Northern Inyo Healthcare District

Board Meeting

Finance Committee Meeting - November 12, 2026

Agenda

Agenda 2

New Business

Meeting Minutes - October 13, 2026 4
Appointment of New Bond Trustee and Paying Agent 9
Psychological Services Consultation Agreement 11
Radiology Services Agreement - Bristlecone Pine Radiology 12
Women’s Health Collaboration Agreement between NIHD and Mammoth Hos 13
Investment Report 15

Financial and Statistical Report

CFO - Report Financial Summary and Operation Insights - Sept 2026 16
NIHD Financial Summary September 2026 25
NIHD KPIs FYE September 2026 29
NIHD Finance Committee Update September 2026 31
NIHD Financial Statements September 2026 49

NORTHERN INYO HEALTHCARE DISTRICT
One Team. One Goal. Your Health.

Mission
Northern Inyo Healthcare District provides health care services to improve the quality of life and health for all we serve

Vision
Northern Inyo Healthcare District will be known throughout the Eastern Sierra Region for providing high quality, compassionate, comprehensive care in coordination with regional partners.

NOTICE

NORTHERN INYO HEALTHCARE DISTRICT
Board of Directors' Finance Committee Meeting
November 12, 2026 at 8:00 am

The Finance Committee will meet in person at 150 Pioneer Lane, Bishop, CA 93514. Members of the public will be allowed to attend in person or via Zoom. Public comments can be made in person or via Zoom.

TO CONNECT VIA ZOOM: (A link is also available on the NIHD Website)
https://us06web.zoom.us/s/86114057527
Webinar ID: 861 1405 7527
Passcode: 898843

PHONE CONNECTION:
(669) 444-9171
(253) 215-8782
Webinar ID: 861 1405 7527

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1. Call to Order at 8:00 am.
2. Public Comment: At this time, members of the audience may speak only on items listed on this Notice. Each speaker is limited to a maximum of three (3) minutes, with a total of thirty (30) minutes for all public comments unless modified by the Chair. The Board is prohibited from discussing or taking action on items not listed on this Notice. Speaking time may not be transferred to another person, except when arrangements have been made in advance for a designated spokesperson to represent a large group. Comments must be brief, non-repetitive, and respectful.
3. Old Business
   a) Grant Update – Information Item
4. New Business
   a) Approval of Meeting Minutes October 13, 2026 – Action Item
   b) Appointment of New Bond Trustee and Paying Agent – Action Item
   c) Service Line Update – Information Item
      i) Psychological Services Consultation Agreement – Action Item
      ii) Women's Health Collaboration Agreement between NIHD and Mammoth Hospital – Action Item

iii) Radiology Services Agreement - Bristlecone Pine Radiology - Action Item

d) Investment Report – Action Report

e) Financial and Statistical Report – Information Item

5. Future Agenda Items
6. General Information from Board Members – Information Item
7. Adjournment

In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District Board Governance Committee meeting, please contact the administration at (760) 873-2838 at least 24 hours prior to the meeting.

CALL TO ORDER	Northern Inyo Healthcare District (NIHD) Finance Committee Vice-Chair Best-Baker called the meeting to order at 8:10 am.
PRESENT	Melissa Best-Baker, Finance Committee Vice-Chair David Lent, Finance Committee Alternate Christian Wallis, Chief Executive Officer Andrea Mossman, Chief Financial Officer Allison Partridge, Chief Operations Officer / Chief Nursing Officer Adam Hawkins, Chief Medical Officer Alison Murray, Chief Human Resources Officer, Chief Business Development Officer
ABSENT	Maggie Egan, Finance Committee Chair
TELECONFERENCING	Notice has been posted, and a quorum participated from locations within the jurisdiction.
PUBLIC COMMENT	Finance Vice-Chair Best-Baker reported that at this time, audience members may speak on any items not on the agenda that are within the jurisdiction of the Board. **Public Comment:** None
GRANT UPDATE	CEO Wallis provided an update on the District's grant applications **USDA Telehealth Equipment Grant** CEO Wallis reported that the District was not awarded the USDA grant intended to fund telehealth equipment, including equipment to support telestroke services and the development of a telehealth program. Although the District met the rural eligibility criteria, the community's economic indicators negatively impacted its application, preventing the District from receiving funding. **Rural Health Transformation Program – Information Technology Grant** CEO Wallis reported that the District was not awarded funding through the Rural Health Transformation Program to support its proposed transition to the Epic electronic health record system. The District had anticipated that the application would not qualify under the program's funding criteria, as its existing information technology infrastructure did not meet the level of need prioritized for funding. CEO Wallis indicated that the District intends to reapply during the next funding cycle. **Rural Health Transformation Program – Women's Health Accelerator Partners Grant** CEO Wallis reported that the District requested $1.8 million to strengthen women's health services throughout the Eastern Sierra, including workforce recruitment, retention, education, telehealth equipment, and program coordination. The District was awarded approximately $298,000, with funding

for workforce development eliminated while funding for telehealth equipment and a program manager was retained. CEO Wallis expressed concern that the reduced award would not support the proposed program without the clinical staff necessary to provide services. The District would need to substantially revise the grant application and budget to reflect the reduced funding and focus on maintaining essential services.

Rural Health Transformation Program – Workforce Grant
CEO Wallis reported that the District requested $996,000 through the Rural Health Transformation Program to support recruitment of healthcare providers in several specialties, including pediatrics, family medicine, anesthesia, gastroenterology, and cardiology. The District was awarded approximately $332,000, significantly reducing its ability to meet the proposed recruitment needs. CEO Wallis indicated that the District was considering revising the grant to replace the proposed family medicine position with an obstetrician, allowing the reduced workforce funding to support obstetric and pediatric recruitment in coordination with the Women's Health Accelerator Partners Grant. The District would need to revise and resubmit the grant application and budget to reflect these changes.

Rural Health Transformation Program – Chronic Disease Management Grant
CEO Wallis reported that the District participated in a regional chronic disease management grant application led by Southern Humboldt as part of the Rural Health Transformation Program.

Public Comment: None

Board Discussion:
The Committee expressed significant frustration and disappointment with the Rural Health Transformation Program funding decisions, particularly the substantial reductions to the Women's Health Accelerator Partners and Workforce grants. Members questioned the allocation of funding and the practicality of awarding grants at levels insufficient to implement the proposed programs, emphasizing the unique challenges facing rural and frontier healthcare communities.

CEO Wallis reported that he had met with representatives from the California Department of Health Care Access and Information (HCAI) to express concerns regarding the reduced awards and the elimination of essential workforce funding. He explained that the funding agency cited limited available funding and a high volume of applications as reasons for the reductions.

The Committee discussed concerns regarding the grant application process, the timing of award notifications, and whether the funding criteria adequately considered the geographic isolation and limited healthcare resources throughout the Eastern Sierra. Members expressed interest in reviewing the distribution of

grant awards and discussed submitting a letter expressing the District's dissatisfaction with the funding decisions.

CEO Wallis reported that the District's lobbyist, Tim Madden, was working to obtain information regarding grant recipients, award amounts, and funded programs. The Committee encouraged CEO Wallis to pursue additional advocacy efforts, including outreach to state and federal legislative representatives, to communicate the District's concerns and seek greater consideration of the region's healthcare needs.

RADIOLOGY REQUEST FOR PROPOSAL UPDATE

COO/CNO Partridge reported that the District's Radiology Request for Proposal (RFP) process remains underway, with a two-week delay in the selection process due to scheduling and completion of interviews. Three proposals were received from TCR, the District's current radiology provider; Bristlecone Pine, a Utah-based radiology group; and Radiant Imaging, based in the Fresno area. All applicants were notified of the delay, and a selection decision was anticipated within two weeks, after which the District would notify the selected provider and begin the contracting process.

Public Comment: None

Board Discussion: None

STRATEGIC GROWTH, WIPFLI UPDATE

CEO Wallis reported that the District is nearing completion of its strategic growth planning efforts with Wipfli. The District provided projected patient volumes, charges, and revenue estimates for the recruitment of additional specialists in hematology/oncology, cardiology, and gastroenterology, along with the proposed Bishop Care Center (BCC) partnership. Wipfli is incorporating this information into a long-range financial plan to evaluate the financial feasibility of relocating services to the Rural Health Clinic, constructing a new medical office building, and expanding specialty services. The analysis will help determine the District's ability to finance the proposed $80 million facility and evaluate potential financing and lease-to-purchase options.

Public Comment: None

Board Discussion: None

APPROVAL OF MEETING MINUTES SEPTEMBER 8 2026

Public Comment: None

Board Discussion: None

Motion by Lent to approve the minutes
2nd: Best-Baker
Pass: 2-0

CAPITAL UPDATE

CFO Mossman presented the first-quarter capital expenditure report, providing an update on approved projects, expenditures, and anticipated completion dates.

The District had approximately $970,000 in approved capital expenditures, with roughly one-third invoiced, and approximately $102,000 invoiced against the $324,000 capital contingency budget. Several projects were completed or nearing completion, including fetal monitoring equipment, pavement improvements, arthroscopic accessories, and workstation equipment. Mossman also provided updates on the inpatient dialysis machine, Microsoft 365 migration, Roche laboratory equipment, and MRI project, noting that several larger projects remain in progress. The Capital Committee continues to meet monthly to review project status, expenditures, and capital priorities.

COO / CNO Partridge discussed the proposed purchase of a tractor with snow removal attachments at an estimated cost of $31,005, explaining that the equipment would improve winter maintenance, facility access, and safety by addressing snow and ice accumulation. She indicated that the purchase would be funded through the capital contingency budget and was within his purchasing authority.

Public Comment: None

Board Discussion:
The Committee expressed appreciation for the quarterly capital expenditure report and the ability to monitor project progress and spending against approved budgets.

FINANCIAL AND STATISTICAL REPORT

CFO Mossman presented the August financial and statistical reports, noting that the District continued to perform favorably compared to budget despite lower-than-anticipated patient volumes in several service areas. Net revenue exceeded budget by approximately $1.8 million, while operating expenses were $328,000 above budget, primarily due to increased employee benefit claims and expenses associated with higher revenue. The District reported an operating loss of approximately $426,000, compared to a budgeted loss of nearly $1 million, reflecting an improvement of approximately $500,000. Mossman reported that year-to-date cash had declined by approximately $4 million, largely due to the timing of Intergovernmental Transfer (IGT) payments and reimbursements, with approximately $2 million received in October and additional reimbursements anticipated in November. The District maintained a cash balance of approximately $35.5 million, 102 days cash on hand, and a debt service coverage ratio of 5.5, exceeding its required financial thresholds. Accounts receivable remained at 67 days, above the District's target of 45–60 days, with continued efforts underway to improve collections and cash flow.

Public Comment: None

Board Discussion:
The Committee questioned why the Rural Health Clinic fell approximately 300 visits below its monthly budget and whether the shortfall was primarily attributable to provider vacations. Staff explained that provider departures, staffing shortages, and scheduled time off contributed to reduced patient volumes. She further noted that patients transitioning to new providers often

require longer appointments to review their medical histories, reducing the number of available appointments. Staff indicated that leadership continues to evaluate scheduling, referrals, staffing, and recruitment needs to improve patient access and clinic performance.

CEO Wallis discussed ongoing efforts to address provider shortages and improve clinic operations, including recruitment of additional providers and consideration of outside consulting assistance to evaluate specialty clinic operations and opportunities for improvement.

The Committee also discussed the District's financial reporting and the importance of monitoring operating performance, patient volumes, and cash flow as the District continues its strategic growth initiatives.

FUTURE AGENDA ITEMS	None
GENERAL INFORMATION FROM BOARD MEMBERS	A Committee member shared observations from the recent Association of California Healthcare Districts (ACHD) Conference, highlighting the value of networking and discussions regarding healthcare construction and emerging technologies. The Committee discussed the increasing use of artificial intelligence (AI) in healthcare, including its potential benefits, patient privacy concerns, and the importance of establishing appropriate policies and maintaining human oversight. Staff indicated that the District is evaluating AI applications and related policies.
ADJOURNMENT	Adjournment at 9:06 am

_____
Maggie Egan
Northern Inyo Healthcare District
Finance Committee Chair

Attest: _____
Melissa Best-Baker
Northern Inyo Healthcare District
Finance Committee Vice-Chair

NORTHERN INYO HEALTHCARE DISTRICT
One Team. One Goal. Your Health.

DATE: November 2026

TO: Board of Directors, Northern Inyo Healthcare District

FROM: Christian Wallis, CEO

RE: Appointment of New Bond Trustee and Paying Agent

MEMORANDUM

Background

The District currently has four outstanding series of bonds for which Bank of New York Mellon Corporation (BNY) is serving as Trustee and/or Paying Agent. These include the 2009 General Obligation Bonds, and 2016 General Obligation Refunding Bonds for which it serves as Paying Agent and the 2021 Series A and Series B Revenue Refunding Bonds for which it serves as Trustee. The Trustee/Paying Agent is appointed by the District and serves as a fiduciary to bond holders, ensuring compliance with Districts fiduciary duties and bond covenants, managing bond registration and managing debt service payments. The Trustee/Paying Agent can be replaced at the election of the District.

District staff have experienced difficulties during the last few years with BNY and sought a proposal from US Bank to provide the services. There are very limited options for banks that are qualified and eligible to provide these services and US Bank provides the service to many hospital districts throughout California.

