes
				8,938	Property Taxes
				32	Leasehold Taxes & Misc Taxes
				2,600,000	revenue bonds
13,019	10009000	cash clearing	13,572	**553**	pmts posted as remits received
(1,550,687)	20070000	warrants outstanding	(726,345)	**824,342**	
				510,363	remits (payroll/benefits/b&O)
				1,535,551	warrants redeemed
				(1,221,961)	warrants issued ap
					remits redeemed
				389	voids
16,830	10106000	AMB RESERVE	1,033,313	**1,016,483**	
				1,000,000	transfer to general fund - corr
				0	transfer from reserves (bond pmt & ops)
				16,410	property taxes
				59	leasehold taxes
				14	interest pmt corr & int
1,107,179	10910000	2018 GO BOND	783,831	**(323,348)**	
				11,483	property taxes
				(334,831)	bond pmt / fee
0	10911000	2018 CASH BOND	0	**0**	interest
427,200	10916000		427,200	**0**	funded year 4 per LOC
120,000	10917000		120,000	**0**	funded year 4 per LOC
547,200			547,200	0	
98,131	10915000	CASH/TREAS LTGO BOND	0	**(98,131)**	paid bond interest
116,750	10923000	HOSP 2025 REVENUE BONE	79,987	**(36,763)**	everbank int pmt
5,214,419	10760000	RESERVES	4,136,628	**(1,077,791)**	
				12,740	interest
				(1,090,531)	transfer to gen fund
50,016	10764000	COASTAL BANK	50,017	**(0)**	
					interest
7,445,941			8,279,635	833,692	6

Days of Cash on Hand

Cash:	
current assets	1,648,660
unrestricted reserves	1,897,130
unrestricted reserves	-2,896
	3,542,894
reclassed to general fund	
USDA reserve	597,217
restricted reserves - pending covid ca	4,139,524
	4,736,741
Expenses:	
total YTD	27,152,849
less depreciation	-2,325,937
	24,826,912
number of days YTD	181
Days of Cash on Hand	25.8
Restricted Days Cash on Hand	34.5
Total Days Cash on Hand	60.4

Unaudited Financial Statements

for

For the Month ended June 2026

Statement of Revenue and Expense
Lake Chelan Health
For the Month ended June 2026

	Current Month			Year -To-Date			
	Actual	Budget	Var	Actual	Budget	Var	Prior Year
Inpatient Charges	$ 686,695	$ 811,193	$ (124,498)	$ 4,248,422	$ 5,217,347	$ (968,925)	$ 3,706,391
Outpatient Charges	$ 7,448,555	$ 8,126,339	$ (677,784)	$ 41,965,822	$ 39,405,634	$ 2,560,187	$ 31,679,260
Total Charges	$ 8,135,250	$ 8,937,531	$ (802,281)	$ 46,214,244	$ 44,622,981	$ 1,591,263	$ 35,385,651
Contractuals write-offs	$ 3,193,841	$ 3,977,202	$ 783,361	$ 19,313,501	$ 19,857,224	$ 543,724	$ 13,707,688
Charity	$ 156,555	$ -	$ (156,555)	$ 821,872	$ -	$ (821,872)	$ 534,338
Bad Debt	$ 169,146	$ -	$ (169,146)	$ 1,378,588	$ -	$ (1,378,588)	$ 1,174,883
Total reductions from Charges	$ 3,519,542	$ 3,977,202	$ 457,660	$ 21,513,960	$ 19,857,224	$ (1,656,736)	$ 15,416,908
Net Patient Revenue	$ 4,615,708	$ 4,960,330	$ (344,622) #	$ 24,700,283	$ 24,765,757	$ (65,473)	$ 19,968,743
Other operating revenue	$ 80,496	$ 71,085	$ 9,410	$ 281,142	$ 426,512	$ (145,370)	$ 310,127
Total Operating Revenue	**$ 4,696,204**	**$ 5,031,415**	**$ (335,211)**	**$ 24,981,426**	**$ 25,192,269**	**$ (210,843)**	**$ 20,278,870**
Salaries & Wages	$ 2,260,294	$ 2,115,902	$ (144,392)	$ 13,093,491	$ 12,765,934	$ (327,556)	$ 10,803,889
Employee Benefits	$ 490,804	$ 451,549	$ (39,255)	$ 2,925,379	$ 2,724,354	$ (201,025)	$ 2,295,456
Professional Fees	$ 486,615	$ 514,921	$ 28,306	$ 2,554,305	$ 3,089,525	$ 535,220	$ 1,717,514
Food Supplies	$ 21,053	$ 23,260	$ 2,207	$ 138,178	$ 139,558	$ 1,379	$ 128,318
Minor Equipment	$ 69,075	$ 38,518	$ (30,557)	$ 229,073	$ 231,108	$ 2,035	$ 88,961
Supplies	$ 257,782	$ 364,615	$ 106,833	$ 1,826,875	$ 1,820,447	$ (6,428)	$ 1,147,566
Plant Utilities	$ 29,111	$ 38,466	$ 9,355	$ 196,844	$ 230,794	$ 33,950	$ 176,110
Purchase Services	$ 339,500	$ 368,236	$ 28,736	$ 1,930,808	$ 2,209,416	$ 278,608	$ 2,645,497
Repairs and Maintenance	$ 110,002	$ 100,392	$ (9,610)	$ 625,238	$ 602,353	$ (22,884)	$ 560,078
Public Relations/Recruitment	$ 4,154	$ 10,453	$ 6,299	$ 62,076	$ 62,718	$ 641	$ 53,855
Lease/Rental	$ 79,437	$ 46,382	$ (33,055)	$ 303,312	$ 278,292	$ (25,020)	$ 253,487
Insurance and Professional Liability	$ 34,459	$ 45,329	$ 10,870	$ 320,204	$ 271,972	$ (48,232)	$ 252,619
License/Taxes	$ 22,303	$ 36,461	$ 14,158	$ 140,492	$ 218,816	$ 78,324	$ 149,211
Dues/Subscriptions/other	$ 68,740	$ 72,659	$ 3,919	$ 408,717	$ 435,954	$ 27,237	$ 366,674
Travel/Training	$ 7,550	$ 15,491	$ 7,941	$ 71,919	$ 92,943	$ 21,024	$ 52,124

