EL CENTRO REGIONAL MEDICAL CENTER
BOARD OF TRUSTEES – REGULAR MEETING

MONDAY, July 27, 2026
5:30 PM

MOB CONFERENCE ROOM 1&2
1271 ROSS AVENUE, EL CENTRO, CA
&

TELECONFERENCE LOCATION *NOTE: Pursuant to Government Code Section 54953(b) Trustee Patty Maysent- CEO, UCSD Health will be attending the Regular Meeting via teleconference from:*

JACOBS MEDICAL CENTER, Suite 1-620
9300 CAMPUS POINT DR.
SAN DIEGO, CA 92037

This is a public meeting. If you are attending in person, and there is an item on the agenda on which you wish to be heard, please come forward to the microphone. Address yourself to the president. You may be asked to complete a speaker slip; while persons wishing to address the Board are not required to identify themselves (Gov't. Code § 54953.3), this information assists the Board by ensuring that all persons wishing to address the Board are recognized and it assists the Board Executive Secretary in preparing the Board meeting minutes. The president reserves the right to place a time limit on each person asking to be heard. If you wish to address the board concerning any other matter within the board's jurisdiction, you may do so during the public comment portion of the agenda.

BOARD MEMBERS, STAFF AND THE PUBLIC MAY ATTEND VIA ZOOM.
To participate and make a public comment in person, via Zoom or telephone, please raise your hand, speak up and introduce yourself.

Join Zoom Meeting: https://ecrmc.zoom.us/j/88635833155?pwd=ZIEQTyNeeGVZYlEEoYYURSs4OiXj7U.1
Optional dial-in number: (669) 444-9171
Meeting ID: 886 3583 3155 **Passcode** 826730

Public comments via zoom are subject to the same time limits as those in person.

OPEN SESSION AGENDA

ROLL CALL:

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS: Any member of the public wishing to address the Board concerning matters within its jurisdiction may do so at this time. Three minutes is allowed per speaker with a cumulative total of 15 minutes per group, which time may be extended by the President. Additional information regarding the format for public comments may be provided at the meeting.

BOARD MEMBER COMMENTS

CONSENT AGENDA *(Item 1)*
All items appearing here will be acted upon for approval by one motion, without discussion. Should any Board member or other person request that any item be considered separately, that item will be taken up at a time as determined by the President.

1. Review and Approval of Board of Trustees Minutes of Regular Meeting of June 29, 2026—**Action**

CHIEF EXECUTIVE OFFICER UPDATE

2. Verbal Report from the CEO to the Board of Trustees—**Informational**

3. Manager Update—Patty Maysent—**Informational**

NEW BUSINESS

4. Review and Approval of Term Sheet with Preston Hollow for Transfer of Bonds and ATA Amendment—**Action**

FINANCE and OPERATIONAL UPDATE

5. Review and Approval of the Financial Statements for Month and Year-to-Date as of June 2026—**Action**

RECESS TO CLOSED SESSION – BOARD PRESIDENT

A. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES. The Hospital Board will recess to closed session pursuant to Government Code Section 37624.3 for a hearing and/or deliberations concerning reports of the ___ hospital medical audit committee, or _X_ quality assurance committees, or _X_ staff privileges.

B. TRADE SECRETS. The Hospital Board will recess to closed session pursuant to Govt. Code Section 37606(b) for the purpose of discussion and/or deliberation of reports involving hospital trade secret(s) as defined in subdivision (d) of Section 3426.1 of the Civil Code and which is necessary, and would, if prematurely disclosed create a substantial probability of depriving the hospital of a substantial economic benefit:

Discussion of:	Number of Items:
_X_ hospital service;	1
_X_ program;	1
_X_ hospital facility	1

RECONVENE TO OPEN SESSION – BOARD PRESIDENT

ANNOUNCEMENT OF CLOSED SESSION ACTIONS, IF ANY – GENERAL COUNSEL

6. Approval of Report of Medical Executive Committee's Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff *(Approved in Closed Session)*

ADJOURNMENT: Adjourn. (Time:) Subject to additions, deletions, or changes.

El Centro Regional Medical Center
BOARD OF TRUSTEES – REGULAR MINUTES
OPEN SESSION MINUTES
MOB CONFERENCE ROOMS 1 & 2
1271 Ross Avenue, El Centro, CA 92243
Zoom Meeting link: https://ecrmc.zoom.us/j/82746060274?pwd=do33BEF9AGvJ3w2oOPU79Orxb3PrkI.1

Monday, June 29, 2026

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
ROLL CALL	**PRESENT**: Marroquin; Camarena; Ellett; Carter; Crankshaw; Chief Executive Officer Pablo Velez; and Executive Board Secretary Belen Gonzalez **VIA Zoom:** Maysent; Tomaszewski; UCSD Tammy Morita; UCSD Veronica Marsich **Hospital Administrative Staff:** Chief of Staff Andrew Lafree, MD; David Momberg-CFO; Luis Castro-CHRO; Iran Villarreal- Del LosSantos—Interim CNO; Douglas Habig, General Counsel; Seung Gwon, MD-CMO	
CALL TO ORDER		The Board of Trustees convened in open session at 5:30 p.m. Acting Board President Marroquin called the meeting to order.
OPENING CEREMONY	The Pledge of Allegiance was recited in unison.	None
NOTICE OF MEETING	Notice of meeting was posted and mailed consistent with legal requirements.	None
PUBLIC COMMENTS	None	None
BOARD MEMBER COMMENTS	None	None

