

BOARD OF DIRECTORS MEETING
Lower Umpqua Hospital District (LUHD)
Monday, November 24, 2025, 9:00 a.m.
Main Conference Room or
Via Teams audio conference call
Dial: 1-323-694-9833
Audio conference ID: 124 229 680#



MINUTES

Board members in attendance include Ron Kreskey, Chair, Cheryl Young, Vice Chair, Leon Bridge, Treasurer, Sheri Aasen, Director and Brenda Fraley, Secretary

Others in attendance include Stephanie Miller, John Chivers, Dr. Jason Sargent, William Van Noy, Mary Chambers, Holly Tavernier

Those employees and members of the public joining by phone include Melissa Cribbins, Hospital Attorney; Shar Shaeffer, DZA Accountants, Catherine Bauman, DZA Accountants and an unidentified caller from 971-357-2531.

I. CALL TO ORDER & INTRODUCTIONS

Board Chair Kreskey called the meeting to order at 9:00 am.

II. VISITOR'S AGENDA

No visitors.

III. SPECIAL REPORT 2024-2025 Financial Audit – DZA Accountants: Shar Sheaffer and Catherine Bauman, Manager in charge of audit

A. See: Financials Statements and Independent Auditor's Reports: Financial section, financial statements, supplemental information, and additional required reports – reported by Catherine Bauman

1. Financial:

- 1) Independent Auditor's Report: prepared by DZA Accountants
- 2) Management Discussion and Analysis: prepared by the Chief Financial Officer

2. Financial Statements

- 1) Statement of Net Position, Pg 9: new line item for 2025: ERC interest
- 2) Liabilities and net position, Pg 10: Medicare/Medicaid similar to LY
- 3) Statement Net Position, Pg 11: LUHD had a good year; Revenue increased 17.8% namely from inpatient service revenue in acute care and swing bed, and orthopedic surgery; the majority of operating expense increase came salary/wages/benefits and supplies (50% for orthopedic implants) which is expected with increases in services above; operating loss of \$759K; however, with property taxes of \$2.6M, achieved a \$2.3M year over year gain.

- 4) Statement of Cash Flows, Pg 12-13: sources of operating revenues from Page 11; \$9M increase in collections and increased utilization; net change year over year is \$3M.
- 5) Notes to Financial Statements, Pg 14-26:
 - a) Page 16 - Change in accounting principle, GASB No. 101 – recording absences resulted in a \$150K impact to record taxes of accrued compensated absences.
- 6) Patient Accounts Receivable(AR), Pg 18: the graph presents detail of patient AR. Medicare/Medicaid account for \$3.6M or 45% of AR and only \$2.9M from commercial payors and self-pay.
- 7) Net Patient Service Revenue, Pg 24: the graph presents detail by payor; Medicare/Medicaid account for 74% of patient service revenue or \$28M. The rest is commercial payors and self-pay; year over year there Medicare/Medicaid increased by 20%;
 - a) At risk: future Medicaid revenue. Since the Medicaid population will decrease, keep an eye on this line item since it will decrease.
3. Supplemental information:
 - 1) Schedule of Resources and Expenditures, Page 28: required by state regulations. No findings identified.
4. Additional Required Reports
 - 1) Prior Audit Findings, Pg 34 – no prior audit findings nor any unresolved findings needed to be reported.

B. See: Financial Indicators – reported by Shar Sheaffer

1. Total margin – profits from operations and nonoperations equal 4.9% [3-4% is sustainable due to property taxes received]
2. Operating margin – ratio of profits from operations only; -1.8% = \$759K loss; [as demonstrated breakeven is sustainable with property taxes received]
3. Days cash on Hand: 40days; ERC will bump this up; [target 90 days; higher is better]
4. Current ratio: 3.1; presented as current and non-current;[over 2.0 is healthy]
5. Capital Equipment Expenditures: rate of purchase compared to equipment depreciation; [values of 100%+ are better]
6. Long term debt to Net Position: 11%; [lower is better]
7. Days in Net Patient Accounts Receivable: 52; [50-60 is target; we are where we need to be especially compared to our peer set]
8. Gross Days in Patient Accounts Receivable: 64; [60 days is goal; we do not want to trend down]
9. Bad Debt; 2.9%; reflects only write offs not charity; currently and consistently less than peers.
10. Bad Debt and Charity Care: ensure and correctly identify if charity coded as bad debt and reclass to charity.
11. Full Time Equivalents (FTE) – trend presented; there is no right/wrong; should correlate to patients service revenues, salaries, and benefits.

12. Salaries and Benefits: trended upward, which correlates with patient service revenue.

13. Net Patient Service Revenue per FTE– increased.

C. Letter to the Board of Directors was delivered.

D. Neither the Board nor other attendees expressed concerns nor asked questions about the audit. The DZA Accountants exited the board meeting.

IV. ADJOURNMENT

Motion: Board Chair Kreskey requested a motion to adjourn the board meeting. Bridge moved to adjourn the meeting; Young seconded. Motion passed (5-0) with the following vote: Kreskey – Yes, Young – Yes, Bridge – Yes, Aasen – Yes, Fraley - Yes.

Board Chair Kreskey declared the meeting adjourned at 9:34 am.

APPROVED THIS 10TH DAY OF DECEMBER, 2025



Ronald Kreskey, Chair


Brenda Fraley, Secretary