Some of the key steps in the process to replace the Trustee/Paying agent are as follows:

- The District must send a removal notification letter no later than 30 days prior to the desired effective date of the transfer to the new Trustee/Paying Agent and copy the bondholders for the private placement debts which include the 2021 Bonds and the 2016 Bonds;
- The 2009 Bonds are publicly issued bonds held through DTC FAST, BNY and US Bank will need to notify DTC no later than 10 days prior to the effective date (10 day prior rule per SEC Rule 17ad-16). This is referred to as the CUSIP "swing" notification.
- It is anticipated that BNY will require the District and US Bank to execute a Tri-Party Agreement(s) to document the effective date transfer. There is typically one agreement for the bond issues for which they serve as Trustee and one agreement for the issues for which they serve as Paying Agent.
- US Bank will assist with the preparation of the notification letter and the Tri-Party Agreements to facilitate the change.

To serve as Trustee for the 2021 Bonds US Bank would charge a flat fee of $2,500 per year, per indenture. There is one indenture for the two series of 2021 Bonds so the total would be $2,500 per year.

To serve as Paying Agent for the 2009 Bonds and 2016 Bonds, US Bank would charge a flat fee of $800 per year per issue, for a total of $1,600 per year.

If approved, it is anticipated that the transition would take approximately two months to implement after notification letters are sent. If notices are sent in December, completion could occur in February. This timeframe would work well with the debt service schedules for the existing bonds which have payments due on the first of June and December for the 2021 Bonds and the first of May and November for the 2009 Bonds and 2016 Bonds.

Fiscal Impact
There would be an annual cost of $4,100 for all four bond issues payable in advance. All initial set up fees would be waived.

Recommendation
Staff recommends that the Board of Directors approve and authorize the Chief Executive Officer to proceed with the process of appointing US Bank Trust Company, N.A. as Trustee for the Districts existing general obligation and revenue bonds, replacing the existing Trustee, the Bank of New York Mellon Corporation.

NORTHERN INYO HEALTHCARE DISTRICT
One Team. One Goal. Your Health.

DATE: November 2026

TO: Finance Committee, Northern Inyo Healthcare District

FROM: Christian Wallis, CEO

RE: Psychological Services Consultation Agreement

MEMORANDUM

Background

The proposed agreement engages Action Potential Psychological Services, Inc., through Jacob Eide, Psy.D., to evaluate NIHD's existing behavioral health services, recommend program improvements, and develop a long-term strategy for integrated behavioral health care.

Discussion

The proposed services include three phases:

1. **Program Evaluation:** Assess existing behavioral health services, regulatory considerations, treatment practices, outcomes, and the Medication-Assisted Treatment (MAT) program. A written report will provide findings and recommendations.
2. **Implementation Support:** Provide consultation, staff training, workflow development, and recommendations for program improvement.
3. **Strategic Development:** Develop a multiyear plan for integrated behavioral health, including Primary Care Behavioral Health, Collaborative Care, outpatient therapy, and proposed staffing expansion.

Recommendation

It is recommended that the board consider approval of the Consulting Services Agreement with Action Potential Psychological Services, Inc. for behavioral health program evaluation, implementation support, and strategic development. The proposed agreement would be for a one-year term at a rate of $175/hour, not to exceed $175,000, subject to confirmation of the effective date and expense limitations.

NORTHERN INYO HEALTHCARE DISTRICT
One Team. One Goal. Your Health.

DATE: November 2026

TO: Board of Directors, Northern Inyo Healthcare District

FROM: Christian Wallis, CEO

RE: Proposed Radiology Services Agreement – Bristlecone Pine Radiology

MEMORANDUM

Background
Northern Inyo Healthcare District is pursuing a new radiology services agreement with Bristlecone Pine Radiology P.C. (BCPR) to replace its current radiology services provider. The proposed agreement is intended to provide continued radiology coverage, including on-site and remote interpretation services, while establishing defined service expectations and performance standards.

Discussion
The proposed agreement would engage BCPR to provide radiology coverage and administrative services for an initial three-year term, with an option to renew for one additional year upon mutual written agreement. The anticipated start date is May 2027, subject to completion of the contract and transition requirements.

Under the proposed agreement, BCPR would provide on-site radiologist coverage for 26 weeks annually, and remote radiology interpretation services 24 hours per day, seven days per week. Services would include diagnostic imaging interpretations, designated radiology procedures, physician consultations, and radiology medical leadership responsibilities. The agreement would also establish performance standards for report turnaround times, quality assurance, and subspecialty interpretations.

The proposed agreement also includes a $100,000 advance payment to BCPR to assist with upfront implementation expenses, including physician licensing, hospital credentialing, legal and insurance expenses, technology setup, and travel. The advance would be paid within 10 business days following execution of the definitive agreement and recovered through deductions from BCPR's monthly compensation payments after services commence. The advance would not increase the total annual guaranteed compensation of $2,400,000.

Recommendation
Staff recommends that the Board of Directors approve the transition of radiology services to Bristlecone Pine Radiology P.C. and authorize the District to enter into a three-year agreement with an annual guaranteed compensation of $2,400,000, for a total guaranteed contract amount of $7,200,000 over the initial term, including a $100,000 advance against the guaranteed compensation for implementation expenses, subject to final contract negotiations and required approvals.

NORTHERN INYO HEALTHCARE DISTRICT
One Team. One Goal. Your Health.

DATE: November 2026

TO: Board of Directors, Northern Inyo Healthcare District

FROM: Christian Wallis

RE: Women's Health Collaboration Agreement between NIHD and Mammoth Hospital

MEMORANDUM

RECCOMENDATION
We formally request that the Board of Directors of Northern Inyo Healthcare District approve the proposed Women's Health Collaboration Agreement between Northern Inyo Healthcare District (NIHD) and Mammoth Hospital, effective immediately.

BACKGROUND & CLINICAL NEED
Both Mammoth Hospital and Northern Inyo Hospital operate as Critical Access Hospitals in geographically isolated, mountainous regions. Delivering comprehensive women's healthcare, particularly inpatient obstetric (OB) and labor and delivery (L&D) services, is increasingly challenging for rural facilities nationwide due to workforce shortages, low patient volumes, and the high fixed costs of maintaining 24/7 OB readiness.

Currently, Mammoth Hospital does not have the patient volume required to sustain an independent inpatient OB unit or L&D services. Consequently, expectant mothers in Mono County rely heavily on NIHD for obstetric delivery and inpatient care. While NIHD maintains a robust inpatient OB program, a newborn nursery, and 24/7 on-call OB coverage, operating these services requires a substantial financial commitment that NIHD currently sustains at a loss to protect regional access.

THE COLLABORATIVE SOLUTION
To ensure safe, continuous, and high-quality care for expectant mothers across the Eastern Sierra, our organizations have developed an integrated regional women's health service line. It is neither practical nor fiscally responsible for each District to independently recruit and duplicate expensive 24/7 OB resources. Instead, this agreement allows us to share the incremental costs of sustaining a single, robust regional OB program.

Key Components of the Agreement:

1. Regional Obstetric Readiness: NIHD commits to maintaining inpatient L&D services, a newborn nursery, 24/7 on-call OB provider coverage, and necessary anesthesia and pediatric support. These services will be available to Mammoth's service area residents on the exact same basis as NIHD's local patients.
   2. Financial Cost-Sharing: In consideration of the services and readiness provided by NIHD, Mammoth Hospital will pay an annual compensation of $356,000 (paid in quarterly installments of

$89,000). This figure is based on fair market value and NIHD's documented Medicare cost report data for maintaining OB readiness.

(Note: Outpatient women's health provider coverage at Mammoth is handled under separate Clinic Agreements, ensuring complete continuity of care from outpatient prenatal visits in Mammoth to inpatient delivery in Bishop).

CONCLUSION

This collaboration represents a forward-thinking, fiscally responsible approach to rural healthcare. By pooling our limited resources and integrating our clinical workflows, we can secure the future of obstetric care in the Eastern Sierra. We are proud to present this joint initiative and strongly recommend the Board's approval of the Women's Health Collaboration Agreement to ensure the mothers and families of Mono and Inyo counties continue to receive the exceptional care they deserve.

Investment Report

Account Number	Account	Beginning Balance July 1,2026	Ending Balance September 30, 2026	Maturity Date	Beg Interest Rate	Ending Interest Rate	Interest Income/Accrued Interest FY27
600250	Mass Mutual Debt Service Reserve	575,000.00	575,000.00		6.75%		9,703.14
20-14-002	LAIF	10,640,619.20	10,744,553.51		3.82%	3.92%	107,676.41
XXXX1007	Five Star Bank	24,371,866.00	19,589,504.40		3.81%	3.93%	217,638.12
6701642	Nursing Scholarship Fund	25,204.67	25,220.55		0.02%	0.25%	15.88
66101029	ESCB B&I Fund Reconciliation	1,445,595.37	1,445,959.78		0.82%	0.99%	364.41
QRT-183196	**Financial Northeastern Companies**	249,897.50	249,836.44				2,437.50
06051X6Q0	Bank Amer NA Charlotte NC	249,897.50	249,897.50	10/22/2026	3.90%	3.90%	
RMB-004151	**Multi-Bank-Securities**	247,029.64	247,039.52				2,624.38
12527CGR7	CFG Cmnty BK Lutherville	247,029.64	249,897.50		4.25%	4.24%	
Total		**37,555,212.38**	**32,877,114.20**				**340,459.84**

Northern Inyo Healthcare District

Chief Financial Officer Report

FY 2027 First-Quarter Financial and Operational Report

Date: November 2026
To: Board of Directors, Northern Inyo Healthcare District
From: Andrea Mossman, Chief Financial Officer

Executive Summary

Northern Inyo Healthcare District completed the first quarter of FY2027 with net income approximately $171,000 favorable to budget, demonstrating financial resilience despite significant expense pressures and an unfavorable Medi-Cal reimbursement adjustment in September.

For the first quarter, net revenue was $1.9 million, or 6%, above budget, reflecting continued strength in patient volumes and strategic service-line growth. Operating expenses were $1.7 million, or 5%, above budget, primarily driven by increased medical, dental, and vision (MDV) claims under the District's self-funded benefit plan, higher professional fees, and increased supply costs. Despite these expense pressures, the District reported an operating loss of approximately $2.5 million, which was $186,000 favorable to budget.

Compared with the first quarter of FY 2026, net income improved by approximately $5.6 million, while operating performance improved by approximately $3.4 million. Net revenue increased by approximately $335,000 compared with the prior year, while expenses increased 15%.

September presented a significant financial challenge, with a net loss of approximately $653,000 and an unfavorable variance of approximately $1.2 million compared with budget. The primary driver was a Medi-Cal rate adjustment, including approximately $600,000 associated with prior-month accounts receivable. The adjustment resulted in net revenue finishing $241,000, or 2%, below budget for the month. An unfavorable payer mix, including a 3.7 percentage-point decline in Blue Cross & Commercial volume, further affected reimbursement performance, partially offset by increased Medicare volume.

Operationally, patient activity remained encouraging. First-quarter volumes exceeded budget in inpatient days, NIA clinics, diagnostic imaging, Emergency Department visits, rehabilitation, and outpatient infusions and wound care. Surgical volume remained below budget, primarily due to general surgery, while Rural Health Clinic visits continued to be affected by provider turnover in primary care.

The District ended the quarter with 97 days cash on hand, a cash balance of $34.6 million, and a debt service coverage ratio of 3.08. Cash decreased approximately $5 million during the quarter, primarily due to timing differences associated with Intergovernmental Transfers (IGT), accrued expenses, and the timing of cash receipts compared with cash disbursements.

Overall, the District enters the remainder of FY 2027 with favorable cumulative financial performance compared with budget, strong patient demand across several strategic service lines, and a solid liquidity position. Management's focus will be on sustaining revenue growth, managing self-funded benefit costs, improving labor productivity, controlling professional and supply expenses, and maintaining disciplined cash management.

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1. First-Quarter Financial Performance

The District finished Q1 FY 2027 approximately $171,000 favorable to budget on net income.

Financial Measure	Q1 FY2027 Performance
Net Income	$171,000 favorable to budget
Operating Income (Loss)	$(2.5) million
Operating Income Variance	$186,000 favorable to budget
Net Revenue vs. Budget	$1.9 million favorable / 6%
Expenses vs. Budget	$1.7 million unfavorable / 5%
Net Income Improvement vs. Prior Year	$5.6 million
Operating Improvement vs. Prior Year	$3.4 million
Net Revenue vs. Prior Year	Approximately $335,000 higher
Expenses vs. Prior Year	15% higher

The District's favorable net income performance reflects strong revenue generation and continued improvement in operating results, despite expenses exceeding budget.

Net revenue exceeded budget by $1.9 million, or 6%, reflecting favorable patient volumes and service-line activity. This revenue growth was partially offset by operating expenses exceeding budget by $1.7 million, or 5%.

Compared with the prior year, operating performance improved substantially, with operating results approximately $3.4 million better than the first quarter of FY 2026.

Board takeaway: The District remains slightly ahead of its FY 2027 net income budget, with meaningful improvement over the prior year. Maintaining this favorable position will require

continued revenue growth and a stronger focus on managing the expense pressures associated with increased patient activity and employee benefit costs.

2. September Financial Performance

September was a challenging month financially, with results significantly impacted by a Medi-Cal reimbursement adjustment.

The District experienced an unfavorable financial variance of approximately $1.2 million compared with budget, with a net loss of approximately $653,000.

The primary driver was a Medi-Cal rate adjustment, including approximately $600,000 related to prior-month accounts receivable. Net revenue finished $241,000, or 2%, below budget as a result of the reimbursement true-up.

Payer mix was also unfavorable, with Blue Cross & Commercial volume 3.7 percentage points below budget, partially offset by increased Medicare volume.

Expense pressures further contributed to the unfavorable monthly results, particularly medical, dental, and vision claims and supply costs.