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
CONSENT AGENDA *(Items 1-2)* **Item 1. Review and Approval of Board of Trustees Minutes of Regular Meeting April 27, 2026.** **Item 2. Review and Approval of Board of Trustees Minutes of Special Meeting of May 14, 2026.**	All items appearing here were acted upon for approval by one motion (or as to information reports, acknowledged receipt by the Board and directed to be appropriately filed) without discussion.	MOTION: by Carter, second by Crankshaw and carried to approve the Consent Agenda. All present in favor; none opposed.
CHIEF EXECUTIVE OFFICER UPDATE **Item 3. Verbal Report from the CEO to the Board of Trustees—Informational**	Item to be discussed in Closed Session	Informational
Item 4. Manager Update—Patty Maysent—Informational	Item to be discussed in Closed Session	Informational.
NEW BUSINESS **Item 5. Discussion and Consideration of Recording and Broadcasting upcoming Board of Trustees Meetings**	The Board of Trustees discussed the recording and broadcasting process for upcoming Board of Trustees. The board agreed to commence a process of recording future Board of Trustees meetings via Facebook live.	MOTION: by Marroquin; second by Camarena and carried to approve the Recording and Broadcasting upcoming Board of Trustees Meetings. All present in favor; none opposed.
FINANCE and OPERATIONAL UPDATE **Item 6. Review and Approval of the Financial Statements for Month and Year-to-Date as of April 2026.**	David Momberg presented the Financial Statements for Month and Year-to-Date as of April 2026 report and answered questions. Presentation included: • Comparative volumes vs. Prior Month/Year • Balance Sheet vs. Prior Month comparison • Operating Statement vs. Prior Month comparison • Monthly Cash Flow (Fiscal Year to Date)	MOTION: by Crankshaw; second by Carter and carried to approve the Financial Statements for Month and Year-to-Date as of April 2026. All present in favor; none opposed.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
Item 7. Review and Approval of the Financial Statements for Month and Year-to-Date as of May 2026.	David Momberg presented the Financial Statements for Month and Year-to-Date as of May 2026 report and answered questions. Presentation included: • Comparative volumes vs. Prior Month/Year • Balance Sheet vs. Prior Month comparison • Operating Statement vs. Prior Month comparison • Monthly Cash Flow (Fiscal Year to Date)	MOTION: by Marroquin; second by Crankshaw and carried to approve the Financial Statements for Month and Year-to-Date as of May 2026. All present in favor; none opposed.
Item 8. Review and Approval of the 2027 Annual Fiscal Budget.	David Momberg presented the 2027 Annual Fiscal Budget to the Board of Trustees. Discussion included: • Gross Revenue- $721M • Total Revenue- $175M • Total Expenses- $165M • Net Gain- $3M • Net EBIDA-$22.9M	MOTION: by Marroquin; second by Carter and carried to approve the 2027 Annual Fiscal Budget. All present in favor; none opposed.
Item 9. Review and Approval of the 2025 Annual Financial Audit.	David Momberg presented the annual financial audit performed by Wipfli, Inc.	MOTION: by Crankshaw; second by Marroquin and carried to approve the 2025 Annual Financial Audit. All present in favor; none opposed.
Item 10. Review and Approval of the 2026 Annual Financial Audit Engagement Letter (Wipfli)	David Momberg presented to the Board of Trustees and requested approval of the Wipfli Engagement Letter.	MOTION: by Crankshaw; second by Marroquin and carried to approve the 2026 Annual Financial Audit Engagement Letter (Wipfli). All present in favor; none opposed.
RECESS TO CLOSED SESSION		The Board of Trustees carried to recess to Closed Session at 6:45 p.m. for HEARING/

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
		DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES, and TRADE SECRETS. All present in favor to recess to Closed Session. None opposed
RECONVENE TO OPEN SESSION		The Board of Trustees reconvened to Open Session at 7:48 p.m.
ANNOUNCEMENT OF CLOSED SESSION ACTIONS, IF ANY—GENERAL COUNSEL		[**A. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES—GOVERNMENT CODE SECTION 37624.3**] MOTION: by Ellett, second by Crankshaw and carried to approve the Report of Medical Executive Committee’s Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff. All present in favor; none opposed.
ADJOURNMENT		There being no further business, meeting was adjourned at approximately 7:50 p.m.

BELEN GONZALEZ, BOARD EXECUTIVE SECRETARY

APPROVED BY

SYLVIA MARROQUIN, ACTING-BOARD PRESIDENT

TO: HOSPITAL BOARD MEMBERS

FROM: Douglas Habig, General Counsel

DATE: July 27, 2026

MEETING: Board of Trustees

SUBJECT: Term Sheet with Preston Hollow for Transfer of Bonds and ATA Amendment

BUDGET IMPACT:

A. Does the action impact/affect financial resources? ___Yes _X_ No

B. If yes, what is the impact amount:

BACKGROUND: In accordance with the Asset Transfer Agreement ("ATA") between El Centro Regional Medical Center ("ECRMC"), the City of El Centro ("the City") and Imperial Valley Healthcare District ("IVHD"), the parties have been negotiating with the majority bondholder Preston Hollow Community Capital ("PHCC") for approval to transfer the 2018 Bonds from ECRMC to IVHD. These discussions have been long and arduous as PHCC had made numerous demands for changes to the Bond documents that would further restrict IVHD's ability to borrow monies and for additional security once the Bonds have transferred. The parties have now reached an agreement on terms and conditions for transfer of the Bonds, which is set forth in the attached Term Sheet letter dated July 22, 2026 and is discussed below. No additional obligations have been requested from the City, which accordingly is not a signatory to the Term Sheet. Further, due to the lengthy delay in closing on the transaction, the parties are running up against the August 1, 2026 deadline by which any party can terminate the ATA. Therefore, also attached is an Amendment to the ATA that extends the time for such right to terminate to December 31, 2026 to give the parties sufficient time to make the necessary changes to the Bond documents and close the transaction.

DISCUSSION: The agreement with PHCC necessary to obtain their approval to transfer the 2018 Bonds required a number of concessions on IVHD and ECRMC's part in post-transfer obligations. Once the facilities have been combined by the closing of the transaction, reference to IVHD and ECRMC will be anachronistic, as the facilities will be combined into a sole community hospital with two campuses. Therefore, Term Sheet references to IVHD mean the post-closing Brawley campus and references to ECRMC mean the post-closing El Centro campus. There are three (3) primary categories of changes to the existing terms of the 2018 Bonds:

1. Additional Security. The Term Sheet provides PHCC and the other bondholders with additional security in the form of DACA Agreements covering revenue from both IVHD and ECRMC, which nearly doubles their revenue security. Further, it enhances bondholder security over personal equipment at ECRMC and establishes a Deed of Trust over ECRMC real property once it has been transferred to IVHD.

2. Borrowing Limitations. The Term Sheet provides enhanced restrictions on IVHD's ability to borrow money. Specifically, it caps the amount that IVHD may borrow to $10 Million for working capital or any lawful purpose, so long as no event of default has occurred. Any

borrowing over $10 Million requires bondholder consent. Further, it exempts debt based solely on parcel taxes approved by the voters. Finally, it requires any further debt under the Distressed Hospital Loan Program to be subordinated to the Bonds.

3. Enhanced Performance Metrics. The Term Sheet raises the performance metrics that IVHD must meet relating to Days Cash on Hand ("DCOH") and Debt Service Coverage Ratios ("DSCR"). It also establishes a more frequent regime for testing such metrics and shortens the time for disclosures of financial information.

In addition, during negotiations PHCC raised a claim for default interest arising from the failure of ECRMC to meet the existing DCOH and DSCR requirements for FYE 2022 and FYE 2023. Although these defaults were resolved by FYE 2024, PHCC asserted a claim for ongoing default interest until the date of closing. ECRMC disputed such claim to any default interest based on California case law prohibiting such penalties and, in any event, asserted that the claim if valid was limited to only the period until the issues had been resolved at the end of FYE 2024. The parties agreed to delay any dispute or effort to collect on such default interest for five (5) years and PHCC agreed to limit the amount of its claim and waive it entirely if IVHD redeemed or defeased the Bonds within the 5-year period. ECRMC and IVHD reserved their right to dispute the application of default interest at all in the event that PHCC or any of the other bondholders seek collection of default interest in the future.

