

EXTENSION AGREEMENT FOR
DESIGNATED GOVERNMENTAL UNIT CHARITABLE IMPACT FUND AGREEMENT
BETWEEN
THE ALMANOR FOUNDATION AND SENECA HEALTHCARE DISTRICT

This Agreement is made and entered in this 31st day of December, 2022, by and between **The Almanor Foundation**, hereinafter referred to as the "Foundation", and **Seneca Healthcare District**, hereinafter referred to as the "Fund", regarding the continuation of Designated Governmental Unit Charitable Impact Fund, the term of which is to expire December 31, 2022.

NOW THEREFORE, it is agreed as follows:

1. The above-described fund agreement is hereby renewed for a term of 2 months, beginning January 1, 2023 and ending February 28, 2023.
2. All terms, provisions and covenants of the above-described agreement shall remain in full force for the duration of the extended term, except as noted.
 - a. Two additional fund advisors will be added.
3. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors, assigns and representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

The Fund Advisor has executed this Agreement on behalf of Organization and the Foundation has approved it as indicated by the signatures below.

Steve Boline, Fund Advisor

Date

Title

Jerri Nielsen, Fund Advisor

Date

Title

Shawn McKenzie, Fund Advisor

Date

Title

Chelssa Outland, Fund Advisor

Date

Title

Approved by the Board Chair with the authority vested in her by the Board of Directors of THE ALMANOR Foundation on January 28, 2021.

Judith Chynoweth, Board of Directors Chair

Date

OATH

For the Office of Seneca Healthcare District

I, Richard L. Rydell, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature: _____

Term of Office: 12/02/2022 12/04/2026
Beginning **Ending**

Subscribed and sworn before me, _____
Month, Day, Year

Official Signature **Title**

OATH

For the Office of Seneca Healthcare District

I, Ryan Lee, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature: _____

Term of Office: 12/02/2022 12/04/2026
Beginning **Ending**

Subscribed and sworn before me, _____
Month, Day, Year

Official Signature **Title**

Seneca Healthcare District Hospital Board Member Interest Letter

December 20, 2022

Shelley Stelzner, MHA, RN, BSN, PHN, CCM
364 Osprey Loop
Chester, Ca 96020
Stelzners@hotmail.com

To: Seneca Healthcare District Administration,

Please consider this letter and attached resume as an expression of my interest in participating as a board member of the Seneca Healthcare District Hospital Board. With my 35 years of experience as a Registered Nurse (RN) in California, working in several hospital and outpatient RN and hospital administrative positions, I feel my experience would be of value on the Seneca Hospital Board, particularly during such an exciting time.

My husband and I purchased our home in Lake Almanor West in 2014 and made it our full-time residence in 2021, following my retirement from NorthBay Healthcare in Nursing Management. We are enjoying the quality of life Chester has to offer and wholeheartedly supported Measure B during this last election. We are excited for a new hospital to be built that would support our community for years to come.

Given the opportunity, I will do my best to participate and benefit the Hospital Board during this momentous and exiting time.

Thank you,

A handwritten signature in blue ink that reads "Shelley Stelzner". The signature is written in a cursive style with a large, looped initial 'S'.

Shelley Stelzner

December 20, 2022

Shelley Stelzner MHA, RN, BSN, PHN, CCM
364 Osprey Loop
Chester CA 96020

Summary:

35 years as a career registered nurse in California.

My experience includes working as a Critical Care RN, Emergency RN, Outpatient Surgery Center OR and Recovery RN, Utilization Management and Case Management RN. Last 15 years of my RN career were in Nursing Management as a Supervisor, Manager and Director of Utilization Management (UM), Case Management and oversight of Social Services and Chaplaincy in a level two hospital trauma center in Fairfield Ca.

I was a member of many committees while in Nursing Management. I was a member of the California Hospital Association (CHA) Case Management Committee, a board member of the American Case Management Association (ACMA), a member of the Case Management Society of America (CMSA), a member of trauma Committees and multiple city healthcare resource development committees in Fairfield and Vacaville Ca. I am a graduate of Solano Leadership Organization and Lean Six Sigma.

Education:

Bachelor of Science in Nursing and Public Health Nursing, December 1987
Samuel Merritt University, Oakland California
Master of Health Administration, University of Phoenix 2010
Critical Care Certification, 1988
Certification in Case Management, (CCM) 2012

Professional Affiliations:

American Case Management Northern California Chapter Board Member
American Case Management Northern California Public Policy Committee Co-Chair
California Hospital Association (CHA) Case Management Committee Member

Experience:

NorthBay Healthcare, Fairfield CA

2001-2020: Case Manager, Supervisor of Outpatient Case Management, Manager of Outpatient Case Management and Director of Inpatient/Outpatient Case Management, Utilization Management, Social Services and Chaplaincy.

- Managed operations of multiple departments to ensure patient needs were met with attention to high quality care that meets or exceeds regulatory requirements.
- Administration of capitated Health plan contracts
- Prepared and coordinated managed Health plan annual audits

- Provided presentations to staff and Management Team on department outcomes data
- Participated in multiple NCQA hospital surveys

Tricare Federal Services, Healthcare Finder, Vacaville CA.

1996-2001

- Performed prospective authorizations for Federal employee retirees and their dependents

Health South Surgery Center, Ambulatory Surgery Care RN, Vacaville CA.

1992 to 1996

- OR circulating RN, recovery and procedure RN

Merrithew Memorial Hospital, ICU and ED RN, Martinez CA

1989-1992

- Intensive Care Unit and ED RN

Samuel Merritt Hospital, CCU and Telemetry RN, Oakland CA

1987-1989

- CCU, telemetry and cardiac catheter recovery



**Seneca Healthcare District
Financial Statements - Board Report
October 2022**

Summary

Seneca Healthcare District had a net loss of \$311k, during the month, compared to budgeted loss of \$325k; for a positive variance of \$14k. This was primarily due to positive variances in both net patient and other operating (interest income) revenue, which was somewhat offset by a negative variance in total operating expenses.

Revenues

Gross patient revenue, for the month, ended at \$2.17M compared to a budgeted amount of \$2.12M, for a positive variance of \$49k; due to an increase in outpatient utilization (observation care and associated ancillary services), which was mostly offset by a decrease in the inpatient census (acute and swing bed).

There were 8 acute inpatient days in the month (budget of 23), and 13 swing bed days (budget of 23), resulting in an average daily census (ADC) of .68 patients per day. The skilled nursing unit had an ADC of 14.00 (budget of 15), resulting in an occupancy percent of 87.50%.

Outpatient revenue was \$1.80M versus a budget of \$1.54M for a positive variance of \$260k. Lake Almanor Clinic visits were at the budgeted amount of 676.

Expenses

Total operating expenses for the month were \$1.71M, versus a budget of \$1.67M, for a negative variance of \$37k.

Salaries & Wages: Salaries and wages were over budget by \$18k.

FTEs, for the month, were 103.82 versus a budget of 100.75 and the average hourly wage (AHW) was \$38.48 versus a budget of \$38.08.

Contract Labor: Contract labor was under budget by \$12k, this month. FTEs, for the month, were 5.57 versus a budget of 7.4 and the AHW was \$106.18 versus a budget of \$90.47.

Pro Fees Medical: See attached analysis

Other Expenses: Over budget \$18k due to the retention of a recruiter to fill open positions in the Finance and Laboratory departments.

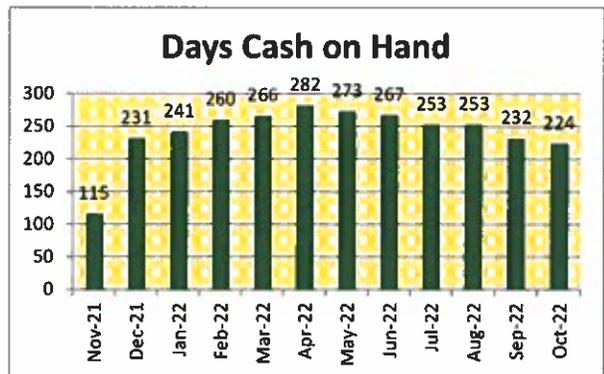
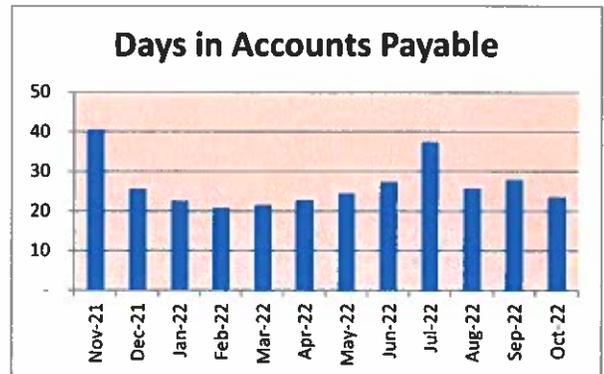
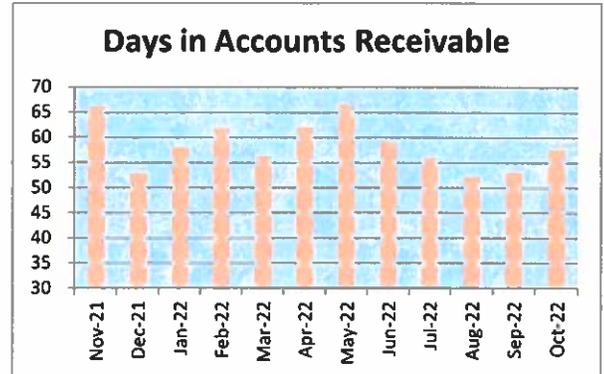
All Other Expense Categories: All categories either slightly above or slightly below the budgeted amount.

Additional Information

Days of cash on hand decreased from 231.9 to 223.6 due to the loss for the month of October and decreased A/R collections.

Revenue Cycle

Gross accounts receivable ended the month at \$4.29M, which is a \$502k increase over last month. Gross accounts receivable days increased this month to 57.7 and is now outside the best practices target of 45-55 days.



Current Ratio.....	4.36
Operating Margin.....	-24.3%
Days in Accounts Receivable.....	57.7
Long-Term Debt to Capitalization.....	0.01
Debt Service Coverage.....	-3,715%
Days Cash on Hand Excl. Board Restr.....	223.6

**Seneca Healthcare District
Income Statement
For the Month of October 2022**

	% Net Pt Revenue	Actual	Month-to-Date Budget	\$ Variance	% Net Pt Revenue	Actual	Year-to-Date Budget	\$ Variance
1 REVENUE								
2 Inpatient Revenue - Acute		25,832	75,074	(49,242)		209,885	297,875	(87,990)
3 Inpatient Revenue - Swing Bed		41,327	73,912	(32,585)		133,518	293,263	(159,745)
4 Inpatient Revenue - SNF		254,257	269,700	(15,443)		992,844	996,300	(3,456)
5 Inpatient Revenue - Ancillary		50,997	164,332	(113,335)		389,168	604,054	(214,886)
6 Inpatient Revenue - Total		372,414	583,018	(210,605)		1,725,415	2,191,492	(466,077)
7 Outpatient Revenue		1,796,058	1,536,225	259,833		6,994,111	6,375,779	618,332
8 Total Patient Revenue		2,168,472	2,119,243	49,228		8,719,526	8,567,270	152,255
9 Contractual Allowances		(672,755)	(666,890)	(5,864)		(2,660,016)	(2,695,976)	35,960
10 Charity Discount		-	(3,779)	3,779		(22,972)	(15,279)	(7,694)
11 Other Allowances		(75,926)	(70,571)	(5,355)		(266,104)	(285,291)	19,187
12 Bad Debt		(65,357)	(48,124)	(17,234)		(262,981)	(194,545)	(68,436)
13 Total Deductions		(814,038)	(789,364)	(24,673)		(3,212,073)	(3,191,091)	(20,983)
14 Net Patient Revenue		1,354,434	1,329,879	24,555		5,507,453	5,376,180	131,273
% of Gross Revenue		62.5%	62.8%	-0.3%		63.2%	62.8%	0.4%
15 Meaningful Use Revenue		-	-	-		-	-	-
16 Quality Payments		-	-	-		-	-	-
17 Other Operating Revenue		3,675	4,167	(492)		12,219	16,667	(4,447)
18 Total Operating Revenue		1,358,109	1,334,046	24,063		5,519,672	5,392,846	126,826
19 EXPENSES								
20 Salaries & Wages	51.9%	(702,357)	(683,899)	(18,458)	50.2%	(2,765,050)	(2,737,882)	(27,168)
21 Employee Benefits	9.4%	(126,941)	(144,148)	17,207	9.5%	(525,352)	(578,687)	53,335
22 Contract Labor	7.0%	(94,570)	(107,120)	12,550	8.7%	(479,025)	(457,880)	(21,145)
23 Professional Fees - Medical	21.7%	(293,412)	(270,363)	(23,049)	19.3%	(1,061,986)	(1,019,532)	(42,455)
24 Professional Fees - Other	1.3%	(18,213)	(17,133)	(1,080)	1.7%	(96,345)	(68,533)	(27,812)
25 Supplies	6.6%	(88,996)	(93,852)	4,857	9.9%	(547,783)	(569,074)	21,291
26 Purchased Services	15.2%	(205,636)	(198,591)	(7,045)	12.5%	(688,096)	(690,724)	2,627
27 Insurance	1.6%	(22,301)	(16,259)	(6,042)	1.6%	(88,832)	(65,034)	(23,798)
28 Rentals and Leases	1.0%	(14,119)	(15,192)	1,073	1.1%	(59,586)	(60,767)	1,181
29 Repairs and Maintenance	1.6%	(22,165)	(18,118)	(4,047)	1.7%	(94,765)	(84,473)	(10,291)
30 Utilities and Telephone	2.0%	(27,422)	(32,110)	4,688	2.3%	(126,476)	(126,941)	465
31 Depreciation & Amortization	2.7%	(36,150)	(36,966)	816	2.6%	(140,721)	(147,864)	7,144
32 Other Expenses	4.4%	(59,262)	(41,013)	(18,249)	3.3%	(184,360)	(154,588)	(29,773)
33 Total Operating Expenses	126.4%	(1,711,544)	(1,674,765)	(36,779)	124.5%	(6,858,378)	(6,761,979)	(96,399)
34 Income From Operations	-26.1%	(353,435)	(340,719)	(12,716)	-24.3%	(1,338,706)	(1,369,133)	30,426
35 Tax Revenue	0.0%	-	-	-	0.0%	-	-	-
36 IGT - Incoming Portion	0.0%	-	-	-	0.0%	-	-	-
37 Non Capital Grants and Donations	0.0%	132	1,667	(1,535)	0.3%	14,527	6,667	7,860
38 Interest Income	3.2%	42,984	14,500	28,484	1.3%	72,458	29,500	42,958
39 Interest Expense	0.0%	(348)	(338)	(10)	0.0%	(2,139)	(1,414)	(725)
40 Non-Operating Income (Expense)	0.0%	-	-	-	0.0%	-	-	-
41 Total Non-Operating Gain (Loss)	3.2%	42,768	15,829	26,940	1.5%	84,846	34,753	50,093
42 Net Income	-22.9%	(310,667)	(324,891)	14,224	-22.8%	(1,253,860)	(1,334,380)	80,519
43 Operating Margin %		(26.0%)	(25.5%)	-0.48%		(24.3%)	(25.4%)	1.13%
44 Net Margin %		(22.9%)	(24.4%)	1.48%		(22.7%)	(24.7%)	2.03%
45 Payroll as % of Operating Expense		41.04%	40.84%	0.20%		40.32%	40.49%	-0.17%
46 IGT Transaction Summary								
47 Outgoing		-	-	-		-	-	-
48 Incoming		-	-	-		-	-	-
49 Net Impact		-	-	-		-	-	-