September operating expenses were approximately $1 million, or 10%, above budget. The largest unfavorable expense variances included:

- **Medical, Dental, and Vision:** $669,000 above budget, contributing to salary, wages, and benefits finishing $585,000 above budget.
- **Supplies:** $548,000 above budget, primarily due to pharmacy supplies, which also contributed to higher-than-budgeted revenue.

Despite September's unfavorable results, the District maintained a favorable cumulative net income position for the first quarter.

3. Revenue and Payer Mix Performance

Revenue performance for the first quarter remained strong overall.

Q1 net revenue exceeded budget by approximately $1.9 million, or 6%, supported by increased patient activity across several key service lines.

Payer mix was favorable for the quarter, with Blue Cross & Commercial volume 1.5 percentage points above budget, offset by a decrease in Medicare volume.

September experienced a reversal in this trend, with Blue Cross & Commercial volume 3.7 percentage points below budget, partially offset by Medicare.

The Medi-Cal rate adjustment also created a significant reimbursement impact in September, including approximately $600,000 associated with prior-month accounts receivable.

Management will continue monitoring payer mix, reimbursement trends, contractual allowances, coding, denials, and collections to ensure that volume growth translates into sustainable net revenue improvement.

Quarterly Revenue Priorities:

- Maintain growth in strategic service lines.
- Monitor reimbursement changes and payer mix trends.
- Strengthen coding and documentation accuracy.
- Improve denial prevention and collections.
- Monitor Medi-Cal reimbursement and rate adjustments.
- Improve cash conversion and revenue cycle performance.

4. Volume and Operational Performance

Patient volumes remained strong throughout the first quarter, with several key service lines exceeding budget.

Q1 FY 2027 Volume Performance

Service Metric	Q1 Performance vs. Budget
Admissions	8 admissions / 3% below budget
Inpatient Days	60 days above budget
Rural Health Clinic Visits	320 visits / 4% below budget
NIA Clinic Visits	222 visits / 4% above budget
Surgical Cases	40 cases / 9% below budget
Diagnostic Imaging Exams	7% above budget
Emergency Department Visits	11% above budget
Rehabilitation Visits	11% above budget
Outpatient Infusions and Wound Care	42% above budget

Operational performance reflects continued strength in outpatient services and increased utilization across several strategic service lines.

Inpatient admissions were slightly below budget, while inpatient days exceeded budget, suggesting increased utilization among admitted patients.

NIA clinic volumes exceeded budget, primarily due to growth in specialty and orthopedic services. Rural Health Clinic volumes remained below budget as a result of provider turnover in primary care.

Surgical volume remained below budget, primarily due to general surgery. Management will continue evaluating provider availability, scheduling, and opportunities to improve operating room utilization.

Diagnostic imaging, Emergency Department, rehabilitation, and outpatient infusion and wound care volumes continued to demonstrate favorable growth.

Board takeaway: Patient demand remains a significant strength for the District. Growth in outpatient services, specialty clinics, diagnostic imaging, Emergency Department, rehabilitation, and infusion services provides opportunities to improve financial performance. Continued attention to primary care provider recruitment and surgical capacity will be important to realizing additional growth.

September Operational Performance

September volumes reflected a mixed performance across service lines.

Service Metric	September Performance
Admissions	2 admissions / 2% below budget
Inpatient Days	57 days / 31% above budget
Rural Health Clinic Visits	59 visits / 2% below budget
NIA Clinic Visits	125 visits / 7% above budget
Surgical Cases	37 cases / 23% below budget
Diagnostic Imaging Exams	4% above budget
Emergency Department Visits	14% above budget
Rehabilitation Visits	135 visits above budget
Outpatient Infusions and Wound Care	29% above budget

NIA clinic growth was driven by orthopedic, pediatric, and specialty services. Rural Health Clinic volumes continued to be impacted by primary care provider availability.

Surgical cases were below budget, primarily due to lower general surgery and orthopedic volumes.

Emergency Department, diagnostic imaging, rehabilitation, and outpatient infusions and wound care continued to demonstrate favorable patient activity.

5. Expense Performance

Expense management remains one of the District's most significant challenges entering the remainder of FY 2027.

For the first quarter, operating expenses were approximately $1.7 million, or 5%, above budget.

The primary driver was increased medical, dental, and vision claims under the District's self-funded employee benefit plan.

Q1 Expense Variances

- **Medical, Dental, and Vision:** Claims were approximately $1.2 million above budget, contributing significantly to the unfavorable salary, wages, and benefits variance.
- **Salaries, Wages, and Benefits:** 7% above budget, primarily driven by increased employee benefit claims.
- **Professional Fees:** Approximately $325,000 above budget, primarily due to higher legal expenses and consulting costs.
- **Supplies:** Approximately $460,000 above budget, largely driven by pharmacy expenses, partially offset by higher associated patient revenue.

While increased supplies and pharmacy costs are associated with higher patient activity and revenue, management will continue evaluating utilization, purchasing practices, and contribution margins.

September Expense Performance

September operating expenses were approximately $1 million, or 10%, above budget.

The largest unfavorable expense variances included:

- **Medical, Dental, and Vision:** $669,000 above budget, contributing to salary, wages, and benefits finishing $585,000 above budget.
- **Supplies:** $548,000 above budget, primarily due to pharmacy supplies, which also contributed to higher-than-budgeted revenue.

The increase in benefit claims continues to be a significant financial pressure for the District.

Board takeaway: The District's primary expense challenge is the volatility of self-funded employee benefit claims. Management will continue monitoring claims trends, evaluating benefit plan performance, and identifying opportunities to improve expense predictability. Additional attention will be directed toward professional fees, consulting, legal expenses, and pharmacy utilization.

6. Labor and Workforce Management

Labor and benefit costs remain a key focus for FY 2027.

Salary, wages, and benefits were 7% above budget for the first quarter, primarily due to $1.2 million in unfavorable medical, dental, and vision claims.

Although these benefit costs are a significant component of the District's labor expense, management must continue to balance workforce needs, employee retention, and appropriate staffing levels with the District's financial objectives.

The District's priorities include:

- Monitoring self-funded medical, dental, and vision claims.
- Improving workforce productivity and staffing efficiency.
- Reducing reliance on contract and agency labor.
- Aligning staffing with patient volumes and operational demand.
- Strengthening recruitment and retention in areas with persistent staffing needs.
- Monitoring overtime, premium pay, and departmental labor utilization.

Management will continue to evaluate both direct labor costs and employee benefit expenses to identify sustainable opportunities for improvement.

7. Cash, Liquidity, and Debt Service Coverage

The District ended the first quarter of FY 2027 with a cash balance of $34.6 million, 97 days cash on hand, and a debt service coverage ratio of 3.08.

Cash decreased approximately $5 million during the quarter. The decline was primarily driven by timing differences associated with Intergovernmental Transfers (IGT), accrued expenses, and the timing of cash receipts compared with cash disbursements.

While the reduction in cash is an important trend to monitor, the primary drivers reflect timing differences between recognized expenses and actual cash inflows and outflows. Management will continue monitoring these fluctuations closely, particularly as IGT receipts and other cash collections are realized.

Quarter-End Liquidity Indicators

Measure	September 30, 2026
Days Cash on Hand	97 days
Cash Balance	$34.6 million
Change in Cash During Quarter	$(5.0) million
Debt Service Coverage Ratio	3.08

The District continues to maintain a meaningful liquidity position, although the decline in cash reinforces the importance of maintaining disciplined cash management and closely monitoring the timing of IGT receipts, accrued liabilities, and operating cash flows.

Revenue cycle performance also demonstrated continued improvement during the quarter:

- Accounts receivable days increased by 5 days compared with September 2025.

- Bad debt and write-offs improved by $$3.6M compared with September 2025.
- Accounts receivable over 90 days increased by $3.5M compared with September 2025.

Board takeaway: The District ended Q1 with 97 days cash on hand, $34.6 million in cash, and a debt service coverage ratio of 3.08. Although cash declined by approximately $5 million during the quarter, the decrease was primarily attributable to timing differences involving IGT and accrued expenses compared with cash receipts. Management will continue to prioritize cash flow forecasting, timely collections, and liquidity management to preserve the District's financial flexibility.

8. Strategic Priorities for the Remainder of FY 2027

Management will maintain focus on the following priorities:

1. **Strategic Service-Line Growth:** Continue expanding orthopedic, urology, and general surgery programs while supporting growth in specialty clinics, rehabilitation, diagnostic imaging, and outpatient services.
2. **Operational Efficiency:** Optimize operating room utilization, improve clinic scheduling, and maximize existing capacity.
3. **Revenue Cycle Improvement:** Strengthen coding, denials management, collections, and reimbursement accuracy.
4. **Workforce Productivity:** Improve labor efficiency, reduce reliance on contract staffing, and align staffing with patient demand.
5. **Employee Benefit Cost Management:** Monitor self-funded MDV claims, evaluate utilization trends, and identify opportunities to improve benefit cost predictability.
6. **Supply Chain Management:** Address supply cost increases through standardization, utilization management, and purchasing initiatives.
7. **Professional Fee Management:** Review legal, consulting, and other professional service expenses to ensure appropriate utilization and accountability.
8. **Financial Sustainability:** Maintain expense discipline while supporting strategic investments and service-line growth.
9. **Liquidity Preservation:** Protect the District's financial flexibility through improved operating performance and continued cash generation.

9. Management Outlook

The first quarter of FY 2027 demonstrates that Northern Inyo Healthcare District continues to make progress toward improved financial performance.

Net income finished approximately $171,000 favorable to budget, and operating results were $186,000 better than budget. Net revenue growth of 6% reflects continued strength in patient demand and strategic service-line activity.

However, the District continues to face meaningful expense pressures. Self-funded medical, dental, and vision claims represent the largest unfavorable expense variance, while professional fees and supplies also remain areas requiring attention.

The September Medi-Cal rate adjustment highlights the importance of monitoring reimbursement changes and maintaining appropriate revenue recognition and accounts receivable processes.

The $5 million reduction in cash during the first quarter also reinforces the importance of closely monitoring operating cash flow and the timing of IGT receipts and accrued expenditures. Although the District maintains 97 days cash on hand and a debt service coverage ratio of 3.08, continued attention to liquidity will remain important.

For the remainder of FY 2027, management will focus on sustaining revenue growth while improving expense performance, strengthening operational productivity, and maintaining financial flexibility.

Conclusion

Northern Inyo Healthcare District completed the first quarter of FY 2027 slightly ahead of its net income budget, with operating results also favorable to budget and significant improvement compared with the prior year.

Strong patient volumes across outpatient services, diagnostic imaging, Emergency Department, rehabilitation, and specialty clinics continue to provide opportunities for sustainable growth. At the same time, the District must address ongoing challenges in surgical volumes, primary care provider availability, self-funded employee benefit costs, professional fees, and pharmacy expenses.

The District's financial position remains encouraging, supported by favorable revenue performance, improved operating results, 97 days cash on hand, and a debt service coverage ratio of 3.08.

Management's focus for the remainder of FY 2027 will be on converting patient volume growth into sustainable financial improvement, managing expense pressures, improving operational efficiency, and preserving the financial resources necessary to support the District's mission of providing high-quality healthcare services to the communities it serves.

