



NOTICE OF REGULAR BOARD MEETING OF THE
UPPER SAN JUAN HEALTH SERVICE DISTRICT d/b/a PAGOSA SPRINGS MEDICAL CENTER
Tuesday, October 28, 2025, at 5:00 p.m. MDT
The Board Room (direct access – northeast entrance)
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The public may attend in person or via Teams.

Join on the web: <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 228 195 192 729

Passcode: T5oe7uw3

AGENDA

1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD

- a) Confirmation of quorum
- b) Board Director self-disclosure of actual, potential, or perceived conflicts of interest
- c) Approval of the Agenda (and changes, if any)

2) PUBLIC COMMENT

This is an opportunity for the public to make comments and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Antionette Martinez, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.

3) PRESENTATIONS

Physical Therapy and Occupational Therapy by Jen Cole, Director of Ancillary Services and Informatics and Sara Lowe, Manager of Medical Wellness Services

4) REPORTS

- a) **Oral Reports** (may be accompanied by a written report)
 - i) Chair Report Chair Kate Alfred
 - ii) CEO Report Dr. Rhonda Webb
 - iii) ~~Executive Committee~~ Chair Alfred and Vice Chair Mees
 - iv) ~~Foundation Board~~ Dir. Foss, Dir. Wilson, and CEO Webb
 - v) Facilities Committee Vice Chair Mees, Dir. Taylor, CAO Bruzzese
 - vi) Strategic Planning Committee Chair Alfred, Treas. Floyd, and CEO Webb
 - vii) Finance Committee Report Treasurer Floyd, and CFO Keplinger
- (a) September 2025 Financials

PSMC's Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

b) **Written Reports** (*no oral report unless the Board has questions*)

~~i) Medical Staff Report~~ ~~Chief of Staff, Dr. Corinne Reed~~

5) DECISION AGENDA

a) Presentation of the **2026 Budget** by CFO Chelle Keplinger (follow-up to the 10/9/2025 public hearing and presentation of the same):

- i) Consideration of **Resolution 2025-13** to adopt the budget for 2026
- ii) Consideration of **Resolution 2025-14** to appropriate sums of money
- iii) Consideration of **Resolution 2025-15** to set mill levies

6) CONSENT AGENDA (The Consent Agenda is intended to allow Board approval, by a single motion, of matters that are considered routine. There will be no separate discussion of Consent Agenda matters unless requested.)

a) Approval of Board Member absences:

- i) Regular meeting of 10/28/2025

b) Approval of Minutes for the following meeting(s):

- i) **Regular meeting of 10/09/2025**

~~c) Approval of Medical Staff report recommendations for new or renewal of provider privileges.~~

7) EXECUTIVE SESSION

The Board reserves the right to meet in executive session for any purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).

8) OTHER BUSINESS

Generally, this agenda item is limited to requests for a matter to be added to a future agenda of the Board or a Committee.

9) ADJOURN

Next Meeting: Tuesday, November 18, 2025, at 5:00 p.m. MT

PSMC BOARD FACILITIES COMMITTEE
Report for the PSMC Board Meeting on October 9, 2025

The Board's Facilities Committee met on October 21, 2025 with the following committee members present: Vice Chair Matt Mees, Chair Kate Alfred (on behalf of Dir. Gwen Taylor), at large member Kathee Douglas and the CEO, CNO, CAO, Director of IT/Facilities/Security. The report below summarizes discussions and any comments or questions of the Committee.

a) Sterile Processing Renovation:

i) Status of Project:

(a) Week 1:

- (i) ICRA in place
- (ii) Demo complete
- (iii) Plumbing installed
- (iv) Electrical roughed out and initial inspection
- (v) Framing and drywall underway
- (vi) New cabinetry install.

(b) Week 2

- (i) Paint
- (ii) New flooring install;

(c) Week 3:

- (i) Final work of Nunn (including some plumbing)
- (ii) Steris to install equipment (Nunn on-site to assure we do not have issues with connections)
- (iii) Terminal clean

b) Reverse Osmosis System and water softener:

i) Status of Project:

(a) Week 1:

- (i) ICRA in place
- (ii) Demo complete
- (iii) Plumbing installed
- (iv) Electrical roughed out and initial inspection
- (v) Framing and drywall underway

(b) Week 2:

- (i) Med Water installing the R/O system and water softener

(c) Post-project work:

- (i) Door to the R/O room (mitigate heat and noise)
- (ii) Add a mini-split (to mitigate heat created by equipment)

c) The projects above started on October 9 and are expected to be complete on October 31. No surgeries during the renovation (some pain management).

d) Brief discussion of other future projects and then tour of the projects noted above.



PSMC STRATEGIC PLANNING COMMITTEE
Report for the PSMC Board Meeting on October 28, 2025

The Board's Strategic Planning Committee met on October 21, 2025 (present: Chair/Dir. Kate Alfred, Treasurer/Dir. Mark Floyd, as well as the CEO, CNO, CAO, Manager of Community Relations and Executive Assistant to the CEO). The report below summarizes discussions and comments or questions of the Committee.

The Board Strategic Planning Committee held a discussion on the status of meeting the objectives set forth in the Board-approved Strategic Plan for 2024-2028. The Strategic Planning Committee asked staff to present to the Board (in November and January) information about the Colorado Taxpayer Bill of Rights (TABOR) and related laws and potential future ballot questions related to the same.

BOARD FINANCE COMMITTEE
Report for the PSMC Board Meeting on October 28, 2025

The PSMC Board's Finance Committee met on October 21, 2025 (present: Treasurer/Dir. Mark Floyd, Director Wayne Hooper and at-large member Dwight Peters as well as the CEO, CFO, CNO, CAO, the Controller and the Director of Revenue Cycle). The report below summarizes the September financials and any comments or questions of the Committee.

1) **September Financial Reports:**

- a) **Bottom line for the Month of September:** PSMC was budgeted to have a positive bottom line for September. PSMC slightly exceeded budget with a positive bottom line of \$161,201 for the month of September.
- b) **Income statement for September:** PSMC had gross charges of \$7,762,349 which is a new record for PSMC. As a reminder, payers (Medicare, Medicaid and commercial insurers) do not pay what hospitals charge – instead payers reduce what they will pay (contractual allowances) those reductions as well as charity care, bad debt and modest provider fee dollars reduce gross charges by \$3,935,020.
- c) **Bottom line year-to-date:** PSMC's 2025 year-to-date net income remains positive at \$316,521 and far better than budget which was anticipated to be a negative <-\$1,399,955> through September. Of note, PSMC had a positive bottom line from operations (before nonoperating income).
- d) **Accounts Receivable:** Accounts Receivable is in good shape at 49.1 days.
- e) **Cash on Hand and Statement of Cash Flows:** Cash increased to 134.9 days of cash on hand.
- f) **Balance Sheet:** Cash assets increased (as well as corresponding liability) due to funds received for tentative and unaudited Medicare/Medicaid cost report settlements for 2021, 2022, 2023 and 2024. See explanation below about the Medicare Cost Report.

2) **Other**

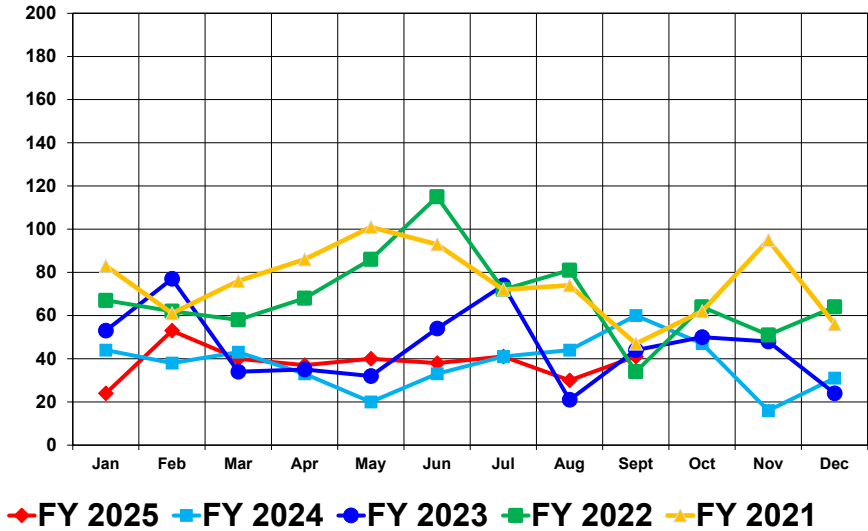
- a) **Medicare Cost Report:** Throughout the year, Medicare pays PSMC for covered claims for hospital services to Medicare patients. By May 31 each year, PSMC files a Medicare cost report -- this cost report is a formal year-end accounting of statistics, revenue and allowable expenses/costs and is used to determine the final payment owed to or from Medicare for PSMC's services to Medicare patients. Once filed, the Medicare Administrative Contractor (known as the MAC) reviews and audits the cost report; the MAC audit determines if Medicare payments for PSMC claims were too high or low. Following the audit, the MAC issues a Notice of Program Reimbursement confirming whether PSMC is owed additional sums by Medicare or PSMC must repay Medicare for an overpayment.

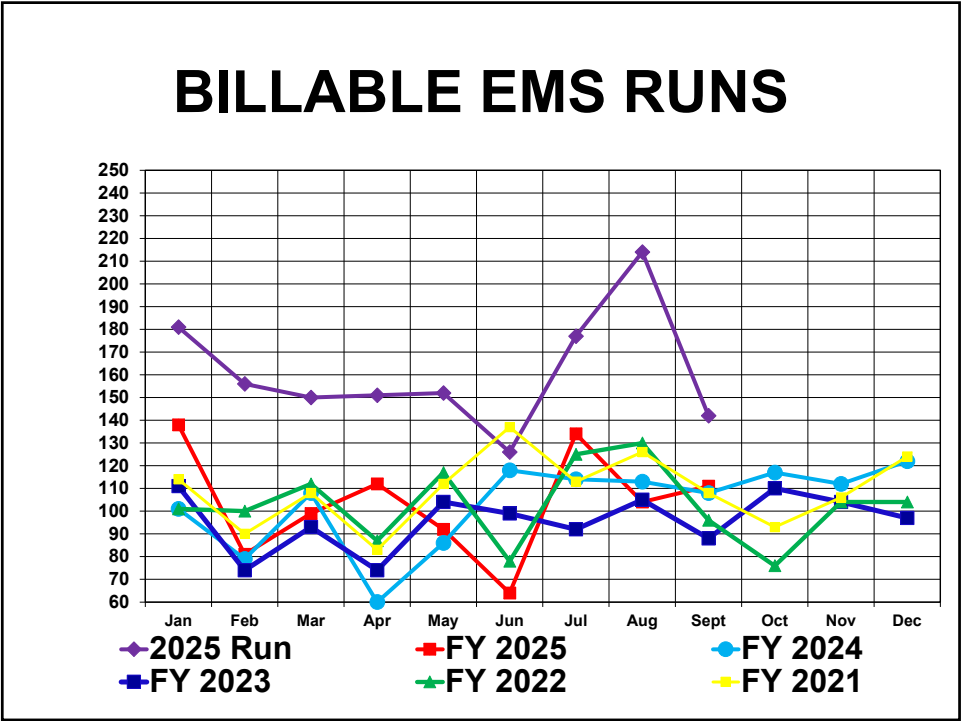
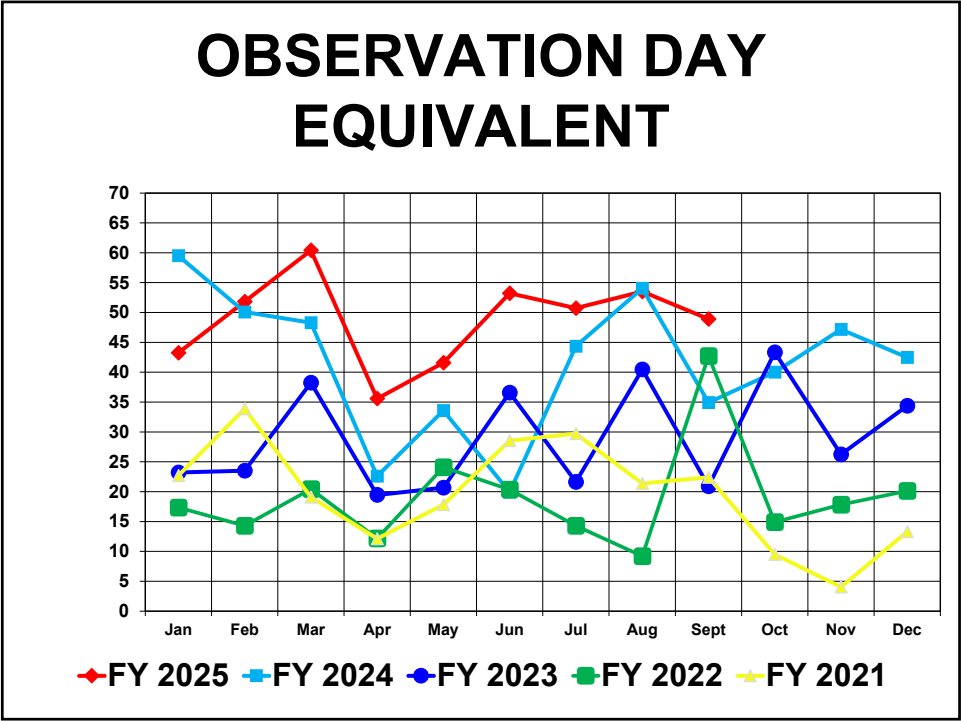
3) **Comments of Finance Committee** No objections to the September financials.