**Seneca Healthcare District
Income Statement**

13-Month Trend Ended October 31, 2022

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
REVENUE													
1 Inpatient Revenue - Acute	145,305	206,656	96,870	93,641	145,305	96,870	22,603	100,099	22,603	35,519	29,061	119,473	25,832
2 Inpatient Revenue - Swing	-	89,012	79,475	143,055	54,043	-	-	85,833	114,444	19,074	-	73,117	41,327
3 Inpatient Revenue - SNF	270,276	236,273	228,932	218,909	208,692	230,692	223,250	230,692	223,250	246,816	249,916	241,855	254,257
4 Inpatient Revenue - Ancillary	245,480	452,214	243,401	162,898	195,185	138,154	51,754	182,592	127,889	57,577	53,728	226,865	50,997
5 Inpatient Revenue - Total	661,061	984,155	648,578	618,504	602,900	465,716	297,607	599,216	488,186	358,986	332,705	661,310	372,414
6 Outpatient Revenue	1,545,646	1,346,701	1,327,105	1,371,488	1,068,450	1,311,960	1,474,168	1,376,426	1,632,779	1,769,547	1,652,746	1,775,759	1,796,058
7 Total Patient Revenue	2,206,707	2,330,857	1,975,683	1,989,992	1,671,350	1,777,676	1,771,775	1,975,643	2,120,965	2,128,533	1,985,451	2,437,069	2,168,472
8 Contractual Allowances	(735,052)	(792,478)	(503,978)	(601,841)	(571,391)	(573,673)	(523,321)	(487,110)	(556,074)	(644,846)	(551,455)	(790,961)	(672,755)
9 Charity Discount	-	(10,035)	(10,529)	(676)	(3,792)	(3,792)	(1,653)	(57,869)	(6,817)	(8,196)	(13,784)	(993)	-
10 Other Allowances	(41,014)	(97,316)	(79,606)	(84,560)	(34,562)	(30,542)	(39,638)	(86,522)	(140,779)	(94,463)	(58,286)	(37,429)	(75,926)
11 Bad Debt	(44,502)	(42,322)	(63,071)	(43,284)	(44,765)	(34,307)	(51,476)	(42,060)	(21,438)	(41,917)	(81,238)	(74,468)	(65,357)
12 Total Deductions	(820,568)	(942,150)	(657,184)	(729,685)	(651,401)	(642,314)	(616,088)	(673,561)	(725,107)	(789,422)	(704,763)	(903,851)	(814,038)
13 Net Patient Revenue	1,386,139	1,388,706	1,318,500	1,260,306	1,019,949	1,135,362	1,155,687	1,302,082	1,395,858	1,339,112	1,280,689	1,533,218	1,354,434
14 % of Gross Revenue	62.8%	59.6%	66.7%	63.3%	61.0%	63.9%	65.2%	65.9%	65.8%	62.9%	64.5%	62.9%	62.5%
15 Meaningful Use Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Quality Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other Operating Revenue	38,281	38,635	81,433	6,813	62	1,266	377	1,531	2,045,573	1,544	1,626	5,374	3,675
18 Total Operating Revenue	1,424,419	1,427,342	1,399,932	1,267,119	1,020,011	1,136,628	1,156,064	1,303,613	3,441,431	1,340,656	1,282,315	1,538,592	1,358,109
EXPENSES													
19 Salaries & Wages	(644,575)	(603,347)	(594,095)	(700,959)	(561,247)	(669,950)	(708,102)	(628,460)	(628,378)	(735,926)	(684,412)	(642,354)	(702,357)
20 Employee Benefits	(130,336)	(125,364)	(120,600)	(145,308)	(131,870)	(126,612)	(137,689)	(139,055)	(135,973)	(142,507)	(127,879)	(128,026)	(126,941)
21 Contract Labor	(133,018)	(99,499)	(118,688)	(112,313)	(113,444)	(91,864)	(114,126)	(85,432)	(115,923)	(160,617)	(136,809)	(87,029)	(94,570)
22 Professional Fees - Medical	(233,536)	(234,375)	(226,827)	(240,162)	(220,127)	(261,366)	(272,737)	(239,698)	(242,563)	(240,648)	(248,365)	(279,561)	(293,412)
23 Professional Fees - Other	(22,284)	(23,834)	(35,955)	(29,638)	(42,268)	(34,815)	(42,727)	(42,727)	(35,109)	(26,806)	(33,184)	(18,143)	(18,213)
24 Supplies	(162,364)	(164,371)	(101,168)	(71,759)	(71,156)	(79,376)	(81,811)	(105,371)	(85,121)	(74,673)	(104,109)	(280,006)	(88,996)
25 Purchased Services	(187,626)	(151,888)	(183,031)	(137,420)	(116,585)	(115,307)	(208,954)	(169,742)	(169,742)	(168,873)	(132,700)	(180,888)	(205,636)
26 Insurance	(12,266)	(12,309)	(12,404)	(12,190)	(12,459)	(12,671)	(12,465)	(12,308)	(12,359)	(22,066)	(22,237)	(22,228)	(22,301)
27 Rentals and Leases	(15,388)	(17,994)	(15,348)	(13,671)	(9,496)	(12,798)	(12,386)	(16,128)	(15,412)	(15,412)	(15,419)	(14,636)	(14,119)
28 Repairs and Maintenance	(20,639)	(16,958)	(18,546)	(21,808)	(22,236)	(18,359)	(16,312)	(11,708)	(14,801)	(22,036)	(31,692)	(18,872)	(22,165)
29 Utilities and Telephone	(22,592)	(29,770)	(35,688)	(38,257)	(30,246)	(35,376)	(32,948)	(29,103)	(29,816)	(32,914)	(34,284)	(31,855)	(27,422)
30 Depreciation & Amortization	(38,620)	(36,814)	(38,813)	(38,690)	(36,029)	(35,160)	(35,203)	(35,203)	(35,797)	(36,039)	(36,038)	(32,493)	(36,150)
31 Other Expenses	(28,976)	(35,176)	(43,682)	(45,112)	(36,711)	(32,635)	(31,571)	(43,591)	(34,776)	(41,090)	(51,380)	(32,628)	(59,262)
32 Total Operating Expenses	(1,652,221)	(1,553,698)	(1,544,846)	(1,607,288)	(1,403,874)	(1,512,981)	(1,699,117)	(1,524,915)	(1,554,827)	(1,719,607)	(1,658,508)	(1,768,719)	(1,711,544)
33 Income From Operations	(227,802)	(126,356)	(144,914)	(340,169)	(383,863)	(376,353)	(543,053)	(221,302)	1,886,604	(378,951)	(376,193)	(230,127)	(353,435)
34 Tax Revenue	-	-	314,441	-	-	-	-	-	265,767	-	-	-	-
35 IGT - Incoming Portion	-	-	1,545,421	-	525,385	429,153	-	-	-	-	-	-	-
36 Non-Capital Grants and Donations	10,000	20,000	10,150	(1,500)	-	(2,173)	16,630	-	29,138	2,020	11,855	520	132
37 Interest Income	7,924	999	478	6,711	153	243	9,832	1,562	2,391	24,800	2,634	2,040	42,984
38 Interest Expense	(496)	(376)	(405)	(418)	(347)	(420)	(378)	(326)	(567)	(505)	(328)	(958)	(348)
39 Non-Operating Income (Expense)	-	-	-	-	12,287	-	-	-	-	-	-	-	-
40 Total Non-Operating Gain (Loss)	17,428	20,623	1,555,645	319,235	537,479	426,803	26,084	1,236	296,729	26,316	14,161	1,601	42,788
41 Net Income	(210,374)	(105,734)	1,410,731	(20,934)	153,616	50,450	(516,970)	(220,066)	2,183,332	(352,636)	(362,033)	(228,525)	(310,667)
42 Operating Margin %	(16.0%)	(8.9%)	(10.4%)	(26.8%)	(37.6%)	(33.1%)	(47.0%)	(17.0%)	54.8%	(28.3%)	(29.3%)	(15.0%)	(26.0%)
43 Net Margin %	(14.8%)	(7.4%)	(100.8%)	(1.7%)	15.1%	4.4%	(44.7%)	(16.9%)	63.4%	(26.3%)	(28.2%)	(14.9%)	(22.9%)
44 Payroll as % of Operating Expense	39.01%	38.83%	38.46%	43.61%	39.98%	44.28%	41.67%	41.21%	40.41%	42.80%	41.27%	36.32%	41.04%
45 IGT Transaction Summary													
46 Outgoing	503,184	-	189,050	-	114,842	-	19,399	-	-	-	-	-	-
47 Incoming	-	-	1,545,421	-	525,385	429,153	-	-	-	-	-	-	-
48 Net Impact	(503,184)	-	1,356,372	-	410,543	429,153	(19,399)	-	-	-	-	-	-

Seneca Healthcare District
Comparative Balance Sheets - Board Report
Dates as Indicated

	Unaudited	Unaudited	Audited	Audited	FY 2023-2022	
	FY 2023	FY 2022	FY 2021	FY 2020	\$ Change	% Change
	as of 10/31/2022	6/30/2022	6/30/2021	6/30/2020		
ASSETS						
Current Assets						
Cash	\$ 466,463	\$ 747,360	\$ 3,115,934	\$ 18,884	\$ (280,897)	-37.59%
Short-term Investments	11,748,733	12,528,820	7,618,504	7,317,637	(780,087)	-6.23%
Total Cash and Equivalents	12,215,196	13,276,180	10,734,438	7,336,520	(1,060,985)	-7.99%
Patient Accounts Receivable	4,286,560	3,824,129	3,570,234	4,582,957	462,432	12.09%
Accounts Receivable Reserves	(2,911,182)	(2,695,705)	(2,453,764)	(3,096,844)	(215,477)	7.99%
Net Accounts Receivable	1,375,378	1,128,423	1,116,470	1,486,113	246,955	21.88%
<i>% of Gross Accounts Receivable</i>	<i>32.1%</i>	<i>29.5%</i>	<i>31.3%</i>	<i>32.4%</i>		
Inventory	387,743	337,226	325,481	250,386	50,517	14.98%
Other Assets- Due (to)/from gov't payers	(627,399)	174,867	1,540,757	669,462	(802,266)	-458.79%
Board Restricted Funds - Facility Capital	351,545	449,934	1,253,165	513,400	(98,389)	
Board Restricted Funds	1,044,630	1,776,243	2,456,135	612,125	(731,613)	-41.19%
Total Other Assets	1,156,519	2,738,271	5,575,539	2,045,374	(1,581,751)	-57.76%
Total Current Assets	14,747,093	17,142,874	17,426,447	10,868,007	(2,395,781)	-13.98%
Fixed Assets						
Land	90,610	90,610	90,610	90,610	0	0.00%
Buildings	5,762,782	5,762,782	5,762,782	5,532,267	0	0.00%
Capital Equipment	7,245,171	6,944,679	5,861,094	5,033,846	300,492	4.33%
Total Plant & Equipment	13,098,563	12,798,070.77	11,714,485	10,656,723	300,492	2.35%
Accumulated Depreciation	(9,952,380)	(9,811,659)	(9,363,323)	(8,493,946)	(140,721)	1.43%
Net Fixed Assets	3,146,183	2,986,411	2,351,162	2,162,778	159,771	5.35%
TOTAL ASSETS	\$ 17,893,276	\$ 20,129,286	\$ 19,777,608	\$ 13,030,785	\$ (2,236,010)	-11.11%
LIABILITIES AND RETAINED EARNINGS						
Current Liabilities						
Accounts Payable	\$ 755,527	\$ 2,549,145	\$ 513,833	\$ 626,379	\$ (1,793,618)	-70.36%
Accrued Payroll & Benefits	670,814	801,180	620,243	562,461	(130,366)	-16.27%
Accrued Other Liabilities	1,956,434	1,005,670	4,501,218	207,968	950,764	0.00%
Total Current Liabilities	3,382,775	4,355,995	5,635,295	1,396,807	(973,220)	-22.34%
Long-Term Liabilities						
Loans	0	0	1,508,168	14,250	0	#DIV/0!
Capitalized Leases	51,934	60,864	110,836	133,793	(8,930)	-14.67%
Total Long-Term Liabilities	51,934	60,864	1,619,004	148,043	(8,930)	-14.67%
TOTAL LIABILITIES	3,434,709	4,416,859	7,254,299	1,544,850	(982,149)	-22.24%
FUND BALANCE	14,458,566	15,712,427	12,342,178	11,485,935	(1,253,860)	-7.98%
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,893,276	\$ 20,129,286	\$ 19,596,476	\$ 13,030,785	\$ (2,236,010)	-11.11%

Seneca Healthcare District
 Detail of Long Term Debt
 As of October 31, 2022

<u>Description</u>	<u>Original Amount</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Maturity</u>	<u>Secured By</u>	<u>Balance on Oct 31, 2022</u>
<u>Loans</u>							
CHFFA Help II Loan	387,890	July 2011	3.00%	0	September 2018	Patient AR	0
CHFFA Help II Loan	400,000	January 2015	3.00%	0	February 2019	Patient AR	0
Evident	114,000	October 2017	0.00%	0	September 2019	Equipment	0
PPP Loan	1,508,168	May 2020			May 2022		0
<u>Total Loans</u>	<u>2,410,058</u>			<u>0</u>			<u>0</u>
<u>Capitalized Leases</u>							
Siemens	172,672	September 2017	5.63%	2,492	August 2024	Equipment	51,934
Jules	500,081	February 2013	5.80%	0	February 2018	Equipment	0
<u>Total Capitalized Leases</u>	<u>672,753</u>			<u>2,492</u>			<u>51,934</u>
<u>Total Long Term Liabilities</u>	<u>3,082,811</u>			<u>2,492</u>			<u>51,934</u>

Seneca Healthcare District
Summary Statement of Cash Flows - Board Report
Fiscal Year-to-Date

	YTD
	10/31/2022
Net Income (Loss)	\$ (1,253,860)
Changes in:	
Depreciation	140,721
(Increase)/Decrease in Net Accounts Receivable	(246,955)
(Increase)/Decrease in Inventory	(50,517)
(Increase)/Decrease in Other Assets	802,266
Increase/(Decrease) in Accounts Payable	(1,793,618)
Increase/(Decrease) in Accrued Payroll & Benefits	(130,366)
Increase/(Decrease) in Other Accrued Liabilities	950,764
Net Cash Provided (Used) by Operating Activities	(327,704)
 Purchases of Equipment	 (300,492)
Net Cash Provided (Used) in Investing Activities	(300,492)
 Proceeds from New Loans	 -
Principal Payments of Loans	-
Principal Payments under Capital Leases	(8,930)
Principal Payments under Inter-Governmental Transfer Program	-
Net Cash Provided (Used) in Financing Activities	(8,930)
 Net Change in Cash and Cash Equivalents	 (1,890,987)
Cash and Cash Equivalents, Beginning of Period	15,502,357
 Cash and Cash Equivalents, End of Period	 \$ 13,611,371
*Inclusive of Board Restricted Cash	

Cash Detail by Account

Operating Checking - Plumas Bank	\$ 438,469
Suspense General Ledger for Receipts Pending R.A.'s	143
Payroll Checking - US Bank	27,117
Business Savings - Plumas Bank	827,616
Petty Cash - Receptionists	1,034
Local Agency Investment Fund	12,256,008
Series EE Bonds	60,984
Total Cash and Cash Equivalent Detail	\$ 13,611,371