Northern Inyo Healthcare District

September 2026 – Financial Summary

** Variances are B / (W)	Current Month				Prior MTD			Year to Date				Prior YTD		
	Actual	Budget	Variance	Variance %	Actual	Change	Change %	Actual	Budget	Variance	Variance %	Actual	Change	Change %
Net Income (Loss)	(652,782)	562,871	(1,215,653)	(216%)	(1,638,349)	985,567	60%	987,970	817,106	170,864	(21%)	(4,633,774)	5,621,744	(121%)
Operating Income (Loss)	(1,846,475)	(565,885)	(1,280,589)	226%	(2,099,033)	252,558	12%	(2,466,378)	(2,652,721)	186,343	7%	(5,899,651)	3,433,273	(58%)
EBIDA (Loss)	(165,606)	996,476	(1,162,082)	(117%)	(1,211,521)	1,045,915	86%	2,476,481	2,132,680	343,801	(16%)	(3,339,764)	5,816,245	(174%)
IP Gross Revenue	4,851,961	4,138,097	713,864	17%	3,114,655	1,737,307	56%	13,673,159	12,367,377	1,305,782	11%	10,041,903	3,631,256	36%
OP Gross Revenue	16,308,661	15,788,588	520,073	3%	14,794,416	1,514,245	10%	51,024,804	46,238,923	4,785,881	10%	41,898,398	9,126,406	22%
Clinic Gross Revenue	2,208,042	1,949,481	258,560	13%	1,926,649	281,392	15%	6,032,269	5,861,709	170,560	3%	5,658,569	373,700	7%
Total Gross Revenue	**23,368,664**	**21,876,166**	**1,492,498**	**7%**	**19,835,720**	**3,532,944**	**18%**	**70,730,232**	**64,468,010**	**6,262,223**	**10%**	**57,598,871**	**13,131,361**	**23%**
Net Patient Revenue	**9,935,277**	**10,176,304**	**(241,027)**	**(2%)**	**7,929,361**	**2,005,916**	**25%**	**31,882,132**	**29,990,389**	**1,891,743**	**6%**	**23,971,395**	**7,910,738**	**33%**
Cash Net Revenue % of Gross	*43%*	*47%*	*(4%)*	*(9%)*	*40%*	*3%*	*6%*	*45%*	*47%*	*(1%)*	*(3%)*	*42%*	*3%*	*8%*
Admits (excl. Nursery)	85	87	(2)	(2%)	65	20	31%	250	258	(8)	(3%)	193	57	30%
IP Days	280	223	57	25%	201	80	40%	788	715	73	10%	650	138	21%
IP Days (excl. Nursery)	241	183	57	31%	161	80	50%	667	607	60	10%	542	125	23%
Average Daily Census	8.0	7	0.6	8%	5.4	2.7	50%	7.2	23	(16.1)	(69%)	5.9	1.4	23%
ALOS	2.8	3	0.3	10%	2.5	0.4	14%	2.7	8	(5.7)	(68%)	2.8	(0.1)	(5%)
Deliveries	18	20	(2)	(10%)	20	(2)	(10%)	55	60	(5)	(8%)	60	(5)	(8%)
OP Visits	4,569	-	4,569	-%	4,121	448	11%	13,652	-	13,652	-%	12,394	1,258	10%
Rural Health Clinic Visits	2,141	2,299	(158)	(7%)	2,311	(170)	(7%)	6,344	6,895	(551)	(8%)	6,931	(587)	(8%)
Rural Health Women Visits	624	485	139	29%	485	139	29%	1,886	1,586	300	19%	1,586	300	19%
Rural Health Behavioral Visits	85	125	(40)	(32%)	125	(40)	(32%)	285	354	(69)	(19%)	383	(98)	(26%)
Total RHC Visits	**2,850**	**2,909**	**(59)**	**(2%)**	**2,921**	**(71)**	**(2%)**	**8,515**	**8,835**	**(320)**	**(4%)**	**8,900**	**(385)**	**(4%)**
Bronco Clinic Visits	-	-	-	-%	57	(57)	(100%)	-	-	-	-%	78	(78)	(100%)
Internal Medicine Clinic Visits	-	-	-	-%	-	-	-%	-	-	-	-%	-	-	-%
Orthopedic Clinic Visits	346	301	45	15%	301	45	15%	1,003	945	58	6%	945	58	6%
Pediatric Clinic Visits	578	562	16	3%	562	16	3%	1,695	1,695	-	-%	1,695	-	-%
Specialty Clinic Visits	793	727	66	9%	714	79	11%	2,232	2,035	197	10%	1,996	236	12%
Surgery Clinic Visits	166	168	(2)	(1%)	142	24	17%	471	504	(33)	(7%)	450	21	5%
Virtual Care Clinic Visits	-	-	-	-%	41	(41)	(100%)	-	-	-	-%	124	(124)	(100%)
Total NIA Clinic Visits	**1,883**	**1,758**	**125**	**7%**	**1,817**	**66**	**4%**	**5,401**	**5,179**	**222**	**4%**	**5,288**	**113**	**2%**
IP Surgeries	16	18	(2)	(11%)	12	4	33%	41	48	(7)	(15%)	29	12	41%
OP Surgeries	111	146	(35)	(24%)	151	(40)	(26%)	357	390	(33)	(8%)	408	(51)	(13%)
Total Surgeries	**127**	**164**	**(37)**	**(23%)**	**163**	**(36)**	**(22%)**	**398**	**438**	**(40)**	**(9%)**	**437**	**(39)**	**(9%)**
Cardiology	1	4	(3)	(75%)	2	(1)	(50%)	8	11	(3)	(27%)	2	6	300%
General	67	96	(29)	(30%)	99	(32)	(32%)	203	257	(54)	(21%)	262	(59)	(23%)
Gynecology & Obstetrics	12	12	-	-%	8	4	50%	40	32	8	25%	28	12	43%
Ophthalmology	-	-	-	-%	20	(20)	(100%)	-	-	-	-%	58	(58)	(100%)
Orthopedic	26	35	(9)	(26%)	17	9	53%	95	93	2	2%	46	49	107%
Pediatric	-	-	-	-%	-	-	-%	-	-	-	-%	-	-	-%
Plastics	-	-	-	-%	-	-	-%	-	-	-	-%	-	-	-%
Podiatry	-	-	-	-%	-	-	-%	-	-	-	-%	1	(1)	(100%)
Urology	21	17	4	24%	17	4	24%	50	45	5	11%	40	10	25%
Diagnostic Image Exams	2,373	2,288	85	4%	2,271	102	4%	7,309	6,837	472	7%	6,787	522	8%
Emergency Visits	971	849	122	14%	840	131	16%	2,947	2,654	293	11%	2,627	320	12%
ED Admits	51	33	18	55%	33	18	55%	154	33	121	367%	104	50	48%
ED Admits % of ED Visits	5%	4%	1%	35%	4%	1%	34%	5%	4%	1%	34%	4%	1%	32%
Rehab Visits	984	867	117	13%	739	245	33%	2,875	2,583	292	11%	2,338	537	23%
OP Infusion/Wound Care Visits	946	736	210	29%	736	210	29%	2,830	1,993	837	42%	1,993	837	42%
Observation Hours	1,229	1,141	87	8%	1,141	87	8%	4,302	3,535	767	22%	3,535	767	22%

Provided by: Chief Financial Officer
Report Name: September 2026 Financial Summary

Northern Inyo Healthcare District

September 2026 – Financial Summary

** Variances are B / (W)	Current Month				Prior MTD			Year to Date				Prior YTD		
	Actual	Budget	Variance	Variance %	Actual	Change	Change %	Actual	Budget	Variance	Variance %	Actual	Change	Change %
PAYOR MIX (Patient Days)														
Blue Cross	24.0%	30.4%	(6.4%)	(21.2%)	30.4%	(6.4%)	(21.2%)	25.5%	26.1%	(0.6%)	(2.2%)	26.1%	(0.6%)	(2.2%)
Commercial	7.1%	7.3%	(0.2%)	(2.6%)	7.3%	(0.2%)	(2.6%)	6.2%	5.7%	0.5%	8.6%	5.7%	0.5%	8.6%
Medicaid	17.3%	24.4%	(7.2%)	(29.3%)	24.4%	(7.2%)	(29.3%)	24.4%	21.0%	3.4%	16.3%	21.0%	3.4%	16.3%
Medicare	51.6%	37.8%	13.8%	36.5%	37.8%	13.8%	36.5%	42.2%	43.3%	(1.1%)	(2.6%)	43.3%	(1.1%)	(2.6%)
Self-pay	-%	-%	-%	-%	-%	-%	-%	1.4%	3.9%	(2.5%)	(63.4%)	3.9%	(2.5%)	(63.4%)
Worker's Comp	-%	-%	-%	-%	-%	-%	-%	0.2%	-%	0.2%	-%	-%	0.2%	-%
Other	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
PAYOR MIX (Gross Revenue)														
Blue Cross	26.2%	29.9%	(3.7%)	(12.4%)	29.9%	(3.7%)	(12.4%)	28.1%	28.2%	(0.1%)	(0.2%)	28.2%	(0.1%)	(0.2%)
Commercial	7.4%	5.4%	2.1%	38.2%	5.4%	2.1%	38.2%	7.5%	6.0%	1.5%	25.5%	6.0%	1.5%	25.5%
Medicaid	15.0%	18.2%	(3.1%)	(17.3%)	18.2%	(3.1%)	(17.3%)	17.1%	17.3%	(0.2%)	(1.0%)	17.3%	(0.2%)	(1.0%)
Medicare	47.9%	43.5%	4.4%	10.0%	43.5%	4.4%	10.0%	43.5%	45.2%	(1.7%)	(3.7%)	45.2%	(1.7%)	(3.7%)
Self-pay	2.2%	1.8%	0.4%	22.3%	1.8%	0.4%	22.3%	2.5%	2.3%	0.1%	4.6%	2.3%	0.1%	4.6%
Worker's Comp	1.1%	1.1%	(0.1%)	(6.6%)	1.1%	(0.1%)	(6.6%)	1.1%	0.9%	0.2%	20.9%	0.9%	0.2%	20.9%
Other	0.2%	0.1%	0.1%	84.0%	0.1%	0.1%	84.0%	0.2%	0.2%	0.1%	49.6%	0.2%	0.1%	49.6%
DEDUCTIONS														
Contract Adjust	(14,078,308)	(10,965,665)	(3,112,643)	28%	(11,079,353)	(2,998,955)	27%	(39,417,856)	(32,314,060)	(7,103,796)	22%	(30,536,836)	(8,881,020)	29%
Bad Debt	951,747	(435,917)	1,387,665	(318%)	(253,457)	1,205,204	(476%)	1,551,912	(1,284,579)	2,836,490	(221%)	(1,806,615)	3,358,526	(186%)
Write-off	(363,125)	(449,476)	86,351	(19%)	(573,549)	210,424	(37%)	(1,047,184)	(1,324,534)	277,351	(21%)	(1,284,026)	236,842	(18%)
CENSUS														
Patient Days	241	183	57	31%	161	80	50%	667	607	60	10%	542	125	23%
Adjusted ADC	39	42	(3)	(8%)	35	4	11%	37	122	(84)	(69%)	34	4	11%
Adjusted Days	1,159	1,184	(25)	(2%)	1,023	135	13%	3,449	3,728	(279)	(7%)	3,108	341	11%
Employed FTE	368.7	375.5	(6.8)	(2%)	375.5	(6.8)	(2%)	374.5	376.9	(2.4)	(1%)	376.9	(2.4)	(1%)
Contract Labor FTE	20.8	20.7	0.1	0%	20.7	0.1	0%	20.9	20.0	0.9	4%	20.0	0.9	4%
Total Paid FTE	389.5	396.2	(6.7)	(2%)	396.2	(6.7)	(2%)	395.4	396.9	(1.5)	(0%)	396.9	(1.5)	(0%)
EPOB (Employee per Occupied Bed)	1.6	2.5	(0.8)	(34%)	2.5	(0.8)	(34%)	1.8	2.5	(0.6)	(26%)	2.2	(0.4)	(19%)
EPOC (Employee per Occupied Case)	0.3	0.4	(0.0)	(12%)	0.4	(0.0)	(12%)	0.1	0.4	(0.3)	(70%)	0.1	(0.0)	(10%)
Adjusted EPOB	7.8	15.7	(7.9)	(50%)	15.7	(7.9)	(50%)	9.4	15.7	(6.3)	(40%)	12.9	(3.5)	(27%)
Adjusted EPOC	1.6	2.4	(0.8)	(33%)	2.4	(0.8)	(33%)	0.6	2.4	(1.8)	(76%)	0.7	(0.1)	(19%)
SALARIES														
Per Adjust Bed Day	3,167	3,128	39	1%	3,433	(266)	(8%)	3,331	3,044	287	9%	3,498	(167)	(5%)
Total Salaries	3,669,501	3,702,654	(33,153)	(1%)	3,512,638	156,864	4%	11,487,032	11,346,217	140,815	1%	10,869,971	617,061	6%
Average Hourly Rate	58.05	57.52	0.53	1%	54.57	3.48	6%	58.35	57.27	1.09	2%	54.86	3.49	6%
Employed Paid FTEs	368.7	375.5	(6.8)	382.3	375.5	(6.8)	(2%)	374.5	376.9	(2.4)	(1%)	376.9	(2.4)	(1%)
BENEFITS														
Per Adjust Bed Day	1,746	1,256	490	39%	1,468	278	19%	1,521	1,203	318	26%	1,345	176	13%
Total Benefits	2,022,646	1,487,015	535,631	36%	1,502,338	520,308	35%	5,244,629	4,484,239	760,390	17%	4,179,930	1,064,699	25%
Benefits % of Wages	55%	40%	15%	37%	43%	12%	29%	46%	40%	6%	16%	38%	7%	19%
Pension Expense	327,304	357,589	(30,285)	(8%)	349,086	(21,781)	(6%)	984,684	1,076,952	(92,267)	(9%)	1,047,848	(63,164)	(6%)
MDV Expense	1,451,252	782,746	668,505	85%	794,959	656,293	83%	3,462,053	2,348,239	1,113,814	47%	2,193,045	1,269,008	58%
Taxes, PTO accrued, Other	244,090	346,679	(102,590)	(30%)	358,293	(114,203)	(32%)	797,892	1,059,048	(261,156)	(25%)	939,036	(141,144)	(15%)
Contract Labor														
Total Contract Labor	383,983	301,916	82,067	27%	455,774	(71,791)	(16%)	1,105,422	843,880	261,542	31%	1,177,966	(72,544)	(6%)
Contract AHR	107.92	85.11	22.81	27%	128.48	(20.57)	(16%)	100.41	80.10	20.32	25%	111.81	(11.39)	(10%)
Contract Paid FTEs	20.8	20.7	0.1	0%	20.7	0.1	0%	20.9	20.0	0.9	4%	20.0	0.9	4%
Salaries, Wages & Benefits	6,076,130	5,491,585	584,545	11%	5,470,750	605,381	11%	17,837,083	16,674,336	1,162,747	7%	16,227,867	1,609,216	10%
SWB/APD	5,245	4,639	605	13%	5,347	(102)	(2%)	5,172	4,473	699	16%	5,222	(50)	(1%)
SWB % of Total Expenses	52%	51%	0%	1%	55%	(3%)	(5%)	52%	51%	1%	2%	54%	(2%)	(4%)

Provided by: Chief Financial Officer
Report Name: September 2026 Financial Summary

Northern Inyo Healthcare District

September 2026 – Financial Summary

** Variances are B / (W)	Current Month				Prior MTD			Year to Date				Prior YTD		
	Actual	**Budget**	**Variance**	**Variance %**	**Actual**	**Change**	**Change %**	**Actual**	**Budget**	**Variance**	**Variance %**	**Actual**	**Change**	**Change %**
Labor Cost per Adjusted Patient Day	3,499	3,383	116	3%	3,878	(380)	(10%)	3,651	3,270	381	12%	3,877	(225)	(6%)
Salary Expense / Net Patient Revenue	41%	39%	1%	4%	50%	(9%)	(18%)	39%	41%	(1%)	(3%)	50%	(11%)	(21%)
Agency/Contract Labor $$ %	9%	8%	2%	26%	11%	(2%)	(18%)	9%	7%	2%	27%	10%	(1%)	(10%)
Agency/Contract Labor FTE %	5%	5%	0%	2%	5%	0%	2%	5%	5%	0%	5%	5%	0%	5%