Statement of Revenue and Expense
Lake Chelan Health
For the Month ended June 2026

	Current Month			Year -To-Date			
	Actual	Budget	Var	Actual	Budget	Var	Prior Year
Total Operating Expenses	$ 4,280,878	$ 4,242,632	$ (38,245)	$ 24,826,911	$ 25,174,184	$ 347,273	$ 20,691,357
EBIDTA	**$ 415,326**	**$ 788,783**	**$ (373,457)**	**$ 154,515**	**$ 18,085**	**$ 136,430**	**$ (412,487)**
Depreciation	$ 307,122	$ 365,828	$ 58,705	$ 1,933,857	$ 2,194,967	$ (261,110)	$ 1,738,330
Amortization	$ 65,200	$ 64,583	$ (617)	$ 392,080	$ 387,500	$ 4,580	$ 379,914
Operating Income	**$ 43,004**	**$ 358,372**	**$ (315,368)**	**$ (2,171,422)**	**$ (2,564,382)**	**$ 392,960**	**$ (2,530,732)**
Tax Revenue	$ 350,062	$ 204,874	$ 145,188	$ 2,118,767	$ 1,341,368	$ 777,400	$ 2,046,238
Other non operating Revenue	$ 86,990	$ -	$ 86,990	$ 702,918	$ -	$ 702,918	$ 1,379,828
Other non operating Expense	$ (626)	$ -	$ (626)	$ (5,008)	$ -	$ (5,008)	$ (3,008)
Interest expense	$ (189,516)	$ -	$ (189,516)	$ (950,049)	$ -	$ (950,049)	$ (922,921)
Interest Income	$ 12,867	$ -	$ 12,867	$ 90,345	$ -	$ 90,345	$ 196,749
Total Non operating	**$ 259,777**	**$ 204,874**	**$ 54,903**	**$ 1,956,974**	**$ 1,341,368**	**$ 615,606**	**$ 2,696,886**
Net Margin	**$ 302,781**	**$ 563,246**	**$ (260,465)**	**$ (214,449)**	**$ (1,223,015)**	**$ 1,008,566**	**$ 166,154**

Statement of Revenue and Expense
Lake Chelan Health
For the Month ended June 2026

	Current Month			Year -To-Date			
	Actual	Budget	Var	Actual	Budget	Var	Prior Year
Key Indicators							
Deduction %	43.3%	44.5%	1.2%	46.6%	44.5%	-2.1%	43.6%
Net Reimbursement %	56.7%	55.5%	1.2%	53.4%	55.5%	-2.1%	56.4%
Charity %	1.9%	0.0%	-1.9%	1.8%	0.0%	-1.8%	1.5%
Bad Debt %	2.1%	0.0%	-2.1%	3.0%	0.0%	-3.0%	3.3%
SWB % of NPR	58.6%	51.0%	-7.6%	64.1%	61.5%	-2.6%	64.6%
Benefits as a % of Wages	21.7%	21.3%	-0.4%	22.3%	21.3%	-1.0%	21.2%
Supplies % of NPR	7.4%	8.5%	1.1%	8.8%	8.7%	-0.1%	6.7%
EBIDTA Margin	8.8%	15.7%	-6.8%	0.6%	0.1%	0.5%	-2.0%
Operating Margin	0.9%	7.1%	-6.2%	-8.7%	-10.2%	1.5%	-12.5%
Net Margin	6.4%	11.2%	-4.7%	-0.9%	-4.9%	4.0%	0.8%
Other Key Indicators	Actual	Target	Prior Month	Prior Year End			
Days Cash on Hand	60	120	54	71			
Net AR days	67	50	69	76			
Debt Service Coverage Ratio	1.97	1.25	1.74	1.60			
Ave age of plant	4.89	8-12 years	4.77	4.65			
FTE's	275		271	234			