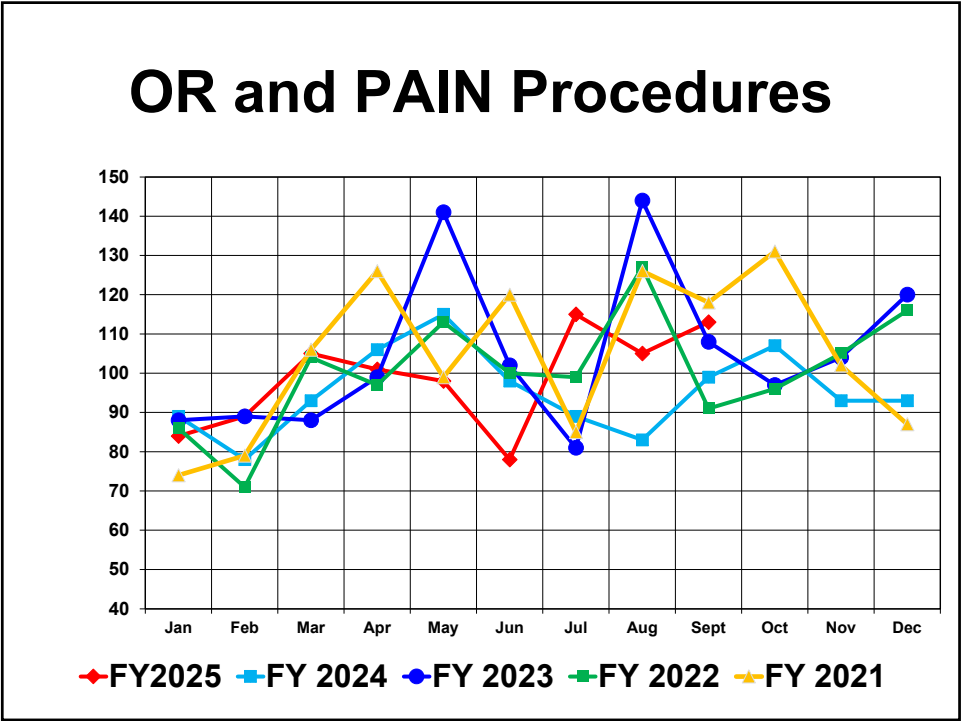
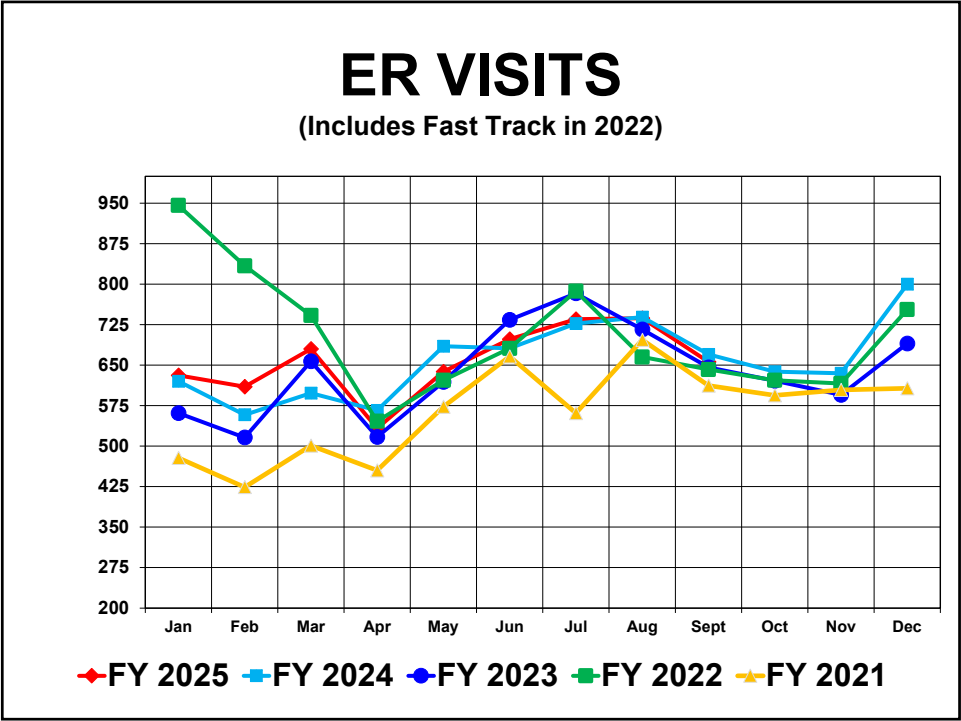


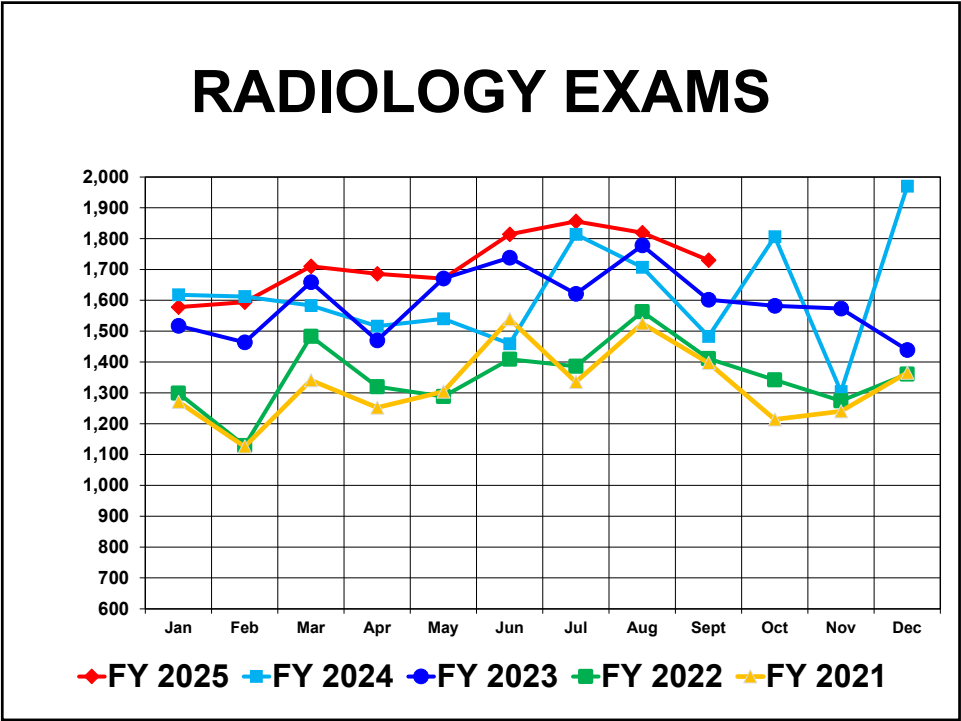
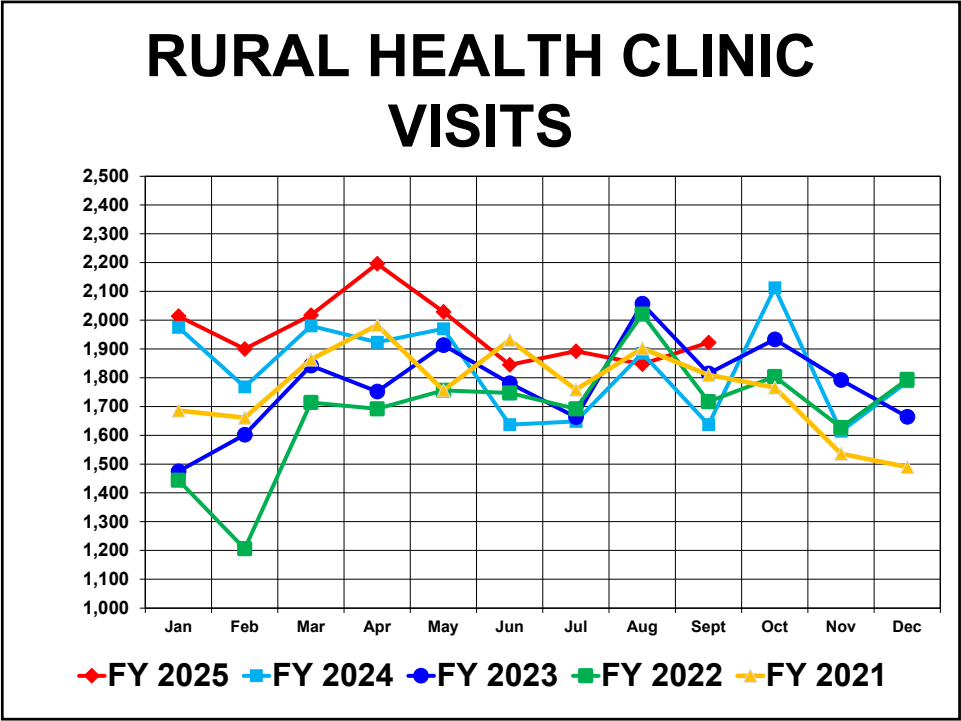
FINANCIAL PRESENTATION
YTD SEPTEMBER 2025

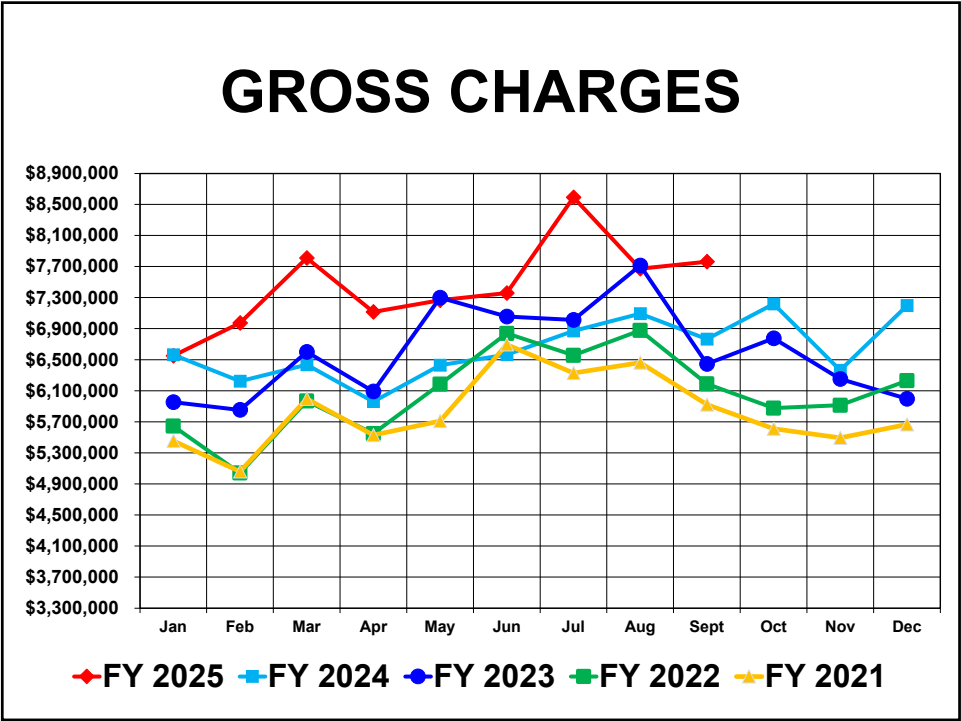
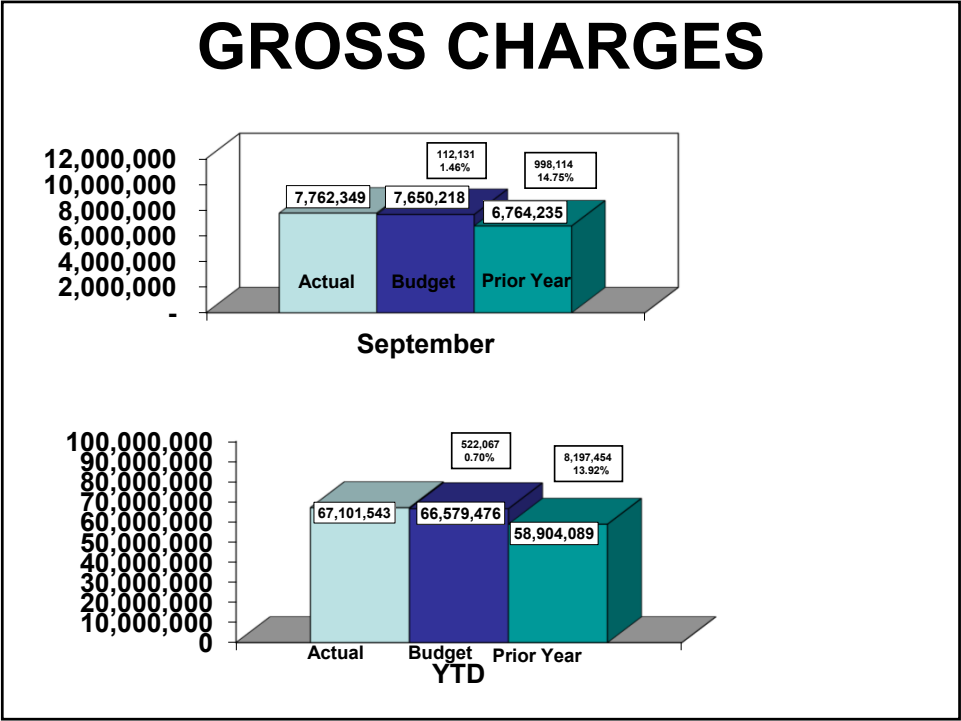
PATIENT DAYS