**SENECA HEALTHCARE DISTRICT
ACTIVITY SUMMARY
FOR THE MONTH OF OCTOBER 2022**

MONTH TO DATE

YEAR TO DATE

	CURRENT MONTH OCT 2022	PRIOR MONTH SEPT 2022	PRIOR YEAR MONTH OCT 2021
1. In Patient Stays			
1.a Admissions	4	10	16
1.b Discharges	5	8	15
2. Out Patient Observations	25	10	11
3. Out Patient Surgeries	16	26	10
4. Emergency Visits	235	245	238
5. Lab Procedures	2,895	2,707	2,696
6. Radiology Procedures	326	339	285
6.a X-Ray Procedures	171	172	172
6.b Mammography	0	0	0
6.c MRI	7	4	3
6.d Ultrasound	16	15	7
6.e C T Scan	132	148	103
6.f Dexascanner	0	0	0
7. Respiratory Therapy/ABG/PFT	68	107	185
8. CardioPulmonary EKG/Holter	67	59	59
9. Stress Tests	0	0	1
10. Physical Therapy	296	367	306
11. Lake Almanor Clinic Visits	676	670	740
Dr. Ware	87	83	183
Dr. Walls	74	69	141
Dr. Cooper/Physician Office	204	176	150
NP Office	0	0	12
NP Walk-in/Hayden	223	242	181
Specialty/Other	88	100	73

	JULY 2022 OCT 2022	JULY 2021 OCT 2021
	24	43
	23	40
	70	39
	79	29
	1,132	858
	10,731	8,897
	1,287	951
	706	606
	0	0
	19	16
	37	32
	525	297
	0	0
	269	553
	270	206
	0	2
	1,353	855
	2,433	2,243
	348	597
	319	406
	380	499
	133	47
	894	494
	359	200

ACUTE CARE

12. Acute Patient Days	8	37	45
13. Acute ADC	0.26	1.23	1.45
14. % Occupancy	2.58	12.33	14.52
15. Avg Length of Stay	2.00	3.70	2.81
16. Swing Bed Days	13	23	0
17. Swing Bed ADC	0.42	0.77	0.00
18. Total ADC	0.68	2.00	1.45

	66	155
	0.54	1.26
	5.37	12.60
	2.75	3.60
	42	11
	0.34	0.09
	0.88	1.35

SKILLED NURSING UNIT

19. Patient Days	434	390	436
20. Average Daily Census	14.00	13.00	14.06
21. % Occupancy	87.50	81.25	87.90

	1,625	1,871
	13.21	15.21
	82.57	95.07

TOTALS

22. Patient Days	455	450	481
23. Average Daily Census	14.68	15.00	15.52
24. Total Adjusted Patient Days	2,649	1,658	1,606

	1,733	2,037
	14.09	16.56
	8,758	6,233

Seneca Healthcare District
Gross Outpatient Revenue
October 2022

	Month Ended 10/31/22			Year to Date 10/31/22		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Acute			-	-	-	-
Swing			-	-	-	-
SNF			-	-	-	-
Observation	91,456.00	43,363.00	48,093.00	231,547.00	179,968.97	51,578.03
ER	274,622.00	264,062.39	10,559.61	1,274,231.00	1,095,935.25	178,295.75
ER Phy	97,477.00	96,618.08	858.92	456,911.00	400,992.95	55,918.05
Surgery	59,342.00	69,459.53	(10,117.53)	262,051.00	288,277.14	(26,226.14)
Anesth	6,126.00	4,551.11	1,574.89	23,228.00	18,888.43	4,339.57
CS	30,555.50	11,878.51	18,676.99	84,196.23	49,299.24	34,896.99
LAC	212,094.56	196,864.24	15,230.32	705,134.77	817,043.47	(111,908.70)
LAB	306,025.76	268,992.82	37,032.94	1,125,539.54	1,116,397.93	9,141.61
Blood Gas		3,391.53	(3,391.53)	13,368.00	14,075.84	(707.84)
Blood Bank		1,213.77	(1,213.77)	-	5,037.49	(5,037.49)
EKG	37,502.00	28,154.43	9,347.57	158,059.00	116,849.01	41,209.99
Stress		441.98	(441.98)	-	1,834.35	(1,834.35)
Radiology	82,634.00	78,075.51	4,558.49	332,881.80	324,035.94	8,845.86
Mammo			-	-	-	-
MRI	24,510.00	27,602.09	(3,092.09)	70,864.00	114,556.64	(43,692.64)
Ultrasound	14,653.00	-	14,653.00	32,714.00	-	32,714.00
CT Scan	229,836.00	155,320.45	74,515.55	914,107.00	644,624.74	269,482.26
OP Proc	17,045.00	4,325.00	12,720.00	28,650.00	17,950.00	10,700.00
Pharmacy	198,357.50	158,817.96	39,539.54	764,137.50	659,140.43	104,997.07
RT	22,314.00	15,762.12	6,551.88	77,736.00	65,417.33	12,318.67
PT	91,508.00	107,330.73	(15,822.73)	438,755.00	445,453.56	(6,698.56)
OT			-	-	-	-
Telemed			-	-	-	-
Totals	1,796,058.32	1,536,225.23	259,833.09	6,994,110.84	6,375,778.72	618,332.12

Seneca Healthcare District
Professional Fees- Medical
October 31, 2022

G/L #	Description	Actual ME 10/31/2022	Budget ME 10/31/2022	(Over)/Under Budget	Actual YTD 10/31/2022	Budget YTD 10/31/2022	(Over)/Under Budget
	Grand Total	293,412.29	270,362.99	(23,049.30)	1,061,986.45	1,019,531.94	(42,454.51)
41220040	EMERG RM PHYSICIAN FEES	119,104.00	115,320.00	(3,784.00)	464,808.00	457,560.00	(7,248.00)
	SHD Contracted Physicians	77,080.00	78,120.00	1,040.00	311,270.00	316,975.00	5,705.00
	Locums Physicians	42,024.00	37,200.00	(4,824.00)	153,538.00	140,585.00	(12,953.00)
41220044	SURGERY PHYSICIAN FEES	29,604.36	26,373.89	(3,230.47)	112,296.26	105,495.57	(6,800.69)
41220044	Surgery - Surgeries Call	17,247.36	14,173.89	(3,073.47)	64,389.78	56,695.57	(7,694.21)
	Clinic	7,557.00	7,500.00	(57.00)	28,706.48	30,000.00	1,293.52
	CRNA	4,800.00	4,700.00	(100.00)	19,200.00	18,800.00	(400.00)
41220049	LK ALMANOR PHYSICIAN FEES	103,033.77	82,370.83	(20,662.94)	288,444.98	271,283.33	(17,161.65)
41229049							
	SHD Contracted Physicians	34,917.26	39,166.67	4,249.41	121,650.75	156,666.67	35,015.92
	FNP Supervision	3,150.00	2,937.50	(212.50)	14,400.00	11,750.00	(2,650.00)
	FNP Office	46,200.00	21,666.67	(24,533.33)	80,520.00	21,666.67	(58,853.33)
	Walk-In Clinic	14,206.51	13,600.00	(606.51)	49,259.23	61,200.00	11,940.77
	Telemedicine	4,560.00	5,000.00	440.00	22,615.00	20,000.00	(2,615.00)
		103,033.77	82,370.83	(20,662.94)	288,444.98	271,283.33	(17,161.65)
	Other Professional Fees- Medical	41,670.16	46,298.26	4,628.10	196,437.21	185,193.04	(11,244.17)

Report of Independent Auditors
And Financial Statements

SENECA HEALTHCARE DISTRICT

June 30, 2022 & 2021

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JWT & Associates, LLP
Advisory Assurance Tax

SENECA HEALTHCARE DISTRICT

Audited Financial Statements

June 30, 2022 and 2021

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JWT & Associates, LLP

Advisory Assurance Tax

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Report of Independent Auditors

The Board of Directors
Seneca Healthcare District
Chester, California

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Seneca Healthcare District (the District), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the District, as of June 30, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

As discussed in Note 1, the District adopted GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

JWT & Associates, LLP

Fresno, California
December 29, 2022

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SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

The management of Seneca Healthcare District (the "District") has prepared the following analysis and discussion of the financial performance of the District for the fiscal year ended June 30, 2022 to accompany the financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 34. This discussion and the associated schedules are intended to provide an analysis, explanation, and historical basis of comparison for the reporting of financial results of the District for the fiscal year ended June 30, 2022. The audited financial statements included herewith have been prepared and submitted with an unmodified opinion from the District's independent auditor.

Introduction

The District is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is licensed for 10 hospital beds, 16 distinct-part skilled nursing beds, and a Rural Health Clinic. The hospital operates a 24-hour emergency care service.

The District was established in 1954 with a 10-bed facility in Chester, California. The Rural Health Clinic opened in September 1996. The District is designated as a Critical Access Hospital (CAH). CAH status was granted to the District in September 2007, providing for a favorable impact on the District's finances inasmuch as CAH Medicare reimbursement is cost-based and, therefore, typically higher than what the District would otherwise receive under prospective payment system (PPS) reimbursement methodology. The District receives property tax revenue on assessed property within the District's boundaries to support operations. During the years ended June 30, 2022 and 2021, the District received property tax revenue of \$611,543 and \$585,734, respectively.

The District is governed by a five-member elected board of directors. Day-to-day operations are managed by the Chief Executive Officer. The District employs approximately 101 full-time equivalent employees.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements. The financial statements are comprised of the statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. The financial statements also include notes to the financial statements that explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the District's finances.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

Required Financial Statements

The District's financial statements report information of the District using accounting methods similar to those used by private-sector health care organizations. These statements offer short-term and long-term information about its activities. The statements of net position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the revenues and expenses for the years ended June 30, 2022 and 2021 are accounted for in the statements of revenues, expenses, and changes in net position, which can be used to determine whether the District has successfully recovered all of its costs through its patient service revenue and other revenue sources. Revenue and expenses are reported on an accrual basis of accounting, which means the related cash could be received or paid in a subsequent period.

The final required statement is the statements of cash flows, which report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. The statements of cash flows provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Highlights Executive Overview

The District's financial performance exceeded administration's expectations as fiscal year 2022 ended with an excess of revenues over expenses of \$1,383,529 versus a budgeted amount of \$27,573. The positive variance to budget was driven largely by the recognition of the Paycheck Protection Program (PPP) loan forgiveness in the amount of \$1,508,168 and the receipt of unbudgeted Quality Improvement Program (QIP) funds in the amount of \$429,153. These amounts were somewhat offset by a negative variance in operating expenses of \$590,413; primarily in the areas of contract labor, professional fees, and provider and staff recruitment.

- The District's income from operations was \$645,073 in fiscal year 2022 and \$4,029,122 in fiscal year 2021. This was a third consecutive year of positive results as fiscal year 2020 had net income from operations of \$1,784,668.
- During fiscal years 2022, 2021, and 2020, the increase in net position totaled \$543,011, \$2,740,031, and \$856,243, respectively.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

Financial Analysis of the District

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position of the District and the changes in them. The District's net position is the difference between total assets and total liabilities and is a way to measure financial health. Over time, sustained increases or decreases in net position are one indicator of whether the District's financial health is improving or deteriorating. However, other non-financial factors such as changes in economic condition, population changes, and new or revised governmental regulations and legislation should also be considered.

Condensed Statements of Net Position June 30, 2022, 2021, and 2020 (In Thousands)

	2022	2021	2020	Change	
				2022-2021	2021-2020
Current assets	\$16,597	\$16,301	\$15,938	\$ 296	\$ 363
Other assets, limited use	1,126	1,126	1,126	-	-
Capital assets, net	3,096	2,351	2,532	745	(181)
Total assets	\$20,819	\$19,778	\$19,596	\$ 1,041	\$ 182
Current liabilities	\$ 5,106	\$ 4,634	\$ 6,162	\$ 472	\$ (1,528)
Noncurrent liabilities	88	61	1,092	27	(1,031)
Total liabilities	5,194	4,695	7,254	499	(2,559)
Net position:					
Net investment - capital assets	2,925	2,265	2,421	660	(156)
Unrestricted	12,700	12,818	9,921	(118)	2,897
Total net position	15,625	15,083	12,342	542	2,741
Total liabilities and net position	\$20,819	\$19,778	\$19,596	\$ 1,041	\$ 182

- Current assets increased by \$296,000 and \$363,000 in fiscal years 2022 and 2021, respectively. The increase in current assets, in fiscal year 2022, was comprised almost entirely of the increase in cash and cash equivalents, which was somewhat offset by the net decrease in amounts due from supplemental payment programs and other third-party/governmental payors.
- Other assets consist of assets whose use is limited by board-designation, though these assets are cash accounts and could be considered current assets as well.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

Financial Analysis of the District (continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position June 30, 2022, 2021, and 2020 (In Thousands)

	2022	2021	2020	Change	
				2022-2021	2021-2020
Operating revenue:					
Net patient service revenue	\$16,840	\$17,563	\$18,143	\$ (723)	\$ (580)
Other operating revenue	2,745	4,869	1,282	(2,124)	3,587
Total revenue	19,585	22,432	19,425	(2,847)	3,007
Operating expenses:					
Salaries and wages	7,892	7,641	7,216	251	425
Employee benefits	1,533	1,718	1,685	(185)	33
Professional fees & purchased service	6,313	6,133	6,142	180	(9)
Supplies	1,275	1,301	994	(26)	307
Insurance	149	123	146	26	(23)
Other operating expenses	1,330	1,048	1,028	282	20
Depreciation	448	439	430	9	9
Total expenses	18,940	18,403	17,641	537	762
Gain from operations	645	4,029	1,784	(3,384)	2,245
Non-operating revenue, net	738	883	746	(145)	137
Excess of revenue over expense	1,383	4,912	2,530	(3,529)	2,382
Inter-governmental transfers	(840)	(2,172)	(1,674)	1,332	(498)
Net position – Beginning of year	15,082	12,342	11,486	2,740	856
Net position – End of year	\$15,625	\$15,082	\$12,342	\$ 543	\$ 2,740

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

Financial Analysis of the District (continued)

- Net patient service revenue decreased 4.1% in fiscal year 2022. This decrease was made up of a 7.2% increase in gross patient revenue (\$1.56M) and a 10.5% decrease in net patient revenue as a percentage of gross. Total adjustments to revenue increased 56.8% and was made up of an 8.1% increase in claims-based adjustments (\$643k) and a 41.6% decrease in Medi-Cal supplemental payments (\$1.63M). Other operating revenue decreased \$2.12M due to a decrease in Provider Relief Fund (\$2.54M) and PRIME/QIP program (\$1.51M) payments, which was somewhat offset by the recognition of the Paycheck Protection Program loan forgiveness (\$1.51M).
- Salaries and benefits cost continue to increase, due to the increases in employees' salaries to remain market competitive, and the impact of the increase in California's minimum wage.
- Total operating expenses increased by 2.9% compared to the previous year's increase of 4.3%. This increase represented a negative budget variance of 3.2% as the District had budgeted for a .7% increase based off of historical results, current organizational needs, and the projected continued impact of COVID-19 on operations.

Items Affecting Operations

The challenges facing the District this fiscal period are largely similar, although varying in degree of intensity, to those issues facing the health care industry in general and small rural hospitals in particular. Where the immediate environment and circumstances uniquely influence the District, these areas are also highlighted in the discussion below:

- COVID-19: Although the District saw an increase in facility-wide patient utilization, during fiscal year 2022, it is still uncertain what the future human and financial impact of COVID-19 will be.
- Physician recruitment: Recruiting and retaining physicians poses a significant challenge for all rural hospitals and doing this effectively is a crucial part of a rural hospital's success and viability.
- Labor: Nursing and technical positions continue to be difficult to recruit for and workforce shortages have been further exacerbated by government mandates surrounding COVID-19, such as mandatory vaccinations for all healthcare workers, and the cost and availability of local housing.
- Seismic building compliance: The state of California has imposed hospital seismic safety standards that we must meet by January 1, 2030.
- Natural Disasters: The impact of wildfires continue to threaten the operations and existence of rural hospitals in Northern California and directly affected the District in the Summer of 2021.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2022

Items Affecting Operations (continued)

In summary, the current healthcare environment continues to challenge all hospitals, and small rural hospitals in particular, with continuing financial and workforce issues and the unknown future impact of COVID-19. At the same time, the District's employees are working together to continue to find ways to make progress on improving how the District organizes and processes work in such a way that it continues to improve clinical care and service to its patients and community while striving to improve its financial position and overall financial performance.