Cash flow
Lake Chelan Health
For the Month ended June 2026

	Month	Year to date
Cash at beginning of Period	$ 7,447,241	$ 8,553,460
Cash Disbursements	$ (3,504,488)	$ (18,350,470)
Cash Receipts	$ 8,075,377	$ 31,995,166
Journal Entries	$ (1,180,677)	$ (3,082,295)
Payroll	$ (2,556,519)	$ (10,834,926)
Change in cash	$ 833,693	$ (272,525)
Cash at end of Period	$ 8,280,935	$ 8,280,935

Balance Sheet

Lake Chelan Health

Assets

		Current Month	Prior Month
Current assets		6/30/2026	
CASH		$ 1,649,960	$ 296,716
PATIENT RECEIVABLES	$ 19,636,529		$ 19,934,490
LESS: RESERVES FOR ALLOWANCES	$ (10,146,190)		$ (10,565,519)
Net Patient Account Receivables		$ 9,490,338	$ -
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS		$ 895,439	$ 1,224,850
OTHER RECEIVABLES		$ (2,943,577)	$ (140,219)
INVENTORIES		$ 393,817	$ 407,061
PREPAID EXPENSES		$ 371,000	$ 384,039
TOTAL CURRENT ASSETS		**$ 9,856,977**	**$ 11,541,417**
General Reservces	$ 1,113,299		$ 231,711
2018 Bond	$ 783,831		$ 1,107,179
USDA Restricted	$ 547,200		$ 547,200
Costal	$ 50,017		$ 50,016
Internally restricred reserves	$ 4,136,628		$ 5,214,419
TOTAL LIMITED USE ASSETS		**$ 6,630,975**	**$ 7,150,524.95**
LAND	$ 4,133,845		$ 4,133,845
Clinics	$ 5,570,759		$ 2,969,105
EQUIPMENT	$ 9,664,124		$ 9,536,867
SOFTWARE	$ 2,245,630		$ 2,245,630
NEW HOSPITAL	$ 44,757,019		$ 44,757,019
LOCUM HOUSING	$ 691,665		$ 691,665
GASB 87 BUILDINGS AND EQUIPMENT	$ 4,561,351		$ 4,561,351
CONSTRUCTION-IN-PROGRESS - PROJECTS	$ 8,933,276		$ 7,112,744
CONSTRUCTION-IN-PROGRESS - HOSPITAL	$ 113,942		$ 113,942
LESS: ACCUMULATED DEPRECIATION	$ (18,922,484)		$ (18,615,362)
LESS: GASB 87 AMORTIZATION	$ (1,834,871)		$ (1,769,670)
NET PROPERTY, PLANT, & EQUIPMENT		$ 59,914,257	$ 55,737,136.14
DEFERRED ITEMS		$ 2,406,824	$ 2,408,429
TOTAL ASSETS		**$ 78,809,032**	**$ 76,837,507.41**

Liabilities

		Current Month	Prior Month
		6/30/2026	
ACCOUNTS PAYABLE	$ 667,143		$ 956,155
ACCRUED PAYROLL	$ (59,269)		$ (6,659)
ACCRUED VACATION/HOLIDAY/SICK PAY	$ 1,914,817		$ 1,904,602
ACCRUED PAYROLL	$ 73,203		$ 389,438
OTHER CURRENT LIABILITIES	$ 1,547,165		$ 1,312,757
INTEREST PAYABLE	$ 88,099		$ 525,379
CURRENT PORTION OF LTD	$ 1,204,038		$ 1,204,038
TOTAL CURRENT LIABILITIES TOTAL CURRENT LIABILITIES		**$ 5,435,196**	**$ 6,285,712**
2018 Bonds	$ 17,951,552		$ 17,952,761
2013 Bonds	$ 3,896,171		$ 3,895,741
USDA Loan	$ 17,886,818		$ 17,921,277
Leases/PUD payable	$ 2,560,896		$ 2,560,896
Paid Leave	$ 89,941		$ 89,941
2025 Bonds	$ 1,392,555		$ 1,392,555
2026 Bonds	$ 2,600,000		$ -
TOTAL LONG TERM LIABILITIES		**$ 46,377,933**	**$ 43,813,171**
DEFERRED ITEMS		$ 9,405,731	$ 9,451,461
UNRESTRICTED FUND BALANCE		$ 17,804,621	$ 19,160,435
YTD Net Revenue/(Expenses)		$ (214,449)	$ (1,873,271)
TOTAL LIABILITIES AND NET ASSETS		**$ 78,809,032**	**$ 76,837,507**