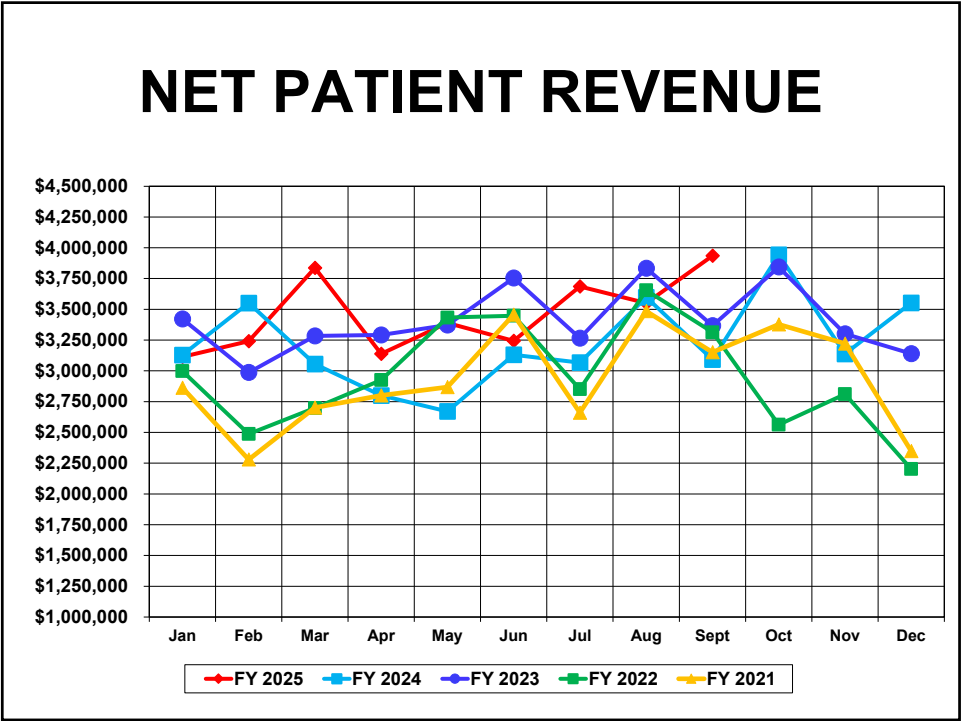
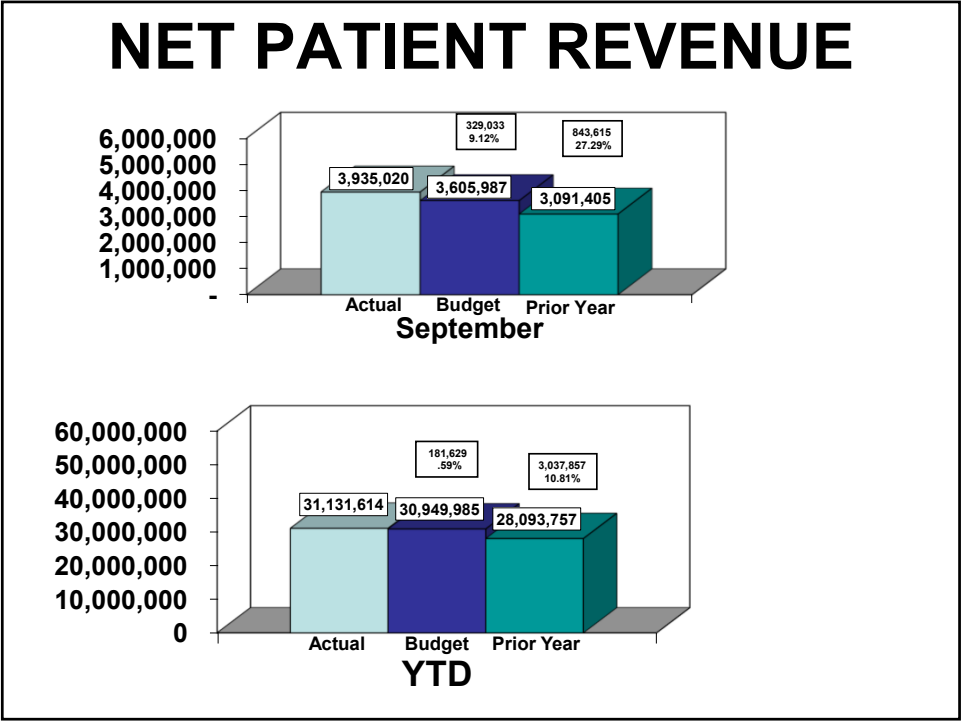


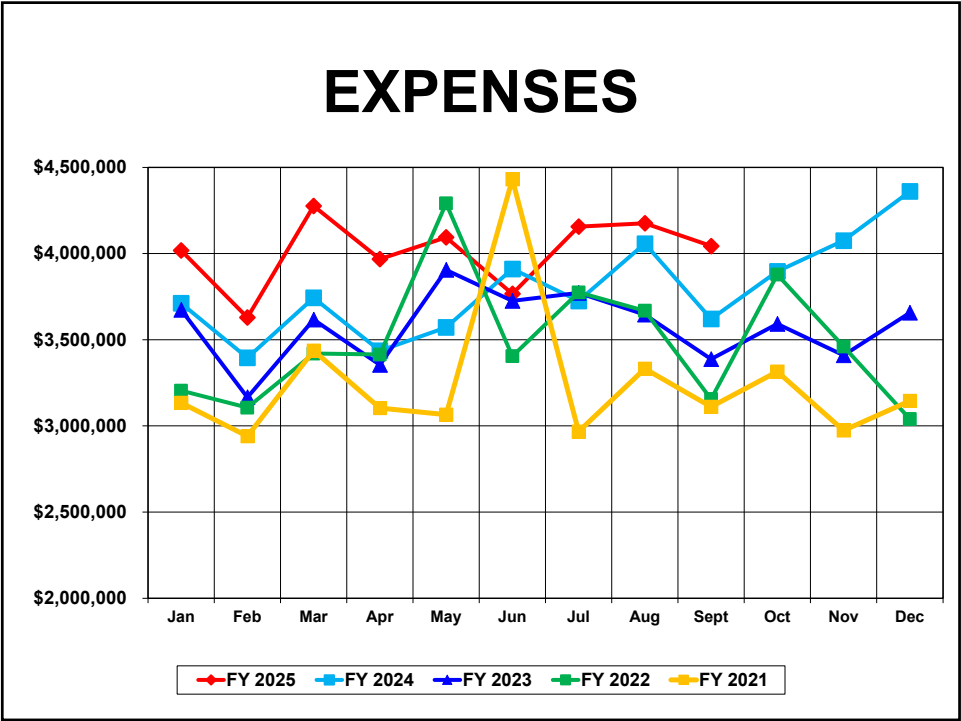
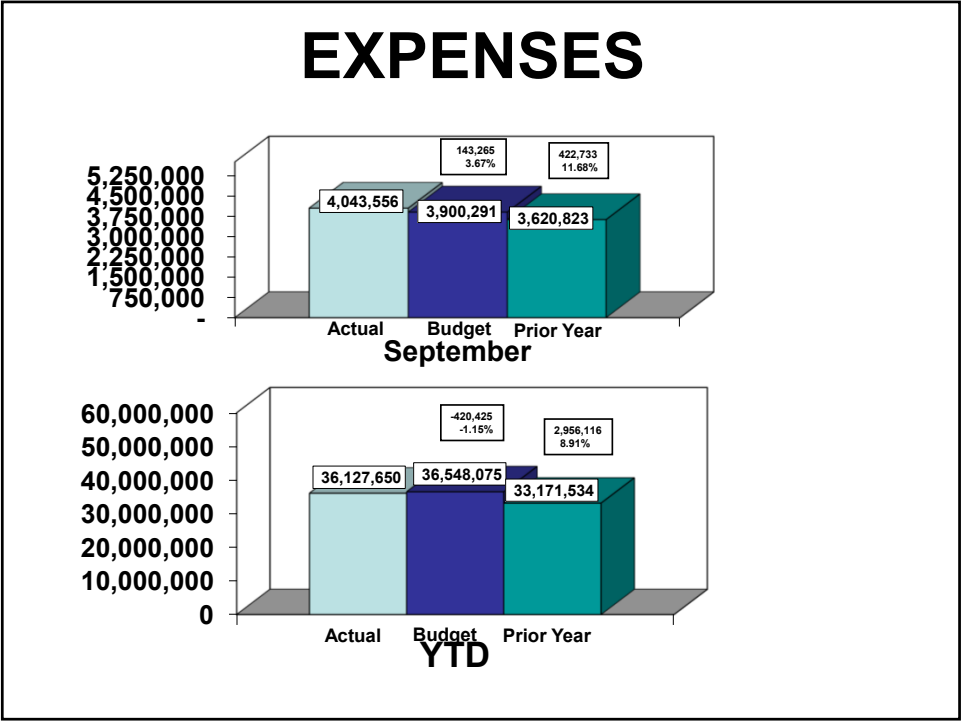


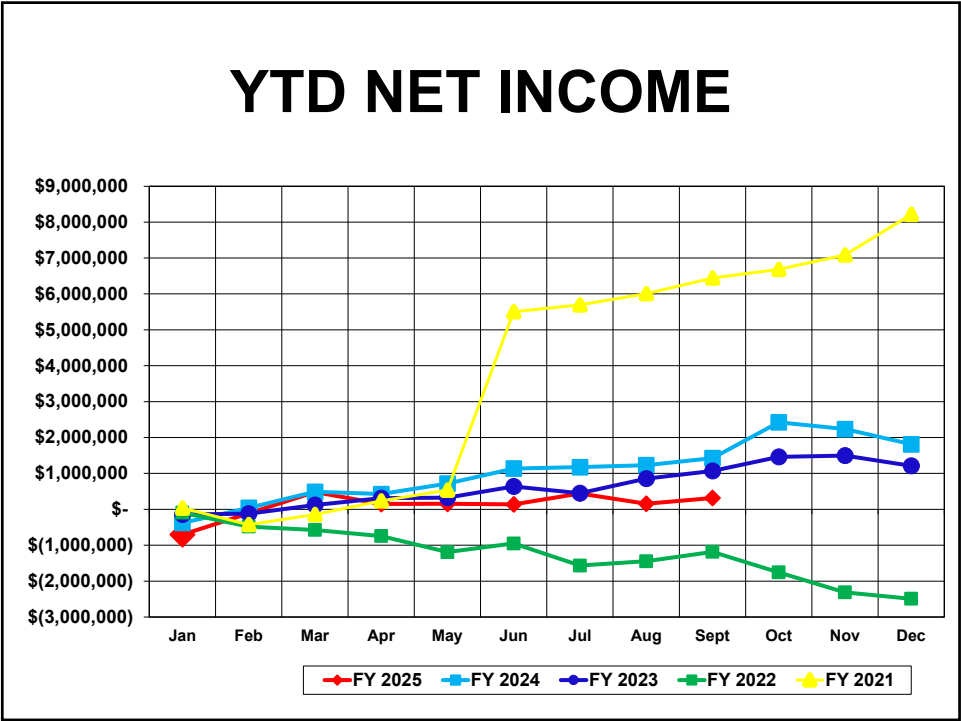
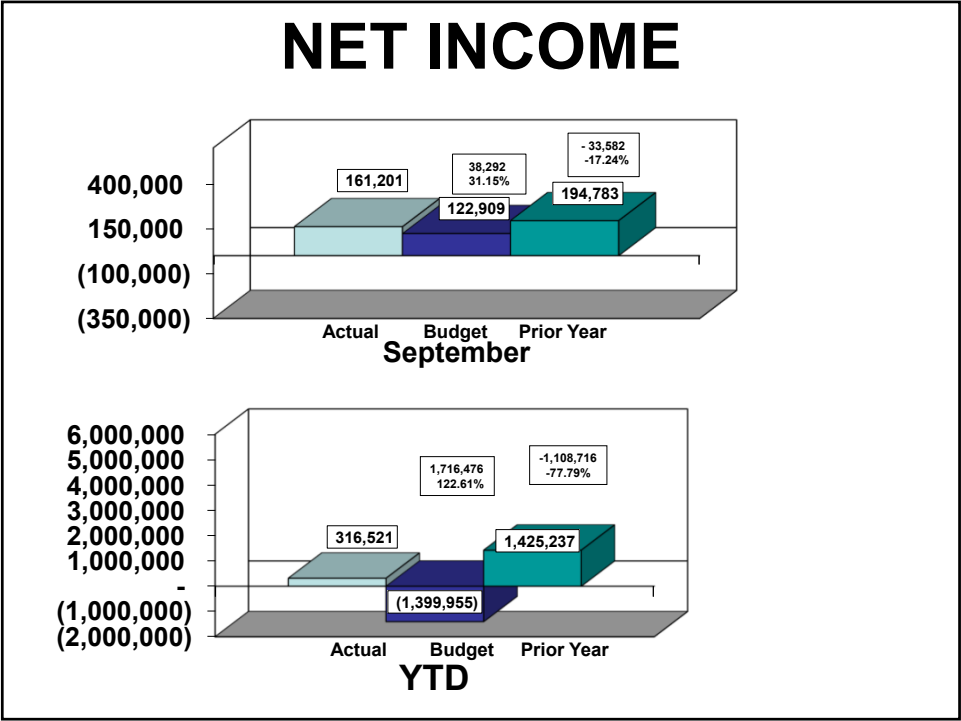








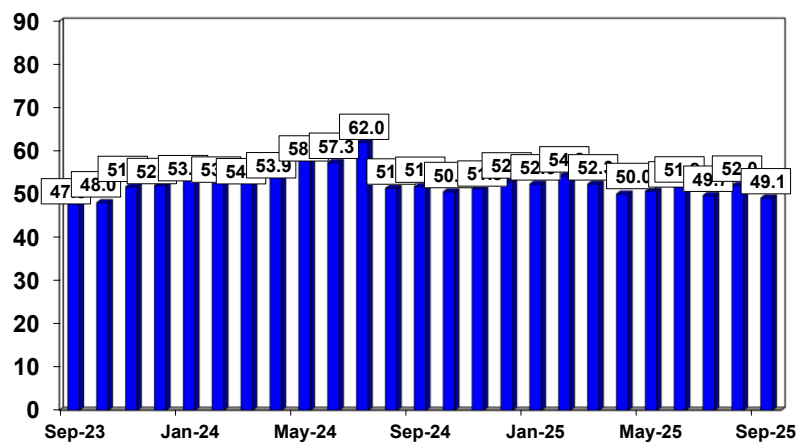




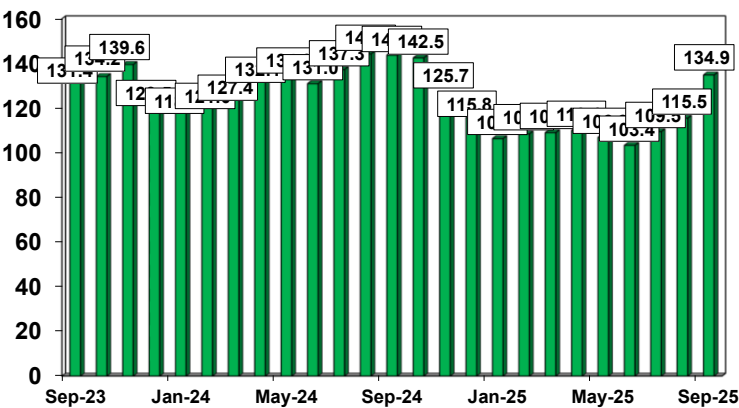
Summary of Financials

	August	September
Gross Charges	7,672,796	7,762,349
Net Revenue	3,549,704	3,935,020
Expenses	4,176,043	4,043,556
Grants, Misc and Tax Revenue	340,911	269,737
Grants and Misc	264,080	221,916
Tax Revenue	76,831	47,821
Net Income	-285,428	161,201