The parties will proceed to develop the necessary documents required to effect transfer of the 2018 Bonds and to incorporate amendments required under the Term Sheet. Because of the delay in closing the transaction resulting from the protracted negotiations with PHCC, the date by which any party may terminate the ATA as set forth in Section 8.1(g), which is August 1, 2026, is rapidly approaching. In order to finalize the documentation necessary to effect transfer of the Bonds and take all other steps related to closing the transaction, the parties have proposed an Amendment to the ATA extending such period to December 31, 2026. Finally, as the obligations set forth in the Term Sheet relate to post-closing requirements imposed on IVHD and ECRMC and involve no additional obligations on the part of the City, IVHD and ECRMC are the only designated parties required to sign the Term Sheet. However, the documents necessary to effect the transfer of the 2018 Bonds from ECRMC to IVHD will require the City's involvement and approval. Thus, the parties will work closely with the City and its bond counsel to review and approve such changes.

RECOMMENDATION:
1. Approve the PHCC Term Sheet and authorize the CEO to sign.
2. Approve the First Amendment to the Asset Transfer Agreement and authorize the CEO to sign.

ATTACHMENT(S):

- Term Sheet letter dated July 22, 2026
- First Amendment to Asset Transfer Agreement

Approved for agenda, Chief Executive Officer

Date and Signature: Pablo Velez

PRESTON HOLLOW
COMMUNITY CAPITAL

July 22, 2026

Imperial Valley Healthcare District
207 West Legion Road
Brawley, CA 92227
Attn: Katherine Burnworth, Board President

El Centro Regional Medical Center
1415 Ross Avenue
El Centro, CA 92243
Attn: Chief Executive Officer

Via Email

Re: Acquisition and Assumption and Amendment of ECRMC 2018 Bonds

Ladies and Gentlemen:

El Centro Regional Medical Center (the "**ECRMC**") and Imperial Valley Healthcare District ("**IVHD**") have requested that PHCC LLC (d/b/a Preston Hollow Community Capital) ("**PHCC**") , as "Majority Owner" of the ECRMC 2018 Bonds, consent to (i) the acquisition by IVHD of the ECRMC under the Asset Transfer Agreement dated as of August 1, 2025 (the "**Asset Transfer Agreement**"), between the City of El Centro (the "**City**"), ECRMC and IVHD (referred to as the "**Acquisition**") and (ii) the assumption by IVHD of the obligations of the City and ECRMC related to the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the "**ECRMC 2018 Bonds**") (referred to as the "**Assumption**"), even though the proposed transaction does not satisfy the terms of the 2018 ECRMC Bond documents, including Section 5.01 of the 2018 Installment Purchase Agreement. In addition, the Acquisition and Assumption will necessitate the amendment to the transaction documents related to the ECRMC 2018 Bonds (referred to as the "**Amendment**"), as further described herein.

Following our preliminary due diligence review and consistent with our recent discussions and meetings, we are pleased to provide you with the following summary of general terms and conditions pursuant to which PHCC proposes to provide consent to the Acquisition, Assumption and Amendment.

Preliminary Summary of Terms	
1. Overview/ Closing Date:	PHCC proposes to provide consent, as "Majority Owner" of the ECRMC 2018 Bonds, to the Acquisition, Assumption and Amendment concurrently with the "Closing Date" under the Asset Transfer Agreement on the terms and conditions described herein.
2. Assumption by IVHD of Obligations Relating to the ECRMC 2018 Bonds:	IVHD will comply with the provisions of the Asset Transfer Agreement with respect to the assumption of liabilities of the City and ECRMC related to the ECRMC 2018 Bonds and will enter into an assumption agreement in form and substance mutually acceptable to PHCC and IVHD to assume the obligations of the City and ECRMC under the documents related to the ECRMC 2018 Bonds, including but not limited to the 2018 Trust Agreement (which may require approval of the El Centro Financing Authority as a

party to this agreement), the 2018 Installment Purchase Agreement, the 2018 Security Agreement, the deposit account control agreement, the 2018 Continuing Disclosure Agreement, the 2018 Tax Certificate, etc. IVHD will address PHCC on all opinions required under Section 5.11(b) of the Asset Transfer Agreement and the form of those opinions shall be acceptable to PHCC.

3. Amendment to Transaction Documents for the ECRMC 2018 Bonds:

As a condition to PHCC's consent to the Acquisition, Assumption, and Amendment, IVHD and the parties to the existing ECRMC 2018 bond documents will agree to amend the ECRMC 2018 bond documents, including but not limited to, the following:

a. Amend references to "City," "Medical Center" or "Purchaser" in the ECRMC 2018 Bond documents to reflect that the security and covenants for the ECRMC 2018 Bonds apply to IVHD after the acquisition of ECRMC.

b. Delete references to Medical Center Act and Medical Center Ordinance.

c. Amend the security for the ECRMC 2018 Bonds:

1. Amend the Gross Revenue pledge to make clear that the ECRMC 2018 Bonds are secured by a first priority pledge of the gross revenues of IVHD (including Pioneers revenues, subject to the lien securing CHFFA under the existing DHLP loan to Pioneers).

2. Amend the DACA(s) to cover all IVHD (Pioneers and ECRMC) operating accounts on or before the Closing Date.

3. Amend the 2018 Security Agreement securing the ECRMC 2018 Bonds to confirm the existing lien on ECRMC personal property.

4. Add Deed of Trust on all ECRMC real property. Title insurance to be provided by a title company selected by IVHD. **No Deed of Trust is required on Pioneers real property.**

d. Amend the covenants for the ECRMC 2018 Bonds:

1. Amend Section 5.05 of the 2018 Installment Purchase Agreement to prohibit the incurrence of additional debt without the consent of the Majority Owners (as defined in the 2018 Trust Agreement), other than (i) debt in a principal amount not to exceed $10 million (the **"Permitted Additional Debt"**) for the purpose of obtaining working capital and for any other lawful purpose as long as no event of default exists relating to the ECRMC 2018 Bonds and (ii) bonds or notes of IVHD authorized by its voters or other indebtedness payable solely from parcel taxes levied within the District **("Parcel Tax Secured Debt")**. For any subordinate debt from the California Health Facilities Financing Authority **("CHFFA")** under the Distressed Hospital Loan Program or a similar state program for distressed hospitals, provided that such debt is expressly subordinated in all respects to the ECRMC 2018 Bonds in a manner satisfactory to the Majority Owners **("Permitted State Debt")**, IVHD shall provide bondholders with at least 30 days' prior written notice of the proposed borrowing, together with the material terms thereof, including a copy of the subordination agreement. If the Majority Owners (as defined in the 2018 Trust Agreement) do not deliver to the Trustee a written objection to the proposed borrowing within such 30-day period, consent of the Majority Owners shall be deemed granted. If there is an event of default relating to the ECRMC 2018 Bonds or if additional debt is to be incurred in excess of the aforementioned $10 million of Permitted Additional Debt (other than

Parcel Tax Secured Debt, which shall be permitted without consent), the prior written consent of the Majority Owners (as defined in the 2018 Trust Agreement) is required. The Installment Purchase Agreement will be amended to reflect the existence of the existing liens securing CHFFA related to the existing DHLP loans to IVHD (formerly Pioneers and ECRMC).