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Northern Inyo Healthcare District

September 2026 – Financial Summary

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	Actual	Budget	Variance	Variance %	Actual	Change	Change %	Actual	Budget	Variance	Variance %	Actual	Change	Change %
PROFESSIONAL FEES														
Per Adjust Bed Day	2,270	2,303	(33)	(1%)	2,446	(176)	(7%)	2,441	2,156	284	13%	2,260	181	8%
Total Physician Fee	1,828,755	1,909,624	(80,869)	(4%)	1,645,840	182,915	11%	5,761,204	5,706,748	54,456	1%	4,819,773	941,431	20%
Total Other Pro-Fees	800,793	816,591	(15,798)	(2%)	856,512	(55,719)	(7%)	2,656,358	2,331,789	324,569	14%	2,202,539	453,819	21%
Total Professional Fees	2,629,548	2,726,215	(96,667)	(4%)	2,502,352	127,197	5%	8,417,562	8,038,537	379,025	5%	7,022,312	1,395,250	20%
Physician Fee per Adjust Bed Day	1,578	1,613	(35)	(2%)	1,608	(30)	(2%)	1,671	1,531	140	9%	1,551	120	8%
PHARMACY														
Per Adjust Bed Day	632	270	363	134%	359	273	76%	465	299	166	55%	395	69	18%
Total Rx Expense	732,617	319,424	413,193	129%	367,511	365,107	99%	1,602,165	1,114,432	487,733	44%	1,227,916	374,249	30%
MEDICAL SUPPLIES														
Per Adjust Bed Day	605	479	126	26%	352	253	72%	524	493	32	6%	408	117	29%
Total Medical Supplies	701,031	566,598	134,433	24%	359,990	341,041	95%	1,808,852	1,837,373	(28,520)	(2%)	1,267,487	541,365	43%
EHR SYSTEM														
Per Adjust Bed Day	11	27	(16)	(58%)	31	(20)	(64%)	21	30	(9)	(31%)	36	(15)	(42%)
Total EHR Expense	13,077	31,736	(18,660)	(59%)	31,736	(18,660)	(59%)	70,900	110,430	(39,530)	(36%)	110,430	(39,530)	(36%)
OTHER EXPENSE														
Per Adjust Bed Day	986	991	(5)	(1%)	849	136	16%	906	953	(47)	(5%)	876	30	3%
Total Other	1,142,172	1,173,026	(30,853)	(3%)	869,228	272,945	31%	3,123,437	3,552,428	(428,991)	(12%)	2,721,023	402,414	15%
DEPRECIATION AND AMORTIZATION														
Per Adjust Bed Day	421	366	54	15%	417	3	1%	432	353	79	22%	416	15	4%
Total Depreciation and Amortization	487,176	433,605	53,571	12%	426,828	60,348	14%	1,488,511	1,315,574	172,937	13%	1,294,011	194,500	15%
TOTAL EXPENSES	11,781,752	10,742,190	1,039,562	10%	10,028,394	1,753,358	17%	34,348,510	32,643,111	1,705,400	5%	29,871,046	4,477,465	15%
Per Adjust Bed Day	10,169	9,075	1,094	12%	9,801	369	4%	9,960	8,756	1,203	14%	9,612	348	4%
Per Calendar Day	392,725	358,073	34,652	10%	334,280	58,445	17%	373,353	354,816	18,537	5%	324,685	48,668	15%

Provided by: Chief Financial Officer
Report Name: September 2026 Financial Summary

Key Financial Performance Indicators	Industry Benchmark	Sep-24	FYE 2025 Average	Sep-25	FYE 2026 Average	Jul-26	Aug-26	Sep-26	Variance to PM	Variance to FYE 2026 Average	Variance to PYM
Volume											
Admits	41	83	69	65	75	87	80	85	5	10	20
Deliveries	n/a	17	17	20	16	16	21	18	(3)	2	(2)
Adjusted Patient Days	n/a	1,312	977	1,023	1,098	1,217	1,069	1,159	89	61	135
Total Surgeries	153	133	141	163	138	135	136	127	(9)	(11)	(36)
ER Visits	659	947	837	840	849	1,021	955	971	16	122	131
RHC and Clinic Visits	n/a	4,808	4,772	4,738	4,771	4,805	4,378	4,733	355	(38)	(5)
Diagnostic Imaging Services	n/a	2,194	2,129	2,271	2,241	2,520	2,416	2,373	(43)	132	102
Rehab Services	n/a	887	838	739	816	970	921	984	63	168	245
AR & Income											
Gross AR (Cerner only)	n/a	$ 58,109,192	$ 50,813,697	$ 40,875,951	$ 43,895,991	$ 48,479,909	$ 49,965,828	$ 52,204,876	$ 2,239,048	$ 8,308,885	$ 11,328,925
AR > 90 Days	$ 7,271,986.32	$ 26,062,067	$ 19,638,850	$ 16,330,677	$ 15,623,287	$ 17,133,809	$ 17,654,618	$ 19,786,831	$ 2,132,214	$ 4,163,545	$ 3,456,155
AR % > 90 Days	15%	44.9%	38.6%	39.95%	35.8%	35.34%	35.33%	37.9%	2.6%	2.1%	-2.0%
Gross AR Days (per financial statements)	60	83	80	62	63	62	67	67	0	4	5
Net AR Days (per financial statements)	30	69	71	54	65	60	66	69	3	4	15
Net AR	n/a	$ 19,842,483	$ 19,370,868	$ 14,268,379	$ 20,633,479	$ 21,593,930	$ 23,060,459	$ 22,875,561	$ (184,897)	$ 2,242,082	$ 8,607,182
Net AR % of Gross	n/a	34.1%	38.5%	34.9%	46.4%	44.5%	46.2%	43.8%	-2.3%	-2.6%	8.9%
Gross Patient Revenue/Calendar Day	n/a	$ 702,988	$ 634,418	$ 661,191	$ 694,615	$ 779,974	$ 747,819	$ 778,955	$ 31,136	$ 84,341	$ 117,765
Net Patient Revenue/Calendar Day	n/a	$ 285,805	$ 273,563	$ 264,312	$ 319,513	$ 359,455	$ 348,508	$ 331,176	$ (17,332)	$ 11,663	$ 66,864
Net Patient Revenue/APD	n/a	$ 6,537	$ 8,088	$ 7,749	$ 8,978	$ 9,157	$ 10,102	$ 8,576	$ (1,527)	$ (403)	$ 826
Wages											
Wages	n/a	$ 3,372,236	$ 3,661,965	$ 3,512,638	$ 3,705,110	$ 3,885,878	$ 3,931,653	$ 3,669,501	$ (262,151)	$ (35,608)	$ 156,864
Employed paid FTEs	n/a	363.12	370.77	375.49	379.65	378.36	376.09	368.73	(7.36)	(10.93)	(6.76)
Employed Average Hourly Rate	$55.50	$ 54.32	$ 56.78	$ 54.72	$ 56.30	$ 58.14	$ 59.18	$ 58.21	$ (0.97)	$ 1.91	$ 3.49
Benefits	n/a	$ 1,634,036	$ 1,401,858	$ 1,502,338	$ 1,312,122	$ 1,556,100	$ 1,665,884	$ 2,022,646	$ 356,762	$ 710,524	$ 520,308
Benefits % of Wages	30%	48.5%	39.0%	42.8%	35.6%	40.0%	42.4%	55.1%	12.7%	19.5%	12.4%
Contract Labor	n/a	$ (112,642)	$ 447,445	$ 455,774	$ 361,823	$ 438,597	$ 282,842	$ 383,983	$ 101,142	$ 22,160	$ (71,791)
Contract Labor Paid FTEs	n/a	27.17	23.89	20.69	19.55	22.75	19.31	20.76	1.44	1.21	0.06
Total Paid FTEs	n/a	390.28	394.65	396.18	399.20	401.11	395.40	389.48	(5.92)	(9.72)	(6.70)
Contract Labor Average Hourly Rate	$ 81.04	$ 118.60	$ 117.91	$ 128.84	$ 106.68	$ 109.15	$ 82.90	$ 108.21	$ 25.31	$ 1.53	$ (20.62)
Total Salaries, Wages, & Benefits	n/a	$ 4,893,631	$ 5,511,268	$ 5,470,750	$ 5,379,055	$ 5,880,575	$ 5,880,378	$ 6,076,130	$ 195,752	$ 697,075	$ 605,381
SWB% of NR	50%	57.1%	70.3%	69.0%	56.0%	56.1%	54.4%	61.2%	6.7%	5.1%	-7.8%
SWB/APD	2,416	$ 3,731	$ 5,064	$ 5,347	$ 5,020	$ 4,833	$ 5,498	$ 5,245	$ (254)	$ 225	$ (102)
SWB % of total expenses	50%	55.1%	57.3%	54.5%	51.7%	51.9%	52.4%	51.6%	-0.8%	-0.1%	-3.0%

Physician Spend	Industry Benchmark	Sep-24	FYE 2025 Average	Sep-25	FYE 2026 Average	Jul-26	Aug-26	Sep-26	Variance to PM	Variance to FYE 2026 Average	Variance to PYM
Physician Expenses	n/a	$ 1,424,804	$ 1,507,510	$ 1,645,840	$ 1,811,516	$ 1,984,916	$ 1,947,533	$ 1,828,755	$ (118,778)	$ 17,240	$ 182,915
Physician expenses/APD	n/a	$ 1,086	$ 1,476	$ 1,608	$ 1,676	$ 1,631	$ 1,821	$ 1,578	$ (243)	$ (98)	$ (30)
Supplies											
Supply Expenses	n/a	$ 754,993	$ 776,504	$ 727,501	$ 967,638	$ 973,312	$ 1,004,057	$ 1,433,649	$ 429,592	$ 466,010	$ 706,148
Supply expenses/APD		$ 576	$ 744	$ 711	$ 892	$ 800	$ 939	$ 1,237	$ 299	$ 346	$ 526
Other Expenses											
Other Expenses	n/a	$ 3,472,628	$ 1,824,207	$ 2,186,236	$ 2,214,853	$ 2,498,056	$ 2,397,932	$ 2,443,218	$ 45,286	$ 228,365	$ 256,982
Other Expenses/APD	n/a	$ 2,648	$ 1,787	$ 2,137	$ 2,068	$ 2,053	$ 2,242	$ 2,109	$ (133)	$ 41	$ (28)
Margin											
Net Income	n/a	$ 1,355,571	$ 383,722	$ (1,640,281)	$ 877,257	$ 931,657	$ 709,095	$ (652,782)	$ (1,361,877)	$ (1,530,040)	$ 987,499
Net Profit Margin	n/a	11.6%	3.0%	-20.7%	7.0%	8.4%	6.6%	-6.6%	-13.1%	-13.6%	14.1%
Operating Income	n/a	$ 1,170,684	$ (686,444)	$ (2,100,965)	$ (671,709)	$ (193,757)	$ (426,146)	$ (1,846,475)	$ (1,420,329)	$ (1,174,766)	$ 254,490
Operating Margin	2.9%	10.0%	-9.9%	-26.5%	-9.9%	-1.7%	-3.9%	-18.6%	-14.6%	-8.7%	7.9%
EBITDA	n/a	$ 1,682,046	$ 841,891	$ (1,213,453)	$ 1,346,683	$ 1,433,540	$ 1,208,547	$ (165,606)	$ (1,374,153)	$ (1,512,290)	$ 1,047,847
EBITDA Margin	12.7%	14.4%	9.0%	-15.3%	11.9%	12.9%	11.2%	-1.7%	-12.9%	-13.6%	13.6%
Debt Service Coverage Ratio	3.70	370.0%	3.9	(5.5)	(0.1)	0.5	10.9	3.1	(7.8)	3.1	8.6
Cash											
Avg Daily Disbursements (excl. IGT)	n/a	$ 321,703	$ 355,328	$ 325,126	$ 430,840	$ 376,919	$ 422,830	$ 355,735	$ (67,095)	$ (75,106)	$ 30,609
Average Daily Cash Collections (excl. IGT)	n/a	$ 255,132	$ 340,919	$ 348,085	$ 335,789	$ 359,424	$ 253,190	$ 340,354	$ 87,164	$ 4,565	$ (7,731)
Average Daily Net Cash		$ (66,571)	$ (14,409)	$ 22,959	$ (95,051)	$ (17,495)	$ (169,640)	$ (15,381)	$ 154,259	$ 79,671	$ (38,340)
Upfront Cash Collections		$ 37,564	$ 36,146	$ 63,634	$ 66,519	$ 59,895	$ 68,610	$ 64,900	$ (3,710)	$ (1,619)	$ 1,267
Upfront Cash % of Gross Charges	1%	$ 0	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%	0.0%	0.0%	0.0%
Unrestricted Funds	n/a	$ 32,193,415	$ 23,536,438	$ 26,418,948	$ 28,328,253	$ 39,973,321	$ 35,544,887	$ 34,612,369	$ (932,518)	$ 6,284,116	$ 8,193,420
Change of cash per balance sheet	n/a	$ 929,805	$ (321,485)	$ 756,674	$ 1,204,912	$ 375,558	$ (4,428,434)	$ (932,518)	$ 3,495,916	$ (2,137,431)	$ (1,689,192)
Days Cash on Hand (assume no more cash is collected)	196	100	73	85	88	114	102	97	(5)	9	12
Estimated Days Until Depleted (operating cash only)		422	1,633	491	466	2,285	380	513	133	47	22
Years Until Cash Depletion (operating cash only)		1.16	4.48	1.34	1.28	6.26	1.04	1.40	0.36	0.13	0.06