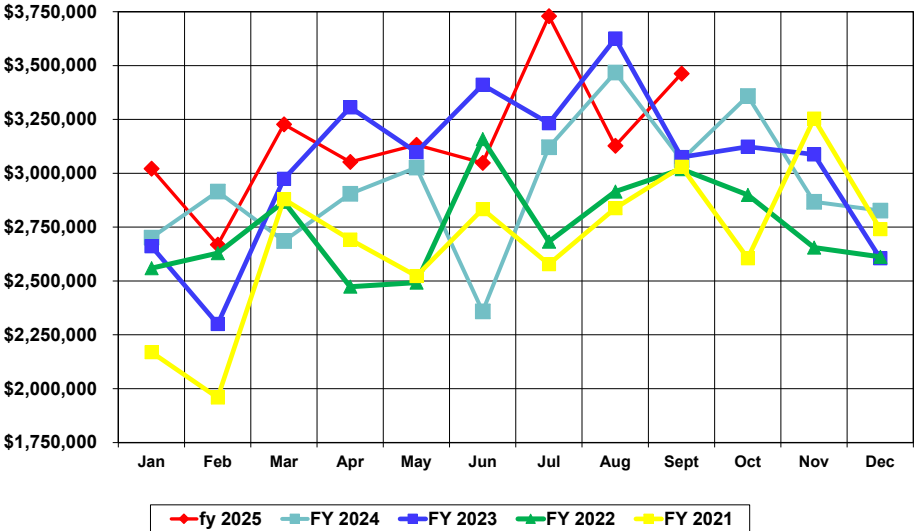
GROSS DAYS IN ACCOUNTS RECEIVABLE



DAYS CASH ON HAND



CASH COLLECTIONS



Pagosa Springs Medical Center

Income Statement Comparison - - - September 30, 2025

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		Current Month				Year-to-Date			
		2025	Budget	Difference	Variance	2025	Budget	Difference	Variance
Revenue									
7	Total In-patient Revenue	247,874	352,407	(104,533)	-30%	1,706,614	1,581,142	125,472	8%
17	Total Out-patient Revenue	6,939,676	6,614,947	324,729	5%	60,296,462	58,770,340	1,526,122	3%
18	Professional Fees	574,799	682,864	(108,065)	-16%	5,098,467	6,227,994	(1,129,527)	-18%
19	Total Patient Charges	7,762,349	7,650,218	112,131	1%	67,101,543	66,579,476	522,067	1%
20	Revenue Deductions & Bad Debt								
21	Contractual Allowances	3,494,725	4,145,298	(650,573)	-16%	35,740,758	36,110,369	(369,611)	-1%
22	Charity	40,016	41,600	(1,584)	-4%	410,520	378,050	32,470	9%
23	Bad Debt	376,986	242,546	134,440	55%	2,518,905	2,204,193	314,712	14%
24	Provider Fee & Other	(84,398)	(385,213)	300,815	-78%	(2,700,254)	(3,063,121)	362,867	-12%
25	Total Revenue Deductions & Bad Debt	3,827,329	4,044,231	(216,902)	-5%	35,969,929	35,629,491	340,438	1%
26	Total Net Patient Revenue	3,935,020	3,605,987	329,033	9%	31,131,614	30,949,985	181,629	0.59%
27	Grants	73,281	70,685	2,596	4%	591,737	302,188	289,549	96%
28	HHS Stimulus Other Revenue	-	-	-		-	-	-	
29	COVID PPP Loan Forgiveness	-	-	-	0%	-	-	-	0%
30	Other Operating Income - Misc	94,105	254,146	(160,041)	-63%	1,249,839	1,086,505	163,334	15%
31	Total Net Revenues	4,102,406	3,930,818	171,588	4%	32,973,190	32,338,678	634,512	2%
32	Operating Expenses								
33	Salary & Wages	2,029,824	2,080,316	(50,492)	-2%	17,666,055	18,930,372	(1,264,317)	-7%
34	Benefits	280,630	328,885	(48,255)	-15%	2,975,587	3,100,482	(124,895)	-4%
35	Professional Fees/Contract Labor	187,352	118,810	68,542	58%	1,576,584	1,185,426	391,158	33%
36	Purchased Services	201,471	157,361	44,110	28%	1,776,476	1,537,758	238,718	16%
37	Supplies	756,082	593,022	163,060	27%	6,278,801	5,804,263	474,538	8%
38	Rent & Leases	17,397	15,769	1,628	10%	271,636	142,075	129,561	91%
39	Repairs & Maintenance	64,963	66,316	(1,353)	-2%	490,052	646,193	(156,141)	-24%
40	Utilities	35,069	36,163	(1,094)	-3%	351,822	352,050	(228)	0%
41	Insurance	36,064	38,355	(2,291)	-6%	339,749	345,194	(5,445)	-2%
42	Depreciation & Amortization	246,421	200,368	46,053	23%	2,094,561	1,950,597	143,964	7%
43	Interest	104,343	101,436	2,907	3%	945,790	951,267	(5,477)	-1%
44	Other	83,940	163,490	(79,550)	-49%	1,360,537	1,602,398	(241,861)	-15%
45	Total Operating Expenses	4,043,556	3,900,291	143,265	4%	36,127,650	36,548,075	(420,425)	-1%
46	Operating Revenue Less Expenses	58,850	30,527	28,323	-93%	(3,154,460)	(4,209,397)	1,054,937	25%
47	Non-Operating Income								
48	Interest Income	54,530	51,148	3,382	7%	458,450	496,270	(37,820)	-8%
49	Tax Revenue	47,821	41,234	6,587	16%	2,261,972	2,088,172	173,800	8%
50	Donations	-	-	-	0%	750,559	225,000	525,559	234%
51	Total Non-Operating Income	102,351	92,382	9,969	11%	3,470,981	2,809,442	661,539	24%
52	Total Revenue Less Total Expenses	\$ 161,201	\$ 122,909	\$ 38,292	31%	\$ 316,521	\$ (1,399,955)	\$ 1,716,476	123%

The implementation of GASB 96 in 2023 has resulted in an increase of Depreciation and Interest Expense with a reduction of Purchase Service expenses.

Pagosa Springs Medical Center

Income Statement Comparison - - - September 30, 2025

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	2025	Current Month 2024	Difference	Variance	2025	Year-to-Date 2024	Difference	Variance
Revenue								
2								
7 Total In-patient Revenue	247,874	300,599	(52,725)	-18%	1,706,614	1,348,049	358,565	27%
17 Total Out-patient Revenue	6,939,676	5,910,090	1,029,586	17%	60,296,462	52,506,237	7,790,225	15%
18 Professional Fees	574,799	553,546	21,253	4%	5,098,467	5,049,803	48,664	1%
19 Total Patient Charges	7,762,349	6,764,235	998,114	15%	67,101,543	58,904,089	8,197,454	14%
20 Revenue Deductions & Bad Debt								
21 Contractual Allowances	3,494,725	3,640,945	(146,220)	-4%	35,740,758	31,729,302	4,011,456	13%
22 Charity	40,016	16,058	23,958	149%	410,520	248,268	162,252	65%
23 Bad Debt	376,986	419,073	(42,087)	-10%	2,518,905	2,038,546	480,359	24%
24 Provider Fee & Other	(84,398)	(403,246)	318,848	-79%	(2,700,254)	(3,205,784)	505,530	-16%
25 Total Revenue Deductions & Bad Debt	3,827,329	3,672,830	154,499	4%	35,969,929	30,810,332	5,159,597	17%
26 Total Net Patient Revenue	3,935,020	3,091,405	843,615	27%	31,131,614	28,093,757	3,037,857	11%
27 Grants	73,281	140,016	(66,735)	-48%	591,737	796,009	(204,272)	-26%
28 HHS Stimulus Other Revenue	-	-	-	-	-	-	-	-
29 COVID PPP Loan Forgiveness	-	-	-	-	-	-	-	-
30 Other Operating Income - Misc	94,105	475,411	(381,306)	-80%	1,249,839	1,834,653	(584,814)	-32%
31 Total Net Revenues	4,102,406	3,706,832	395,574	11%	32,973,190	30,724,419	2,248,771	7%
32 Operating Expenses								
33 Salary & Wages	2,029,824	1,883,478	146,346	8%	17,666,055	16,836,191	829,864	5%
34 Benefits	280,630	143,937	136,693	95%	2,975,587	2,340,347	635,240	27%
35 Professional Fees/Contract Labor	187,352	205,009	(17,657)	-9%	1,576,584	1,790,363	(213,779)	-12%
36 Purchased Services	201,471	242,273	(40,802)	-17%	1,776,476	1,706,471	70,005	4%
37 Supplies	756,082	566,569	189,513	33%	6,278,801	5,060,449	1,218,352	24%
38 Rent & Leases	17,397	16,208	1,189	7%	271,636	125,674	145,962	116%
39 Repairs & Maintenance	64,963	59,301	5,662	10%	490,052	527,007	(36,955)	-7%
40 Utilities	35,069	33,099	1,970	6%	351,822	346,540	5,282	2%
41 Insurance	36,064	36,574	(510)	-1%	339,749	329,699	10,050	3%
42 Depreciation & Amortization	246,421	218,551	27,870	13%	2,094,561	1,935,566	158,995	8%
43 Interest	104,343	105,862	(1,519)	-1%	945,790	958,538	(12,748)	-1%
44 Other	83,940	109,962	(26,022)	-24%	1,360,537	1,214,689	145,848	12%
45 Total Operating Expenses	4,043,556	3,620,823	422,733	12%	36,127,650	33,171,534	2,956,116	9%
46 Operating Revenue Less Expenses	58,850	86,009	(27,159)	32%	(3,154,460)	(2,447,115)	(707,345)	-29%
47 Non-Operating Income								
48 Interest Income	54,530	63,250	(8,720)	-14%	458,450	575,032	(116,582)	-20%
49 Tax Revenue	47,821	45,524	2,297	5%	2,261,972	2,472,320	(210,348)	-9%
50 Donations	-	-	-	-	750,559	825,000	(74,441)	-9%
51 Total Non-Operating Income	102,351	108,774	(6,423)	-6%	3,470,981	3,872,352	(401,371)	-10%
52 Total Revenue Less Total Expenses	\$ 161,201	\$ 194,783	\$ (33,582)	-17%	\$ 316,521	\$ 1,425,237	(1,108,716)	-78%

The implementation of GASB 96 in 2023 has resulted in an increase of Depreciation and Interest Expense with a reduction of Purchase Service expenses.

Pagosa Springs Medical Center

Balance Sheet - - September 30, 2025

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Assets	Current Month	Prior Month	Liabilities	Current Month	Prior Month
Current Assets			Current Liabilities		
Cash					
Operating (TBK)	\$ 3,934,803	\$ 2,564,112	Accts Payable - System	\$ 1,198,925	\$ 1,161,697
COLO Trust	1,872,298	1,865,663	Accrued Expenses	633,142	589,546
Debt Svc. Res. 2016 Bonds (UMB)	878,731	878,731	Cost Report Settlement Res	2,493,188	667,101
Bond Funds - 2016 Bonds (UMB)	909	905	Wages & Benefits Payable	2,669,329	2,476,135
Bond Funds - 2021 (UMB)	6,481,783	6,437,891	Deferred Revenue	-	35,842
CSIP Investments	4,521,039	3,506,769	COVID PPP Short Term Loan	-	-
Escrow - UMB	-	-	Relief Fund Liability	-	-
COVID PPP	-	-	Medicare Accelerated Pmt Liab	-	-
Relief Fund Cash Restricted	-	-	Current Portion of GASB 87 and 96 Liabilities	382,950	381,323
Medicare Accelerated Pmt	-	-	Current Portion of LT Debt-75 S Pagosa	130,000	130,000
Total Cash	17,689,563	15,254,071	Current Portion of LT Debt-2021	450,000	450,000
			Current Portion of LT Debt-2016	245,000	245,000
			Total Current Liabilities	8,202,534	6,136,644
Accounts Receivable					
Patient Revenue - Net	3,997,800	4,330,868	Long-Term Liabilities		
Other Receivables	405,039	398,136	Leases Payable - 75 S Pagosa	1,925,000	1,925,000
Total Accounts Receivable	4,402,839	4,729,004	GASB 87 and 96 Capital Leases	4,418,566	4,485,765
			Bond Premium (Net) - 2006 Def Outflows	155,703	156,815
Inventory	2,144,442	2,145,989	Bond Premium (Net) - 2016	104,930	105,355
			Bond Premium (Net) - 2021	583,764	587,735
Total Current Assets	24,236,844	22,129,064	Bonds Payable - 2021	6,580,000	6,580,000
			Bonds Payable - 2006	-	-
Fixed Assets			Bonds Payable - 2016	8,315,000	8,315,000
Property Plant & Equip (Net)	23,150,056	23,347,938	Total Long-Term Liabilities	22,082,963	22,155,670
GASB 87 & 96 Assets (Net)	4,064,628	4,104,624			
Work In Progress	724,018	493,884	Net Assets		
Land	704,021	704,021	Un-Restricted	22,820,268	22,820,268
Total Fixed Assets	28,642,723	28,650,467	Current Year Net Income/Loss	316,521	155,320
			Total Un-Restricted	23,136,789	22,975,588
Other Assets					
Prepays & Other Assets	542,719	488,371	Restricted	-	-
Total Other Assets	542,719	488,371	Total Net Assets	23,136,789	22,975,588
Total Assets	\$ 53,422,286	\$ 51,267,902	Total Liabilities & Net Assets	\$ 53,422,286	\$ 51,267,902

The implementation of GASB 96 in 2023 resulted an increase in Fixed Assets and Long and Short Term Liabilities

