

KREMMLING MEMORIAL HOSPITAL DISTRICT
d/b/a Middle Park Health
Board of Directors Special Board Meeting Minutes
Tuesday, June 17, 2025

With meeting notice, Chris Murphy called the Kremmling Memorial Hospital District board meeting to order at approximately 3:35 pm. The meeting was held in the Granby Conference Room and virtually via Teams.

Board members present: Chris Murphy; Mike Ritschard; Kim Cameron; Dawna Heller, Late [Virtual]; Jennifer Harvey, Late

Non-board attendees present: Jason Cleckler, CEO; Amy Binkley, CNO; Ray Moss, CFO; Dr. Thomas Coburn, CMO [Virtual]; Chris Dillon, Eide Bailly Auditor [Virtual]; Brad Delong, Eide Bailly Auditor [Virtual]; Becca Norman, Financial Analyst; Rosalie Rust; Executive Assistant;

Conflicts/Potential Conflicts of Interest

No Conflicts/Potential Conflicts of Interest were disclosed.

Agenda Approval

Motion: Kim made a motion to approve the agenda and Mike seconded. **Motion adopted on a 3-0 vote.**

No Public Comments

2024 Audit Review

Chris Dillon, Audit Senior Manager, introduces Brad Delong. Brad is covering for Dave Studebaker, who is taking part in the firm's sabbatical program presently. Chris reviewed key highlights from the financial statements, as well as the board communication letter. Optional ratio analysis of MPH and like hospitals were reviewed as well. Standard, unmodified opinion was given over Eide Bailly's financial statements, which means this is a clean opinion that is materially correct and accurate. Chris Dillon highlights the potential for advantageous strategies using present liquidity. Chris details reserved and unreserved assets. Bond issuance in 2024 has resulted in interest payments, but principal payments on Fraser COPs will not begin until 2026. Chris also called out an increase in revenue in 2024 of over \$4.5 million, which makes a very strong performance from the revenue perspective. Chris also highlighted the costs associated with the increasing revenue. Chase fee (formerly provider fee) was beneficial to MPH in 2024, but is under attack by lawmakers. Other non-operating revenues, such as interest earned on project funds, were discussed.

Auditors and staff discussed the debt issuance cost; and no consensus was reached on whether all of these costs would need to be expensed in the same year accrued or if some of them could be spread over the life of the loan, as last year's Eide Bailly team had

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recommended. Further conversation was planned between auditors and CFO, primarily to discuss the Gadsby rules as they affect MPH's debt issuance cost for Fraser project. Auditors explained that MPH's strong financial performance is not seen across the board in the state of Colorado. Financial comparisons were provided for several metrics at comparable hospitals that illustrated MPH's strong financial position. Recommendations were provided to use current assets to generate further returns.

Rationale for proceeding with single audit was explained, as MPH held USDA loans at the beginning of 2024, which were refinanced, leaving MPH without federal loans. Auditors described 2 financial statement findings. Firstly, Eide Bailly is involved in MPH's financial statement preparation process. Secondly, there is the lack of timely reconciliation of material account balances. This is related to making some audit adjustments that occurred from the result of the audit. Estimated third party payor settlement tool was described as a potential help. Board, Leaders and Auditors discuss recommended plan to add additional layers to the Finance team.

Timeline of the audit was discussed, as well as the necessity of the board voting on to approve audit next week. It was determined that conversations between audit team and Ray would occur early in the week, and any changes to the audit would be provided to the board during the board meeting on 6/26/2026. At that point, the board would vote to approve the audit. This timeline would allow the finance team to meet requirements for filing.

Board Discussion

Executive Session: Personnel Matters: ~~CEO performance evaluation/market adjustment of compensation package/at-risk. §24-6-402(4)(f), C.R.S. Cancelled.~~

Adjournment of meeting

Motion: A motion was made by Mike and seconded by Kim to adjourn the meeting at 4:40 pm **Motion adopted on a 5-0 vote.**


Chris Murphy, Vice President


Kim Cameron, Secretary/Treasurer

Approval Date: 7/31/25

Minutes taken by: Rosalie Rust