2. Amend Section 5.03 of the 2018 Installment Purchase Agreement to (i) require semi-annual testing of Days Cash on Hand, (ii) increase the debt service coverage ratio from 1.15x to 1.25x and (iii) require quarterly testing of the debt service coverage ratio (based on rolling 12 months). Amendments will also be made to require testing of the Days Cash on Hand and debt service coverage ratio covenant as of the effective date of the Acquisition, Assumption and Amendment and if such tests are satisfied and provided no other Events of Default have occurred and are continuing, the Amendments will provide that no Event of Default exists as of such effective date.

3. Add covenant to provide quarterly reporting of the debt service coverage ratio and Days Cash on Hand within 45 days after each calendar quarter.

4. Add covenant to provide audited financial statements and testing of debt service coverage ratio and Days Cash on Hand based on audited financial statements within 150 days after each FYE.

e. Amend the Continuing Disclosure Agreement to require that IVHD will (i) within 15 days of such request, organize and hold a quarterly conference call to discuss IVHD's recent financial and operating results, and related matters with bondholders, (ii) add the debt service coverage ratio and Days Cash on Hand for the prior quarter to the quarterly report, and (iii) change the timing of the Annual Report from 180 days to 150 days after FYE and change the timing of the Quarterly Report from 60 days to 45 days after each calendar quarter. Additional amendments to the contents of the annual and quarterly reports are to be determined to reflect appropriate financial and operating information on IVHD.

Pursuant to Section 5.13(f) of the 2018 Installment Purchase Agreement, the Majority Owner hereby requests IVHD to update the Appendix A to the 2018 Offering Document. The first draft of the updated Appendix A to the 2018 Offering Document, which shall reflect an update of a substantial majority of the disclosures contained in such Appendix A, shall be provided by IVHD to PHCC within **60 days** after the effective date of the Acquisition, Assumption and Amendment; the second draft of the Appendix A shall be provided by IVHD to PHCC within **90 days** after the effective date of the Acquisition, Assumption and Amendment and the final draft of the complete Appendix A shall be provided by IVHD to PHCC by no later than **120 days** after the effective date of the Acquisition, Assumption and Amendment, after which date an event of default shall exist under the 2018 Installment Purchase Agreement if an acceptable Appendix A is not completed by IVHD by such date. The updated Appendix A shall be in acceptable form to PHCC and IVHD agrees to deliver to PHCC a 10b5 opinion[1*] from a firm representing IVHD with federal securities law expertise, such as Snell & Wilmer, as to the Appendix A, and supporting certificates in customary form from IVHD in connection

[1*] This refers to a typical municipal disclosure counsel opinion (i.e., "no facts came to the attention of the attorneys in the firm rendering legal services to IVHD that the Appendix A contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading").

with the delivery of the Appendix A to PHCC. IVHD will post the updated Appendix A on EMMA within 10 days after completion and cooperate with PHCC in connection with the update of the other parts of the 2018 Offering Document.

Any claims for default interest accruing before the date of this Summary of Terms on the ECRMC 2018 Bonds are subject to the following terms: the Majority Owner agrees to release claims for default interest accruing before the date of this Summary of Terms on the ECRMC 2018 Bonds that are directly or indirectly owned by the Majority Owner if the ECRMC 2018 Bonds are fully redeemed or defeased within 5 years of the effective date of the Acquisition, Assumption and Amendment.[1] [2]

An EMMA notice will also be needed to notify holders of the Acquisition, Assumption and Amendment and change in obligor under the 2018 CDA.

4. Closing Conditions:

a. PHCC Credit Committee approval

b. Completion of due diligence

c. No modifications to, or waivers of, provisions of the Asset Transfer Agreement that impact the Acquisition or the Assumption (for example, among others, Sections 1.2(a), 5.9, 5.10, 5.11, 6.4(c), 7.6, 7.8, 7.13 and 7.14 and provisions relating to the (i) general structure of the transaction and liabilities assumed and (ii) required third party consents).

d. A certification of IVHD to evidence satisfaction of closing condition c. above

e. Satisfaction of such other customary closing conditions (including payment of fees and expenses of PHCC and its attorneys as set forth under "Out-of-Pocket Costs" below).

5. Legal Opinions: Appropriate legal opinions in a form acceptable, and addressed, to PHCC will be required from IVHD's counsel. Such opinions to address, collectively, due authority, validity, enforceability, collateral, and no adverse tax effect, as it relates to the Acquisition, the Assumption and the Amendment.

6. Document Drafting: The Assumption Agreement used in the Assumption and the Amendments of the legal documents for the ECRMC 2018 Bonds will be drafted by Orrick, Herrington & Sutcliffe, counsel to PHCC unless otherwise agreed to by PHCC. IVHD is not represented by Orrick and is represented by Snell & Wilmer.

OTHER MATTERS

7. Terms Non-exhaustive; Due Diligence: The terms and conditions described in this Summary of Terms are not intended to be an inclusive or exhaustive list of the conditions that may be attached to any approvals of the proposed transaction.

The terms of the Assumption and Amendments will be memorialized in mutually acceptable definitive written agreements and documents. The transactions described in this Summary of Terms are contingent upon the Closing Conditions described herein.

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[1] PHCC asserts that, as of the date of this Summary of Terms, the period of default for which default interest has accrued and is due and owing on all of the ECRMC 2018 Bonds is August 7, 2023 – June 30, 2024, and the amount is $5,499,747.92, which ECRMC disputes.

[2] With respect to default interest on the ECRMC 2018 Bonds, ECRMC or IVHD as its successor in interest, each reserves the right to dispute the applicability of any such default interest.