Contacting the District's Financial Management

This financial report provides the District's patients, citizens, taxpayers, investors, and creditors with a general overview of the District's finances and shows the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Seneca Healthcare District
130 Brentwood Drive
P.O. Box 737
Chester, CA 96020

SENECA HEALTHCARE DISTRICT

Statements of Net Position

June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 14,379,332	\$ 13,320,613
Patient accounts receivable, net of allowances	1,128,482	1,114,071
Other receivables	695,827	1,121,687
Third-party payor settlements	-	207,895
Supplies	337,226	325,481
Prepaid expenses and deposits	56,376	211,175
Total current assets	16,597,243	16,300,922
Assets whose use is limited	1,125,525	1,125,525
Right-of-use assets	109,422	-
Capital assets, net of accumulated depreciation	2,986,411	2,351,162
Total assets	20,818,601	19,777,609
Liabilities and Net Position		
Current liabilities		
Current maturities of operating lease liability	\$ 55,784	\$ -
Current maturities of long-term debt	27,172	1,533,855
Accounts payable and accrued expenses	2,549,146	2,110,153
Accrued payroll and related liabilities	918,467	807,866
Third-party payor settlements	549,812	-
Deferred revenue	1,005,670	182,661
Total current liabilities	5,106,051	4,634,535
Operating lease liability, net of current maturities	53,638	-
Long-term debt, net of current maturities	33,692	60,865
Total liabilities	5,193,381	4,695,400
Net position		
Invested in capital assets, net of related debt	2,925,547	2,264,610
Unrestricted	12,699,673	12,817,599
Total net position	15,625,220	15,082,209
Total liabilities and net position	\$ 20,818,601	\$ 19,777,609

See accompanying notes to the financial statements

SENECA HEALTHCARE DISTRICT

Statements of Revenues, Expenses and Changes in Net position

For The Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues		
Net patient service revenue	\$ 16,839,610	\$ 17,563,121
Other operating revenue	2,745,384	4,869,204
Total operating revenues	19,584,994	22,432,325
Operating expenses		
Salaries & wages	7,892,086	7,641,364
Employee benefits	1,533,368	1,718,055
Professional Fees	4,483,225	4,210,875
Purchased services	1,829,350	1,921,733
Supplies	1,274,559	1,301,230
Repairs & maintenance	220,125	190,819
Utilities	360,798	362,861
Rentals and leases	267,336	174,968
Insurance	148,641	123,308
Depreciation & amortization	448,336	439,144
Other operating expenses	482,097	318,846
Total operating expenses	18,939,921	18,403,203
Operating income	645,073	4,029,122
Nonoperating revenues (expenses)		
District tax revenues	611,543	585,734
Non-capital grants and donations	84,776	221,512
Investment income	42,206	82,143
Interest expense	(12,356)	(6,091)
Other non-operating income (expense)	12,287	-
Total nonoperating revenues (expenses)	738,456	883,298
Excess of revenues over expenses	1,383,529	4,912,420
Inter-governmental transfers	(840,518)	(2,172,389)
Increase in net position	543,011	2,740,031
Net position, beginning of the year	15,082,209	12,342,178
Net position, end of year	\$ 15,625,220	\$ 15,082,209

See accompanying notes to the financial statements

SENECA HEALTHCARE DISTRICT

Statements of Cash Flows

For The Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Cash received from patients and third-party payers	\$ 17,582,906	\$ 17,277,862
Other receipts	3,994,253	980,053
Cash payments to suppliers and contractors	(8,484,084)	(7,416,278)
Cash payments to employees and benefit programs	(9,314,853)	(9,171,796)
Net cash provided by operating activities	3,778,222	1,669,841
Cash flows from non-capital and related financing activities		
District tax revenue	611,543	585,734
Other non-operating revenue	12,287	-
Inter-governmental transfers	(840,518)	(2,172,389)
Net cash used in non-capital and related financing activities	(216,688)	(1,586,655)
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(1,083,585)	(257,993)
Capital grants and donations	84,776	221,512
Acquisition of right-of-use assets	(109,422)	
New operating lease liability	162,491	
Payments of operating lease liability	(53,069)	
Payments of long-term debt	(1,533,856)	(24,284)
Interest paid on capital debt	(12,356)	(6,091)
Net cash used in capital and related financing activities	(2,545,021)	(66,856)
Cash flows from investing activities		
Net change in assets limited as to use	-	300
Investment income	42,206	82,143
Net cash provided by investing activities	42,206	82,443
Increase in cash and cash equivalents	1,058,719	98,773
Cash and cash equivalents at beginning of year	13,320,613	13,221,840
Cash and cash equivalents at end of year	\$ 14,379,332	\$ 13,320,613
Supplemental information		
Cash paid for interest payments	\$ 5,437	\$ 6,091

See accompanying notes to the financial statements

SENECA HEALTHCARE DISTRICT

Statements of Cash Flows (continued)

For The Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of income from operations to net cash provided by operating activities		
Operating income	\$ 645,073	\$ 4,029,122
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	448,336	439,144
Changes in operating assets and liabilities		
Patient accounts receivable	(14,411)	(8,307)
Other receivables	425,860	(846,555)
Supplies	(11,745)	(61,107)
Prepaid expenses	154,799	(21,653)
Accounts payable and accrued expenses	438,993	1,271,123
Accrued payroll and related expenses	110,601	187,623
Deferred revenue	823,009	(3,993,360)
Third-party payor settlements	757,707	673,811
Net cash provided by operating activities	<u>\$ 3,778,222</u>	<u>\$ 1,669,841</u>

See accompanying notes to the financial statements

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: Seneca Health Care District (the “District”) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the district to specified terms of office. The District is located in Chester, California and operates Seneca Hospital (the “Hospital”), a 10 bed acute care hospital and a 16 bed skilled nursing facility. The District's mission is to provide health care services primarily to individuals who reside in the community of Chester, California and the surrounding area. The accompanying financial statements include all of the operating entities of the District.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses proprietary fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Pursuant to Government Accounting Standard Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989. The District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Financial Statement Presentation: The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net assets.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Management's Discussion and Analysis: Statement 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of organizations in the private sector.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in non-operating revenues when earned.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Supplies: Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The District does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

Assets Limited as to Use: Assets limited as to use include amounts designated by the Board of Directors for replacement or purchases of capital assets and other specific purposes. Assets limited as to use consist primarily of deposits on hand with banking and investment institutions.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2022 and 2021, the District has determined that no capital assets are impaired.

Net Position: Net position (formally net assets) is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is “unrestricted” net position. This category consists of net assets that do not meet the definition or criteria of the previous two categories.

Compensated Absences: The District’s employees earn vacation benefits at varying rates. These rates are determined based on the employee’s years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2022 and 2021 are \$595,713 and \$509,987, respectively.

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Charity Care: The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The District receives financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital's behalf during the year and are intended to help finance the Hospital's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date. For the years ended June 30, 2022 and 2021, the District received tax revenue totaling \$611,543 and \$585,734, respectively.

Grants and Contributions: From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncement: In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superseded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District has adopted GASB 87 effective July 1, 2021 in accordance with the timetable established by GASB 87.

Subsequent events: Management evaluated the effect of subsequent events on the combined financial statements through December 29, 2022, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

Reclassifications: Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

NOTE 2 - INFORMATION REGARDING LIQUIDITY AND AVAILABILITY OF RESOURCES

The District regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. The District has various sources of liquidity at its disposal as itemized in the table presented below. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the District considers all expenditures related to its ongoing activities of providing health care services as well as the conduct of services undertaken to support those activities, to be general expenditures.

The District strives to maintain liquid financial assets sufficient to cover at least 30 days of expenditures. The District's policy is that excess cash on hand is invested in investment instruments with liquidity requirements to enable District usage of those assets within a short time period.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 2 - INFORMATION REGARDING LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The following table reflects the District's financial assets as of June 30, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

	2022	2021
Cash and cash equivalents	\$ 15,504,857	\$ 14,446,138
Patient accounts receivable, net of allowances	1,128,482	1,114,071
Other receivables	695,827	1,121,687
Total financial assets	17,329,166	16,681,896
Less reduction of financial assets not available for general expenses	(1,125,525)	(1,125,525)
Total financial assets available for one year of general expenses	\$ 16,203,641	\$ 15,556,371

In addition to financial assets available to meet general expenditures over the next 12-month period, the District operates a balanced budget and anticipates collecting sufficient patient service revenue to cover general expenditures not covered by assets limited as to use and donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the District's cash flow and shows positive cash generated by operations for fiscal years 2022 and 2021.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of June 30, 2022 and 2021, the District had deposits in various financial institutions in the form of cash and cash equivalents amounting to \$15,504,312 and \$14,445,793. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure Hospital deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 4 - NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS

The District renders services to patients under contractual arrangements with the Medicare and Medi-Cal programs, health maintenance organizations (HMOs) and preferred provider organizations (PPOs). Patient service revenues from these programs approximate 94% and 95% of gross patient service revenues for the years ended June 30, 2022 and 2021, respectively.

The Medicare Program reimburses the District on a cost basis payment system for inpatient and outpatient hospital services. The cost-based reimbursement is determined based on filed Medicare cost reports. Skilled nursing services are reimbursed on a predetermined amount based on the Medicare rates for the services.

The District contracts to provide services to Medi-Cal, HMO and PPO inpatients on negotiated rates. Certain outpatient reimbursement is subject to a schedule of maximum allowable charges for Medi-Cal and to a percentage discount for HMOs and PPOs. The skilled nursing facility (SNF) is reimbursed by the Medi-Cal program on a prospective per diem basis subject to audit by the state. The results of the state audits are incorporated prospectively and are subject to appeal by the provider.

Both the Medicare and Medi-Cal program's administrative procedures preclude final determination of amounts due to the District for services to program patients until after patients' medical records are reviewed and cost reports are audited or otherwise reviewed by and settled with the respective administrative agencies. The Medicare and Medi-Cal cost reports are subject to audit and possible adjustment. Management is of the opinion that no significant adverse adjustment to the recorded settlement amounts will be required upon final settlement.

Medicare and Medi-Cal revenue accounted for approximately 85%, for the year ended June 30, 2022, and 73%, for the year ended June 30, 2021, of the District's net patient revenues. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 5 - INVESTMENTS

The District's investment balances, and average maturities were as follows at June 30, 2022 and 2021:

	2022			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 12,191,621	\$ 12,191,621	\$ -	\$ -
Money market accounts	2,502,092	2,502,092	-	-
U. S. government obligations	60,984	-	-	60,984
Total investments	<u>\$ 14,754,697</u>	<u>\$ 14,693,713</u>	<u>\$ -</u>	<u>\$ 60,984</u>

	2021			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 10,959,645	\$ 10,959,645	\$ -	\$ -
Money market accounts	309,539	309,539	-	-
U. S. government obligations	58,620	-	-	58,620
Total investments	<u>\$ 11,327,804</u>	<u>\$ 11,269,184</u>	<u>\$ -</u>	<u>\$ 58,620</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk. Interest income, dividends, and both realized and unrealized gains and losses on investments are recorded as investment income. These amounts were \$42,206 and \$82,143 for the years ended June 30, 2022 and 2021, respectively. Total investment income includes both income from operating cash and cash equivalents and cash and cash equivalents related to assets limited as to use. Debt securities, when present, are recorded at market price or the fair market value as of the date of each balance sheet.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's exposure to interest rate risk is minimal as 99.6% of their investments have a maturity of less than one year. The remaining investments are over 5 years, but are U.S. government obligations with fixed return rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 5 – INVESTMENTS (continued)

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The District's investments in such obligations are in U.S. government obligations. The District believes that there is minimal credit risk with these obligations at this time.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by banks or government agencies. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: governmental agencies 83% and banks 17%. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

NOTE 6 - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there is any credit risk associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. Concentration of patient accounts receivable at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Medicare	\$ 1,278,008	\$ 1,119,981
Medi-Cal and Medi-Cal pending	821,729	923,775
Other third party payors	1,221,092	1,317,160
Self pay and other	<u>503,358</u>	<u>206,919</u>
Gross patient accounts receivable	3,824,187	3,567,835
Less allowances for contractual adjustments and bad debts	<u>(2,695,705)</u>	<u>(2,453,764)</u>
Net patient accounts receivable	<u>\$ 1,128,482</u>	<u>\$ 1,114,071</u>

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 7 - OTHER RECEIVABLES

Other receivables as of June 30, 2022 and 2021 were comprised of the following:

	2022	2021
District Taxes receivable	\$ 31,334	\$ 44,707
Contract pharmacy	-	17,224
Grant receivable	656,749	-
California DHS Rate Range Program	-	1,054,761
Other	7,744	4,995
	\$ 695,827	\$ 1,121,687

NOTE 8 - CAPITAL ASSETS

Capital assets as of June 30, 2022 and 2021 were comprised of the following:

	Balance at June 30, 2021	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2022
Land and land improvements	\$ 90,610	\$ -	\$ -	\$ 90,610
Buildings and improvements	5,762,782	39,117	-	5,801,899
Equipment	5,506,323	132,173	-	5,638,496
Construction-in-progress	354,770	912,295	-	1,267,065
Totals at historical cost	11,714,485	\$ 1,083,585	\$ -	12,798,070
Less accumulated depreciation	(9,363,323)	\$ (448,336)	\$ -	(9,811,659)
Capital assets, net	\$ 2,351,162			\$ 2,986,411

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 8 - CAPITAL ASSETS (continued)

	Balance at <u>June 30, 2020</u>	Transfers & <u>Additions</u>	Transfers & <u>Retirements</u>	Balance at <u>June 30, 2021</u>
Land and land improvements	\$ 90,610	\$ -	\$ -	\$ 90,610
Buildings and improvements	5,741,619	21,163	-	5,762,782
Equipment	5,414,802	94,219	(2,698)	5,506,323
Construction-in-progress	<u>209,461</u>	<u>196,806</u>	<u>(51,497)</u>	<u>354,770</u>
Totals at historical cost	11,456,492	<u>\$ 312,188</u>	<u>\$ (54,195)</u>	11,714,485
Less accumulated depreciation	<u>(8,924,179)</u>	<u>\$ (439,144)</u>	<u>\$ -</u>	<u>(9,363,323)</u>
Capital assets, net	<u>\$ 2,532,313</u>			<u>\$ 2,351,162</u>

NOTE 9 - RETIREMENT PLAN

The District has a non-contributory money purchase plan covering all eligible employees. Participants must have completed one year of service and be at least 19 years old to be eligible. During the years ended June 30, 2022 and 2021, the District's pension expense for the plan was \$53,436 and \$47,053, respectively.

NOTE 10 – INCOME TAXES

The District is a political subdivision of the State of California organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District has been determined to be exempt from income taxes under Local Health Care District Law. Accordingly, no provision for income taxes is included in the accompanying financial statements. In accordance with guidance on accounting for uncertainty in income taxes, the District's management has evaluated the District's tax positions and does not believe the District has any uncertain tax positions that require disclosure or adjustment to the financial statements. The District is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 11 - DEBT BORROWINGS

Long-Term debt at June 30, 2022 and 2021 consists of the following:

	2022	2021
Note payable to a bank as part of the PPP Program, original amount of \$1,508,168, bearing interest at 1.0%, principal and interest payments deferred for one year, principal and interest forgivable at that time if certain requirements met, remaining principal and interest payable ratably over eighteen months, maturing in May 2022, unsecured.	\$ -	\$ 1,508,168
Note payable to a finance company, original amount of \$172,672, bearing interest at 5.632%, principal and interest payable monthly in the amount of \$2,492, maturing in August 2024, secured by equipment.	60,864	86,552
Total debt borrowings	60,864	1,594,720
Less current maturities	(27,172)	(1,533,855)
Debt borrowings, net of current maturities	\$ 33,692	\$ 60,865

Future required principal payments under the above long-term debt are as follows: \$27,172 in 2023; \$28,743 in 2024; and \$4,949 in 2025.