Patient Statistics
Lake Chelan Health
For the Month ended June 2026

Current Month Actual	Budget	Variance	Prior Year		Actual	Budget	Variance	Prior Year
				Admissions				
19		#DIV/0!	19	medical	145		#DIV/0!	113
0			0	surgical	1			0
11		#DIV/0!	7	OB	40			35
30	0	#DIV/0!	26	Acute	186	0	#DIV/0!	148
3		#DIV/0!	1	Swing Bed	21		#DIV/0!	33
11		#DIV/0!	6	Total Deliveries	39		#DIV/0!	33
				Patient Days				
69	84	(18%)	48	medical	511	418	22%	323
0			0	surgical	2			0
16	15	7%	11	OB	66	77	(14%)	68
85	99	(14%)	59	Acute	579	495	17%	391
27	70	(61%)	9	Swing Bed	164	70	134%	320
14	11	27%	9	Total Newborn Days	49	53	(8%)	47
126	180	(30%)	77	TOTAL PATIENT DAYS	792	618	28%	758
				Average Length of Stay				
2.8	#DIV/0!	#DIV/0!	2.3	Total Inpatient	3.1	#DIV/0!	#DIV/0!	2.6
9.0	#DIV/0!	#DIV/0!	9.0	Swing Bed	7.8	#DIV/0!	#DIV/0!	9.6
				Avg Daily Census - Hospital				
2.8	13.4	(79%)	2.0	Total Inpatient	3.2	13.0	(75%)	2.2
0.9	0.0	#DIV/0!	0.3	Swing Bed	0.9	0.0	#DIV/0!	1.8
3.7			2.3	Total	4.1			3.9
657	606	8%	601	ED Visits	3195	3025	6%	2985
88	140	(37%)	43	Surgeries	394	701	(44%)	326
1547	1449	7%	1333	Imaging Procedures	8368	7236	16%	7307
5152	4539	14%	3894	Lab Tests	27743	22663	22%	22764
911	844	8%	713	Rehab Visits	5534	4212	31%	4324
143	149	(4%)	134	EMS Runs	742	745	(0%)	700
							#DIV/0!	
1340	1467	(9%)	757	**Total Clinic Visits**	*7121*	*6939*	3%	*4962*
572	*631*	(9%)	*121*	**SPECIALTY**	*2919*	*2914*	0%	*623*
71	35	103%	10	General Surgery	320	160	100%	108
159	193	(18%)	50	Orthopedics	870	891	(2%)	224
56	82	(32%)	0	ENT	388	379	2%	0
175	169	4%	61	Dermatology	1019	779	31%	291
2	96	(98%)	0	Urology	11	445	(98%)	0
109	56	95%	0	Cardiology	311	260	20%	0
768	*836*	(8%)	*636*	**RHC**	*4202*	*4025*	4%	*4339*
208			142	Primary care	1068			914
45	118		0	Pediatrics	243	546		0
12			0	Audiology	45			0
503	718		494	Express Care	2846	3479		3425

Overview:
Lake Chelan Health had a positive net margin of $302,000 for the month of June. Charges were below budget by $802,000 due to lower volumes compared to budget. Net patient revenue was also below budget by $344,000. Net reimbursement percentage was better than budget at 56.7%, driven by a reduction in the contractual allowance. Total operating expenses were slightly over budget by $38,000, or 1%, for the month. Non-operating revenues were over $54,000 for the month. Year to date, the net margin is negative ($214,000) compared to a negative budget margin of ($1,223,000), or a positive variance of $1,000,000.

Volumes:
Total patient days were 30% below budget for the month and 28% over budget year to date. Emergency department visits were above budget by 8% for the month and 6% year to date. Surgeries were below budget by 37% for the month and 44% below budget year to date. Finally, clinic visits were below budget by 9% and slightly below budget year to date by 3%.

Net patient revenue:
Net patient revenue was $4.6 million, the highest all year. This was driven by a reduction in contractual allowances, and total accounts receivable decreased from $19.9 million to $19.6 million. We also had the highest cash collections for the month at $4.4 million. This follows May cash collections, also at $4.4 million.

Expenses:
Salaries, wages, and benefits as a percentage of net operating revenue were 58.6%, the lowest level all year. This was still above the budgeted rate of 51%, but still a positive sign of performance. Supplies as a percentage of net patient revenue were 7.4%, lower than budget at 8.5%. Year to date, supplies as a percentage were 8.8%, slightly above budget at 8.7%. We will be switching to a new group purchasing organization by December of this year.