8. No Amendment or Waiver; Reservation of Rights:	PHCC reserves the right to exercise any of its rights, powers, and remedies under the ECRMC 2018 Bonds and related documents. This Summary of Terms (i) does not constitute an agreement by PHCC to enter into any amendment, waiver, or other modification of the ECRMC 2018 Bonds or related documents, (ii) does not waive any default or event of default with respect to, or otherwise amend, the ECRMC 2018 Bonds or related documents, (iii) does not establish a course of dealing, and (iv) does not waive, limit, condition, or prejudice any of PHCC's rights or remedies under the ECRMC 2018 Bonds or related documents or applicable law, all of which rights and remedies are expressly reserved.
9. Out-of-Pocket Costs:	IVHD shall pay upon demand all third-party out-of-pocket costs (collectively, "**PHCC Costs**") in an amount not to exceed $200,000 (assuming that the effective date of the Acquisition, Assumption and Amendment occurs not later than September 1, 2026) paid or incurred by PHCC in connection with or arising out of PHCC's review, negotiation, and approval of the transactions contemplated in this Summary of Terms, and its due diligence review, including, without limitation, any and all costs and expenses for services performed by third-party professionals, including accountants, attorneys, appraisers, third-party professionals engaged to perform audits, physical site assessments, site visits, review of third-party reports, and review of insurance policies, upon closing of the Acquisition, Assumption and Amendments.
10. Governing Law:	This Summary of Terms and the documents relating to the Acquisition, the Assumption and the Amendment will be governed by, construed, and enforced in accordance with California law.
11. Non-Binding Summary of Terms:	THIS SUMMARY OF TERMS IS FOR DISCUSSION PURPOSES ONLY AND IS NOT INTENDED TO AND DOES NOT IMPLY OR CONSTITUTE IN ANY WAY A COMMITMENT, OFFER, AGREEMENT, AGREEMENT IN PRINCIPLE, AGREEMENT TO AGREE OR CONTRACT BY PHCC TO LEND, UNDERWRITE OR OTHERWISE CONSUMMATE ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, BUT RATHER, THE TERMS UPON WHICH PHCC IS WILLING TO PROCEED WITH FURTHER REVIEW OF THIS TRANSACTION, WHICH SUCH REVIEW MAY BE TERMINATED BY PHCC OR IVHD IN THEIR SOLE DISCRETION AT ANY TIME AND FOR ANY OR NO REASON WHATSOEVER. THIS SUMMARY OF TERMS IS NOT INTENDED TO AND DOES NOT CREATE ANY BINDING LEGAL OBLIGATION OR IMPLIED DUTY (OF GOOD FAITH OR OTHERWISE) ON PHCC. Notwithstanding anything of the foregoing to the contrary, IVHD acknowledges and agrees that the terms and provisions set forth in the Sections entitled "Out-of-Pocket Costs" and "Governing Law" are and shall be binding upon IVHD and ECRMC. Each of IVHD and ECRMC agrees that PHCC's issuance of this Summary of Terms and consideration of the transaction contemplated by this Summary of Terms constitutes adequate and sufficient consideration of IVHD's and ECRMC's agreements contained in this Summary of Terms.

[signature page follows]

Thank you for this opportunity. We look forward to discussing this Summary of Terms with you. If you have any questions, please do not hesitate to call.

Sincerely,
PHCC LLC

By: Greg May, Managing Director
Date: July 22, 2026

Accepted and Agreed:

Imperial Valley Healthcare District

Signed by:
By: E6E9C0EDCC05405...
Chief Executive Officer

Date: 7/23/2026

El Centro Regional Medical Center

By:___________________________________
Chief Executive Officer

Date:__________________________________

FIRST AMENDMENT TO ASSET TRANSFER AGREEMENT

This First Amendment to Asset Transfer Agreement (this "Amendment") is made and entered into as of July _____, 2026, by and among the **CITY OF EL CENTRO**, a California municipal corporation and charter city (the "City") and **EL CENTRO REGIONAL MEDICAL CENTER**, a separate public agency and enterprise operation of the City of El Centro organized and operated under the provisions of Title 4, Division 3, Part 2, Chapter 5, Article 8 Govt. Code Sections 37650 et seq. ("ECRMC") (the City and ECRMC collectively, the "Sellers"), on the one hand, and **IMPERIAL VALLEY HEALTHCARE DISTRICT**, a California healthcare district ("IVHD"), on the other hand (the City, ECRMC, and IVHD are collectively referred to as the "Parties" and each individually a "Party"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Asset Transfer Agreement (defined below).

RECITALS

A. The Parties entered into that certain Asset Transfer Agreement, dated as of August 1, 2025 (the "**Asset Transfer Agreement**").

B. Subject to the terms and conditions set forth in this Amendment, the Parties desire to amend the Asset Transfer Agreement to extend the Outside Termination Date to December 31, 2026, as further described in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Amendment. Section 8.1(g) of the Asset Transfer Agreement is deleted in its entirety and replaced with the following:

> "(g) by any Party if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) by December 31, 2026 (the "Outside Termination Date")."

2. No Further Modification; Ratification. Except as expressly modified herein, the terms, conditions and provisions of the Asset Transfer Agreement shall remain unmodified and in full force and effect and are hereby ratified and affirmed. Any and all references to the Asset Transfer Agreement in any document or instrument executed or delivered in furtherance of the transactions contemplated in the Asset Transfer Agreement shall mean and refer to the Asset Transfer Agreement, as amended by this Amendment, and as hereafter amended, restated, replaced or supplemented from time to time.

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

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IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers or managers thereunto duly authorized.

<u>CITY</u>:

CITY OF EL CENTRO

By: ______________________________
Name: ___________________________
Title: ____________________________

<u>ECRMC</u>:

EL CENTRO REGIONAL MEDICAL CENTER

By: ______________________________
Name: ___________________________
Title: ____________________________

<u>IVHD:</u>

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: ______________________________
Name: ___________________________
Title: ____________________________

ECRMC
El Centro Regional Medical Center
An Agency Of The City Of El Centro

TO: HOSPITAL BOARD MEMBERS

FROM: David Momberg, Chief Financial Officer

DATE: July 27, 2026

MEETING: Board of Trustees

SUBJECT: June 2026 Month and Year-to-Date Financial Statements

BUDGET IMPACT: _X_Does not Apply

A. Does the action impact/affect financial resources? ___Yes ___ No

B. If yes, what is the impact amount: _______________

BACKGROUND: The month of June resulted in net operating gain of $9.8M, a positive margin of 77% and positive EBIDA of $11.5M and 90%. FYTD EBIDA is positive at $25.9M and positive margin YTD of 17%.

DISCUSSION: For a more detailed description of financial performance, please see the attached Financial Report.

RECOMMENDATION: (1) Approve (2) Do not approve

ATTACHMENT(S):

- Financial Packet for June 2026

Approved for agenda, Chief Executive Officer

Date and Signature: Pablo Velez

June 2026 Financial Report

July 23, 2026

To: Finance Committee

From: David Momberg, Chief Financial Officer

The following package contains:

- Comparative volumes vs. Prior Month/Year
- Balance Sheet vs. Prior Month comparison
- Operating Statement vs. Prior Month comparison
- Monthly Cash Flow (Fiscal Year to Date)

Balance Sheet:

a) Cash and Cash Equivalents increased ($6.6M) due to Small Grant Program received ($11M) partially offset by funds transferred to UBS ($4M).
b) Other receivables increased ($34k) due to 340b pharmacy payments pending to receive.
c) Prepaid Expenses and Other decreased ($436k) mainly due to insurance prepaids applied.
d) Other Assets decreased ($101k) due to SBITA-96 rules applied.
e) Deferred Outflows of Resources – Pension decreased ($719k) due to lower pension payments made during the month related to credit account.
f) Capital Lease Obligations, Less Current Portion decreased ($525k) mainly due to GASB-87 rules applied.
g) Net Pension Liability decreased ($4M) due to funds moved to UBS.
h) Days in A/R increased to 67.31 from 65.57. The goal is 50 days.
i) Accounts payable days increased, 80.05 vs. 77.44 days from previous month.

j) Current Ratio is 2.22 (2.12 last month).