Pagosa Springs Medical Center

Monthly Trends

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	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	YTD Total
Activity	30	31	30	31	31	28	31	31	31	30	31	31	30	274
2 In-Patient Admissions	21	17	12	14	19	19	13	13	15	20	19	13	19	150
3 In-Patient Days	60	47	16	31	24	29	40	37	40	38	41	30	41	320
4 Avg Stay Days (In-patients)	2.9	2.8	1.3	2.2	1.3	1.5	3.1	2.8	2.7	1.9	2.2	2.3	2.2	2.1
8 Average Daily Census	2.0	1.5	0.5	1.0	0.8	1.0	1.3	1.2	1.3	1.3	1.3	1.0	1.4	1.2
Statistics														
9 E/R visits	670	638	635	800	631	610	680	533	638	698	735	737	656	5,918
10 Observ Hours	838	960	1,132	1,019	1,038	1,244	1,450	854	998	1,277	1,217	1,284	1,174	10,536
11 Lab Tests	6,557	7,020	6,671	6,838	6,948	6,361	7,085	6,962	6,774	6,681	6,418	6,437	6,641	60,307
12 Radiology/CT/MRI Exams	1,483	1,806	1,304	1,970	1,578	1,594	1,710	1,686	1,670	1,814	1,856	1,819	1,730	15,457
14 OR Cases	99	107	93	93	84	89	105	101	98	78	115	105	113	888
15 Clinic Visits	1,637	2,112	1,614	1,786	2,014	1,900	2,017	2,196	2,029	1,845	1,892	1,847	1,922	17,662
16 Spec. Clinic Visits	103	51	50	54	57	60	39	59	63	61	36	62	81	518
17 Oncology Clinic Visits	97	86	93	104	112	96	102	112	91	107	119	112	94	945
18 Oncology/Infusion Patients	317	267	275	303	219	260	307	366	340	397	470	360	330	3,049
19 EMS Transports	108	117	112	122	138	81	99	112	92	64	134	104	111	935
20 Total Stats	11,909	13,164	11,979	13,089	12,830	12,295	13,594	12,981	12,793	13,022	12,992	12,867	12,852	116,215

Pagosa Springs Medical Center - - - Statistical Review

Statistical Review

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2025	September			September			September Prior Y-T-D			
	Current Month Actual	Current Month Budget	Variance	Y-T-D Actual	Y-T-D Budget	Variance	Y-T-D Actual	Prior Y-T-D Actual	Difference	Variance
In-Patient										
Admissions:										
Acute	19	31	(12)	150	137	13	150	138	12	9%
Swing Bed	-	-	-	-	-	-	-	-	-	
Total	19	31	(12)	150	137	13	150	138	12	9%
Patient Days:										
Acute	41	76	(35)	320	342	(22)	320	356	(36)	-10%
Swing Bed	-	-	-	-	-	-	-	-	-	
Total	41	76	(35)	320	342	(22)	320	356	(36)	-10%
Average Daily Census:										
# Of Days	30	30		273	273		273	274		
Acute	1.4	2.5	(1.2)	1.2	1.3	(0.1)	1.2	1.3	(0.1)	-10%
Swing Bed	-	-	-	-	-	-	-	-	-	
Total	1.4	2.5	(1.2)	1.2	1.3	(0.1)	1.2	1.3	(0.1)	-10%
Length of Stay:										
Acute	2.2	2.5	(0.3)	2.1	2.5	(0.4)	2.1	2.6	(0.4)	-17%
Swing Bed	-	-	-	-	-	-	-	-	-	0%
Total	2.2	2.5	(0.3)	2.1	2.5	(0.4)	2.1	2.6	(0.4)	-17%
Out-Patient										
Out-Patient Visits										
E/R Visits	656	684	(28)	5,918	6,078	(160)	5,918	5,844	74	1%
Observ admissions	45	40	5	406	353	53	406	355	51	14%
Lab Tests	6,641	6,858	(217)	60,307	60,930	(623)	60,307	58,822	1,485	3%
Radiology/CT/MRI Exams/M	1,730	1,752	(22)	15,457	15,568	(111)	15,457	14,332	1,125	8%
OR Cases	113	145	(32)	888	1,292	(404)	888	874	14	2%
Clinic Visits	1,922	2,278	(356)	17,662	20,242	(2,580)	17,662	16,423	1,239	8%
Spec. Clinic Visits	81	95	(14)	518	843	(325)	518	402	116	29%
Oncology Clinic Visits	94	99	(5)	945	882	63	945	967	(22)	-2%
Oncology/Infusion Patients	330	257	73	3,049	2,280	769	3,049	2,095	954	46%
EMS Transports	111	107	4	935	947	(12)	935	883	52	6%
Total	11,723	12,315	(592)	106,085	109,415	(3,330)	106,085	100,997	5,088	5%

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of September 30, 2025

		0-30 Days		31-60 Days		61-90 Days		91-120 Days		121-150 Days		151-180 Days		181+ Days		Total	Percent of Total	Accts sent to Collections	Page 6	
2	Medicare	\$	3,695,461	\$	375,419	\$	182,718	\$	68,502	\$	128,598	\$	33,814	\$	283,959	\$	4,768,471	37%		
3	Medicaid		558,720		127,732		42,632		25,292		40,457		13,536		262,387		1,070,756	8%		
4	Third Party		1,546,024		426,793		198,033		186,795		96,484		21,246		324,465		2,799,840	22%		
5	Self-Pay		322,988		398,897		397,461		407,699		375,044		250,086		2,028,329		4,180,504	33%		
Current Month Total		\$	6,123,193	\$	1,328,841	\$	820,844	\$	688,288	\$	640,583	\$	318,682	\$	2,899,140	\$	12,819,571	100%	156,271	
Pct of Total			48%		10%		6%		5%		5%		2%		23%		100%			
Aug-25 Pct of Total		\$	6,272,646	\$	1,806,115	\$	845,162	\$	730,191	\$	378,195	\$	476,017	\$	2,845,054	\$	13,353,380		182,898	
			47%		14%		6%		5%		3%		4%		21%		100%			
Jul-25 Pct of Total		\$	6,148,429	\$	1,343,970	\$	783,163	\$	448,955	\$	586,189	\$	578,471	\$	2,602,752	\$	12,534,286		202,285	
			49%		11%		6%		4%		5%		5%		21%		100%			
Jun-25 Pct of Total		\$	5,798,998	\$	1,423,088	\$	620,781	\$	640,656	\$	718,548	\$	480,775	\$	2,696,981	\$	12,379,827		426,234	
			47%		11%		5%		5%		6%		4%		22%		100%			
May-25 Pct of Total		\$	5,510,786	\$	1,134,338	\$	881,123	\$	782,446	\$	640,205	\$	450,511	\$	2,821,741	\$	12,221,150		205,702	
			45%		9%		7%		6%		5%		4%		23%		100%			
Apr-25 Pct of Total		\$	5,380,677	\$	1,531,216	\$	959,957	\$	852,535	\$	491,263	\$	632,503	\$	2,457,407	\$	12,305,558		239,686	
			44%		12%		8%		7%		4%		5%		20%		100%			
Mar-25 Pct of Total		\$	5,878,116	\$	1,431,709	\$	887,139	\$	553,759	\$	745,582	\$	497,247	\$	2,403,650	\$	12,397,202		289,678	
			47%		12%		7%		4%		6%		4%		19%		100%			
Feb-25 Pct of Total		\$	5,935,029	\$	1,445,312	\$	682,201	\$	898,763	\$	621,321	\$	308,121	\$	2,580,511	\$	12,471,258		149,150	
			48%		12%		5%		7%		5%		2%		21%		100%			
Jan-25 Pct of Total		\$	5,068,971	\$	1,305,124	\$	973,961	\$	777,031	\$	472,520	\$	378,367	\$	2,458,458	\$	11,434,432		331,283	
			44%		11%		9%		7%		4%		3%		22%		100%			
Dec-24 Pct of Total		\$	5,319,743	\$	1,598,544	\$	909,266	\$	579,703	\$	559,746	\$	384,342	\$	2,563,856	\$	11,915,200		312,505	
			45%		13%		8%		5%		5%		3%		22%		100%			
Nov-24 Pct of Total		\$	5,041,955	\$	942,675	\$	702,565	\$	632,660	\$	619,716	\$	376,424	\$	2,168,293	\$	10,484,288		223,749	
			48%		9%		7%		6%		6%		4%		21%		100%			
Oct-24 Pct of Total		\$	5,410,175	\$	1,342,098	\$	895,631	\$	514,484	\$	618,148	\$	364,283	\$	2,428,748	\$	11,573,567		114,647	
			47%		12%		8%		4%		5%		3%		21%		100%			
Sep-24 Pct of Total		\$	5,336,881	\$	1,545,826	\$	660,113	\$	801,160	\$	504,361	\$	385,052	\$	2,430,015	\$	11,663,408		166,526	
			46%		13%		6%		7%		4%		3%		21%		100%			
Aug-24 Pct of Total		\$	5,398,392	\$	1,267,909	\$	941,782	\$	562,535	\$	502,383	\$	410,323	\$	2,371,609	\$	11,454,933		255,891	
			47%		11%		8%		5%		4%		4%		21%		100%			
Jul-24 Pct of Total		\$	5,507,513	\$	1,647,105	\$	918,469	\$	644,364	\$	543,418	\$	410,560	\$	2,339,334	\$	12,010,764		185,572	
			46%		14%		8%		5%		5%		3%		19%		100%			
Jun-24 Pct of Total		\$	5,629,904	\$	1,537,357	\$	787,921	\$	717,968	\$	578,896	\$	459,480	\$	2,222,990	\$	11,934,516		305,775	
			47%		13%		7%		6%		5%		4%		19%		100%			
May-24 Pct of Total		\$	4,839,653	\$	1,099,638	\$	905,534	\$	690,343	\$	663,774	\$	338,675	\$	2,200,281	\$	10,737,898		401,030	
			45%		10%		8%		6%		6%		3%		20%		100%			

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of September 30, 2025

		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
	Apr-24 Pct of Total	\$ 4,505,943 40%	\$ 1,549,541 14%	\$ 1,079,814 10%	\$ 894,665 8%	\$ 562,615 5%	\$ 282,622 3%	\$ 2,280,611 20%	\$ 11,155,811 100%		284,663
	Mar-24 Pct of Total	\$ 5,059,591 44%	\$ 1,408,458 12%	\$ 1,082,949 9%	\$ 715,465 6%	\$ 485,454 4%	\$ 352,812 3%	\$ 2,341,176 20%	\$ 11,445,905 100%		305,544
	Feb-24 Pct of Total	\$ 4,965,411 45%	\$ 1,409,644 13%	\$ 782,310 7%	\$ 607,945 6%	\$ 488,055 4%	\$ 355,262 3%	\$ 2,382,519 22%	\$ 10,991,146 100%		407,438
	Jan-24 Pct of Total	\$ 5,317,052 48%	\$ 1,163,491 11%	\$ 819,931 7%	\$ 591,365 5%	\$ 478,430 4%	\$ 436,820 4%	\$ 2,215,766 20%	\$ 11,022,855 100%		367,168
	Dec-23 Pct of Total	\$ 4,828,604 45%	\$ 1,238,153 12%	\$ 729,575 7%	\$ 604,342 6%	\$ 617,616 6%	\$ 525,914 5%	\$ 2,209,207 21%	\$ 10,753,411 100%		202,845
	Nov-23 Pct of Total	\$ 5,041,955 48%	\$ 942,675 9%	\$ 702,565 7%	\$ 632,660 6%	\$ 619,716 6%	\$ 376,424 4%	\$ 2,168,293 21%	\$ 10,484,288 100%		223,749
	Oct-23 Pct of Total	\$ 5,276,718 49%	\$ 1,175,416 12%	\$ 781,816 8%	\$ 739,447 5%	\$ 494,084 4%	\$ 353,225 3%	\$ 2,101,803 19%	\$ 10,922,509 100%		209,769
	Sep-23 Pct of Total	\$ 5,357,429 49%	\$ 1,364,191 12%	\$ 829,226 8%	\$ 571,432 5%	\$ 437,907 4%	\$ 314,760 3%	\$ 2,112,322 19%	\$ 10,987,267 100%		161,484
	Aug-23 Pct of Total	\$ 5,791,813 52%	\$ 1,310,432 12%	\$ 705,237 6%	\$ 499,128 4%	\$ 347,251 3%	\$ 331,541 3%	\$ 2,188,265 20%	\$ 11,173,667 100%		294,367
	Jul-23 Pct of Total	\$ 5,195,855 47%	\$ 1,750,827 16%	\$ 922,811 8%	\$ 484,274 4%	\$ 416,696 4%	\$ 338,589 3%	\$ 1,881,363 17%	\$ 10,990,415 100%		262,515
	Jun-23 Pct of Total	\$ 5,512,522 50%	\$ 1,195,087 11%	\$ 537,000 5%	\$ 531,450 5%	\$ 583,696 5%	\$ 409,956 4%	\$ 2,213,524 20%	\$ 10,983,235 100%		169,493
12	Pct Settled (Current)		78.8%	54.6%	18.6%	12.3%	15.7%	-509.0%			
13	Pct Settled (Aug from July)		70.6%	37.1%	6.8%	15.8%	18.8%	-391.8%			
14	Pct Settled (July from Jun)		76.8%	45.0%	27.7%	8.5%	19.5%	-441.4%			
15	Pct Settled (Jun from May)		74.2%	45.3%	27.3%	8.2%	24.9%	-498.6%			
16	Pct Settled (May from Apr)		78.9%	42.5%	18.5%	24.9%	8.3%	-346.1%			

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Pagosa Springs Medical Center
Financial Forecast
Statement of Cash Flows

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REPORTS 4.a.vii.(a).