NIHD Financial Update

Chief Financial Officer

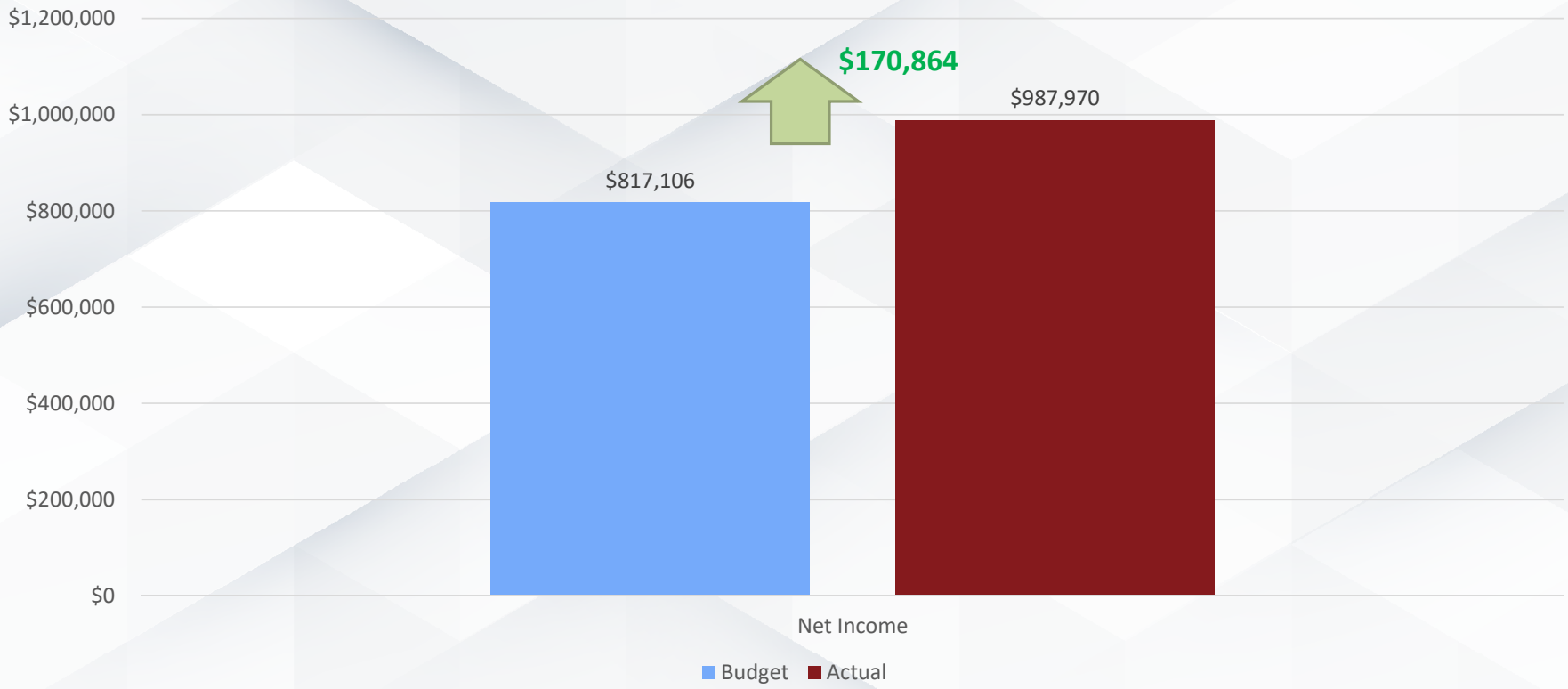
Q1 2027 Results



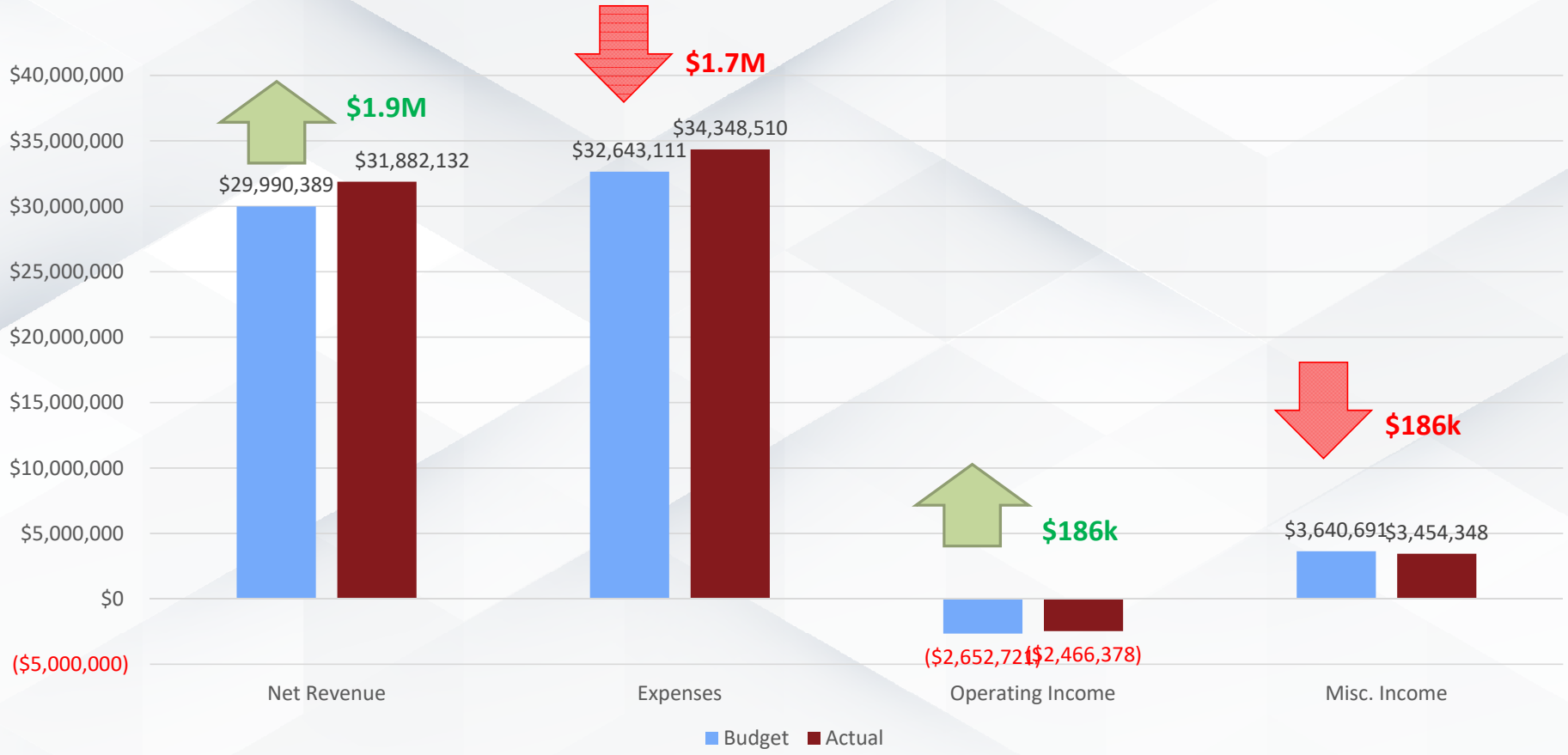
Northern Inyo Healthcare District

INCOME PERFORMANCE

Net Income


$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
$170,864
$987,970
$817,106
Net Income
Budget
Actual