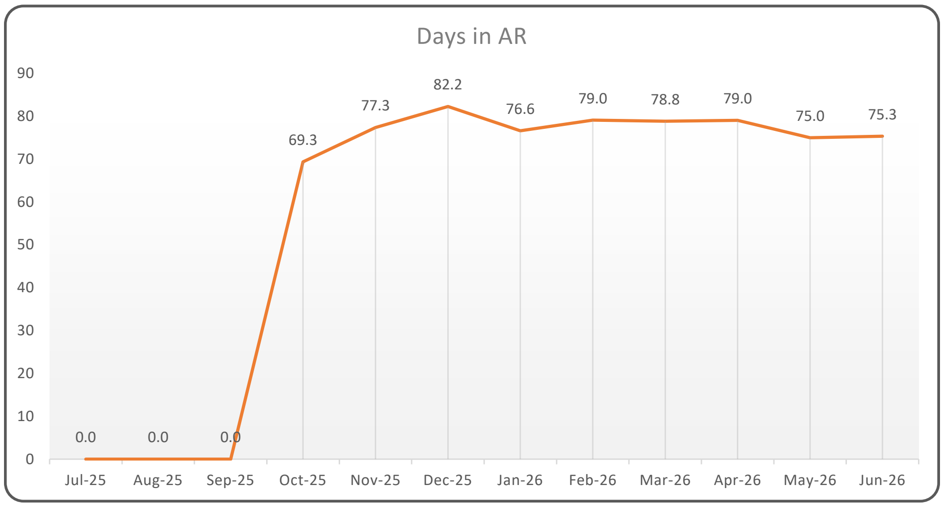
Non-operating revenue and expenses were favorable to budget for the month and year to date by $54,000 and $615,000, respectively.

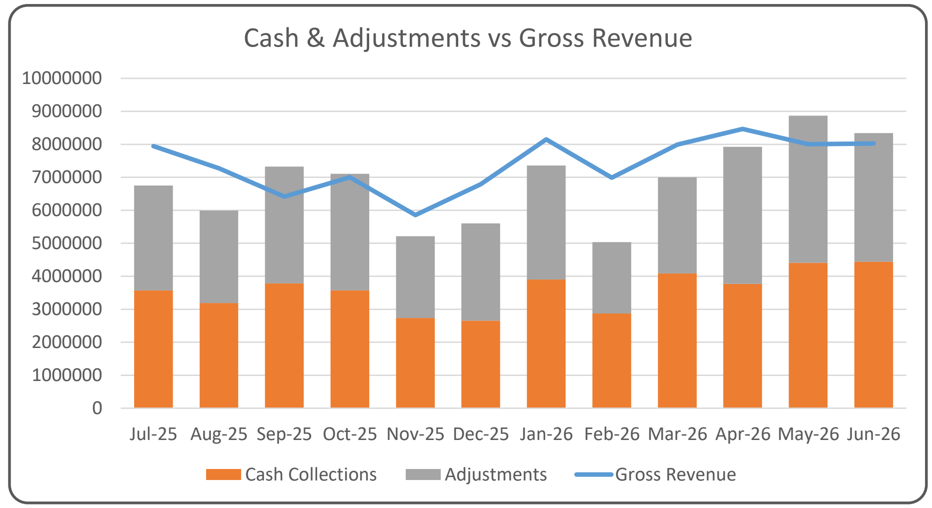
Balance Sheet:
Cash improved this month with $4.4 million collected in patient receivables and $3 million received from the commerce grant. Offset by payments to Graham of $1.7 million. Days cash on hand increased by 6 days from the previous month. Accounts receivable days also decreased 2 days from the prior month and 9 days from the prior year and now sits at 67 days with a target of 50.