	Sep-25
Cash Flows from operating activities	
Change in net assets	161,201
Adjustments to reconcile net assets to net cash	
Depreciation and amortization	246,421
Patient accounts receivable	333,068
Accounts payable and wages payable	230,421
Accrued liabilities	43,596
Pre-paid assets	(54,348)
Deferred revenues	(35,842)
Other receivables	(6,903)
Reserve for third party settlement	1,826,087
Inventory	1,547
Net Cash Provided by (used in) operating activities	2,745,248
Cash Flows from investing activities	
Purchase of property and equipment	(14,050)
Work in progress	(230,134)
Proceeds from sale of equipment/(Loss)	-
Net Cash Provided by (used in) investing activities	(244,184)
Cash Flows from financing activities	
Principal payments on long-term debt	-
Proceeds from debt (funding from 2021 Bond)	-
Proceeds from PPP Short Term Loan	-
Recognize Amounts from Relief Fund	-
Payments/Proceeds from Medicare Accelerated Payment	-
Change in Prior Year Net Assets	-
Change in leases payable	(65,572)
Net Cash Provided by (used in) financing activities	(65,572)
Net Increase(Decrease) in Cash	2,435,492
Cash Beginning of Month	15,254,071
Cash End of Month	17,689,563

2025 Cash						
Month	Cash Goal	Actual Cash	Variance	% Collected	GL Non AR	Total
Jan-25	\$2,985,514.00	\$3,021,404.11	\$35,890.11	101.20%	\$ 104,376.51	\$3,125,780.62
Feb-25	\$2,789,945.00	\$2,668,349.02	(\$121,595.98)	95.64%	\$ 866,947.44	\$3,535,296.46
Mar-25	\$3,036,524.56	\$3,226,924.97	\$190,400.41	106.27%	\$ 211,079.88	\$3,438,004.85
Apr-25	\$4,114,692.00	\$3,052,129.72	(\$1,062,562.28)	74.18%	\$ 131,037.57	\$3,183,167.29
May-25	\$3,814,089.00	\$3,131,802.81	(\$682,286.19)	82.11%	\$ 131,526.67	\$3,263,329.48
Jun-25	\$3,065,726.00	\$3,047,978.04	(\$17,747.96)	99.42%	\$ 84,816.22	\$3,132,794.26
Jul-25	\$2,919,008.00	\$3,729,251.92	\$810,243.92	127.76%	\$ 185,041.45	\$3,914,293.37
Aug-25	\$3,361,773.00	\$3,127,406.32	(\$234,366.68)	93.03%	\$ 928,807.38	\$4,056,213.70
Sep-25	\$3,200,512.00	\$3,462,166.58	\$261,654.58	108.18%	\$ 2,714,558.94	\$6,176,725.52
Oct-25						
Nov-25						
Dec-25						
	\$29,287,783.56	\$28,467,413.49	(\$820,370.07)	97.20%	\$ 5,358,192.06	\$33,825,605.55

2024 Revenue				
Month	Revenue Goal	Actual Revenue	Variance	% Generated
Jan-25	\$ 7,424,679.00	\$ 6,551,119.00	\$ (873,560.00)	88.23%
Feb-25	\$ 7,032,100.00	\$ 6,973,780.00	\$ (58,320.00)	99.17%
Mar-25	\$ 7,275,008.00	\$ 7,809,899.00	\$ 534,891.00	107.35%
Apr-25	\$ 6,736,451.00	\$ 7,115,116.00	\$ 378,665.00	105.62%
May-25	\$ 7,267,806.00	\$ 7,265,575.00	\$ (2,231.00)	99.97%
Jun-25	\$ 7,435,036.00	\$ 7,359,212.84	\$ (75,823.16)	98.98%
Jul-25	\$ 7,748,271.00	\$ 8,591,694.00	\$ 843,423.00	110.89%
Aug-25	\$ 8,009,906.00	\$ 7,672,796.00	\$ (337,110.00)	95.79%
Sep-25	\$ 7,650,219.00	\$ 7,762,349.00	\$ 112,130.00	101.47%
Oct-25				
Nov-25				
Dec-25				
Totals	\$ 66,579,476.00	\$ 67,101,540.84	\$ 522,064.84	100.78%

UPPER SAN JUAN HEALTH SERVICE DISTRICT d/b/a

PAGOSA SPRINGS MEDICAL CENTER 2026 BUDGET



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2026 PSMC BUDGET OVERVIEW

In 2026, Pagosa Springs Medical Center (“PSMC”) will continue to offer hospital services, outpatient clinic services and EMS/ambulance services and an expansion of physical therapy, occupational therapy and pain management. PSMC’s goals for 2026 are set forth in PSMC’s Strategic Plan last approved by the Board of Directors in January 2024. The proposed budget positions PSMC to carry out the Strategic Plan and to pivot to meet unplanned demands.

Preparing the budget for PSMC always requires addressing a number of unknown variables. In planning the 2026 budget, we are finally seeing some trending happening to revenue since the pandemic. As we look back at 2025, PSMC spent a significant amount of money on contract labor due to the lack of staff; we continue to work diligently to hire full-time employees to replace the contract labor. We have had some hiring success in 2025 and we look forward to additional successes in 2026. We know PSMC will face many challenges in 2026, but we anticipate the greatest challenges will continue to be the cost of staffing resulting from both a nationwide shortage of healthcare workers, a lack of economical housing in Archuleta County and the recently passed “Big Beautiful Bill”.

BUDGET ASSUMPTIONS

With respect to **revenues**, PSMC makes the following 2026 budget assumptions:

- A Foundation transfer to PSMC of \$300,000 which represents funds raised for the remodel of the Emergency Room, as well as, additional capital requests.
- An average 13.59% increase in patient volume and an average 4% increase in prices.
- Anticipated increases in revenues include the following:
 - the Infusion Center due to steady growth;
 - pain management due to expansion of the service line;
 - surgery due the increased staffing of an additional orthopedic surgeon; pain management
 - respiratory due to the addition Pulmonary Function Test Equipment and a full-time Pulmonologist;
 - cardiology due to having onsite cardiology twice a month;
 - expansion of therapy services due to the MWB being open;

With respect to **expenses**, PSMC makes the following budget assumptions:

- PSMC’s largest expense continues to be labor.
 - The budget assumes a 3% increase in wages to employees without an employment agreement including the primary care providers.
 - A net increase of 9.03 FTEs.
- Increase (inflation) in costs for the following:
 - 5% in medications;
 - 4% for insurance;
 - 4% for employee health insurance plan;
 - 4% for utilities;
- We will continue to see increased costs needed to enhance our facilities.
- Other expense increases are department specific based on what projects are expected to be completed in 2026.

With respect to **capital replacement**, PSMC has a 5-year capital replacement plan and has prioritized items based upon remaining life and the Strategic Plan. The budget includes \$1,963,013 of capital expenditures in 2026 for capital needs of PSMC. As the facility and equipment age, the need for capital expenditures will continue to remain high over the next several years.

With all the additional expenses and grant income, we budgeted a bottom line of \$65,401.

POSITIONS

For 2026, the budget includes a net increase of 9.03 full-time equivalent employees (“FTEs”). The budget includes a specific report detailing FTEs by department and budget year together with the adjustments from 2025 to 2026.

METHODOLOGY IN PREPARING THE BUDGET

In preparing this budget, the CFO and Controller assessed sources of revenue, changes to expenses including changes in employees, and capital budget needs. To be certain the proposed budget is as accurate as possible, the CFO and Controller pulled the most current data for the period January 2025 through June 2025. With respect to employees, the finance team prepared a report of hours and rates of compensation for employees. Each manager/director met with the CFO or Controller at least once (in some circumstances several times) to adequately review the 2025 data and the expectations for 2026. The finance team developed a budget for every department and employee (including regular, overtime, paid time off, call pay, call back pay, sick, holiday and shift differential). Managers and Directors were responsible for reviewing the department/employee budgets and to assure accuracy in preparing PSMC’s budget.

The 2025 actual numbers are annualized (this means the computer system takes 6 months of actual revenues and expenses and (divides by 6 and then multiplies it by 12 months). We recognize that certain one-time or limited revenues and expenses are not accurate when *annualized*; therefore, on the revised income statement, we did not annualize the one-time or limited revenues and one-time expenses including the following: Taxes, Donations & Grants. PSMC uses an accrual basis for accounting.

Pagosa Springs Medical Center

Income Statement - - - Budget 2025

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	YTD Annualized 2025	Budget 2026	Difference to Annualized 2025	Variance Percent Annualized 2025
Revenue										
7 Total In-patient Revenue	5,483,013	5,176,747	5,657,241	5,112,198	2,831,537	1,777,059	2,123,856	2,832,522	708,666	33%
17 Total Out-patient Revenue	49,782,028	52,022,602	58,666,150	61,602,889	69,715,352	71,106,840	79,663,339	93,676,900	14,013,561	18%
18 Professional Fees	6,504,216	4,636,252	5,605,458	6,149,915	6,496,994	6,802,149	6,783,771	8,829,751	2,045,980	30%
20 Total Patient Revenue	61,769,257	61,835,601	69,928,849	72,865,002	79,043,883	79,686,048	88,570,966	105,339,173	16,768,207	19%
21 Revenue Deductions & Bad Debt										
22 Contractual Allowances	28,167,670	30,230,926	35,926,420	37,976,116	39,722,457	40,725,941	47,734,641	54,760,591	7,025,950	15%
23 Charity	746,437	282,686	619,176	438,363	295,833	329,694	524,350	500,000	(24,350)	-5%
24 Bad Debt	3,470,959	1,730,052	832,034	1,993,603	3,215,315	2,891,875	3,660,159	4,641,849	981,690	27%
25 Provider Fee & Other	(3,081,149)	(2,520,105)	(3,187,647)	(4,111,252)	(4,390,555)	(4,419,892)	(3,885,708)	(3,962,833)	(77,125)	2%
26 Total Revenue Deductions & Bad Debt	29,303,917	29,723,559	34,189,983	36,296,830	38,843,050	39,527,618	48,033,442	55,939,607	7,906,165	16%
27 Total Net Patient Revenue	32,465,340	32,112,042	35,738,866	36,568,172	40,200,833	40,158,430	40,537,524	49,399,566	8,862,042	22%
Operating Grants					131,346	2,046,701	866,088	229,594	(636,494)	-73%
30 Other Operating Income - Misc	2,333,037	2,113,048	1,895,091	1,869,844	957,601	2,324,891	1,638,406	1,472,900	(165,506)	-10%
30 Total Net Revenues	34,798,377	34,225,090	37,633,957	38,438,016	41,289,780	44,530,022	43,042,018	51,102,060	8,060,042	19%
Operating Expenses										
32 Salary & Wages	18,652,419	19,159,203	20,776,614	19,859,952	20,701,254	22,876,776	23,284,987	27,473,309	4,188,322	18%
33 Benefits	3,352,542	3,287,282	3,278,759	3,333,271	3,675,296	3,271,077	4,071,074	4,473,232	402,158	10%
35 Professional Fees/Contract Labor	307,381	349,923	590,251	3,325,486	2,188,916	2,331,198	2,083,694	1,608,285	(475,409)	-23%
36 Purchased Services	2,158,291	1,842,826	1,849,808	2,255,411	1,799,585	2,342,819	2,416,083	2,791,408	375,325	16%
37 Supplies	4,915,130	5,763,642	6,054,530	7,162,876	7,355,257	7,237,531	8,200,327	9,431,038	1,230,711	15%
38 Rent & Leases	519,305	438,281	451,270	158,385	146,380	194,856	354,036	247,803	(106,233)	-30%
39 Repairs & Maintenance	538,505	549,091	539,480	635,370	573,362	857,539	621,766	827,352	205,586	33%
40 Utilities	470,669	361,183	430,349	495,971	530,836	461,641	477,305	562,969	85,663	18%
41 Insurance	313,792	327,437	339,605	434,406	476,946	439,669	459,283	486,863	27,580	6%
42 Depreciation & Amortization	1,858,800	1,774,630	1,802,311	2,012,426	2,575,260	2,642,502	2,727,655	3,095,430	367,775	13%
43 Interest	1,094,344	1,051,867	976,848	925,535	1,334,161	1,315,871	1,260,300	1,177,759	(82,542)	-7%
44 Other	1,356,457	1,561,457	2,113,249	1,473,388	1,831,931	1,736,100	1,885,863	2,087,481	201,617	11%
45 Total Operating Expenses	35,537,635	36,466,822	39,203,074	42,072,477	43,189,184	45,707,579	47,842,373	54,262,927	6,420,554	13%
46 Operating Revenue Less Expenses	(739,258)	(2,241,732)	(1,569,117)	(3,634,461)	(1,899,404)	(1,177,557)	(4,800,355)	(3,160,867)	1,639,488	-34%
47 Non-Operating Income										
48 Grants	89,852	1,448,642	895,277	116,329	-	-	-	-	-	0%
49 Interest Income	93,383	71,033	31,470	96,025	617,632	751,017	605,275	600,000	(5,275)	-1%
50 HHS Stimulus Other Revenue	-	1,157,026	4,225,159	-	-	-	-	-	-	0%
51 COVID PPP Loan Forgiveness	-	-	3,740,044	-	-	-	-	-	-	0%
52 Tax Revenue	1,228,832	1,371,862	1,434,731	1,585,008	1,638,939	2,625,996	2,241,009	2,326,268	85,259	4%
53 Donations	515,811	316,527	-	453,412	-	825,000	750,559	300,000	(450,559)	-60%
54 Total Non-Operating Income	1,927,878	4,365,090	10,326,681	2,250,774	2,256,571	4,202,013	3,596,843	3,226,268	(370,575)	-10%
55 Total Revenue Less Total Expenses	1,188,620	2,123,358	8,757,564	(1,383,687)	357,167	3,024,456	(1,203,512)	65,401	1,268,913	-105%

**Pagosa Springs Medical Center
Budget Cash Flow Statement
Budget Year 2026**

**Budget
2026**

Net Revenue Collections		49,399,566
Grants		229,594
Other Income (1)		1,472,900
Interest Income		600,000
HSS Stimulus Other Revenue		
Mill Levy		2,326,268
Donations		300,000
Total Collections	\$	54,328,328

Expenses Less Depr		51,167,497
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Bond/Leaseback Principal Payments	\$	1,670,747
Capital Outlay (2)	\$	1,963,013

Total Outlay	\$	54,801,257
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Net increase(decrease) in Cash	\$	(472,929)
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Beginning Cash		12,661,085
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Ending Cash	\$	12,188,156
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(1) Other income includes 340B revenue, cafeteria revenue and other misc revenue.

(2) Capital Outlay includes \$1,963,013 for capital. (Of which 150,000 is covered by grant income or the foundation.)