Income to Budget



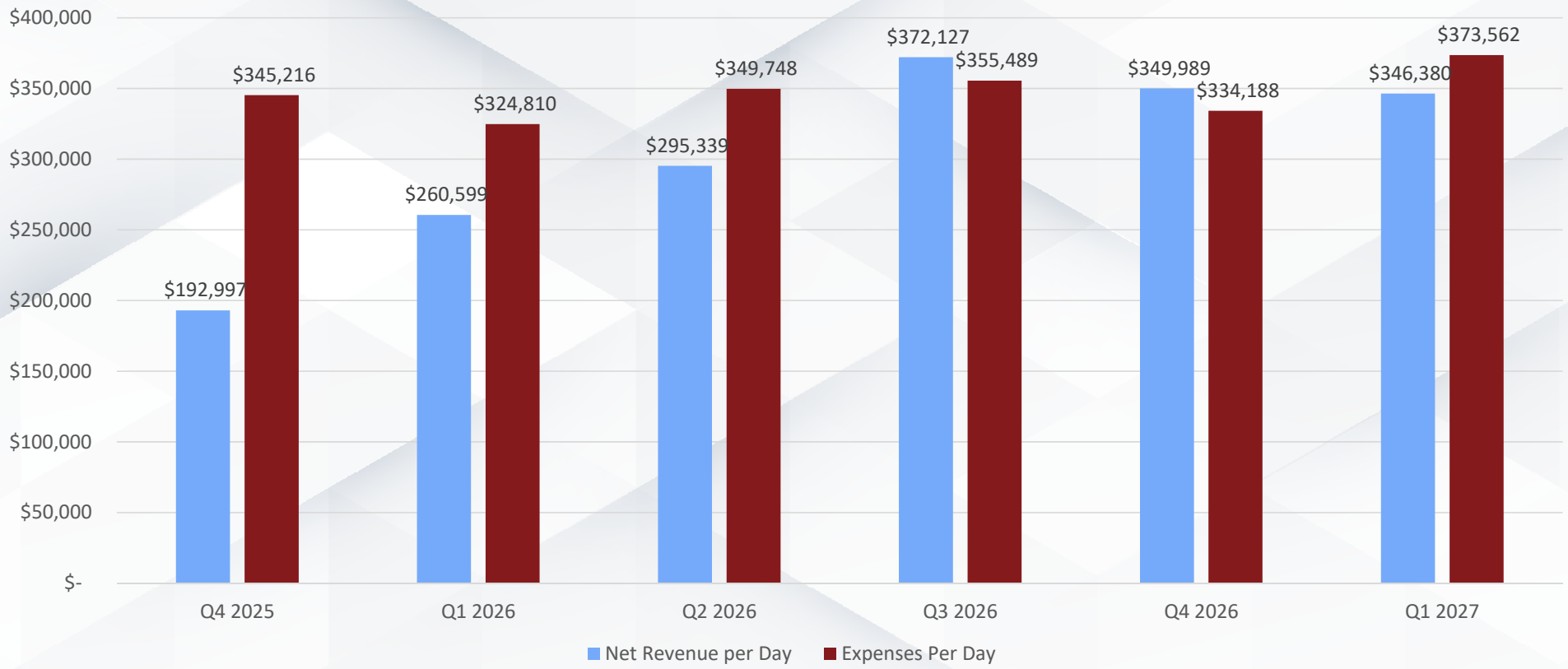
Income trend



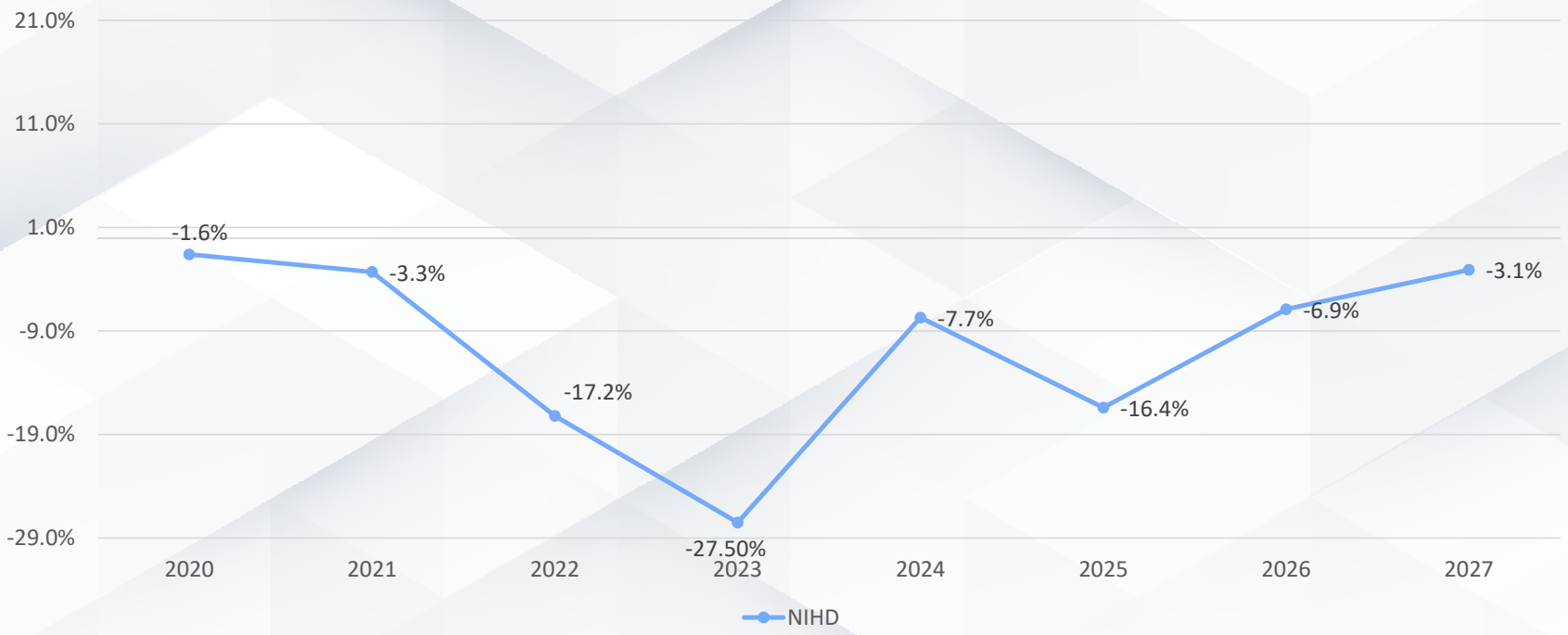
Net Profit Margin



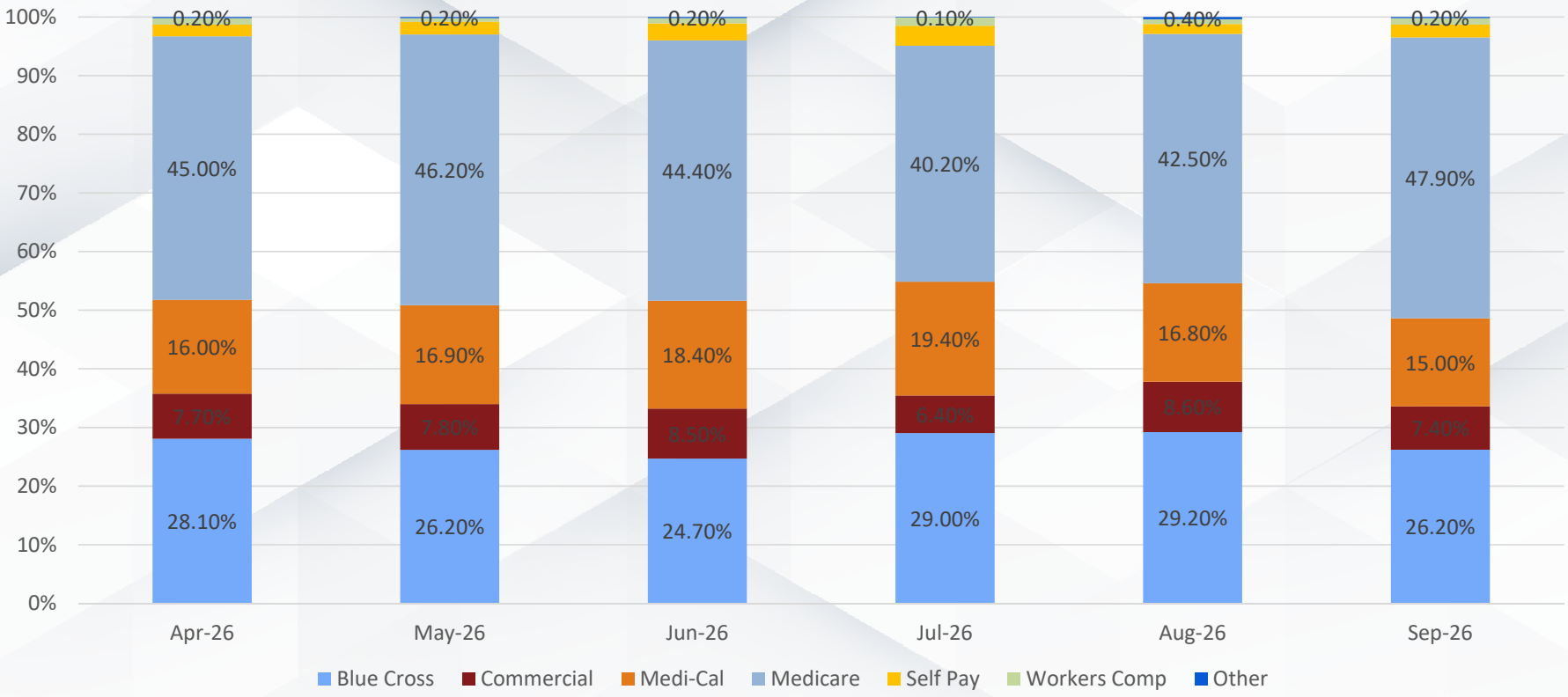
Trend per calendar day



Operating Margin



Payor Mix trend



WAGE Costs

	Q1 2026	Q1 2027	Q1 2027 Budget
Total Paid FTEs	396.7	395.4	396.9
Salaries, Wages, Benefits (SWB) Expense (incl. contract labor)	$16,227,867	$17,837,083	$16,674,336
SWB % of total expenses (including contract labor)	54%	52%	51%
SWB % of Net Revenue	50%	39%	41%
Employed Average Hourly Rate	$54.86	$58.35	$57.27
Benefits % of Wages	33%	42%	39%

Volume & Income Action plan

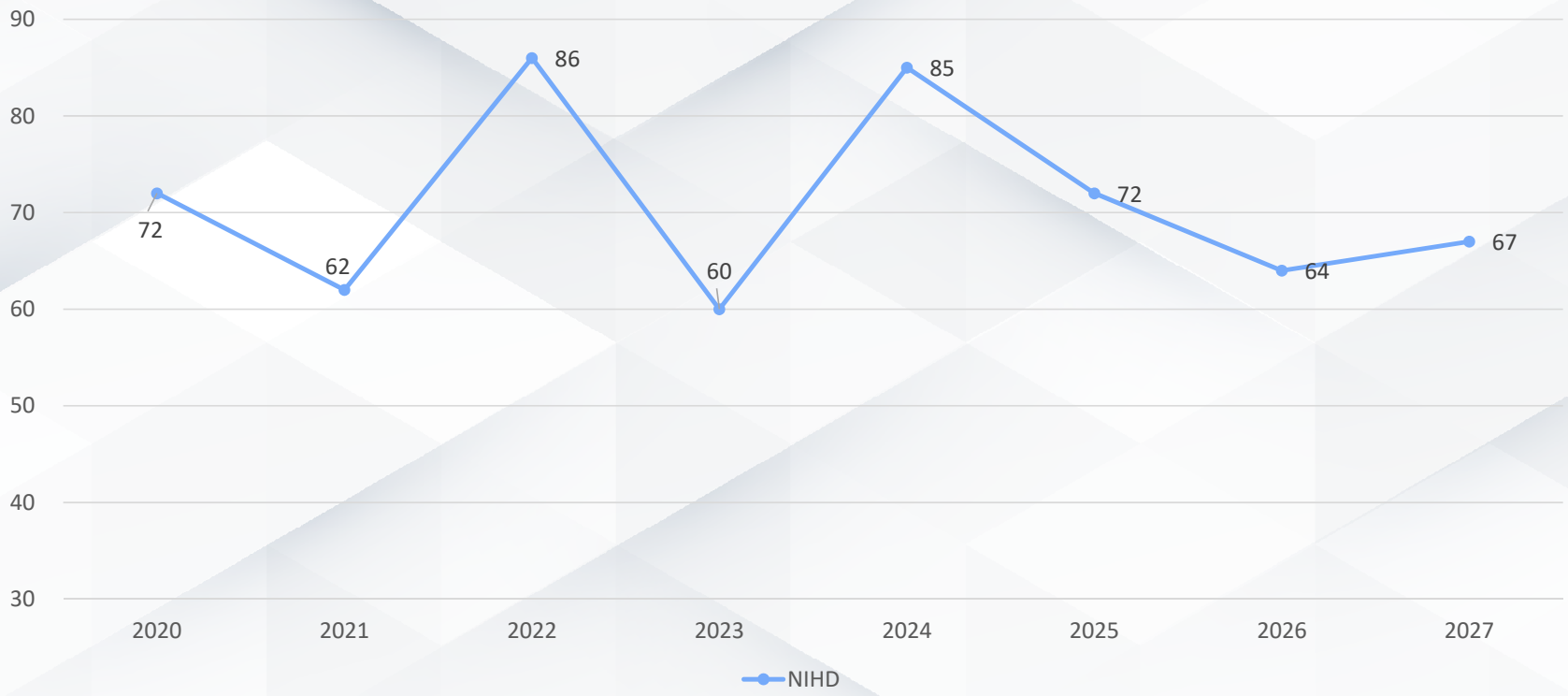
- We are working on reviewing operational efficiency including OR utilization and space utilization reviews to maximize patient flow and care.
- We are being more deliberate in our service line strategy.
- We are working on a staff benchmarking analysis to determine if we are appropriately staffing by skill mix in all departments.
- Leaders are doing a great job of managing their expenses and helping build budgets for the next fiscal year.
- We will be working closely with our insurance broker to find opportunities to save on medical, dental and vision.

Cash Performance

Income to Cash

	FYE 2027
Net Income (loss)	**$987,970**
Principal Payments on Long-Term Debt (balance sheet only)	$0
Other Debt (long-term leases & subscriptions – balance sheet only)	$(351,857)
Capital purchases (balance sheet only)	$(524,884)
IGT funding	$ (1,745,242)
Timing of accruals vs cash (including IGT revenue)	$(3,351,387)
Impact to Cash	**$(5,973,370)**
Adjusted Net Income (cash basis)	**$(4,985,400)**

Gross AR Days



Debt Service Coverage Ratio



Days Cash on Hand



Unrestricted Funds



Cash action plan

- The cash flow action team is working to improve processes in all aspects of billing and collections.
- We have hired a new AI-based billing company, Jorie, and have hit record cash collections. The automation is working well and we continue to meet with them to find more opportunities to automate and improve cash.
- We have moved $20M in cash to Five Star Bank to earn better returns on our cash.
- We have another $11M in the LAIF Earning over 4% interest.
- AR days are at a record low for the organization.

Northern Inyo Healthcare District
Income Statement
Fiscal Year 2027

	7/31/2026	Jul Budget	7/31/2025	8/31/2026	Aug Budget	8/31/2025	9/30/2026	Sep Budget	9/30/2025	2027 YTD	Budget Variance	PYM Change
Gross Patient Service Revenue												
Inpatient Patient Revenue	4,579,167	4,104,865	3,358,250	4,242,031	4,124,416	3,568,998	4,851,961	4,138,097	3,114,655	13,673,159	713,864	1,737,307
Outpatient Revenue	17,637,358	15,146,266	14,063,969	17,078,786	15,304,068	13,040,013	16,308,661	15,788,588	14,794,416	51,024,804	520,073	1,514,245
Clinic Revenue	1,962,654	1,916,013	1,806,164	1,861,574	1,996,215	1,925,757	2,208,042	1,949,481	1,926,649	6,032,269	258,560	281,392
Gross Patient Service Revenue	24,179,179	21,167,144	19,228,383	23,182,390	21,424,699	18,534,768	23,368,664	21,876,166	19,835,720	70,730,232	1,492,498	3,532,944
Deductions from Revenue												
Contractual Adjustments	(13,045,153)	(10,606,853)	(9,525,069)	(12,294,395)	(10,741,542)	(9,932,413)	(14,078,308)	(10,965,665)	(11,079,353)	(39,417,856)	(3,112,643)	(2,998,955)
Bad Debt	305,386	(421,653)	(1,264,234)	294,778	(427,008)	(288,924)	951,747	(435,917)	(253,457)	1,551,912	1,387,665	1,205,204
A/R Writeoffs	(296,521)	(434,769)	(357,591)	(387,538)	(440,290)	(352,885)	(363,125)	(449,476)	(573,549)	(1,047,184)	86,351	210,424
Other Deductions from Revenue	-	146,249	-	-	148,107	-	-	151,197	-	-	(151,197)	-
Deductions from Revenue	(13,036,287)	(11,317,026)	(11,146,895)	(12,387,155)	(11,460,733)	(10,574,222)	(13,489,686)	(11,699,862)	(11,906,359)	(38,913,128)	(1,789,824)	(1,583,326)
Other Patient Revenue												
Incentive Income	210	-	-	8,519	-	-	56,299	-	-	65,028	56,299	56,299
Other Oper Rev - Rehab Thera Serv	-	-	-	-	-	-	-	-	-	-	-	-
Medical Office Net Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other Patient Revenue	210	-	-	8,519	-	-	56,299	-	-	65,028	56,299	56,299
Net Patient Service Revenue	**11,143,101**	**9,850,118**	**8,081,488**	**10,803,754**	**9,963,966**	**7,960,546**	**9,935,277**	**10,176,304**	**7,929,361**	**31,882,132**	**(241,027)**	**2,005,916**
CNR%	**46.1%**	**46.5%**	**42.0%**	**46.6%**	**46.5%**	**42.9%**	**42.5%**	**46.5%**	**40.0%**	**45.1%**	**-4.0%**	**2.5%**
Cost of Services - Direct												
Salaries and Wages	3,290,203	3,822,680	3,094,605	3,326,885	3,233,154	3,175,377	3,100,046	3,128,053	2,998,160	9,717,133	(28,008)	101,885
Benefits	1,298,976	1,498,699	1,252,765	1,399,644	1,259,032	1,041,071	1,702,744	1,251,829	1,280,717	4,401,364	450,915	422,027
Professional Fees	2,260,084	2,579,376	1,650,515	2,146,712	2,085,250	1,873,583	2,035,646	2,110,480	1,853,649	6,442,443	(74,834)	181,997
Contract Labor	378,756	261,317	190,675	264,479	262,427	339,022	350,994	275,977	376,610	994,229	75,017	(25,617)
Pharmacy	412,925	418,961	444,467	456,623	376,047	415,938	732,617	319,424	367,511	1,602,165	413,193	365,107
Medical Supplies	560,387	681,358	388,333	547,434	589,417	519,164	701,031	566,598	359,990	1,808,852	134,433	341,041
Hospice Operations	-	-	-	-	-	-	-	-	-	-	-	-
EHR System Expense	29,771	54,679	54,679	28,052	24,015	24,015	13,077	31,736	31,736	70,900	(18,660)	(18,660)
Other Direct Expenses	716,136	1,240,594	785,085	775,327	879,026	601,687	744,669	764,784	635,834	2,236,132	(20,116)	108,834
Total Cost of Services - Direct	8,947,239	10,557,664	7,861,124	8,945,156	8,708,367	7,989,858	9,380,823	8,448,882	7,904,208	27,273,218	931,941	1,476,615
General and Administrative Overhead												
Salaries and Wages	595,675	-	528,468	604,768	587,729	558,883	569,456	574,601	514,477	1,769,899	(5,145)	54,978
Benefits	257,124	-	207,897	266,240	239,492	175,859	319,902	235,186	221,621	843,265	84,715	98,281
Professional Fees	714,430	-	503,103	666,786	647,696	492,758	593,902	615,735	648,703	1,975,119	(21,833)	(54,801)
Contract Labor	59,841	-	94,861	18,362	18,220	97,634	32,990	25,939	79,164	111,193	7,051	(46,174)
Depreciation and Amortization	501,883	440,958	433,481	499,452	441,010	433,701	487,176	433,605	426,828	1,488,511	53,571	60,348
Other Administative Expenses	260,666	-	224,045	229,136	259,783	240,978	397,504	408,242	233,393	887,305	(10,738)	164,111
Total General and Administrative Overhead	2,389,619	440,958	1,991,856	2,284,744	2,193,931	1,999,814	2,400,929	2,293,308	2,124,186	7,075,292	107,621	276,743
Total Expenses	**11,336,858**	**10,998,623**	**9,852,980**	**11,229,900**	**10,902,298**	**9,989,672**	**11,781,752**	**10,742,190**	**10,028,394**	**34,348,510**	**1,039,562**	**1,753,358**
											-	-
Financing Expense	168,415	195,629	197,282	168,102	182,354	181,532	165,741	179,887	178,823	502,258	(14,146)	(13,082)
Financing Income	384,000	354,840	260,000	384,000	365,276	260,000	384,000	353,493	260,000	1,152,000	30,507	124,000
Investment Income	127,759	54,116	58,186	119,932	36,614	40,684	109,510	39,012	43,082	357,200	70,497	66,428
Miscellaneous Income	782,071	967,635	305,436	799,412	940,574	259,701	865,924	916,138	336,425	2,447,406	(50,214)	529,499
Net Income (Change in Financial Position)	**931,657**	**32,456**	**(1,345,152)**	**709,095**	**221,779**	**(1,650,273)**	**(652,782)**	**562,871**	**(1,638,349)**	**987,970**	**(1,215,653)**	**985,567**
Operating Income	(193,757)	(1,148,504)	(1,771,492)	(426,146)	(938,332)	(2,029,125)	(1,846,475)	(565,885)	(2,099,033)	(2,466,378)	(1,280,589)	252,558
EBIDA	1,433,540	473,415	(911,671)	1,208,547	662,789	(1,216,571)	(165,606)	996,476	(1,211,521)	2,476,481	(1,162,082)	1,045,915
Net Profit Margin	8.4%	0.3%	-16.6%	6.6%	2.2%	-20.7%	-6.6%	5.5%	-20.7%	3.1%	-12.1%	38.5%
Operating Margin	-1.7%	-11.7%	-21.9%	-3.9%	-9.4%	-25.5%	-18.6%	-5.6%	-26.5%	-7.7%	-13.0%	30.1%
EBIDA Margin	12.9%	4.8%	-11.3%	11.2%	6.7%	-15.3%	-1.7%	9.8%	-15.3%	7.8%	-11.5%	37.1%