NOTE 12 - LEASES

The District leases certain equipment under operating leases. Lease commencement occurs on the date the District takes possession or control of the equipment. The original term for the equipment lease is five years. The District's lease also includes certain standard clauses and termination provisions. Renewal options and termination options are included in determining the lease payments when management determines the options are reasonably certain to be exercised.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, the District's lease did not provide a readily determinable implicit rate. When the implicit rate is not determinable, the District's estimated incremental borrowing rate is utilized, determined on a collateralized basis, to discount lease payments based on information available at lease commencement.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 12 – LEASES (continued)

The District's lease requires payment of sales taxes and other miscellaneous charges. The District's lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

Lease related assets and liabilities as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Assets		
Right-of-use assets	\$ 109,422	\$ -
Liabilities		
Operating lease liability, current	\$ 55,784	\$ -
Operating lease liability, less current portion	53,638	-
	\$ 109,422	\$ -

Total operating lease expense for the year ended June 30, 2022 and 2021 was \$267,336 and \$174,968, respectively.

The future minimum rental payments required under operating lease obligations as of June 30, 2022, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

Years ended June 30,	
2023	\$ 59,988
2024	54,989
	114,977
Less interest	(5,555)
Present value of lease liability	\$ 109,422

The weighted-average remaining lease term and discount rate as of June 30, 2022 are as follows:

Weighted-average remaining lease term	
Operating leases (years)	1.92
 Weighted-average discount rate	
Operating leases	5.0%

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 13- CHARITY CARE AND COMMUNITY BENEFIT EXPENSE

The District maintains records to identify and monitor the level of charity care and community service it provides. These records include: the amount of charges foregone, (based on established rates), for services and supplies furnished under its charity care and community service policies, the estimated cost of those services and supplies, and statistics quantifying the level of charity care as a percentage of expenses of the Hospital as a whole.

The following is a summary of the District's charity care and community benefit expense for the years ended June 30, 2022 and 2021, in terms of services to the poor and benefits to the broader community:

	<u>2022</u>	<u>2021</u>
Benefits for the poor		
Traditional charity care and related programs	\$ 95,370	\$ 41,304
Total quantifiable benefits for the poor	95,370	41,304
Benefits for the broader community		
Unpaid Medicare program charges	3,007,163	3,011,033
Unpaid MediCal program charges	3,202,103	2,482,870
Total quantifiable benefits for the broader community	<u>6,209,266</u>	<u>5,493,903</u>
Total quantifiable community benefits	<u>\$ 6,304,636</u>	<u>\$ 5,535,207</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2022, and 2021, the District had recorded \$1,267,065 and \$354,770, respectively, as construction-in-progress representing cost capitalized for various projects. The estimated amount to complete current obligated construction-in-process projects totals \$450,000 as of June 30, 2022.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2022 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Workers Compensation Program: The District is a participant in the Association of California Hospital District's ALPHA Fund which administers a self-insured worker's compensation plan for participating hospital employees of its member hospitals. The District pays premiums to the ALPHA Fund which are adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2022 & 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management continues to evaluate the impact of this legislation on its operations including future financial commitments that will be required.

Health Care Reform: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

JWT & Associates, LLP

Advisory Assurance Tax

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Board of Directors
Seneca Healthcare District
Chester, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the comptroller General of the United States, the financial statements of Seneca Healthcare District (the District), which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

December 29, 2022

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SENECA HEALTHCARE DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

I. Summary of Auditor's Results

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Material weakness identified?

yes

no

Significant deficiency(ies) identified that are not considered to be material weaknesses?

yes

no

Noncompliance material to financial statements noted?

yes

no

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings

None reported

III. Prior Year Audit Findings and Questioned Costs

None reported

Seneca Healthcare District

June 30, 2022

Audit Presentation

JWT & Associates, LLP

Seneca Healthcare District

June 30, 2022

Financial Audit Results:

- > Received an unmodified opinion.

- > There were no material weaknesses or significant deficiencies identified relating to the Hospital's internal controls and there were no reportable findings.

- > There were no audit adjustments. There were 4 "late client entries":
 - > Right-of-Use asset/liability - 109k asset/liability
 - > District tax true-up - \$31k income
 - > Worker's Comp annual audit - \$87k income
 - > Payroll accrual correction - \$179k expense

- > There were no difficulties encountered with Management in performing our audit and we had no disputes or disagreements with management during the course of our audit.

- > Significant Accounting/Auditing Issues
 - > IGT Program Payments
 - Prime - \$429k rec'd, net \$429k
 - IGT - \$841k paid, \$2.8M rec'd, net \$2.0M
 - > COVID-19 Supplemental Funding
 - PPP Loan - \$1.5M forgiven
 - HHS/HRSA Grants - \$1.0M - deferred revenue
 - > Dixie Fire settlement - \$532k income

Seneca Healthcare District

Statement of Operations

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue:			
Net patient service revenue	16,839,610	17,563,121	18,143,398
Other operating revenue	2,745,384	4,869,204	1,281,790
District tax revenue	611,543	585,734	548,197
Other non-operating rev	139,269	303,655	204,961
Total revenue	20,335,806	23,321,714	20,178,346
Expenses:			
Labor and benefits	9,425,454	9,359,419	8,901,238
Prof fees and purchased services	6,312,575	6,132,608	6,141,612
Supplies	1,274,559	1,301,230	993,649
Depreciation	448,336	439,144	430,233
Interest expense	12,356	6,091	7,254
IGT	840,518	2,172,389	1,674,329
All other	1,478,997	1,170,802	1,173,788
Total expenses	19,792,795	20,581,683	19,322,103
Net income	543,011	2,740,031	856,243
Net income margin	3%	12%	4%
Deductions from revenue %	35%	34%	35%
Bad debt as % of gross revenue	2%	2%	3%
Labor and benefits as % of expenses	51%	51%	50%
Labor and benefits as % of net patient rev	56%	53%	49%
Supplies as % of net patient rev	8%	7%	5%

Seneca Healthcare District

Balance Sheet

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets			
Cash and board designated	\$ 15,504,857	\$ 14,446,138	\$ 1,058,719
Patient A/R net	1,128,482	1,114,071	14,411
Other receivables and settlements	695,827	1,329,582	(633,755)
Property and equipment	3,095,833	2,351,162	744,671
All other assets	393,602	536,656	(143,054)
Total assets	<u>\$ 20,818,601</u>	<u>\$ 19,777,609</u>	<u>\$ 1,040,992</u>
Liabilities			
Accounts payable	\$ 2,549,146	\$ 2,110,153	\$ 438,993
Payroll and related accrual	918,467	807,866	110,601
Deferred revenue	1,005,670	182,661	823,009
3rd party settlements	549,812	-	549,812
Long-term debt	170,286	1,594,720	(1,424,434)
Total liabilities	<u>5,193,381</u>	<u>4,695,400</u>	<u>497,981</u>
Net assets	15,625,220	15,082,209	543,011
Total liabilities and net assets	<u>\$ 20,818,601</u>	<u>\$ 19,777,609</u>	<u>\$ 1,040,992</u>
Current ratio	3.25	3.52	-0.27
Debt service coverage	10.53	2.07	8.46
Days cash on hand	306	292	14
Days in Net A/R	24	23	1
Average pay period	28	17	11

Seneca Healthcare District

Comparisons and Benchmarks

	<u>2021</u>	<u>2022</u>	Peer Hosp <u>Avg.</u>	<u>Benchmark</u>
Net income margin	12%	3%	6%	5%
Deductions from revenue %	34%	35%	38%	N/A
Bad debt as % of gross revenue	2%	2%	5%	5%
Labor and benefits as % of expenses	51%	51%	53%	50%
Labor and benefits as % of net patient rev	53%	56%	54%	50%
Supplies as % of net patient rev	7%	8%	9%	8%
Current ratio	3.52	3.25	3.65	1.50
Debt service coverage	2.07	10.53	4.21	1.50
Days cash on hand	292	306	223	90
Days in A/R	22	24	36	45
Average pay period	17	28	28	45

Report of Independent Auditors
And Financial Statements

SENECA HEALTHCARE DISTRICT

June 30, 2021 & 2020

JWT & Associates, LLP
Advisory Assurance Tax

SENECA HEALTHCARE DISTRICT

Audited Financial Statements

June 30, 2021 and 2020

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Report of Independent Auditors

The Board of Directors
Seneca Healthcare District
Chester, California

Report on the Financial Statements

We have audited the accompanying financial statements of Seneca Healthcare District (the “District”), which comprise the statement of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in accordance with the State Controller’s Minimum Audit Requirements for Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2021 and 2020, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information - Single Audit Reports

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the District's internal control over financial reporting and compliance.

JWT & Associates, LLP

Fresno, California

December 30, 2021, except for our report on the Schedule of Federal Awards, for which the date is September 26, 2022.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

The management of Seneca Healthcare District (the "District") has prepared the following analysis and discussion of the financial performance of the District for the fiscal year ended June 30, 2021 to accompany the financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 34. This discussion and the associated schedules are intended to provide an analysis, explanation, and historical basis of comparison for the reporting of financial results of the District for the fiscal year ended June 30, 2021. The audited financial statements included herewith have been prepared and submitted with an unmodified opinion from the District's independent auditor.

Introduction

The District is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is licensed for 10 hospital beds, 16 distinct-part skilled nursing beds, and a Rural Health Clinic. The hospital operates a 24-hour emergency care service.

The District was established in 1954 with a 10-bed facility in Chester, California. The Rural Health Clinic opened in September 1996. The District is designated as a Critical Access Hospital (CAH). CAH status was granted to the District in September 2007, providing for a favorable impact on the District's finances inasmuch as CAH Medicare reimbursement is cost-based and, therefore, typically higher than what the District would otherwise receive under prospective payment system (PPS) reimbursement methodology. The District receives property tax revenue on assessed property within the District's boundaries to support operations. During the years ended June 30, 2021 and 2020, the District received property tax revenue of \$585,734 and \$548,197, respectively.

The District is governed by a five-member elected board of directors. Day-to-day operations are managed by the Chief Executive Officer. The District employs approximately 105 full-time equivalent employees.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements. The financial statements are comprised of the statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. The financial statements also include notes to the financial statements that explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the District's finances.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

Required Financial Statements

The District's financial statements report information of the District using accounting methods similar to those used by private-sector health care organizations. These statements offer short-term and long-term information about its activities. The statements of net position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the revenues and expenses for the years ended June 30, 2021 and 2020 are accounted for in the statements of revenues, expenses, and changes in net position, which can be used to determine whether the District has successfully recovered all of its costs through its patient service revenue and other revenue sources. Revenue and expenses are reported on an accrual basis of accounting, which means the related cash could be received or paid in a subsequent period.

The final required statement is the statements of cash flows, which report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. The statements of cash flows provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Highlights Executive Overview

The District's financial performance exceeded administration's expectations as fiscal year 2021 ended with an excess of revenues over expenses of \$4,921,420 versus a budgeted amount of \$424,299. The positive variance to budget was driven largely by the recognition of COVID-19 provider relief fund (PRF) payments in the amount of \$2,536,166 and third-party Intergovernmental Transfer Program (IGT) settlements from the District's two Managed Medi-Cal Providers and other California Medi-Cal programs such as the Public Hospital Redesign, HQAF, and PRIME Grant. The District received \$6.03 million in payments, versus a budget of \$4.59 million, and expended \$2.17 million to participate in these programs and therefore realized a net gain of \$3.86 million from IGTs.

- The District's income from operations was \$4,029,122 in fiscal year 2021 and \$1,784,668 in fiscal year 2020. This was a third consecutive year of positive results as fiscal year 2019 had net income from operations of \$4,324,585.
- During fiscal years 2021, 2020, and 2019, the increase in net position totaled \$2,740,031, \$856,243, and \$2,936,598, respectively.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

Financial Analysis of the District

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position of the District and the changes in them. The District's net position is the difference between total assets and total liabilities and is a way to measure financial health. Over time, sustained increases or decreases in net position are one indicator of whether the District's financial health is improving or deteriorating. However, other non-financial factors such as changes in economic condition, population changes, and new or revised governmental regulations and legislation should also be considered.

Condensed Statements of Net Position June 30, 2021, 2020, and 2019 (In Thousands)

	2021	2020	2019	Change	
				2021-2020	2020-2019
Current assets	\$16,301	\$15,938	\$ 9,742	\$ 363	\$ 6,196
Other assets, limited use	1,126	1,126	1,126	-	-
Capital assets, net	2,351	2,532	2,163	(181)	369
Total assets	\$19,778	\$19,596	\$13,031	\$ 182	\$ 6,565
Current liabilities	\$ 4,634	\$ 6,162	\$ 1,434	\$(1,528)	\$ 4,728
Noncurrent liabilities	61	1,092	111	(1,031)	981
Total liabilities	\$ 4,695	\$ 7,254	\$ 1,545	\$(2,559)	\$ 5,709
Net position:					
Net investment - capital assets	2,265	2,421	2,015	(156)	406
Unrestricted	12,818	9,921	9,471	2,897	450
Total net position	15,083	12,342	11,486	2,741	856
Total liabilities and net position	\$19,778	\$19,596	\$13,031	\$ 182	\$ 6,565

- Current assets increased by \$363,000 and \$6,196,000 in fiscal years 2021 and 2020, respectively. The increase in current assets, in fiscal year 2021, was comprised almost entirely of the change in cash and cash equivalents and the net change in amounts due from supplemental payment programs and other third-party/governmental payors.
- Other assets consist of assets whose use is limited by board-designation, though these assets are cash accounts and could be considered current assets as well.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

Financial Analysis of the District (Continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position June 30, 2021, 2020, and 2019 (In Thousands)

	2021	2020	2019	Change	
				2021-2020	2020-2019
Operating revenue:					
Net patient service revenue	\$17,563	\$ 18,143	\$ 20,289	\$(580)	\$(2,146)
Other operating revenue	4,869	1,282	1,786	3,587	(504)
Total revenue	22,432	19,425	22,075	3,007	(2,650)
Operating expenses:					
Salaries and wages	7,641	7,216	6,953	425	263
Employee benefits	1,718	1,685	1,581	33	104
Professional fees & purchased service	6,133	6,142	6,436	(9)	(294)
Supplies	1,301	994	977	307	17
Insurance	123	146	111	(23)	35
Other operating expenses	1,048	1,028	1,310	20	(282)
Depreciation	439	430	382	9	48
Total expenses	18,403	17,641	17,750	762	(109)
Gain from operations	4,029	1,784	4,325	2,245	(2,541)
Non-operating revenue, net	883	746	1,063	137	(317)
Excess of revenue over expense	4,912	2,530	5,388	2,382	(2,858)
Inter-governmental transfers	(2,172)	(1,674)	(2,451)	(498)	777
Net position – Beginning of year	12,342	11,486	8,549	856	2,937
Net position – End of year	\$15,082	\$12,342	\$ 11,486	\$2,740	\$ 856

- Net patient service revenue decreased 3.2% in fiscal year 2021. The decrease was primarily due to a decrease in hospital utilization/gross patient revenue (impact of COVID-19), which was somewhat offset by an increase in Medi-Cal supplemental payments (\$270k). Other operating revenue increased 280% due to an increase in PRIME Grant payments (\$1.07M) and the recognition of Phase 1 Provider Relief Fund payments (\$2.54M).