Pagosa Springs Medical Center
FTE Budget
Budget Year 2026

Dept	Dept Name	2017 Budget FTE	2018 Budget FTE	2019 Budget FTE	2020 Budget FTE	2021 Budget FTE	2022 Budget FTE	2023 Budget FTE	2024 Budget FTE	2025 Budget FTE	2026 Budget FTE	Variance	Percent
600 Total	Med Surg	10.40	10.50	10.70	14.31	11.32	11.93	10.85	10.28	9.06	10.68	1.62	15.17%
610 Total	ER	9.90	9.90	9.60	9.77	9.74	9.88	10.60	10.66	10.33	11.37	1.04	9.15%
615 Total	ER Physicians	4.40	4.40	4.50	4.56	4.21	4.21	4.33	4.20	4.20	4.33	0.13	3.00%
700 Total	Lab	9.60	9.70	10.50	9.87	9.28	8.56	9.30	10.17	11.04	10.32	(0.72)	-6.98%
710 Total	Radiology	4.80	4.80	4.60	8.51	8.99	9.95	10.59	10.21	10.50	10.72	0.22	2.05%
720 Total	Pharmacy	3.60	3.60	2.90	2.90	3.00	3.03	3.30	3.40	3.64	3.48	(0.16)	-4.60%
721 Total	Infusion	1.00	1.00	1.50	0.90	3.65	3.60	3.05	2.72	1.91	3.00	1.09	36.33%
722 Total	Cardiopulmonary	1.00	1.00	2.00	2.10	2.01	2.10	1.87	2.08	3.04	2.46	(0.58)	-23.58%
725 Total	Physical Therapy	1.00	1.00	1.10	1.29	1.24	1.66	1.48	2.84	3.83	4.21	0.38	9.03%
726 Total	Speech	-	-	-	0.02	0.02	0.01	-	0.01	-	-	-	0.00%
727 Total	Occ Therapy	-	-	-	-	-	-	-	-	-	1.00	1.00	100.00%
728 Total	Cardiology	0.80	0.80	1.00	0.02	0.08	0.05	1.00	-	-	0.93	0.93	100.00%
729 Total	Oncology	-	3.60	5.00	5.81	4.53	4.74	4.68	4.24	4.06	4.14	0.08	1.93%
730 Total	Central Supply	2.10	2.10	3.00	3.01	2.51	2.47	1.73	1.70	1.83	1.81	(0.02)	-1.10%
731 Total	Biomedical	0.90	0.90	1.20	1.17	1.18	1.18	0.22	0.31	0.33	0.43	0.10	23.26%
740 Total	Dietary	6.40	6.40	6.90	7.07	6.40	7.14	6.81	7.50	8.00	6.98	(1.02)	-14.61%
760 Total	OR	9.00	9.10	9.50	8.47	8.69	8.69	8.55	9.24	11.02	11.04	0.02	0.18%
761 Total	Recovery	4.00	4.00	4.00	4.26	3.07	3.50	4.00	3.75	3.36	3.40	0.04	1.18%
762 Total	Anesthesia	1.30	1.30	1.50	2.00	2.00	1.54	1.89	1.04	1.19	1.40	0.21	15.00%
763 Total	OR Physician	1.00	1.00	1.00	0.94	1.00	1.04	0.93	1.19	1.84	1.29	(0.55)	-42.64%
7625 Total	Pain Management	-	-	-	-	-	-	-	0.31	0.30	0.70	0.40	57.14%
7640 Total	Health in Motion	-	-	-	-	-	-	-	-	2.28	1.90	(0.38)	-20.00%
765 Total	Specialty Clinic	1.10	1.10	2.00	2.50	1.79	-	1.00	1.00	1.00	1.00	-	0.00%
790 Total	Ambulance	27.60	27.60	26.10	26.43	26.74	29.18	30.59	31.05	33.72	34.04	0.32	0.94%
791 Total	RHC	35.80	35.80	36.20	29.42	31.29	32.83	32.68	32.63	34.38	33.68	(0.70)	-2.08%
792 Total	EMS Training	0.60	0.60	0.60	0.57	0.39	-	0.37	0.50	0.50	1.45	0.95	65.52%
793 Total	Hospitalist	2.20	2.30	2.00	1.86	2.06	2.24	2.13	2.02	1.75	2.09	0.34	16.27%
794 Total	RHC Providers	6.50	8.50	7.40	10.52	11.66	12.47	13.11	12.49	12.32	13.36	1.04	7.78%
800 Total	Administration	4.20	4.20	4.10	4.18	5.00	5.10	5.17	5.11	4.90	3.97	(0.93)	-23.43%
801 Total	Quality	3.80	3.80	1.00	1.51	1.00	2.75	2.19	2.31	2.30	2.19	(0.11)	-5.02%
802 Total	Infection Control	-	-	-	0.50	1.00	1.00	2.00	0.60	1.06	1.75	0.69	39.43%
803 Total	Informatics	5.10	5.10	5.10	4.11	4.40	2.50	3.81	2.50	3.66	2.66	(1.00)	-37.59%
806 Total	Compliance	1.70	1.70	1.80	1.75	1.75	1.35	1.41	1.46	3.02	3.50	0.48	13.71%
809 Total	Nursing Admin	1.10	1.10	2.00	1.02	1.01	1.02	1.01	1.00	2.00	2.01	0.01	0.50%
810 Total	Medical Staff Office	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	0.00%
815 Total	Human Resources	2.00	2.00	2.00	1.70	2.79	2.84	2.00	2.43	2.03	3.15	1.12	35.56%
820 Total	Plant Operations	3.40	3.40	3.60	3.48	5.46	4.87	5.25	6.58	5.09	6.94	1.85	26.66%
825 Total	Housekeeping	9.10	9.10	10.00	9.25	10.16	11.02	9.44	9.33	8.95	8.95	-	0.00%
830 Total	Accounting	7.30	7.30	5.00	4.03	4.02	4.00	3.81	3.27	2.76	3.01	0.25	8.31%
835 Total	Registration	28.50	28.50	26.10	19.20	16.43	12.39	10.34	10.77	10.94	12.28	1.34	10.91%
840 Total	Medical Records	8.70	8.70	6.20	4.00	3.01	3.51	4.14	6.22	4.97	6.00	1.03	17.17%
845 Total	Business Office	12.10	12.10	14.10	13.31	14.05	14.01	13.94	16.54	17.62	16.50	(1.12)	-6.79%
846 Total	Pre-Service	-	-	-	-	-	7.60	9.64	7.27	5.08	5.00	(0.08)	-1.60%
850 Total	IT	-	-	-	2.06	2.01	3.00	3.10	4.23	3.81	3.54	(0.27)	-7.63%
861 Total	Fundraising	-	-	0.30	0.72	1.00	0.50	0.83	0.50	0.50	0.50	-	0.00%
862 Total	Community Relations	-	-	2.30	2.55	1.07	2.78	1.17	1.52	1.51	1.50	(0.01)	-0.67%
Grand Total		234.00	240.00	240.40	233.65	233.01	244.24	246.31	249.18	257.63	266.66	9.03	3.76%

**Pagosa Springs Medical Center
Summary of Lease Agreements
Budget Year 2026**

	Budget 2026	Outstanding Balance
Lease Purchase Agreements		
Lease Purchase for Real Estate (COP)	\$ 130,000	\$ 1,665,000
Lease Purchase for Non Real Estate	<u>\$ 830,747</u>	<u>\$ 3,773,787</u>
 Total Lease Purchase Agreements	 \$ 960,747	 \$ 5,438,787

* No optional renewal terms available

**Upper San Juan Health Service District
Debt Service Coverage Ratio
Budget 2026**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 YTD*	2026 Budget
Total Revenue Less Total Expenses	\$ 2,123,358	\$ 8,757,564	\$ (1,383,687)	\$ 357,167	\$ 3,024,456	\$ 440,748	\$ 65,401
Less: Existing Capital Leases	\$ (204,342)	\$ (181,460)	\$ (77,586)	\$ (734,152)	\$ (785,142)	\$ (810,416)	\$ (854,665)
Less: 2022 Lease Purchase	\$ -	\$ -	\$ (27,140)	\$ (125,000)	\$ (130,000)	\$ (130,000)	\$ (130,000)
Less: Property Tax	\$ (1,405,122)	\$ (1,434,731)	\$ (1,585,008)	\$ (1,528,277)	\$ (2,625,996)	\$ (2,137,319)	\$ (2,326,268)
Less: CARES ACT Provider Relief Funds	\$ (1,234,026)	\$ (4,225,159)	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Loan Forgiveness for PPP	\$ -	\$ (3,740,044)	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Depreciation	\$ 1,793,074	\$ 1,802,311	\$ 2,012,426	\$ 2,575,260	\$ 2,624,994	\$ 1,591,132	\$ 3,095,430
Plus: Interest	\$ 947,263	\$ 976,848	\$ 925,535	\$ 1,334,161	\$ 1,315,871	\$ 735,175	\$ 1,177,759
Revenue Available for 2016 Bonds and Capital Leases	<u>\$ 2,020,205</u>	<u>\$ 1,955,329</u>	<u>\$ (135,460)</u>	<u>\$ 1,879,159</u>	<u>\$ 3,424,183</u>	<u>\$ (310,680)</u>	<u>\$ 1,027,657</u>
Series 2016 Bonds	\$ 827,131	\$ 824,943	\$ 824,081	\$ 701,313	\$ 699,481	\$ 696,925	\$ 699,125
Debt Service Coverage (1.35 Requirement)	2.44	2.37	(0.16)	2.68	4.90	td at end of year	1.47

* 2025 includes all lease payments for the year and only the revenue through July 2025.

Pagosa Springs Medical Center
Capital Budget 2026
Capital Replacement Plan 2026 Thru 2030

Dept	Item	Budget Cost	Year Purchase	Useful Life
Ambulance	Stryker Powerload	31,325.72	2026	Power load for the new ambulance coming in 2027
Ambulance	Stryker PowerCot	35,628.37	2026	Power Cot for the new ambulance coming in 2027
Ambulance	Bay Doors X 2	14,000.00	2026	New Bay Doors
Emergency Room	Venue Ultrasound	22,800.00	2026	Replacing the Sparq
Emergency Room	Stryker Big Wheel Stretchers (2) with bed scale	20,455.46	2026	Two Stryker stretchers with scales
Facilities	Re-work the drain in front of the clinic by the stairwell	6,950.00	2026	The drain is in the wrong place and the parking lot does not drain properly.
Facilities	Hospital Exterior Stucco Repair	18,726.00	2026	Repair and Replacement of damaged stucco on the hospital building.
Facilities	EMS Generator	15,000.00	2026	Generator for the EMS building
Facilities	EMS Exterior Repair	20,000.00	2026	Complete the exterior repairs for the EMS building
Facilities	Campus Monument Sign	100,000.00	2026	Campus Monument Sign
Facilities	ED Nurses Station Remodel	347,388.00	2026	Change the flooring and cabinetry at the nurse station
Facilities	Temperature controled room for vacuum compressors	6,650.00	2026	Self-Explanatory
Facilities	Hospital Roof Replacement	300,000.00	2026	Hospital Roof Replacement
Facilities	Imaging Control Room Remodel	7,000.00	2026	Counters need to be replaced due to infection control issue.
Facilities	Dody Cassidy Remodel	500,000.00	2026	
Facilities	Space Modifications for Staff	20,000.00	2026	
Facilities	ATS Panel Replacement	24,446.29	2026	
Facilities	MRI Generator and Hookup	75,000.00	2026	
IT	Host server Replacement	90,000.00	2026	The current ESXi Hosts are end of life and need to be replaced. This houses all of our crtical virtual machines. For example domain controllers, shared drive, security platforms.
IT	Clinic Replacement Switch	20,000.00	2026	Neet to replace the Rural Health Clinic Switch Stack to a supported Cisco Model.
Lab	Sysmex XN-L	29,819.28	2026	
Med/Surg	Nurse Call Replacement System	137,612.00	2026	Replace an aged out system
Med/Surg	Blanket Warmer	7,135.38	2026	This is the original blanket warmer - out of warranty and has been fixed many times
Med/Surg	Sara Flex	8,425.93	2026	This allows us to assist high fall risk patients out of bed with only one staff member
Med/Surg	Alaris Pumps	170,000.00	2026	This is an estimate and will cover the costs of all pumps in the house.
Med/Surg	MS Beds	12,130.60	2026	Two med/Surg beds
PT	Leg Press - Shuttle MVP Classic	8,100.00	2026	Controlled Progressive Resistance
Surgery	Styker SPY-PHI	173,389.04	3rd	
Surgery	Stryker Tower (2nd)	204,803.42	4th quarter vs. 2027	2nd stryker tower added to Flex Financial Lease so that we have a backup tower as well as making it possible to run 2 rooms with laparoscopy/arthrscopy needs
Surgery	PACU stretcher x2	18,206.24	2nd	End of life.
Surgery	CCE PACU (new bays in old procedure room)- Cerner interfa	15,000.00	1st	Interface an 2 additional PACU bays.
Surgery	Stryker Linear Reduction Clamp (ortho)	16,650.00	2nd	Dr. Webb instrumentation request.
Surgery	Stryker distal femur plates (titanium) Axos and Pangea TIA	105,000.00	2nd	Required update from stainless to titanium- which most hospitals and provider have already done. The current Axio system will be phased out next year.
Surgery	Orthopedic arm assist (Spyder S&N, Stryker, <i>Athrex</i> ?)	20,295.00	4th	orthopedic arm for Steed shoulders