Northern Inyo Healthcare District
Balance Sheet
Fiscal Year 2027

	PY Balances	7/31/2026	7/31/2025	8/31/2026	8/31/2025	9/30/2026	9/30/2025	PM Change	PY Change
Assets									
Current Assets									
Cash and Liquid Capital	28,460,222	28,731,778	19,787,525	24,303,306	17,614,185	23,370,939	18,620,647	(932,367)	4,750,292
Short Term Investments	11,137,546	11,241,543	7,800,231	11,241,581	7,551,052	11,241,429	7,301,260	(151)	3,940,169
PMA Partnership	-	-	-	-	-	-	-	-	-
Accounts Receivable, Net of Allowance	21,307,775	21,593,930	16,184,152	23,060,459	16,007,125	22,875,561	14,268,379	(184,897)	8,607,182
Other Receivables	2,954,416	3,796,999	10,594,449	8,350,721	10,876,532	9,647,099	11,053,197	1,296,377	(1,406,098)
Inventory	5,537,948	5,561,610	5,325,022	5,583,212	5,333,341	5,590,620	5,327,510	7,408	263,110
Prepaid Expenses	1,762,519	2,137,092	1,310,343	1,954,027	1,486,823	2,273,202	1,913,942	319,175	359,260
Total Current Assets	**71,160,427**	**73,062,952**	**61,001,722**	**74,493,306**	**58,869,057**	**74,998,851**	**58,484,936**	**505,545**	**16,513,915**
Assets Limited as to Use									
Internally Designated for Capital Acquisitions	-	-	-	-	-	-	-	-	-
Short Term - Restricted	1,470,800	1,470,928	1,469,420	1,471,056	1,469,548	1,471,180	1,469,672	124	1,508
Limited Use Assets			-		-		-	-	-
LAIF - DC Pension Board Restricted	-	-	-	-	-	-	-	-	-
LAIF - DB Pension Board Restricted	3,743,510	3,743,510	9,393,030	3,743,510	9,393,030	3,743,510	9,393,030	-	(5,649,520)
PEPRA - Deferred Outflows	-	-	-	-	-	-	-	-	-
PEPRA Pension	-	-	-	-	-	-	-	-	-
Deferred Outflow - Excess Acquisition	573,097	573,097	573,097	573,097	573,097	573,097	573,097	-	-
Total Limited Use Assets	4,316,607	4,316,607	9,966,127	4,316,607	9,966,127	4,316,607	9,966,127	-	(5,649,520)
Revenue Bonds Held by a Trustee	230,052	224,574	291,637	219,097	285,893	213,620	280,149	(5,477)	(66,529)
Total Assets Limited as to Use	**6,017,459**	**6,012,110**	**11,727,185**	**6,006,760**	**11,721,568**	**6,001,407**	**11,715,948**	**(5,353)**	**(5,714,541)**
Long Term Assets									
Long Term Investment	-	-	496,916	-	497,038	-	497,041	-	(497,041)
Fixed Assets, Net of Depreciation	78,338,535	77,848,511	81,304,067	77,708,645	81,092,433	77,384,403	81,093,361	(324,243)	(3,708,958)
Total Long Term Assets	**78,338,535**	**77,848,511**	**81,800,984**	**77,708,645**	**81,589,470**	**77,384,403**	**81,590,401**	**(324,243)**	**(4,205,999)**
Total Assets	**155,516,421**	**156,923,572**	**154,529,890**	**158,208,711**	**152,180,096**	**158,384,660**	**151,791,285**	**175,949**	**6,593,375**
Liabilities									
Current Liabilities									
Current Maturities of Long-Term Debt	3,440,037	3,443,154	3,618,572	3,431,006	3,726,714	3,414,780	3,720,584	(16,226)	(305,804)
Accounts Payable	4,416,081	4,531,548	5,160,660	4,948,972	4,051,592	5,733,204	4,983,412	784,231	749,792
Accrued Payroll and Related	4,276,351	4,614,062	3,876,752	4,744,581	4,244,712	4,970,115	4,532,241	225,534	437,874
Accrued Interest and Sales Tax	76,902	140,328	149,575	204,346	217,529	265,569	282,515	61,222	(16,946)
Notes Payable	229,820	229,820	339,892	229,820	339,892	229,820	339,892	-	(110,072)
Unearned Revenue	-	-	-	-	-	-	-	-	-
Due to 3rd Party Payors	4,125,564	4,125,564	3,324,903	4,125,564	3,324,903	4,125,564	3,324,903	-	800,661
Due to Specific Purpose Funds	-	-	-	-	-	-	-	-	-
Other Deferred Credits - Pension & Leases	5,006,479	5,006,479	8,756,720	5,006,479	8,754,650	5,006,479	8,752,581	-	(3,746,102)
Total Current Liabilities	**21,571,235**	**22,090,956**	**25,227,074**	**22,690,769**	**24,659,993**	**23,745,530**	**25,936,127**	**1,054,762**	**(2,190,597)**
Long Term Liabilities									
Long Term Debt	30,065,301	29,955,981	33,237,566	29,851,904	33,246,456	29,741,375	33,132,389	(110,529)	(3,391,014)
Bond Premium	90,328	87,191	121,699	84,054	118,562	80,917	115,425	(3,137)	(34,508)
Accreted Interest	17,383,865	17,468,253	17,361,713	17,552,641	17,450,748	17,637,029	17,539,782	84,388	97,246
Other Non-Current Liability - Pension	28,132,971	28,132,971	31,874,258	28,132,971	31,874,258	27,887,389	31,874,258	(245,582)	(3,986,869)
Total Long Term Liabilities	**75,672,466**	**75,644,396**	**82,595,236**	**75,621,570**	**82,690,024**	**75,346,709**	**82,661,854**	**(274,861)**	**(7,315,144)**
Suspense Liabilities	-	-	-	-	-	-	-	-	-
Uncategorized Liabilities (grants)	134,005	134,005	54,922	134,005	54,922	183,396	54,922	49,391	128,475
Total Liabilities	**97,377,707**	**97,869,357**	**107,877,232**	**98,446,344**	**107,404,939**	**99,275,636**	**108,652,903**	**829,292**	**(9,377,267)**
Fund Balance									
Fund Balance	45,944,004	56,651,630	46,528,390	56,650,559	46,301,034	56,649,874	46,302,484	(685)	10,347,389
Temporarily Restricted	1,470,800	1,470,928	1,469,420	1,471,056	1,469,548	1,471,180	1,469,672	124	1,508
Net Income	10,723,910	931,657	(1,345,152)	1,640,752	(2,995,425)	987,970	(4,633,774)	(652,782)	5,621,744
Total Fund Balance	**58,138,714**	**59,054,215**	**46,652,658**	**59,762,367**	**44,775,157**	**59,109,024**	**43,138,382**	**(653,343)**	**15,970,642**
Liabilities + Fund Balance	**155,516,421**	**156,923,572**	**154,529,890**	**158,208,711**	**152,180,096**	**158,384,660**	**151,791,285**	**175,949**	**6,593,375**
(Decline)/Gain		1,407,151	(167,926)	1,285,139	(2,349,794)	175,949	(388,811)	(1,109,190)	564,760

Northern Inyo Healthcare District
Long-Term Debt Service Coverage Ratio
FYE 2027

Calculation method agrees to SECOND and THIRD
SUPPLEMENTAL INDENTURE OF TRUST 2021 Bonds Indenture

Long-Term Debt Service Coverage Ratio Calculation

Numerator:	HOSPITAL FUND ONLY
Excess of revenues over expense	$ 987,970
+ Depreciation Expense	1,488,511
+ Interest Expense	502,258
Less GO Property Tax revenue	933,000
Less GO Interest Expense	112,298
"Income available for debt service"	**$ 1,933,441**
Denominator:	
Maximum "Annual Debt Service"	
2021A Revenue Bonds	$ 112,700
2021B Revenue Bonds	892,400
2009 GO Bonds (Fully Accreted Value)	
2016 GO Bonds	
Financed purchases and other loans	1,506,725
Total Maximum Annual Debt Service	**$ 2,511,825**
Ratio: (numerator / denominator)	**3.08**
Required Debt Service Coverage Ratio:	1.10
In Compliance? (Y/N)	**Yes**

Unrestricted Funds and Days Cash on Hand

	HOSPITAL FUND ONLY
Cash and Investments-current	$ 34,612,369
Cash and Investments-non current	-
Sub-total	34,612,369
Less - Restricted:	
PRF and grants (Unearned Revenue)	-
Held with bond fiscal agent	-
Building and Nursing Fund	-
Total Unrestricted Funds	**$ 34,612,369**
Total Operating Expenses	$ 34,348,510
Less Depreciation	1,488,511
Net Expenses	32,860,000
Average Daily Operating Expense	$ 357,174
Days Cash on Hand	**97**

Northern Inyo Healthcare District
Statement of Cash Flows
Fiscal Year 2027

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from and on Behalf of Patients	31,900,374
Payments to Suppliers and Contractors	(22,020,581)
Payments to and on Behalf of Employees	(17,837,083)
Other Receipts and Payments, Net	(332,147)
Net Cash Provided (Used) by Operating Activities	(8,289,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital Contributions and Grants	1,892,247
Property Taxes Received	219,000
Net Cash Provided (Used) by Noncapital Financing Activities	2,111,247
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES	
Principal Payments on Long-Term Debt	-
Proceeds from the Issuance of Refunding Revenue Bonds	-
Payment to Defease Revenue Bonds	-
Interest Paid	(502,258)
Purchase and Construction of Capital Assets	524,884
Payments on Lease Liability	(22,775)
Payments on Subscription Liability	(329,082)
Property Taxes Received	1,152,000
Net Cash Provided (Used) by Capital and Capital Related Financing Activities	822,768
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	357,200
Rental Income	12,822
Net Cash Provided (Used) by Investing Activities	370,022
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,985,400)
Cash and Cash Equivalents - Beginning of Year	39,597,769
CASH AND CASH EQUIVALENTS - END OF YEAR	34,612,369