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

Financial Analysis of the District (Continued)

- Salaries and benefits cost continue to increase, due to the increase in FTEs (versus contract labor), increases in employees' salaries to remain market competitive, and the impact of the increase in California's minimum wage.
- Total operating expenses increased by 4.3% compared to the previous year's decrease of .8%. This increase represented a negative budget variance of 1.6% as the District had budgeted for a 2.7% increase based off of historical results, current organizational needs, and the projected impact of COVID-19 on operations.

Items Affecting Operations

The challenges facing the District this fiscal period are largely similar, although varying in degree of intensity, to those issues facing the health care industry in general and small rural hospitals in particular. Where the immediate environment and circumstances uniquely influence the District, these areas are also highlighted in the discussion below:

- COVID-19: Although net patient revenue losses were covered through Federal funding (provider relief fund payments), there is no guarantee that this funding will continue or that the human and financial impact of COVID-19 will not exceed available resources and support.
- Physician recruitment: Recruiting and retaining physicians poses a significant challenge for all rural hospitals and doing this effectively is a crucial part of a rural hospital's success and viability.
- Labor: Nursing and technical positions continue to be difficult to recruit for and workforce shortages have been further exacerbated by government mandates surrounding COVID-19, such as mandatory vaccinations for all healthcare workers, and the cost and availability of local housing.
- Seismic building compliance: The state of California has imposed hospital seismic safety standards that we must meet by January 1, 2030.
- Natural Disasters: The impact of wildfires continue to threaten the operations and existence of rural hospitals in Northern California and directly affected the District in the Summer of 2022.

In summary, the current healthcare environment continues to challenge all hospitals, and small rural hospitals in particular, with continuing financial and workforce issues and the unknown future impact of COVID-19. At the same time, the District's employees are working together to continue to find ways to make progress on improving how the District organizes and processes work in such a way that it continues to improve clinical care and service to its patients and community while striving to improve its financial position and overall financial performance.

SENECA HEALTHCARE DISTRICT

Management's Discussion and Analysis

June 30, 2021

Contacting the District's Financial Management

This financial report provides the District's patients, citizens, taxpayers, investors, and creditors with a general overview of the District's finances and shows the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Seneca Healthcare District
130 Brentwood Drive
P.O. Box 737
Chester, CA 96020

Seneca Healthcare District

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,320,613	\$ 13,221,840
Patient accounts receivable, net of allowances	1,114,071	1,105,764
Other receivables	1,121,687	275,132
Third-party payor settlements	207,895	881,706
Supplies	325,481	264,374
Prepaid expenses and deposits	211,175	189,522
Total current assets	16,300,922	15,938,338
Assets whose use is limited, less current portion	1,125,525	1,125,825
Capital assets, net of accumulated depreciation	2,351,162	2,532,313
Total assets	19,777,609	19,596,476
 Liabilities and Net Position		
Current liabilities		
Current maturities of long-term debt	\$ 1,533,855	\$ 527,007
Accounts payable and accrued expenses	2,110,153	839,030
Accrued payroll and related liabilities	807,866	620,243
Deferred revenue	182,661	4,176,021
Total current liabilities	4,634,535	6,162,301
Long-term debt, net of current maturities	60,865	1,091,997
Total liabilities	4,695,400	7,254,298
Net position		
Invested in capital assets, net of related debt	2,264,610	2,421,477
Unrestricted	12,817,599	9,920,701
Total net position	15,082,209	12,342,178
Total liabilities and net position	\$ 19,777,609	\$ 19,596,476

See accompanying notes to the financial statements

Seneca Healthcare District

Statements of Revenues, Expenses and Changes in Net position

For The Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues		
Net patient service revenue	\$ 17,563,121	\$ 18,143,398
Other operating revenue	4,869,204	1,281,790
Total operating revenues	22,432,325	19,425,188
Operating expenses		
Salaries & wages	7,641,364	7,216,281
Employee benefits	1,718,055	1,684,957
Professional Fees	4,210,875	4,481,430
Purchased services	1,921,733	1,660,182
Supplies	1,301,230	993,649
Repairs & maintenance	190,819	208,370
Utilities	362,861	360,620
Rentals and leases	174,968	153,082
Insurance	123,308	146,267
Depreciation & amortization	439,144	430,233
Other operating expenses	318,846	305,449
Total operating expenses	18,403,203	17,640,520
Operating income	4,029,122	1,784,668
Nonoperating revenues (expenses)		
District tax revenues	585,734	548,197
Non-capital grants and donations	221,512	47,058
Investment income	82,143	148,391
Interest expense	(6,091)	(7,254)
Other non-operating income (expense)	-	9,512
Total nonoperating revenues (expenses)	883,298	745,904
Excess of revenues (expenses)	4,912,420	2,530,572
Inter-governmental transfers	(2,172,389)	(1,674,329)
Increase (decrease) in net position	2,740,031	856,243
Net position, beginning of the year	12,342,178	11,485,935
Net position, end of year	\$ 15,082,209	\$ 12,342,178

See accompanying notes to the financial statements

Seneca Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Cash received from patients and third-party payers	\$ 17,277,862	\$ 17,877,763
Other receipts	980,053	5,457,884
Cash payments to suppliers and contractors	(7,416,278)	(8,349,657)
Cash payments to employees and benefit programs	(9,171,796)	(8,843,456)
Net cash provided by operating activities	1,669,841	6,142,534
Cash flows from non-capital and related financing activities		
District tax revenue	585,734	548,197
Other non-operating revenue	-	9,512
Inter-governmental transfers	(2,172,389)	(1,674,329)
Net cash used in non-capital and related financing	(1,586,655)	(1,116,620)
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(257,993)	(799,768)
Capital grants and donations	221,512	47,058
Proceeds from debt borrowings	-	1,508,168
Payments of long-term debt	(24,284)	(37,207)
Interest paid on capital debt	(6,091)	(7,254)
Net cash provided by (used in) capital and related financing activities	(66,856)	710,997
Cash flows from investing activities		
Net change in assets limited as to use	300	-
Investment income	82,143	148,391
Net cash provided by (used in) investing activities	82,443	148,391
Increase in cash and cash equivalents	98,773	5,885,302
Cash and cash equivalents at beginning of year	13,221,840	7,336,538
Cash and cash equivalents at end of year	\$ 13,320,613	\$ 13,221,840
Supplemental information		
Cash paid for interest payments	\$ 6,091	\$ 7,254

See accompanying notes to the financial statements

Seneca Healthcare District
 Statements of Cash Flows (continued)
 For The Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of income from operations to net cash provided by operating activities		
Operating income	\$ 4,029,122	\$ 1,784,668
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	439,144	430,233
Changes in operating assets and liabilities		
Patient accounts receivable	(8,307)	380,033
Other receivables	(846,555)	73
Supplies	(61,107)	(13,988)
Prepaid expenses	(21,653)	(31,304)
Accounts payable and accrued expenses	1,271,123	4,684
Accrued payroll and related expenses	187,623	57,782
Deferred revenue	(3,993,360)	4,176,021
Third-party payor settlements	673,811	(645,668)
Net cash provided by operating activities	\$ 1,669,841	\$ 6,142,534

See accompanying notes to the financial statements

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: Seneca Health Care District (the “District”) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the district to specified terms of office. The District is located in Chester, California and operates Seneca Hospital (the “Hospital”), a 10 bed acute care hospital and a 16 bed skilled nursing facility. The District's mission is to provide health care services primarily to individuals who reside in the community of Chester, California and the surrounding area. The accompanying financial statements include all of the operating entities of the District.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses proprietary fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Pursuant to Government Accounting Standard Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989. The District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Financial Statement Presentation: The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net assets.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Management's Discussion and Analysis: Statement 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of organizations in the private sector.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in non-operating revenues when earned.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Supplies: Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The District does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

Assets Limited as to Use: Assets limited as to use include amounts designated by the Board of Directors for replacement or purchases of capital assets and other specific purposes. Assets limited as to use consist primarily of deposits on hand with banking and investment institutions.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2021 and 2020, the District has determined that no capital assets are impaired.

Net Position: Net position (formally net assets) is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is “unrestricted” net position. This category consists of net assets that do not meet the definition or criteria of the previous two categories.

Compensated Absences: The District’s employees earn vacation benefits at varying rates. These rates are determined based on the employee’s years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2021 and 2020 are \$509,987 and \$411,335, respectively.

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Charity Care: The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The District receives financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the District's behalf during the year and are intended to help finance the Hospital's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date. For the years ended December 31, 2021 and 2020, the District received tax revenue totaling \$585,734 and \$548,197, respectively.

Grants and Contributions: From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

Subsequent events: Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Reclassifications: Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

NOTE 2 – CASH AND CASH EQUIVALENTS

As of June 30, 2021 and 2020, the District had deposits in various financial institutions in the form of cash and cash equivalents amounting to \$14,445,793 and \$14,350,069. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

NOTE 3 - NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS

The District renders services to patients under contractual arrangements with the Medicare and Medi-Cal programs, health maintenance organizations (HMOs) and preferred provider organizations (PPOs). Patient service revenues from these programs approximate 95% and 96% of gross patient service revenues for the years ended June 30, 2021 and 2020, respectively.

The Medicare Program reimburses the District on a cost basis payment system for inpatient and outpatient hospital services. The cost-based reimbursement is determined based on filed Medicare cost reports. Skilled nursing services are reimbursed on a predetermined amount based on the Medicare rates for the services.

The District contracts to provide services to Medi-Cal, HMO and PPO inpatients on negotiated rates. Certain outpatient reimbursement is subject to a schedule of maximum allowable charges for Medi-Cal and to a percentage discount for HMOs and PPOs. The skilled nursing facility (SNF) is reimbursed by the Medi-Cal program on a prospective per diem basis subject to audit by the state. The results of the state audits are incorporated prospectively and are subject to appeal by the provider.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 3 - NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS (continued)

Both the Medicare and Medi-Cal program's administrative procedures preclude final determination of amounts due to the District for services to program patients until after patients' medical records are reviewed and cost reports are audited or otherwise reviewed by and settled with the respective administrative agencies. The Medicare and Medi-Cal cost reports are subject to audit and possible adjustment. Management is of the opinion that no significant adverse adjustment to the recorded settlement amounts will be required upon final settlement.

Medicare and Medi-Cal revenue accounted for approximately 73%, for the year ended June 30, 2021, and 74%, for the year ended June 30, 2020, of the District's net patient revenues. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

NOTE 4 - INVESTMENTS

The District's investment balances, and average maturities were as follows at June 30, 2021 and 2020:

2021				
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 10,959,645	\$ 10,959,645	\$ -	\$ -
Money market accounts	309,539	309,539	-	-
U. S. government obligations	58,620	-	-	58,620
Total investments	\$ 11,327,804	\$ 11,269,184	\$ -	\$ 58,620
2020				
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 11,872,514	\$ 11,872,514	\$ -	\$ -
Money market accounts	1,516,901	1,516,901	-	-
U. S. government obligations	56,340	-	-	56,340
Total investments	\$ 13,445,755	\$ 13,389,415	\$ -	\$ 56,340

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 4 – INVESTMENTS (continued)

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk. Interest income, dividends, and both realized and unrealized gains and losses on investments are recorded as investment income. These amounts were \$82,143 and \$148,391 for the years ended June 30, 2021 and 2020, respectively. Total investment income includes both income from operating cash and cash equivalents and cash and cash equivalents related to assets limited as to use. Debt securities, when present, are recorded at market price or the fair market value as of the date of each balance sheet.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's exposure to interest rate risk is minimal as 99.5% of their investments have a maturity of less than one year. The remaining investments are over 5 years, but are U.S. government obligations with fixed return rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The District's investments in such obligations are in U.S. government obligations. The District believes that there is minimal credit risk with these obligations at this time.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by banks or government agencies. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: governmental agencies 97% and banks 3%. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 5 - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there is any credit risk associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. Concentration of patient accounts receivable at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Medicare	\$ 1,119,981	\$ 1,219,189
Medi-Cal and Medi-Cal pending	923,775	896,542
Other third party payors	1,317,160	1,137,153
Self pay and other	<u>206,919</u>	<u>348,653</u>
Gross patient accounts receivable	3,567,835	3,601,537
Less allowances for contractual adjustments and bad debts	<u>(2,453,764)</u>	<u>(2,495,773)</u>
Net patient accounts receivable	<u>\$ 1,114,071</u>	<u>\$ 1,105,764</u>

NOTE 6 - OTHER RECEIVABLES

Other receivables as of June 30, 2021 and 2020 were comprised of the following:

	<u>2021</u>	<u>2020</u>
District Taxes receivable	\$ 44,707	\$ 36,240
Contract pharmacy	17,224	24,258
Grant receivable	2,200	210,168
California DHS Rate Range Program	1,054,761	-
Other	<u>2,795</u>	<u>4,466</u>
	<u>\$ 1,121,687</u>	<u>\$ 275,132</u>

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2021 and 2020 were comprised of the following:

	<u>Balance at</u> <u>June 30, 2020</u>	<u>Transfers &</u> <u>Additions</u>	<u>Transfers &</u> <u>Retirements</u>	<u>Balance at</u> <u>June 30, 2021</u>
Land and land improvements	\$ 90,610	\$ -	\$ -	\$ 90,610
Buildings and improvements	5,741,619	21,163	-	5,762,782
Equipment	5,414,802	94,219	(2,698)	5,506,323
Construction-in-progress	209,461	196,806	(51,497)	354,770
Totals at historical cost	<u>11,456,492</u>	<u>\$ 312,188</u>	<u>\$ (54,195)</u>	<u>11,714,485</u>
Less accumulated depreciation	<u>(8,924,179)</u>	<u>\$ (439,144)</u>	<u>\$ -</u>	<u>(9,363,323)</u>
Capital assets, net	<u>\$ 2,532,313</u>			<u>\$ 2,351,162</u>

	<u>Balance at</u> <u>June 30, 2019</u>	<u>Transfers &</u> <u>Additions</u>	<u>Transfers &</u> <u>Retirements</u>	<u>Balance at</u> <u>June 30, 2020</u>
Land and land improvements	\$ 90,610	\$ -	\$ -	\$ 90,610
Buildings and improvements	5,532,268	209,351	-	5,741,619
Equipment	4,813,812	600,990	-	5,414,802
Construction-in-progress	220,034	467,431	(478,004)	209,461
Totals at historical cost	<u>10,656,724</u>	<u>\$ 1,277,772</u>	<u>\$ (478,004)</u>	<u>11,456,492</u>
Less accumulated depreciation	<u>(8,493,946)</u>	<u>\$ (430,233)</u>	<u>\$ -</u>	<u>(8,924,179)</u>
Capital assets, net	<u>\$ 2,162,778</u>			<u>\$ 2,532,313</u>

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 8 - RETIREMENT PLAN

The District has a non-contributory money purchase plan covering all eligible employees. Participants must have completed one year of service and be at least 19 years old to be eligible. The District's pension expense for the plan was \$47,053 during the year ended June 30, 2021 and \$53,955 during the year ended June 30, 2020.

NOTE 9 – INCOME TAXES

The District is a political subdivision of the state of California organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District has been determined to be exempt from income taxes under Local Health Care District Law. Accordingly, no provision for income taxes is included in the accompanying financial statements. The tax years of 2017 through 2021 remain open and subject to examination by the appropriate government agencies in the United States and California

NOTE 10 - DEBT BORROWINGS

Long-Term debt at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable to a bank as part of the PPP Program, original amount of \$1,508,168, bearing interest at 1.0%, principal and interest payments deferred for one year, principal and interest forgivable at that time if certain requirements met, remaining principal and interest payable ratably over eighteen months, maturing in May 2022, unsecured.	\$ 1,508,168	\$ 1,508,168
Note payable to a finance company, original amount of \$172,672, bearing interest at 5.632%, principal and interest payable monthly in the amount of \$2,492, maturing in August 2024, secured by equipment.	<u>86,552</u>	<u>110,836</u>
Total debt borrowings	1,594,720	1,619,004
Less current maturities	<u>(1,533,855)</u>	<u>(527,007)</u>
Debt borrowings, net of current maturities	<u>\$ 60,865</u>	<u>\$ 1,091,997</u>

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 11 - DEBT BORROWINGS (continued)

Future required principal payments under the above long-term debt are as follows: \$1,533,855 in 2022; \$27,172 in 2023; \$28,743 in 2024; and \$4,950 in 2025.