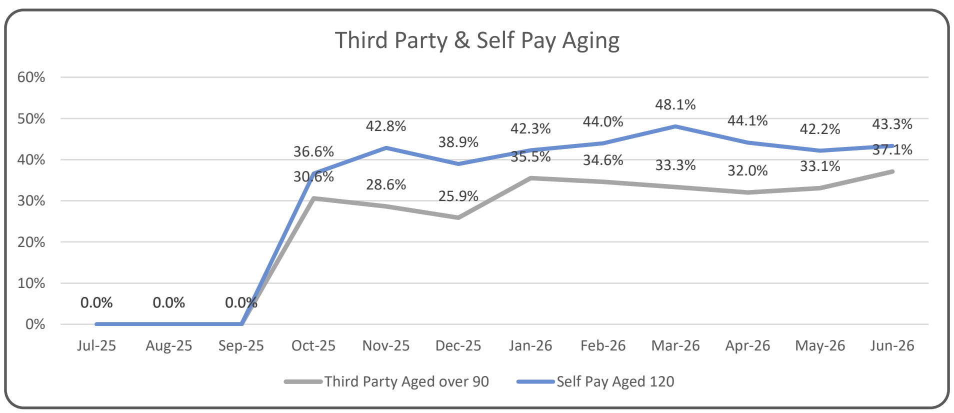
Lake Chelan Health

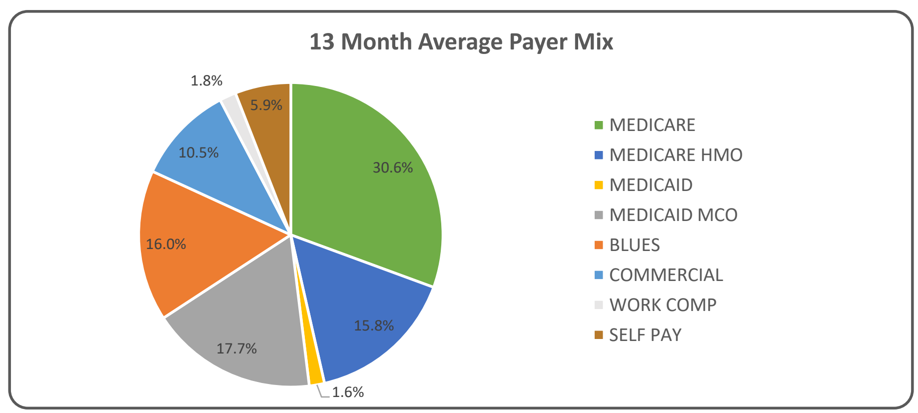
Executive Dashboard

	TARGET	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Third Party Days in AR	**43.0**	**0.0**	**0.0**	**0.0**	**51.5**	**58.6**	**66.5**	**59.4**	**62.9**	**62.1**	**63.2**	**59.5**	**58.9**
Self Pay Days in AR	**13.0**	**0.0**	**0.0**	**0.0**	**17.8**	**18.7**	**15.7**	**17.2**	**16.2**	**16.7**	**15.8**	**15.5**	**16.5**
Days in AR	**56.0**	**0.0**	**0.0**	**0.0**	**69.3**	**77.3**	**82.2**	**76.6**	**79.0**	**78.8**	**79.0**	**75.0**	**75.3**
Gross AR		-	-	-	15,594,306	16,373,651	17,566,004	17,306,428	19,263,193	20,253,051	20,811,127	19,934,490	20,274,468
Gross Revenue		7,945,481	7,274,505	6,413,773	7,002,744	5,855,937	6,791,366	8,151,435	6,990,259	7,989,884	8,467,006	8,005,028	8,024,380
Cash Collections		3,573,728	3,187,064	3,781,999	3,571,069	2,733,092	2,656,667	3,903,207	2,869,651	4,083,794	3,766,701	4,410,290	4,441,690
Adjustments		3,180,500	2,807,880	3,542,235	3,534,304	2,481,350	2,946,605	3,455,627	2,164,301	2,918,743	4,160,145	4,460,492	3,898,704
Collection %		52.9%	53.2%	51.6%	50.3%	52.4%	47.4%	53.0%	57.0%	58.3%	47.5%	49.7%	53.3%
Bad Debt	**3%**	1.7%	4.5%	3.8%	1.3%	6.2%	6.9%	1.3%	-0.6%	1.1%	3.0%	3.1%	3.4%
Charity Care	**3%**	0.9%	1.1%	1.1%	1.8%	3.1%	3.3%	1.4%	1.7%	0.0%	2.1%	3.4%	2.0%
Third Party Aged over 90	**20%**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**30.6%**	**28.6%**	**25.9%**	**35.5%**	**34.6%**	**33.3%**	**32.0%**	**33.1%**	**37.1%**
Self Pay Aged 120	**25%**	#DIV/0!	#DIV/0!	#DIV/0!	36.6%	42.8%	38.9%	42.3%	44.0%	48.1%	44.1%	42.2%	43.3%









LAKE CHELAN HEALTH

CEO Board Report (as of 7/23/2026)

People:

- Dr. Bindu Nayak, Endocrinology, began seeing patients on 7/20 and will be practicing two days per week.
- Dr. Trish Papadoupolos, Rheumatology, is expected to begin practicing one day per week in September.
- Ross Brown, PA-C, will start in Primary Care in September, bringing more than 11 years of regional practice experience.
- We have a few applicants for our open pharmacist position.
- LCH has approximately 30 open positions across clinical, provider support, ancillary/technical, and administrative roles. Applicants can view openings and apply at lakechelanhealth.org under Careers.

Community:

- Teams managed our busiest holiday weekend while also responding to the Chelan Hills Fire. July 3–5, the ED cared for 90 patients, while EMS responded to 27 calls and completed 4 transfers. Their response reflected strong dedication and resilience during a challenging period for the community.
- LCH and CVCH met for a productive OB discussion and reaffirmed a mutual commitment to establish an OB Task Force focused on high-level collaboration and recommendations.
- I participated in the WSHA Summer Board Retreat and Board meeting, focused on hospital resiliency, enterprise risk, court engagement, and responsible use of AI in clinical care.
- At the Rural Collaborative Board meeting in Ellensburg, CEOs discussed rural advocacy with the Governor's Office, the Washington Medical Coordination Center, rural revenue cycle services, and Year 1 Rural Health Transformation priorities.