	1,963,013.18
Dola Grant - ED Remodel	150,000.00
	1,813,013.18

**Pagosa Springs Medical Center
Income Statement Trend
Beginning Year 2007**

	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Audited 2016	Audited 2017	Audited 2018
Revenues												
Net patient services revenues	766,000	2,515,292	5,713,271	6,762,264	9,368,276	11,437,440	13,481,928	18,845,122	23,399,160	25,028,794	25,251,644	31,220,161
Adjustments		-	-	-	-	-	-	-	-	-	-	-
% Adjustments		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net patient services revenues	766,033	2,515,292	5,713,271	6,762,264	9,368,276	11,437,440	13,481,928	18,845,122	23,399,160	25,028,794	25,251,644	31,220,161
Other operating income	458	21,188	-	-	-	-	399,502	579,897	766,829	1,511,367	2,238,670	2,497,659
Operating Grants	-	-	-	-	-	-	-	-	-	48,243	283,937	-
Provider fee			291,337	745,074	719,259	930,209	673,745	640,040	1,522,232	1,427,441	2,327,092	-
Total net revenues	766,491	2,536,480	6,004,608	7,507,338	10,087,535	12,367,649	14,555,175	20,065,059	25,688,221	28,015,845	30,101,343	33,717,820
Expenses												
Salaries	956,744	2,626,407	3,208,348	4,584,330	6,323,422	7,766,122	7,845,336	12,421,522	15,506,630	18,155,002	19,065,512	18,782,081
Benefits	-	-	-	-	-	-	1,626,734	-	-	-	-	3,215,781
Purchases services and other	304,414	1,380,360	1,936,540	1,834,373	2,498,299	2,879,184	3,919,904	4,419,085	4,470,453	4,622,634	5,040,144	2,384,199
Supplies	30,846	576,910	697,401	902,471	1,016,375	1,300,489	1,502,030	2,142,305	3,292,955	3,348,532	3,794,427	4,128,476
Utilities	-	-	-	-	-	-	274,713	359,367	389,023	403,056	432,532	407,364
Insurance	38,719	100,262	94,013	119,530	161,869	176,411	133,069	166,717	191,606	248,247	235,170	180,801
Interest	310,976	561,243	545,981	542,606	552,625	551,721	595,022	595,011	653,429	907,271	840,024	988,821
Other	38,539	136,975	184,757	233,462	246,903	248,370	-	-	-	-	-	2,734,883
Depreciation and amortization	163,327	625,898	636,945	723,126	943,618	992,394	903,347	1,326,065	1,463,115	1,448,010	1,988,458	2,343,494
Total expenses	1,843,565	6,008,055	7,303,985	8,939,898	11,743,111	13,914,691	16,800,155	21,430,072	25,967,211	29,132,752	31,396,267	35,165,900
Operating income (loss)	(1,077,074)	(3,471,575)	(1,299,377)	(1,432,560)	(1,655,576)	(1,547,042)	(2,244,980)	(1,365,013)	(278,990)	(1,116,907)	(1,294,924)	(1,448,080)
	-58.42%	-57.78%	-17.79%	-16.02%	-14.10%	-11.12%	-13.36%	-6.37%	-1.07%	-3.83%	-4.12%	-4.12%
Non-operating revenues												
Property taxes	1,104,365	1,514,754	1,536,256	1,682,556	1,681,937	1,319,593	1,299,227	1,106,311	1,122,124	1,144,735	1,171,890	1,251,238
Investment income	371,233	42,159	16,593	2,886	1,162	2,171	4,636	2,278	6,072	13,910	32,681	60,383
Non-Operating Grants	750,112	55,912	229,993	434,502	374,307	327,936	654,272	894,343	324,605	1,727,736	355,875	488,472
Provider Relief Funds	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Protection	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	1,420	1,072,841	(25,825)	96,750	1,246	73,712	451,397	146,658	579,698	1,114,864	515,235	-
Total non-operating revenues	2,227,130	2,685,666	1,757,017	2,216,694	2,058,652	1,723,412	2,409,532	2,149,590	2,032,499	4,001,245	2,075,681	1,800,093
Excess of revenues over (under) expenses	1,150,056	(785,909)	457,640	784,134	403,076	176,370	164,552	784,577	1,753,509	2,884,338	780,757	352,013

**Pagosa Springs Medical Center
Income Statement Trend
Beginning Year 2007**

	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	YTD Annualized 2025	Budget 2026
Revenues								
Net patient services revenues	32,584,951	32,142,883	35,738,866	36,754,300	40,200,833	39,314,930	40,537,524	49,399,566
Adjustments								
% Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Net patient services revenues	32,584,951	32,142,883	35,738,866	36,754,300	40,200,833	39,314,930	40,537,524	49,399,566
Other operating income	2,213,690	2,004,440	1,628,982	1,005,327	957,601	2,180,210	1,638,406	1,472,900
Operating Grants	-	181,058	266,109	-	131,346	314,592	866,088	229,594
Provider fee	-	-	-	-	-	-		
Total net revenues	34,798,641	34,328,381	37,633,957	37,759,627	41,289,780	41,809,732	43,042,018	51,102,060
Expenses								
Salaries	18,652,426	19,159,427	20,776,614	19,859,948	20,701,254	22,876,781	23,284,987	27,473,309
Benefits	3,333,964	3,281,742	3,278,759	3,281,255	3,675,296	3,234,219	4,071,074	4,473,232
Purchases services and other	2,414,581	2,142,812	2,440,059	5,521,990	3,988,501	4,586,099	4,499,777	4,399,693
Supplies	4,915,129	5,795,916	6,054,530	7,176,600	7,355,257	7,292,025	8,200,327	9,431,038
Utilities	470,670	361,181	430,349	495,971	530,836	461,574	477,305	562,969
Insurance	313,793	327,437	339,605	456,879	476,946	439,669	459,283	486,863
Interest	1,014,962	947,263	976,848	764,111	1,334,161	1,133,011	1,260,300	1,177,759
Other	2,578,391	2,690,463	3,103,999	2,428,585	2,551,673	2,980,065	2,861,665	3,162,636
Depreciation and amortization	1,877,244	1,793,074	1,802,311	2,078,524	2,575,260	2,709,092	2,727,655	3,095,430
Total expenses	35,571,160	36,499,315	39,203,074	42,063,863	43,189,184	45,712,535	47,842,373	54,262,927
Operating income (loss)	(772,519)	(2,170,934)	(1,569,117)	(4,304,236)	(1,899,404)	(3,902,803)	(4,800,355)	(3,160,867)
	-2.17%	-5.95%	-4.00%	-10.23%	-4.40%	-8.54%	-10.03%	-5.83%
Non-operating revenues								
Property taxes	1,262,092	1,405,122	1,434,731	1,585,008	1,638,939	2,625,996	2,241,009	2,326,268
Investment income	93,383	71,033	31,470	96,025	617,632	751,017	605,275	600,000
Non-Operating Grants	605,664	1,584,111	895,277	569,741	-	-	-	-
Provider Relief Funds	-	1,234,026	4,225,159	669,775	-	-	-	-
Payroll Protection	-	-	3,740,044	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	2,557,108	750,559	300,000
Total non-operating revenues	1,961,139	4,294,292	10,326,681	2,920,549	2,256,571	5,934,121	3,596,843	3,226,268
Excess of revenues over (under) expenses	1,188,620	2,123,358	8,757,564	(1,383,687)	357,167	2,031,318	(1,203,512)	65,401

Upper San Juan Health Service District
Resolution 2025-13 to Adopt the Budget for 2026

UPPER SAN JUAN HEALTH SERVICE DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER
RESOLUTION (No. 2025-13) TO ADOPT BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2026 AND ENDING ON THE LAST DAY OF DECEMBER 2026.

WHEREAS, the Board of Directors of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center (“USJHSD” or “District”) has appointed its Chief Executive Officer to prepare and timely submit a proposed 2026 budget; and

WHEREAS, the Chief Executive Officer has caused a proposed 2026 budget to be submitted to the USJHSD Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law on September 25, 2025, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 9, 2025 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with the terms, limitations and exemptions of laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from fund balances so that the budget remains in balance, as required by C.R.S. Section 29-1-101, *et seq.*

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Upper San Juan Health Service District:

1. The 2026 budgeted revenues and expenditures for each fund are as follows:

FUND	REVENUES	EXPENDITURES
General Fund	\$52,002,060 ¹	\$51,936,659
General Property Tax	\$2,326,268	\$2,326,268
Debt Service Fund	\$0	\$0
Fund Balance - for contingency and/or emergency	\$16,810,832 ²	\$16,810,832
TOTAL	\$71,139,160	\$71,073,759

¹ Total net revenues \$51,102,060, interest income of \$600,000, donations \$300,000.

² September 30, 2025 Balance Sheet total cash balance less restricted debt service reserve of \$878,731.

Upper San Juan Health Service District
Resolution 2025-13 to Adopt the Budget for 2026

2. That the budget be, and the same hereby is, approved and adopted as the budget of the Upper San Juan Health Service District for its 2026 fiscal year.
3. That the budget, as hereby approved and adopted, shall be signed by the Chair of the Board of the District and made a part of the public records of the District.

Upper San Juan Health Service District

Kate Alfred, as Chair of the USJHSD Board

Date

DISTRICT SEAL

Attest:

Antoinette Martinez, Clerk to the USJHSD Board

Date

Upper San Juan Health Service District
Resolution 2025-14 to Appropriate Sums of Money

UPPER SAN JUAN HEALTH SERVICE DISTRICT
RESOLUTION (No. 2025-14) TO APPROPRIATE SUMS OF MONEY

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE 2026 BUDGET YEAR.

WHEREAS, on October 28, 2025, the Board of Directors of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (“USJHSD” or “District”) adopted, in accordance with the Colorado local government budget law, the 2026 annual budget; and

WHEREAS, the Board of Directors of USJHSD has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and beginning fund balances provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of USJHSD.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Upper San Juan Health Service District that the following sums are hereby appropriated from the revenues and beginning fund balance of each fund as follows:

FUND	EXPENDITURES
General Fund	\$51,936,659
General Property Tax	\$2,326,268
Debt Service Fund	\$0
Fund Balance - Contingency and/or Emergency	\$16,810,832
TOTAL	\$71,073,759

Upper San Juan Health Service District

Kate Alfred, as Chair of the USJHSD Board

Date

DISTRICT SEAL

Attest:

Antoinette Martinez, Clerk to the USJHSD Board

Date

Upper San Juan Health Service District
Resolution 2025-15 to Set Mill Levies

UPPER SAN JUAN HEALTH SERVICE DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER
RESOLUTION (No. 2025-15) TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2026 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE 2026 BUDGET YEAR.

WHEREAS, on October 28, 2025, the Board of Directors of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (“USJHSD” or “District”) adopted, in accordance with the Colorado local government budget law, the 2026 annual budget; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$2,326,268; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$0; and

WHEREAS, the 2025 valuation for assessment for the District, as certified by the Assessors of Archuleta, Hinsdale and Mineral Counties, is \$596,077,772;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of USJHSD:

1. That for the purposes of meeting all general operating expenses of USJHSD during the 2026 budget year, there is hereby levied a tax of 3.884 mills upon each dollar of the total valuation for assessment of all 2026 taxable property within USJHSD, to raise \$2,326,268 in revenue.
2. That for the purposes of meeting all debt service expenses of USJHSD during the 2026 budget year, there is hereby levied a tax of 0.0 mills upon each dollar of the total valuation for assessment of all 2026 taxable property within USJHSD, to raise \$0 in revenue.
3. That the Chair, Vice-Chair or Treasurer of USJHSD is hereby authorized and directed, to immediately certify to the County Commissioners of Archuleta, Hinsdale and Mineral Counties, Colorado, the mill levy for the District as hereinabove determined and set.

Upper San Juan Health Service District

Kate Alfred, as Chair of the USJHSD Board

Date

DISTRICT SEAL

Attest:

Antoinette Martinez, Clerk to the USJHSD Board

Date

Upper San Juan Health Service District
Resolution 2025-15 to Set Mill Levies

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VALUATION AND TAX REVENUES OF ARCHULETA, HINSDALE, AND MINERAL
COUNTIES, AS APPLICABLE]



MINUTES OF REGULAR BOARD MEETING
Thursday, October 09, 2025, at 5:00 PM
The Board Room
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors (the “Board”) of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (“PSMC”) held its Regular Board Meeting - Budget Public Hearing on October 9, 2025, at PSMC, Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Teams video communications.

Directors Present: Vice Chair Matthew Mees, Treasurer Mark Floyd, Director Wayne Hooper, Director Erik Foss, Director Ashley Wilson

Directors Absent: Chair Kate Alfred, Director Gwen Taylor

Present via Teams: None

Present via telephone: None

1) CALL TO ORDER

- a) Call for quorum: Vice Chair Matthew Mees called the meeting to order at 5:00 p.m. MDT and Clerk to the Board, Antoinette Martinez, recorded the minutes. A quorum of directors was present and acknowledged. (Note: Director Ashley Willson joined the meeting at 5:07 pm. Director Ashley Wilson left the meeting at 5:45 pm).
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: None.
- c) Approval of the Agenda: Director Wayne Hooper motioned to approve the agenda with no changes. Treasurer Mark Floyd seconded the motion; the Board unanimously approved the agenda.

2) PUBLIC COMMENT

None

3) PUBLIC HEARING ON THE PROPOSED 2026 BUDGET

- a) Open the Public Hearing on the proposed 2026 budget: ***Hearing Opened at 5:01 pm by Vice Chair Matthew Mees***
 - i) Draft 2026 budget (assumptions, income statement and capital) presented by Chelle Keplinger.
 - ii) Questions/comments of the Board asked and answered.
 - iii) Questions/comments of the public – there were none.
- b) Close the Public Hearing (Note: The Board’s decision on the budget is anticipated to be made as early as the Board’s meeting on October 28, 2025). ***Hearing Closed at 5:35 pm by Vice Chair Matthew Mees.***

PSMC’s Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

4) **REPORTS**

a) Oral Reports

- i) Chair Report
 - No Report
- ii) CEO Report
 - No Report
- iii) Executive Committee
 - No Report
- iv) Foundation Board
 - No Report

v) Facilities Committee

The Facilities Committee met on September 16, 2025. Vice Chair Matthew Mees summarized the written report in the Board Packet highlighting key updates on the Sterile Processing Renovation and the Reverse Osmosis System. His overview detailed the respective scopes of work assigned to NUNN Construction and PSMC. Questions asked and answered.

vi) Strategic Planning Committee Report

The Strategic Planning Committee met on September 16, 2025. Treasurer Mark Floyd summarized the written report in the Board Packet including a presentation by CNO Dan Davis on the possibility of expanding the existing Pulmonology Service Line to include Pulmonary Rehab. Treasurer Floyd also discussed 911 Dispatch restructuring stating the committee recommends obtaining a full accounting from the county. Questions asked and answered.

vii) Finance Committee Report

CFO, Chelle Keplinger, presented and discussed financials for August 2025. Questions asked and answered.

b) Written Reports

- i) Medical Staff Report – Chief of Staff, Dr. Corinne Reed, MD.

5) **EXECUTIVE SESSION**

None

6) **DECISION AGENDA**

- a) No Decision items

7) **CONSENT AGENDA**

Director Erik Foss motioned to approve the consent agenda (approval of Board member absences, approval of the regular meeting minutes of 08/26/2025, and the Medical Staff report recommendations for revised policy and new or renewal of provider privileges). Motion was seconded by Director Wayne Hooper, and the Board unanimously approved said consent agenda items.

PSMC's Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

8) OTHER BUSINESS

Vice Chair Matthew Mees reminded the Board Members the next regular Board Meeting will be on October 28, 2025, at 5:00 pm. The November Board Meeting will be on November 18, 2025, at 5:00 pm, and the December Board Meeting will be December 16, 2025.

9) ADJOURN

There being no further business, Vice Chair Matthew Mees adjourned the regular meeting at 5:52 p.m. MDT.

Respectfully submitted by:

Antoinette Martinez, serving as Clerk to the Board