Income Statement – Current Month Actual vs. Prior Month:

a) Our Inpatient Revenue was 22.3% higher related to revenue recognition catch-up from previous months.
b) Our Outpatient Revenue was 26.6% higher related to revenue recognition catch-up from previous months.
c) Contractuals for the month were 81.5% of gross revenues (83.1% YTD).
d) Charity and Bad debt were 1.2% of gross revenues.
e) Professional Fees – Non-med was 54.3% due to high Sheppard Mullin merge related expenses.
f) Supplies – Non-medical was 170.4% higher due to lower favorable inventory adjustments made during the month.
g) Repairs and Maintenance was 34.3% higher due to unbudgeted Imaging repairs performed by Agiliti.
h) Other fees was 27.7% higher mainly due to higher Fresenius expenses.
i) Utilities was 22% higher due to higher electricity expenses.
j) Non Operating Revenue/(Expense) shows $11M gain related to Small Grant Program.
k) June 2026 shows a Net gain of $9.8M (*$11.6M positive EBIDA*).

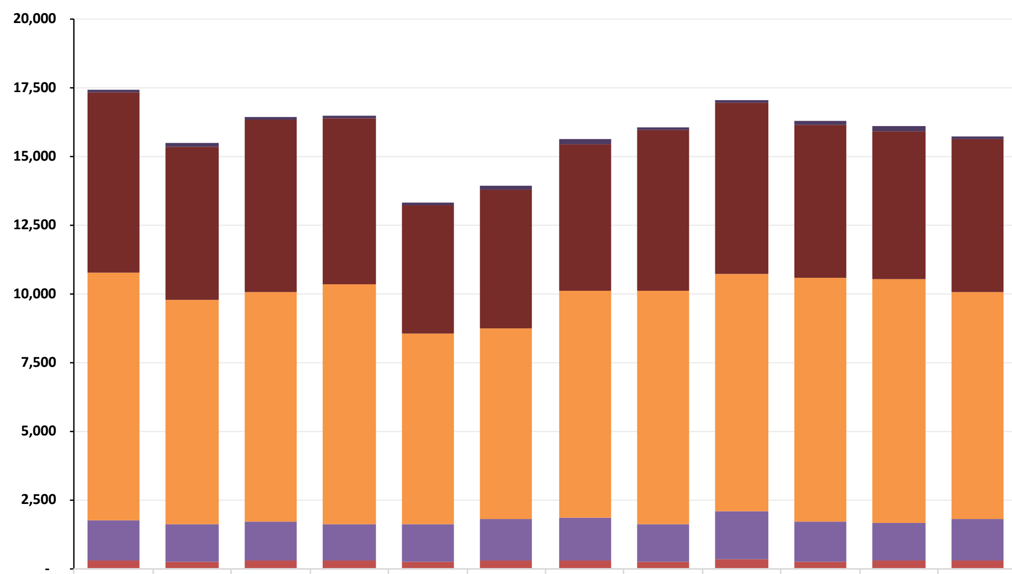
Definitions:

- **EBIDA** - Earnings Before Interest, Depreciation, and Amortization.
- **Contribution Margin** – Total Revenue minus Expenses (excluding functional areas of IT, Finance, HR, and management assessments/restructuring costs).
- **EBIDA Margin** – EBIDA/Total Revenue.
- **Operating Expenses Per Day** – Total Expenses less Depreciation divided by Days.
- **Operating Revenue Per Day** – Operating Income/Days.
- **Days Cash on Hand** – Cash/Operating Expenses per Day.
- **Days Revenue in A/R** – Accounts Receivable/Operating Revenue per Day.
- **Current Ratio** – Current Assets/Current Liabilities.
- **Equity Financing Ratio** – Total Capital/Total Debt.

El Centro Regional Medical Center
Comparative Volumes as of June 30, 2026

	Mar 2026	Apr 2026	May 2026	Jun 2026	YTD Actual	YTD Budget	YTD Variance
Adult Admissions (excl. Observation)	330	264	283	299	3,506	3,209	297
Patient Days (excl. Observation)	1,788	1,455	1,412	1,534	17,561	16,039	1,522
Average Length of Stay (excl. Observation)	5.4	5.5	5.0	5.1	5.0	5.0	0.0
Average Daily Census (excl. Observation)	57.7	48.5	45.5	51.1	48.1	48.1	-
Average Daily Census (ADC) Observation	4.0	4.5	5.4	3.5	3.9	4.5	(0.6)
Total ADC (including Observation)	61.7	53.0	50.9	54.6	52.1	52.6	(0.6)
Observation Days (excluding Obstetrics)	125	136	166	105	1,439	1,656	(217)
Outpatient Visits (excluding Clinics)	8,600	8,856	8,858	8,232	99,417	91,536	7,881
Emergency Room Visits	3,254	2,854	3,081	2,782	35,387	33,894	1,493
El Centro Rural Health Clinic Visits	3,231	2,556	2,659	2,682	34,088	41,096	(7,008)
Calexico Rural Health Clinic Visits	2,235	2,236	2,165	2,295	25,968	32,458	(6,490)
Rural Health Clinic Visits - Total	5,466	4,792	4,824	4,977	60,056	73,554	(13,498)
Wound Healing Center Visits	157	147	147	117	1,657	1,716	(59)
Oncology Center Visits	601	642	409	461	6,380	7,462	(1,082)
Oncology Center Infusion Procedures	1,647	1,580	1,388	1,219	16,340	16,652	(312)
Surgeries without C-Sections	431	403	377	366	5,104	5,156	(52)
DaVinci Cases	46	36	39	50	301	622	(321)

Rolling-12 Volume Trend



	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Observation Days	100	124	89	85	110	140	158	101	125	136	166	105
Total Clinic Visits (RHCs, ONC, WHC)	6,556	5,596	6,291	6,042	4,677	5,026	5,341	5,824	6,224	5,581	5,380	5,555
Outpatient Visits (excl. Clinics)	9,017	8,164	8,352	8,732	6,912	6,931	8,276	8,487	8,600	8,856	8,858	8,232
Adult Patient Days (excl. Observation)	1,466	1,334	1,417	1,343	1,371	1,510	1,538	1,393	1,788	1,455	1,412	1,534
Adult Admissions	292	279	292	301	275	318	316	257	330	264	283	299