Quality:

- Quality hired Lauren Bloch, MA, as a third Informatics support staff member to support the EMR transition and clinic workflows.
- July's Quality Star is Catherine "Cat" LaViolette for her work improving Employee Health records and DNV survey readiness.
- We are implementing an interface between Pyxis and the EHR to enhance patient safety and streamline medication management.
- We are preparing to launch TeleNeurology, building on TeleStroke to provide more specialized care locally and reduce transfers when appropriate.
- Jamie Devin, ED/Charge RN, and Brenda Hanson, Surgical Services Director, were nominated for March of Dimes Nurse of the Year Awards. Recipients will be announced November 6 in Seattle.
- Dusty Williams and Nicole Bell attended a Medicare Coding and Billing Bootcamp this week.

Financial:

- June closed with a positive net margin of $302K; YTD net margin is -$214K versus a budgeted -$1.223M, a favorable variance of about $1M.
- Net patient revenue reached $4.6M, cash collections were $4.4M, days cash on hand improved by 6 days, and AR days decreased to 67.
- Working towards improved coding, prior authorization, and additional billers through the Rural Health Enterprise (RHTP CBO Project).
- Shawn and Jim are working on our "Sources and Uses" document as we plan for upcoming projects.

Building for the Future:

- Specialty referral volumes continue to grow across Cardiology, General Surgery, Dermatology, ENT, Orthopedics, Endocrinology, Audiology, Sports Medicine, and Urology.
- Working on RHTP projects with the Rural Health Collaborative. Year one we are participating in: 1. GPO conversion 2. CBO 3. Rev Cycle Direct Support 4. Rev Cycle Automation 5. Expand Shared Reference lab.

- For our WSHA RHTP work we are thinking ERP funding, conversion of 1212 to clinical space (stress/ultrasound), med water improvement (OR), conversion of a LDRP room to a step down unit, elements of the clinic remodel, ED door conversion for better patient transport, new doors in materials to be able to get oversized packaging into the building without having to unpackage.
- YTD specialty referrals through 7/20 include Orthopedics 397, Dermatology 315, General Surgery 305, ENT 274, Cardiology 252, Urology 48, Endocrinology 34, Sports Medicine 32, and Audiology 31.
- Endocrinology, planned Rheumatology, and added Primary Care capacity support our strategy to expand local access.
- EMS building remains on time and stands a chance of coming in under budget. Working on our plans for our grand opening celebrations which are tentatively scheduled for October 31st from 10am-2pm with VIP tours during the week before.
- Working towards onsite visits for our selected ERP vendors to help narrow the list. We have challenges with our current IT solution and our timeline for ERP implementation and EHR implementation.

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2
Lake Chelan Health
Chelan County, WA

RESOLUTION No. 2026-14
Disposal of 2004 Ford E 350 bus

A RESOLUTION of the Board of Commissioners of Public Hospital District No. 2, Chelan County, Washington (the 'District'), to authorize the disposal of hospital surplus items; and

WHEREAS, Lake Chelan Health (LCH) a public hospital in the State of Washington, is committed to the responsible management and disposal of assets; and

WHEREAS, the EMS department has identified the following items as surplus to departmental needs:

- 2004 Ford E 350 bus

WHEREAS, an assessment has determined that this equipment is no longer needed for hospital purposes and should be disposed of in accordance with applicable laws and hospital policies;

BE IT RESOLVED, that the Board of Commissioners of Chelan County Public Hospital District No. 2 hereby adopts the following:

1. The items described above are declared surplus and are authorized for disposal.

2. The approved method of disposal is to sell the equipment, in accordance with hospital policy and applicable regulations.

The Controller is authorized to oversee and document the disposal process in compliance with all applicable state and local regulations.

A record of the disposal, including method and justification, shall be maintained for auditing purposes.

ADOPTED AND APPROVED, by the Board of Commissioners, Chelan County Public Hospital District No. 2, at an open public meeting thereof this 28th day of July 2026 with the following Commissioners being present and voting in favor of the resolution.

