Board Finance and Compliance Committee
8:00 – 9:00 a.m.
virtual
August 27, 2026

Minutes

Topic	***Presenters***	***Purpose***
Call to Order	**Justin Gullekson**	
Justin Gullekson called the meeting to order at 8:01 a.m.		
Financial Update	**Ben Stevens**	**Information**

Ben reported that the June audit went well. No major findings were identified; the only noted item was a balance-sheet offsetting entry, with no income-statement findings.

Gross patient revenue was approximately $52,000 above budget, with radiology exactly matching the budgeted 2,310 images. Net patient revenue was approximately $170,000 below budget, while other operating revenue was about $35,000 below budget, primarily because of 340B dollars loss. 340B contracts have been terminated and will not impact financials starting in September. PTO balances declined by approximately 2,800 hours during the month. Pharmacy expenses exceeded budget by about $206,000 but were offset by approximately $350,000 of additional pharmacy revenue. The bottom line was approximately $327,000 negative compared with a budgeted loss of $255,000, a variance of roughly $72,000. Ben noted that operating income was only about $26,000 off budget for the first month of the fiscal year. Charity care was approximately $132,000 over budget. Ben identified roughly $60,000 related to two large balances written off as charity care because the patients had died without probate estates. Ben's team is reviewing annual reports to separate no-probate and bankruptcy categories and determine whether July was an unusual month or part of a recurring pattern.

Cash increased after the organization received the final Medicaid directed-payment receipt of $1.8 million and collected $10.8 million from patients in July, compared with a typical monthly range of approximately $9 million to $9.5 million. Ben reported that Foundation funds were used to reduce a bank loan to approximately $700,000 and anticipated paying it off before the end of the calendar year.

Ben plans to include the budget spread in the board packet and explain expected timing for grants, revenue, expenses, and operating results so that a single unfavorable month is not interpreted as the full-year forecast. Steve advised the Finance Committee that the developing cardiology partnership with the University of Iowa will require capital spending above the finance committee's normal threshold, with a possible special meeting or direct board review needed to meet the implementation timeline.

Adjournment		
The meeting was adjourned at 8:49 a.m.		

Members: X = Present O = Absent

Justin Gullekson, Chair	X	Ben Stevens	X	Dave Rooney	X
Mark Jensen	X	Steve Slessor	X	Kathy Moritz	X
Dr. Thomas Marquardt	X	Andrew Bailey	X	Kelly Brickley	X
Shelly Giddings	X	Carmen Krivachek	O		

Recording: BreAnna Sovereign, Executive Assistant