ECRMC BALANCE SHEET COMPARED TO PRIOR MONTH

	June 30, 2026	May 31, 2026	Variance ($)	Variance (%)
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 10,842,421	$ 4,255,484	$ 6,586,937	155%
Net Patient Accounts Receivable	21,466,005	20,942,653	523,352	2%
Other Receivables	148,519	114,751	33,768	29%
Due from Third-Party Payors	50,924,774	50,841,471	83,303	0%
Inventories	2,951,571	2,936,829	14,742	1%
Prepaid Expenses & Other	296,244	732,654	(436,410)	-60%
Total Current Assets	86,629,535	79,823,842	6,805,693	9%
Assets Limited as to Use				
Restricted Building Capital Fund	387,656	373,090	14,566	4%
Funds Held by Trustee for Debt Service	13,988,695	13,326,688	662,007	5%
Restricted Programs	11,497	11,497	-	0%
Total Assets Limited as to Use	14,387,849	13,711,275	676,573	5%
Property, Plant, and Equipment: Net	155,697,807	156,363,947	(666,140)	0%
Other Assets	647,238	748,741	(101,503)	-14%
Total Assets	257,362,428	250,647,805	6,714,624	3%
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	(5,747,330)	(5,027,730)	(719,600)	14%
Total Deferred Outflows of Resources	(5,747,330)	(5,027,730)	(719,600)	14%
Total Assets and Deferred Outflows of Resources	$ 251,615,098	$ 245,620,074	$ 5,995,024	2%
Liabilities				
Current Liabilities:				
Current Portion of Bonds	1,465,000	1,460,000	5,000	0%
Current Portion of Capital Lease Obligations	794,128	819,596	(25,468)	-3%
Accounts Payable and Accrued Expenses	19,983,559	19,435,039	548,520	3%
Accrued Compensation and Benefits	11,713,097	11,195,783	517,314	5%
Due to Third-Party Payors	4,991,807	4,709,256	282,551	6%
Total Current Liabilities	38,947,591	37,619,674	1,327,917	4%
Long-Term Bond Payable, Less Current Portion	110,565,796	110,667,063	(101,267)	0%
Capital Lease Obligations, Less Current Portion	2,784,816	3,309,528	(524,712)	-16%
Notes Payable, Less Current Portion	29,083,601	29,602,119	(518,519)	-2%
Net Pension Liability	52,851,200	56,851,200	(4,000,000)	-7%
Total Liabilities	234,233,003	238,049,585	(3,816,582)	-2%
Deferred Inflows of Resources	-	-	-	0%
Deferred Inflows of Resources - Pension	-	-	-	0%
Total Deferred Inflows of Resources				
Net Position				
Restricted Fund Balance	27,653	27,653	-	0%
Fund Balance	17,354,442	7,542,837	9,811,605	130%
Total Net Position	17,382,095	7,570,489	9,811,605	130%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 251,615,098	$ 245,620,074	$ 5,995,024	2%
Days Cash on Hand	26.57	11.28		
Days Revenue in A/R	67.31	65.57		
Days in A/P	79.93	77.44		
Current Ratio	2.22	2.12		
Debt Service Coverage Ratio	2.92	3.91		

STATEMENTS OF OPERATIONS

	MTD March 31, 2026	MTD April 30, 2026	MTD May 31, 2026	MTD June 30, 2026	YTD June 30, 2025	YTD June 30, 2026	YTD BUDGET June 30, 2026
Adult Admissions	330	264	283	299	3,232	3,506	3,209
Adult Patient Days (excl. Observation)	1,788	1,455	1,412	1,534	16,189	17,561	16,039
Outpatient Visits (excl. Clinics)	8,600	8,856	8,858	8,232	92,875	99,417	91,536
Total Clinic Visits (RHCs, ONC, WHC)	6,224	5,581	5,380	5,555	80,966	68,093	82,732
Observation Days	125	136	166	105	1,601	1,439	1,656
OPERATING REVENUE							
I/P Revenue	$ 19,263,878	$ 14,547,580	$ 14,006,635	$ 17,133,908	$ 195,340,130	$ 189,318,231	$ 189,028,506
O/P Revenue - Laboratory	6,851,124	6,552,656	6,260,126	7,493,050	71,684,780	77,219,667	70,087,438
O/P Revenue - CT Scanner	6,893,563	5,947,828	5,759,350	7,406,135	73,462,213	73,755,473	132,889,668
O/P Revenue - Emergency Room	8,116,871	6,961,960	6,028,237	7,302,571	79,169,049	86,152,366	76,921,511
O/P Revenue - Oncology	817,772	813,066	613,525	689,649	33,922,482	8,465,817	38,884,622
O/P Revenue - Others	25,855,197	25,157,069	20,714,876	26,962,015	249,268,208	278,820,602	290,592,363
Gross Patient Revenues	67,798,405	59,980,158	53,382,749	66,987,328	702,846,862	713,732,156	798,404,107
Other Operating Revenue	307,187	242,029	253,232	311,409	4,358,486	3,789,793	5,024,951
Total Operating Revenue	68,105,592	60,222,188	53,635,981	67,298,738	707,205,348	717,521,949	803,429,058
Contractuals							
IP Contractuals	13,444,925	11,189,895	13,642,842	12,536,729	149,325,512	143,185,572	143,732,808
OP Contractuals	41,966,635	37,936,139	29,903,373	41,229,305	408,684,223	441,078,171	504,250,145
Charity	11,654	135,932	13,676	46,651	1,500,382	875,902	1,743,618
Provision for Bad Debts	488,339	688,457	653,489	770,542	7,069,667	8,022,425	6,832,516
Other Third Party Programs	(2,474,250)	(2,474,250)	(2,474,250)	0	(36,489,141)	(27,382,315)	(17,908,533)
M/Cal Disproportionate Share	(750,000)	(83,333)	(83,333)	(83,333)	(3,851,511)	(1,000,000)	(528,000)
Total Deductions	52,687,303	47,392,840	41,655,797	54,499,894	526,239,132	564,779,754	638,122,554
Total Net Revenues	15,418,289	12,829,348	11,980,184	12,798,844	180,966,216	152,742,195	165,306,504
EXPENSES							
Salaries & Wages	5,471,855	5,396,991	5,083,514	5,277,804	62,688,445	62,522,262	63,549,329
Registry	(22,919)	17,526	35,159	69,712	394,141	680,688	328,772
Employee Benefits	645,586	554,128	778,539	688,764	11,075,733	8,807,354	11,122,796
Employee Benefits - Pension GASB 68	719,600	719,600	710,578	719,600	4,164,800	8,597,931	7,387,777
Professional Fees - Medical	1,347,056	1,372,728	1,251,763	1,231,485	14,965,278	15,805,311	17,771,588
Professional Fees - Non-Med	374,302	218,950	359,589	554,759	2,610,378	3,656,189	2,528,050
Supplies - Medical	3,201,979	2,634,391	2,507,473	2,353,168	29,119,293	30,587,118	29,315,613
Supplies - Non-Medical	129,655	101,957	53,010	143,332	1,849,484	1,556,578	1,924,842
Food	89,292	97,290	83,890	83,590	991,323	1,052,870	958,377
Repairs and Maintenance	632,244	595,658	603,953	811,028	7,933,387	7,580,561	8,224,846
Other Fees	572,129	445,527	453,490	579,275	6,743,669	6,314,625	7,615,734
Lease and Rental	38,333	79,502	38,080	12,184	503,712	393,086	348,294
Utilities	167,136	180,416	181,988	221,973	2,369,561	2,210,990	2,365,619
Depreciation and Amortization	497,644	631,751	640,142	479,418	8,503,909	6,288,514	7,287,300
Insurance	63,292	276,322	110,831	106,515	2,066,872	2,003,034	2,199,158
Other Expenses	109,196	124,018	150,684	107,327	1,436,294	1,574,249	1,349,042
Total Operating Expenses	14,036,381	13,446,757	13,042,682	13,439,934	157,416,278	159,631,359	164,277,137
Operating Income	1,381,908	(617,409)	(1,062,498)	(641,090)	23,549,938	(6,889,164)	1,029,367
Operating Margin %	9.0%	-4.8%	-8.9%	-5.0%	13.0%	-4.5%	0.6%
Non-Operating Revenue and Expenses							
Investment Income	23,430	26,891	40,478	34,846	(439,632)	671,520	684,916
Grants and Contributions Revenue	0	0	0	0	1,062,982	0	1,275,744
Non Operating Revenue/(Expense)	0	0	6,222,222	11,000,000	1,336,177	17,222,222	794,250
Interest Expense	(583,805)	(585,427)	(590,664)	(582,151)	(7,313,558)	(7,033,387)	(7,137,699)
Total Non-Operating Rev. and Expenses	(560,375)	(558,537)	5,672,036	10,452,695	(5,354,032)	10,860,355	(4,382,788)
(Deficit)/Excess Rev. Over Exp.	$ 821,534	$ (1,175,946)	$ 4,609,538	$ 9,811,605	$ 18,195,906	$ 3,971,191	$ (3,353,421)
(Deficit)/Excess Rev. Over Exp. %	5.3%	-9.2%	38.5%	76.7%	10.1%	2.6%	-2.0%
EBIDA	2,622,583	760,833	6,550,922	11,592,774	38,178,174	25,891,023	18,459,355
EBIDA %	17.0%	5.9%	54.7%	90.6%	21.1%	17.0%	11.2%