______________________ CHAIRPERSON OF THE BOARD	______________________ SECRETARY
______________________ VICE CHAIRPERSON	______________________ MEMBER
______________________ MEMBER	______________________ CEO

CC: Controller, Materials

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2
Lake Chelan Health
Chelan County, WA

RESOLUTION No. 2026-15
Disposal of ECG Machine

A RESOLUTION of the Board of Commissioners of Public Hospital District No. 2, Chelan County, Washington (the 'District'), to authorize the disposal of hospital surplus items; and

WHEREAS, Lake Chelan Health (LCH) a public hospital in the State of Washington, is committed to the responsible management and disposal of assets; and

WHEREAS, the Rural Health Clinic has identified the following items as surplus to departmental needs:

- DRE-True ECG 12 Machine, Asset tag# 9495

WHEREAS, an assessment has determined that this equipment is no longer working and should be disposed of in accordance with applicable laws and hospital policies;

BE IT RESOLVED, that the Board of Commissioners of Chelan County Public Hospital District No. 2 hereby adopts the following:

1. The items described above are declared surplus and are authorized for disposal.

2. The approved method of disposal is to scrap the equipment, in accordance with hospital policy and applicable regulations, as it has been deemed unusable.

The Controller is authorized to oversee and document the disposal process in compliance with all applicable state and local regulations.

A record of the disposal, including method and justification, shall be maintained for auditing purposes.

ADOPTED AND APPROVED, by the Board of Commissioners, Chelan County Public Hospital District No. 2, at an open public meeting thereof this 28th day of July 2026 with the following Commissioners being present and voting in favor of the resolution.

CHAIRPERSON OF THE BOARD	SECRETARY
VICE CHAIRPERSON	MEMBER
MEMBER	CEO

CC: Controller, Materials

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2
Lake Chelan Health
Chelan County, WA

RESOLUTION No. 2026-16
IT Emergency Mutual Aid Interlocal Agreement

A RESOLUTION of the Board of Commissioners of Public Hospital District No. 2, Chelan County, Washington (the 'District'), approving the terms of the Interlocal Agreement for Information Technology Emergency Mutual Aid among rural public hospital districts; authorizing and directing the Chief Executive Officer of the District to execute that agreement and carry out its terms; and providing for filing under RCW 39.34.040.

WHEREAS, RCW 70.44.003 authorizes public hospital districts to provide "hospital services and other health care services for the residents of such districts and other persons"; and

WHEREAS, the Washington state legislature has determined that maintaining the viability of health care service delivery in rural areas is a primary goal of state health policy and that it is critical to the survival of Washington's rural hospitals that cooperative and collaborative arrangements among rural public hospital districts be pursued; and

WHEREAS, the Public Hospital District statute, Chapter 70.44 RCW, and the Interlocal Cooperation Act, Chapter 39.34 RCW, expressly authorize rural public hospital districts to enter into joint agreements and contracts, and RCW 70.44.450 specifically authorizes cooperative agreements among rural public hospital districts as defined in RCW 70.44.460; and

WHEREAS, the District is a rural public hospital district as defined in RCW 70.44.460 and a member of Washington Rural Health Collaborative, doing business as The Rural Collaborative ("TRC"); and

WHEREAS, information technology emergencies — including ransomware attacks, system outages, and infrastructure failures — pose significant risks to hospital operations and patient care, and the Interlocal Agreement for Information Technology Emergency Mutual Aid (the "Agreement"), in the form attached hereto as Exhibit A, establishes a voluntary framework under which participating rural public hospital districts may request and provide personnel and equipment support during such emergencies, with TRC serving solely as Administrative Coordinator and not as a party, no obligation on any hospital to provide or accept aid, deployed personnel remaining employees of the providing hospital, a two-day gratuitous period with reimbursement thereafter, and insurance, confidentiality, and business associate protections; and

WHEREAS, the Commission has determined that it is in the District's best interest and in the best interest of the District's residents and other persons served by the District to become a party to the Agreement; NOW, THEREFORE,

BE IT RESOLVED, that the Board of Commissioners of Chelan County Public Hospital District No. 2 as follows:

1. The Commission approves the Agreement in substantially the form attached hereto as Exhibit A, and the Chief Executive Officer of the District, or his or her designee, is authorized and directed to execute the Agreement on behalf of the District, with such non-material modifications

as the Chief Executive Officer, in consultation with legal counsel, deems necessary, and to carry out its terms and conditions.

2. The Chief Executive Officer is authorized to designate, and keep current with TRC, the District's activation authorities under Exhibit A, Section 3.2 of the Agreement.

3. Pursuant to RCW 39.34.040, prior to the Agreement's entry into force as to the District, the executed Agreement shall be filed with the Chelan County Auditor or listed by subject on the District's website or other electronically retrievable public source.

ADOPTED AND APPROVED, by the Board of Commissioners, Chelan County Public Hospital District No. 2, at an open public meeting thereof held in compliance with the requirements of the Open Public Meetings Act this 28th day of July 2026 with the following Commissioners being present and voting in favor of the resolution.

______________________________	______________________________
CHAIRPERSON OF THE BOARD	SECRETARY
______________________________	______________________________
VICE CHAIRPERSON	MEMBER
______________________________	______________________________
MEMBER	CEO