NOTE 12- CHARITY CARE AND COMMUNITY BENEFIT EXPENSE

The District maintains records to identify and monitor the level of charity care and community service it provides. These records include: the amount of charges foregone, (based on established rates), for services and supplies furnished under its charity care and community service policies, the estimated cost of those services and supplies, and statistics quantifying the level of charity care as a percentage of expenses of the Hospital as a whole.

The following is a summary of the District's charity care and community benefit expense for the years ended June 30, 2021 and 2020, in terms of services to the poor and benefits to the broader community:

	<u>2021</u>	<u>2020</u>
Benefits for the poor		
Traditional charity care and related programs	\$ 41,304	\$ 14,039
Total quantifiable benefits for the poor	41,304	14,039
Benefits for the broader community:		
Unpaid Medicare program charges	3,011,033	4,709,828
Unpaid MediCal program charges	2,482,870	2,381,256
Total quantifiable benefits for the broader community	<u>5,493,903</u>	<u>7,091,084</u>
Total quantifiable community benefits	<u>\$ 5,535,207</u>	<u>\$ 7,105,123</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2021, and 2020, the District had recorded \$354,770 and \$209,461, respectively, as construction-in-progress representing cost capitalized for various projects. The estimated amount to complete current obligated construction-in-process projects totals \$1,277,000 as of June 30, 2021.

Operating Leases: The District leases various pieces of equipment under operating leases expiring at various dates. Total equipment lease and rent expense for the years ended June 30, 2021 and 2020, were \$174,968 and \$153,082, respectively. Future minimum lease payments for the succeeding years under operating leases with a remaining term in excess of one year as of June 30, 2021 are not considered significant.

SENECA HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2021 & 2020

NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2021 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Workers Compensation Program: The District is a participant in the Association of California Hospital District's ALPHA Fund which administers a self-insured worker's compensation plan for participating hospital employees of its member hospitals. The District pays premiums to the ALPHA Fund which are adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management continues to evaluate the impact of this legislation on its operations including future financial commitments that will be required.

Health Care Reform: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Seneca Healthcare District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor <u>Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through or Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
<i>Direct Programs</i>			
US HHS Covid-19 Stimulus	93.498	N/A	\$ 303,881 *
US HHS Covid-19 CARES Act Relief	93.498	N/A	111,757 *
US HHS Covid-19 CARES Act Rural Area	93.498	N/A	3,476,544 *
US HHS Covid-19 CARES Act SNF ONRC	93.498	N/A	90,000 *
US HHS Covid-19 CARES Act	93.498	N/A	144,377 *
Total Program Cluster			4,126,559
US HHS Covid-19 RHC Testing	93.697	N/A	49,461
Total U.S. Department of Health and Human Services			4,176,020
Total Expenditures of Federal Awards			\$ 4,176,020

* denotes major program

AL indicates "Assistance Listing" formerly CFDA

See notes to Schedule of Expenditures of Federal Awards.

SENECA HEALTHCARE DISTRICT

Notes to Schedule of Expenditures of Federal Awards

June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the expenditures of the federal award activity of the Seneca Healthcare District (the District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows for the District.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the District, agencies, and departments of the federal government. The awards are classified into major program categories in accordance with the provisions of the Uniform Grant Guidance.

NOTE 2 - BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. For Assistance Listing (AL) number 93.498, (formerly CFDA numbers), the amount reported on the Schedule is based on the Period 1 Provider Relief Fund (PRF) report submitted to HRSA. Such expenditures are recognized following the cost principles contained in Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATE

The District's election of the ten percent federal de minimis cost rate allowed under Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is not considered necessary as there were no overhead cost allocations required involving the Provider Relief (COVID) funding.

SENECA HEALTHCARE DISTRICT

Notes to Schedule of Expenditures of Federal Awards

June 30, 2021

NOTE 4 - RELATIONSHIP OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO FINANCIAL STATEMENTS

Consistent with management's policy, federal awards and other grants are recorded in respective revenue categories. As result, the amount of total federal awards expended on the Schedule does not agree to total grant revenue on the Statement of Revenues, Expenses, and Changes in Net Position as presented in the District's report on the audited financial statements.

JWT & Associates, LLP

Advisory Assurance Tax

1111 E. Herndon Avenue, Suite 211, Fresno, California 93720
Voice: (559) 431-7708 Fax:(559) 431-7685

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Board of Directors
Seneca Healthcare District
Chester, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the comptroller General of the United States, the financial statements of Seneca Healthcare District (the District), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

December 30, 2021

JWT & Associates, LLP

Advisory Assurance Tax

1111 E. Herndon Avenue, Suite 211, Fresno, California 93720
Voice: (559) 431-7708 Fax:(559) 431-7685

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Seneca Healthcare District
Chester, California

Report on Compliance for Each Major Federal Program

We have audited the Seneca Healthcare District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

JWT & Associates, LLP

September 26, 2022
Fresno, California

SENECA HEALTHCARE DISTRICT

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

I. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified	
Internal Control over financial reporting: Material weakness identified?	_____ Yes	___ <u>X</u> ___ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	___ <u>X</u> ___ None Reported
Noncompliance material to financial statements noted?	_____ Yes	___ <u>X</u> ___ No

Federal Awards

Internal control over major programs: Material weakness identified?	_____ Yes	___ <u>X</u> ___ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	___ <u>X</u> ___ None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	___ <u>X</u> ___ No

Major Programs

	<u>AL Number</u>
Cares Act, Provider Relief Funds	93.498
Dollar threshold used to distinguish Types A and B programs	\$ 750,000
Auditee qualified as low-risk auditee?	_____ Yes ___ <u>X</u> ___ No

SENECA HEALTHCARE DISTRICT

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings: None Reported

Federal Award Findings and Questioned Costs: None Reported

III. Prior Year Audit Findings and Questioned Costs

Financial Statement Findings: None Reported

Federal Award Findings and Questioned Costs: None Reported

December 21, 2022

Mr. Steve Boline
Chief Financial Officer
Seneca Healthcare District
130 Brentwood Dr.
Chester, California 96020

Dear Steve:

We are pleased to serve as the independent accountants for Seneca Healthcare District (the "District") for the financial feasibility study services for submission in an application to finance a replacement hospital and skilled nursing facility through the USDA Community Facilities Loan Program for the five years ending June 30, 2023 through 2027. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement.

Based on our phone conversation, we anticipate beginning the Financial Feasibility Study in January of 2023 and a draft report completed by April 30, 2023 for submission with a complete application to USDA. If the delivery of the scope of our services is delayed due to circumstances beyond our control, we will discuss revised fee estimates with you at that time.

Examination Objective

We will examine the forecast, which comprises the forecasted statements of net position as of June 30, 2023 through 2027, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ending, and the summaries of significant assumptions and accounting policies of the District. We will examine the financial forecast for the purpose of issuing a report stating whether, in our opinion, (1) management's financial forecast is presented in all material respects in accordance with applicable guidelines established by the American Institute of Certified Public Accountants ("AICPA presentation guidelines") and USDA's Rural Development Instruction 1942-A ("Guide 5") and (2) management's assumptions are suitably supported and provide a reasonable basis for its forecast.

Examination Procedures, Limitations, and Independence

We may prepare or assist in preparing the forecast in accordance with the guidelines for the presentation of prospective financial information established by the AICPA based on information provided by you. The preparation of a forecast involves the processing of, and the mathematical and other clerical functions related to, the presentation of the forecast, which is based on management's assumptions. The other services are limited to the preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

The financial forecast presents, to the best of management's knowledge and belief, the District's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions, reflecting conditions it expects will exist and the course of action it expects would be taken during the forecast period.

Our examination will be conducted in accordance with attestation standards established by the AICPA. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. Our examination of the forecast will include procedures we

consider necessary to evaluate (1) the assumptions used by management as a basis for the forecast, (2) the preparation of the forecast, (3) the presentation of the forecast. We will issue a written report upon completion of our examination. Our report will be addressed to the Board of Directors and USDA. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Our report will contain a statement to that effect.

We have no responsibility to update our reports for events and circumstances occurring after the date of our report.

You understand that the report is intended solely for the information and use of the Board of Directors and USDA, and is not intended to be and should not be used by anyone other than those specified parties.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control over preparation of the forecast, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether management's forecast is presented in accordance with the AICPA presentation guidelines and whether the underlying assumptions are suitably supported and provide a reasonable basis for the forecast. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

Professional and certain regulatory standards require us to be independent, in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our forecast, management must acknowledge its acceptance of certain responsibilities.

We cannot perform management functions or make management decisions on behalf of the District. However, we will provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities.

Responsibilities of Management

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. You are responsible for the presentation of

management's forecast in accordance with the AICPA presentation guidelines and whether its underlying assumptions are suitably supported and provide a reasonable basis for the forecast.

You are responsible for representations about your plans and expectations and for disclosure of significant information that might affect the ultimate realization of the forecast results. You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the forecast and that it is free from material misstatement, whether due to fraud or error.

You are responsible for, and agree to provide us with, a written assertion about whether the forecast is presented in accordance with the AICPA presentation guidelines. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and presentation of the forecast, (2) additional information that we may request for the purpose of the examination, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter, which, among other things, will confirm management's responsibility for the underlying assumptions and the appropriateness of the forecast and its presentation.

We understand that the forecast and our report thereon will be used only for applying for financing of the project through USDA. If you intend to reproduce the forecast and our report thereon, you agree that they will be reproduced in their entirety, and both the first and subsequent corrected drafts of the document containing the forecast and any accompanying material must be submitted to us for approval.

You agree to assume all management responsibilities for the forecast preparation services, supplementary information, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Other

Karen Lloyd, CPA, will be the engagement partner for the examination services specified in this letter.

Jason Sieg will be part of the engagement team and your direct contact for these services.

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to the District, any of our professional project team members, as necessary, to provide quality and timely service to the District. From time to time, and depending upon circumstances, personnel from affiliates of Wipfli and other Wipfli-related entities or any of their respective affiliates or from independent third-party service providers (including independent contractors) may participate in providing services related to our engagement hereunder.

Fees

The fees for the financial feasibility study are based upon our understanding of the size and scope as of the date of this agreement and the timing outlined herein.

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of the District, the fee for this engagement will be \$78,000. In addition, expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are billed for reimbursement as incurred. Our fee has been determined based on our

understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

In accordance with AICPA independence rules and regulations, the payment of our fees above is not contingent upon the successful completion/closing of any intended financing.

Services Rendered Post-Issuance

We may be asked to provide additional sensitivities and/or written responses to inquiries subsequent to the issuance of the financial feasibility study. You will be billed for our responses based on our standard hourly rates.

Items Identified to be Outside of the Scope of Work

This engagement includes only those services specifically described in this letter; any additional services not specified herein will be billed to you at our standard hourly rates.

The estimated fees assume the timely completion of the engagement, specifically prior to April 30, 2023. If any of the outlined work is delayed due to circumstances beyond our control, such as a substantial delay in the receipt of data items requested of management, the additional time required to update the forecast model and the financial feasibility study may exceed the estimates identified herein. These additional fees will vary based upon how much work must be updated and the time elapsed since the original work was completed.

The fee estimate also assumes that no excessive changes will be made to the financing amount or scope of financing after the draft of the financial feasibility study is provided to management.

The fee estimate assumes the financial feasibility study will be prepared on a consolidated basis and does not include any analysis of individual entities or “carve outs.”

The fee estimate does not include any nonattest services that you may request our assistance with over the course of this engagement. Per our recent discussions, you may request assistance related to reimbursement strategies, licensing of the new facility, utilization of square footage, or other regulatory compliance related matters. Our fee for these services will vary based on actual time incurred at our customary billing rates.

Acceptance

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this letter to us.

We look forward to our association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.



Wipfli LLP

ACCEPTED: [SENECA HEALTHCARE DISTRICT](#)

By: _____

(Print Name and Title)

Date: _____

jms
Enc.

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli’s independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as “we” or “us” or in a similar manner, and Client may be referred to as “you” or in a similar manner, and such references shall be read in context.

2. Commencement and Term

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Termination of Agreement

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party’s obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

4. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli’s invoice for such services. A “Change Order” means a mutually agreed-upon change in the schedule or the time for Wipfli’s performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the services will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

5. Payment of Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney’s fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

6. **Privacy and Engagement Staffing**

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at www.wipfli.com/privacy-statement for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

7. **Intellectual Property Rights**

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client,

provided that any use or modification of such deliverable, other than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

8. **Mutual Confidentiality**

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

9. **Independent Contractor**

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

10. **Non-Exclusivity**

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

11. **Dispute Resolution**

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an

action by us to collect payment of our invoices, Wipfli and Client agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

12. **Governing Law**

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

13. **Severability**

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

14. **Notices**

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at wipfli-legal@wipfli.com.

15. **Electronic Signature**

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

16. **Record Retention**

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

17. **Assignment**

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all

or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

18. **Force Majeure**

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.

November 8, 2022 General Election
Plumas County
OFFICIAL FINAL

Precincts Reported: 29 of 29 (100.00%)

Voters Cast: 8,721 of 13,832 (63.05%)

MEASURE B - SENECA HEALTHCARE DISTRICT (Vote for 1)

Precincts Reported: 4 of 4 (100.00%)

	Total	
Times Cast	1,850 / 2,786	66.40%
Candidate	Party	Total
Bonds-Yes		1,442
Bonds-No		380
Total Votes		1,822
	Total	
Unresolved Write-In		0

BYLAWS OF THE [REDACTED] ASSOCIATION

ARTICLE I – NAME AND OBJECTIVES

1. **NAME.** There shall henceforth be an association known as the [REDACTED] Association (the “Association”).
2. **OBJECTIVES.** The objectives of this Association include:
 - A. Legislative advocacy concerning any laws or regulations pertaining to the Members or policies, initiatives, or other programs that will benefit rural hospitals and the patients such hospitals serve.
 - B. Development of programs and policies designed to maintain understanding, cooperation and mutual support among the Members and other similarly situated rural hospitals within the State of California.
 - C. Support the mutually beneficial advocacy efforts of the California Hospital Association and other like-associations, such as [REDACTED], as determined by the Members in accordance with these Bylaws.

ARTICLE II – OFFICE LOCATIONS

The principal office of the Association shall be Trinity Hospital, located at 60 Easter Avenue, Weaverville, CA 96093.

ARTICLE III – MEMBERSHIP

1. **FOUNDING MEMBERS.** The following hospitals are recognized as the founding members of the Association (each a “Founding Member”).
 - A. Mad River Community Hospital, a hospital owned and operated by American Hospital Management Company
 - B. Trinity Hospital, a hospital owned and operated by Mountain Communities Healthcare District
 - C. _____
 - D. _____
 - E. _____
 - F. _____
 - G. _____
 - H. _____
 - I. _____
 - J. _____

2. **ADMISSION OF NEW MEMBERS.** By two-thirds (2/3rds) consent of the Founding Members of the Association, the Founding Members may admit additional hospitals as Members of the Association. Upon such admission, the admitted hospital shall, in all respects under these Bylaws, be a Member of the Association with all rights and privileges conferred upon a Member by these Bylaws or by applicable law. The Founding Members along with subsequently admitted Members are collectively referred to herein as the "Members".