El Centro Regional Medical Center

Monthly Cash Flow

Unaudited

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026	Year-to-Date 2026
Cash Flow From Operating Activities													
Net Income/(Loss)	$ 1,541,946	$ (928,870)	$ (4,964,247)	$ (2,058,352)	$ (1,295,258)	$ (684,345)	$ (281,271)	$ (1,453,901)	$ 821,534	$ (1,175,946)	$ 4,609,538	$ 9,811,605	**$ 3,942,434**
Adjustments to reconcile net income to net cash:													
Add: Depreciation	576,457	570,465	548,724	555,687	227,580	543,389	544,312	472,945	497,644	631,751	640,142	479,418	**$ 6,288,514**
Capital Lease Interest	4,729	4,807	4,518	4,063	3,656	3,067	3,405	3,152	2,842	2,764	2,686	2,615	**$ 42,304**
Bond Interest	578,211	578,211	578,211	578,211	578,211	578,211	578,211	578,211	578,211	578,211	578,211	578,211	**$ 6,938,528**
Accounts Receivable	181,484	117,559	5,349,354	2,077,513	893,317	(675,118)	2,110,013	385,832	258,357	(413,099)	944,004	(523,352)	**$ 10,705,864**
Other Receivables	161,635	(26,032)	(19,841)	(50,501)	23,728	(3,575)	(19,932)	55,134	111,033	36,060	(38,278)	(33,768)	**$ 195,661**
Inventory	(22,343)	(46,520)	1,424	1,141	12,225	3,756	18,774	1,247	1,708	32,998	(19,763)	(14,742)	**$ (30,094)**
Prepaid Expenses/Other Assets	(707,262)	477,026	(95,484)	64,548	58,132	(79,410)	71,369	36,749	(394,661)	91,013	1,432,383	537,913	**$ 1,492,317**
Accounts Payable and Accrued Expenses	1,035,816	1,216,039	340,127	(1,502,650)	736,667	185,428	337,133	2,044,429	1,278,824	(9,726,044)	(1,425,118)	(125,958)	**$ (5,605,307)**
Accrued Compensation and Benefits	(1,907,284)	211,863	427,550	561,175	444,359	(1,736,148)	31,743	93,384	640,077	329,815	407,520	517,314	**$ 21,367**
Third-Party Liabilities	(2,473,448)	(3,782,432)	(1,812,277)	631,228	(5,689,044)	3,589,782	(2,713,285)	(7,111,139)	2,039,812	4,182,700	(9,983,596)	(319,271)	**$ (23,440,970)**
Net Pension Obligation	719,600	710,137	719,600	710,134	4,719,600	719,600	(3,280,400)	8,710,282	(3,280,400)	(3,280,400)	4,710,578	(3,280,400)	**$ 8,597,931**
Net Cash From Operating Activities	$ (310,459)	$ (897,746)	$ 1,077,659	$ 1,572,197	$ 713,173	$ 2,444,636	$ (2,599,928)	$ 3,816,325	$ 2,554,980	$ (8,710,177)	$ 1,858,307	$ 7,629,584	**$ 9,148,551**
Cash Flow From Investing Activities													
Fixed Assets - Gross	$ (804,470)	$ (518,646)	$ (691,873)	$ (599,649)	$ (52,014)	$ (390,293)	$ (409,492)	$ (1,380,674)	$ (27,860)	$ (535,396)	$ (46,969)	$ 186,722	**$ (5,270,615)**
Intangible Assets - Gross	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Restricted Assets	3,912,524	(666,888)	(669,248)	(670,923)	(673,488)	(675,078)	2,539,509	(668,923)	(669,440)	(672,512)	(674,152)	(676,573)	**$ (265,193)**
Net Cash From Investing Activities	$ 3,108,054	$ (1,185,535)	$ (1,361,121)	$ (1,270,572)	$ (725,503)	$ (1,065,371)	$ 2,130,017	$ (2,049,597)	$ (697,301)	$ (1,207,907)	$ (721,121)	$ (489,852)	**$ (5,535,808)**
Cash Flow From Financing Activities													
Bond Payable	$ (4,719,631)	$ -	$ -	$ -	$ -	$ -	$ (3,344,369)	$ -	$ -	$ -	$ -	$ -	**$ (8,064,000)**
Capital Leases	(234,766)	(240,557)	(286,507)	(238,790)	(183,988)	(220,862)	(245,774)	(214,345)	(147,021)	8,197,942	(154,446)	(552,795)	**$ 5,478,090**
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	**$ -**
Net Cash From Financing Activites	$ (4,954,397)	$ (240,557)	$ (286,507)	$ (238,790)	$ (183,988)	$ (220,862)	$ (3,590,143)	$ (214,345)	$ (147,021)	$ 8,197,942	$ (154,446)	$ (552,795)	**$ (2,585,910)**
Total Change In FY 2026 Cash	$ (2,156,803)	$ (2,323,837)	$ (569,969)	$ 62,835	$ (196,318)	$ 1,158,403	$ (4,060,054)	$ 1,552,382	$ 1,710,659	$ (1,720,142)	$ 982,740	$ 6,586,937	**$ 1,026,833**
Cash & Cash Equivalents, Beginning Balance	9,815,588	7,658,785	5,334,947	4,764,978	4,827,813	4,631,496	5,789,899	1,729,845	3,282,227	4,992,886	3,272,744	4,255,484	**9,815,588**
Cash & Cash Equivalents, Ending Balance	**$ 7,658,785**	**$ 5,334,947**	**$ 4,764,978**	**$ 4,827,813**	**$ 4,631,496**	**$ 5,789,899**	**$ 1,729,845**	**$ 3,282,227**	**$ 4,992,886**	**$ 3,272,744**	**$ 4,255,484**	**$ 10,842,421**	**10,842,421**

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