

McDonough District Hospital
Board of Directors
Finance Committee

McDonough District Hospital (MDH) Finance Committee met on Thursday, January 15, 2026, at 7:00 a.m. in the third-floor Board Room. Finance Committee members present: Ryan Riggins, Dave Garner, Jere Greuel, Kathy Neumann, Dr. Mary Kathleen Lockard, and Todd Lester. Attending from MDH Administration: Bill Murdock, Sherri Hitchcock, and Bill Corbin. Administrative Assistant: Kim Thorman. Guests: Dr. Curt Farr, Seth Minter, Wanda Foster, and Alexis Vonholt.

Ryan Riggins, Chairman of the MDH Finance Committee, called the meeting to order at 7:00 a.m.

There was no public comment

Dr. Biagini arrived at 7:02 a.m.

Approval of FY2025 Audit Report – At the October Finance Committee Meeting, Wipfli, LLC presented the FY25 audit reports which did not go to vote as they were still in draft format, and the MDH Insurance Company audit results had not been finalized. The committee received all FY2025 final audit reports to review prior to meeting.

A motion was made by Jere Greuel, and seconded by Dave Garner to recommend the approval of the FY25 audit reports to the MDH Board of Directors as presented. Motion carried.

FY2026 Q2 Financial Performance and Capital Spend Overview – Sherri presented the MDH Quarter 2 financial packet to the committee which was shared prior to meeting for their review. The following topics were reviewed and discussed.

- **Revenue:** Operating revenue exceeded budget for Q2 and was up year-to-date; and prior year.
- **Expenses:** Salary and benefits were noted as over budget, however, contracted labor is trending down, which has caused increases in staff hiring. Drug costs were over budget, but the pharmacy has converted to our GPO for better pricing.
- **Operating Income:** Sherri pointed out the variances to budget both for Q2 and YTD. Projects in place to drive improvements were shared.
- **Non-Operating Income:** Over \$500k recognized from Foundation and Fellheimer Fund for equipment purchases.
- **Key Drivers:** Expense control and revenue growth were noted. Swing beds and orthopedic services are expected to improve revenue in Q3.
- **Bond Covenant:** Todd Lester shared the importance of meeting bond covenants. Additionally, he shared the open lines of communication he keeps with Bill and Sherri to ensure regulatory compliance.
- **Cash Position:** Sherri noted days cash on hand, as well as the goals for improving. Todd Lester provided the group with more insight into the significance of the days cash on hand position and goals for such.
- **Capital Spending:** Capital spending was pointed out in detail. It was also noted that capital projects have been carefully monitored; pausing on those that don't impact patient care or offer a return on investment, to preserve cash.
- **KPIs:** Record AR collections were noted in December; new payment tools are being implemented to improve cash flow.
- **Volumes:** Clinic visits were up YTD; variances to budget reported for ER visits and surgeries. Sherri additionally noted the increase in MDH Community Pharmacy scripts.

Todd Lester left the meeting at 7:51 a.m.

MDH Insurance Company (MDHIC) Annual Meeting Highlights – The committee was provided the MDHIC Annual Meeting Packet, and Sherri reviewed the following.

- Captive meeting held in Washington, D.C. in December 2025. This meeting could be held via remote connection, but legal council recommends best practice is to conduct business in person for this meeting.

- Statistics and financials were highlighted.
- Annual premiums were shared; now payable quarterly to ease cash flow.
- Best practice review of policies planned (every 3-5 years).

Miscellaneous / Items for discussion – Committee Meeting Frequency.

- Ryan suggested monthly finance updates at Board meetings, even though Finance Committee meets quarterly.
- He will schedule monthly meetings with Bill and Sherri and offer monthly reports to the board.
- The committee agreed to this approach, with the option for increasing meeting frequency if needed.

At 7:56 a.m., Dave Garner made a motion to go into executive session for the purpose of open meetings act exception 5ILCS 120/2(c)(1),(2),(11), and (21) Kathy Neumann seconded the motion. A roll call vote was taken.

	Yea	Nay
Riggens	x	
Garner	x	
Greuel	x	
Neumann	x	

At 8:19 a.m., the meeting returned to open session, and the following were present: Ryan Riggins, Dave Garner, Jere Greuel, Kathy Neumann, Dr. Lockard, Dr. Farr, Seth Minter, Bill Murdock, Bill Corbin, Sherri Hitchcock, and Kim Thorman.

At 8:20 a.m., there being no further business to discuss, a motion was made by Dave Garner and seconded by Kathy Neumann to adjourn. Motion carried.

Ryan Riggins
Secretary/Treasurer of MDH Board of Directors