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3. **CRITERIA FOR MEMBERSHIP.** Unless amended by unanimous consent of the Members, the criteria for membership of the Association is:

- A. the applicant is an entity (as opposed to an individual) that owns and operates an acute care hospital, duly licensed by the State of California;
- B. that each hospital owned or operated by the applicant is located in a rural area of the State of California;
- C. that the number of licensed beds at each acute care hospital owned or operated by the applicant is 80 or less;
- D. that the applicant demonstrates, to the satisfaction of the then-existing Members, a commitment to the objectives of the Association;
- E. that the applicant agrees to be bound by these Bylaws, as the same may be amended in accordance with the Bylaws.

For the avoidance of doubt, the above-recited criteria for membership are intended to constitute the minimum requirements for consideration by the Founding Members for potential admission into the Association. Each of the Founding Members may vote to approve or disapprove the admission of an applicant for membership in its sole and absolute discretion.

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4. **TERMINATION OF MEMBERSHIP.** Membership of this Association shall automatically cease for a member who:

- A. no longer meets membership criteria;
- B. fails to pay dues;
- C. is expelled for cause by majority vote of the Board; or
- D. voluntarily resigns its membership in the Association.

5. **DUES-FEES-ASSESSMENTS.** Members shall pay annual dues in the amount fixed by the Board. Members will be placed in inactive status if dues are not paid in a timely manner.

ARTICLE IV – BOARD OF DIRECTORS

1. **COMPOSITION.** The Board (the "Board") shall consist of one Director appointed by each Member.

2. DIRECTOR QUALIFICATION. Each Director shall be a senior management employee of the Member hospital, who is knowledgeable in hospital management and has been authorized by the Member to take any action or cast any vote vested by these Bylaws in the Director.

3. DIRECTOR TERM. Each Director shall serve for so long as: (i) the Director remains willing and able to serve and (ii) has the continued support of the Member that appointed the Director.

4. VACANCY. A Director's seat on the Board shall be considered vacant upon the occurrence of one or more of the following:

- A. The appointing Member elects, in its discretion, to remove the Director from the Board;
- B. The appointing Member's membership in the Association is terminated in accordance with Section 4 of Article III of these Bylaws;
- C. Is expelled for cause by a two-third vote of the Board without consideration of the vote of the Director who is the subject of the vote.

5. OFFICERS OF THE ASSOCIATION. The Board shall appoint Directors to serve as officers of the Association. The officers shall consist of a President, a Vice President, a Secretary, and a Treasurer (each an "Officer").

6. ELECTION. The Officers shall be elected by majority vote of the Board at the annual meeting of the Association and will serve for one year term and may be re-elected to subsequent terms.

7. DUTIES OF THE OFFICERS.

- A. **President.** The President shall preside at all meetings of the Board. The President shall appoint the Chair of any committee established by the Board and shall sign official documents as required by law or by the Board. The President shall perform any additional duties as prescribed by the Board. The President shall be a full voting member of the Board and, as such, shall be authorized to make motions, second motions, participate in debate, and vote.
- B. **Vice President.** The Vice President shall preside at all meetings of the Board when the President is absent or otherwise unable to preside. The Vice President shall perform any additional duties as prescribed by the Board. The Vice President shall be a full voting member of the Board and, as such, shall be authorized to make motions, second motions, participate in debate, and vote.
- C. **Secretary.** The Secretary shall ensure that minutes of all meetings are maintained and approved by the Board. The Secretary shall ensure proper notice of all meetings in compliance with the Bylaws. The Secretary shall be responsible for advising the Board on compliance with the Bylaws. The Secretary shall sign official documents as required by law or by the Board.
- D. **Treasurer.** The Treasurer shall be responsible to report to the Board on budget and financial matters involving the Association. The Treasurer shall further ensure performance of proper federal, state, and any other reporting, which

may be required. The Treasurer shall ensure the timely delivery and payment of all dues. The Treasurer shall be a co-signer on all financial accounts held by the Association and shall report to the Board.

8. **OFFICER VACANCY.** In the event of a vacancy in any Officer position, the Board shall fill the vacancy at the subsequent Board meeting following the vacancy.

9. **QUORUM.**

A. **Quorum of Directors.** A majority of the then-current number of Directors shall constitute a quorum at any meeting of the Board; if less than a quorum is present at said meeting, those Directors present shall not vote on any matter that requires a vote of the Board.

B. **Manner of Acting.** The act of a majority of the Directors present at a meeting at which a quorum is initially present shall be the act of the Board, unless the act of a greater number (e.g., unanimous consent) is required by law or by these Bylaws.

C. **Informal Action by Directors.** Any action required to be taken at a meeting may be taken without a meeting if consent in writing setting forth the action to be taken is signed by all the Directors. Such consent shall have the same force and effect as a unanimous vote. A written record of the vote shall be prepared and adopted by the Board at its next scheduled meeting in the same manner as minutes of a meeting.

D. **Action Requiring More than Majority.** In addition to other requirements of this Bylaws, the following actions shall not be approved by the Board without satisfying the following vote thresholds:

- (i) Taking a position on a legislative proposal or initiative, either through the Association directly or its retained lobbyist, requires a vote of two-thirds of Directors present at the meeting.

10. **BOARD MEETINGS.** The Board shall meet at least quarterly

A. **Regular Meetings.** The Board shall hold regular meetings at least every calendar quarter. Ten (10) days advance notice shall be delivered either personally, by mail, by facsimile, or by electronic mail to each Director at their address of record. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed with postage thereon prepaid. A Director shall be deemed to have waived notice if they had actual knowledge of a meeting and failed to object to insufficient notice prior to or at the meeting. Regular meetings shall take place at locations determined by the Board. Such meetings may also be held by conference via telephone or other virtual means.

B. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or five (5) Directors. The persons authorized to call special meetings of the Board may fix a place within the county of any Member as the place for holding the special meeting of the Board called by them and shall

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provide for Director participation by conference via telephone or other virtual means. Notice of any special meeting of the Board shall be given to all Directors at least twenty-four (24) hours in advance. Notice shall be delivered by at least two (2) of the following methods of communication: personally, by mail, by facsimile, by phone, or by electronic mail to each Director at their address as shown by the records of the Association. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed with postage thereon prepaid. A Director shall be deemed to have waived notice if they had actual knowledge of a meeting and failed to object to insufficient notice at or prior to the meeting.

- C. **Closed Meetings.** Unless otherwise decided by action of the Board, all Board Meetings shall be considered closed.

11. **CONFLICTS.**

A. **Director Conflicts.** Any Director who has a personal financial interest that might affect the Director's votes on the Association's business shall identify the nature of the interest. Any Director having a conflict of interest with respect to any item of business to be voted upon shall state the nature of the possible conflict and refrain from voting. Any Director, who is uncertain whether a conflict of interest may exist in any matter, may request the Board to resolve the question by majority vote. The vote of any Director failing to declare a conflict may be challenged immediately after the vote is taken and the existence or non-existence of the conflict shall be resolved by a vote of a majority of the Directors present other than the challenged and challenging Directors.

B. **Member Conflicts.** Notwithstanding anything in these Bylaws to the contrary, each Member retains the unqualified right to pursue initiatives or other advocacy efforts on its own accord, whether or not the Association pursues the same or similar efforts.

12. **GENERAL POWERS.** The affairs of the Association shall be exercised under the direction of the Board. It is the obligation of each Director of the Association to perform his or her duties in good faith and in a manner each Director believes to be in the best interests of the Association. Directors must also act with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. This obligation extends to all activities a Director performs in that capacity.

13. **COMPENSATION.** Directors shall not receive any compensation from the Association for their services. By resolution of the Board, however, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board and other Association functions. Nothing herein contained shall be construed to preclude any Director from representing the Association in any other capacity and receiving compensation therefore to the extent allowed by law, upon disclosure of any actual or perceived conflict of interest and subsequent approval of the Board.

ARTICLE V – BOARD COMMITTEES

The President shall appoint the following committee chairpersons or committee members from the membership, said appointments to shall continue for so long as the appointing President remains in

office. Committees shall make recommendations to the Board and the Board shall have final authority as to the actions to be taken by the Association.

- A. Legislative Committee.** The Legislative Committee shall be comprised of five members, one of whom shall be the President. The President of the Association or his or her designee shall automatically act as Chairperson of the Legislative Committee. The Legislative Committee shall keep the Board apprised of legislative issues affecting the Members and make recommendation on advocacy strategies and positions, all in consultation with the Associations registered lobbyist.
- B. Finance Committee.** To be chaired by the Treasurer and consist of not less than three (3) members and to be appointed by the President. The Finance Committee shall periodically review and make sure the financial records are in proper order, and financial obligations are met in accordance with these by-laws and the laws of the State of California. The Finance Committee shall further make recommendations to the Board on the amount of the annual membership dues.
- C. Ad Hoc Committees.** To be appointed by the President and constituted as necessary.

ARTICLE VI – FINANCIAL MATTERS

1. Contracts. The Board may authorize any Officer or agent of the Association in addition to the Officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association. Such authority may be general or confined to specific instances.

2. Loans to Directors and Officers. The Association shall not lend any money or property to or guarantee the obligation of any Director or Officer; provided, however, that the Association may advance money to a Director or Officer of the Association for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or Officer would be entitled to reimbursement for such expenses by the Association.

3. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such Officer or agent of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and the President.

4. Deposits. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

5. Gifts. The Board may accept on behalf of the Association any contribution, gift, or bequest for the general or special purposes of the Association.

6. Non-Liability of Directors. The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Association.

7. Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, Board, and committees having any authority of the Board. The Association shall use reasonable efforts to maintain at its registered office or principal office in this State a record of the names and addresses of its members entitled to vote, as provided by members.

8. Fiscal Year. The fiscal year shall begin on the first day of July and end on the last day of June each year.

ARTICLE VII – AMENDMENTS TO BYLAWS

The Bylaws may be amended upon the recommendation of a majority of the Board and, thereafter, approval by the two-thirds vote of all Members; provided the Secretary shall have provided to all Members copies of the proposed changes to Bylaws and the Members shall have not less than thirty (30) days to review and vote on the proposed changes to the Bylaws.

ARTICLE VIII – INDEMNIFICATION AND INSURANCE

1. Right to Indemnity. To the fullest extent permitted by law, the Association shall indemnify each of its present or former Directors and Officers against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceedings or any threatened proceedings (hereinafter “proceeding” includes any threatened proceeding) arising by reason of the fact that any such person is or was a Director or Officer of this Association.

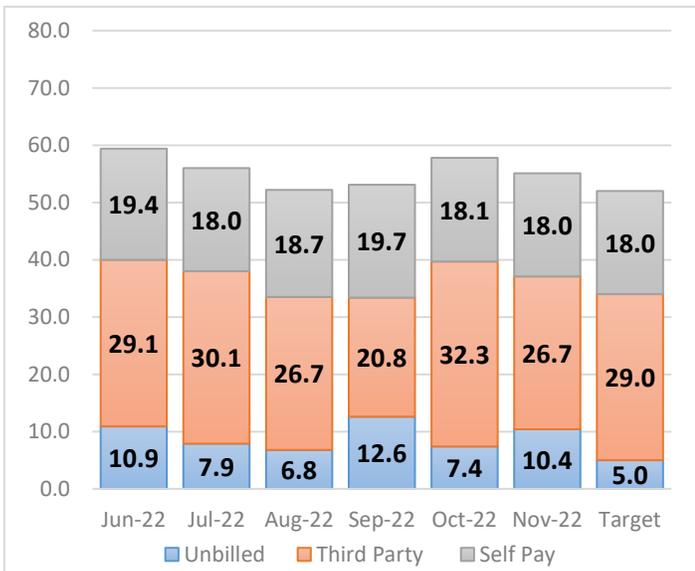
2. Insurance. The Association shall have the right to and will purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees (if any), and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer’s, Director’s, employee’s, or agent’s status as such.

ARTICLE IX – PROPERTY INTEREST OF MEMBERS

The interest of any Member in the property of the Association shall cease with the termination of membership. In the event the Association is dissolved, all Association liabilities shall first be paid, and the balance of any assets shall be distributed. Distribution shall be equally divided according to the Laws of the State of California.

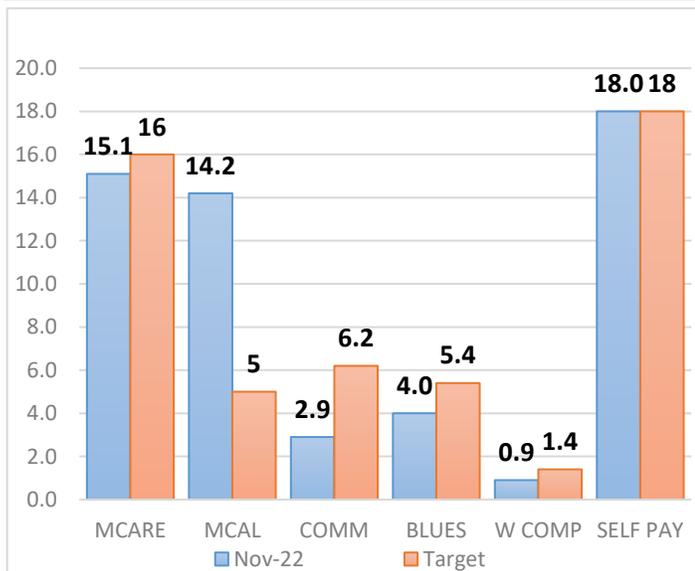
I. AR Days

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Target	Distance From Goal
Unbilled	10.9	7.9	6.8	12.6	7.4	10.4	5.0	5.4
Third Party	29.1	30.1	26.7	20.8	32.3	26.7	29.0	-2.3
Self Pay	19.4	18.0	18.7	19.7	18.1	18.0	18.0	0.0
Total AR Days	59.3	56	52.2	53.1	57.7	55.1	52.0	3.1



Summary

1. As of November 2022, the total AR days are 3.1 days above the target 52 days in AR.
2. Unbilled (DNFB & In House) is 5.4 days or \$392K above the target 5 days in AR.
3. Third-party AR days decreased by 5.6 or \$407K, closing at 26.7 days. This is 2.3 days or \$167K below goal.
4. Self-Pay met the target of 18 days in AR. Self-Pay revenue decreased by \$4K, closing at \$102K.



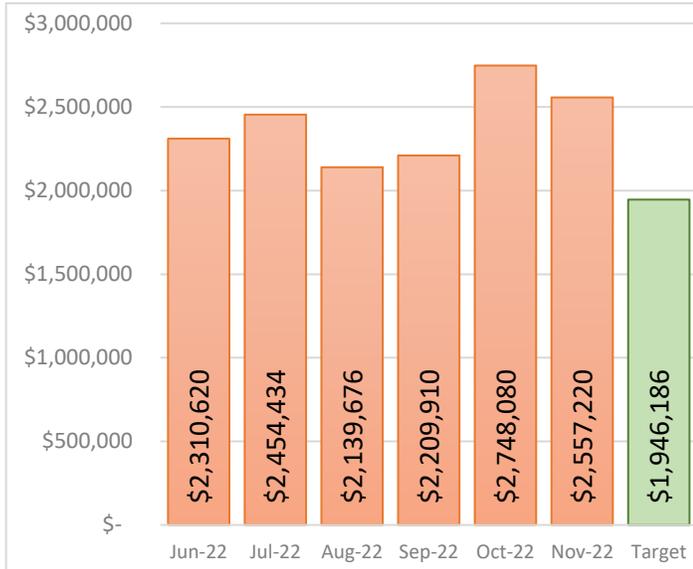
Summary

- The overall AR days goal of 52 were not met in November. Financial class details are as follows:
1. Medicare is 0.9 of a day or \$65K under goal.
 2. Medi-Cal needs to be reduced by 9.2 days or \$668K. As of 12/06/2022 there are 21 high dollar accounts for \$624K, for nearly 60% of the Medi-Cal AR. Of the \$624K, 9 for \$148K are ER accounts in process with the payers. 2 for \$93K are pending a TAR and 7 accounts for \$174K are in process with Medi-Cal. 1 LTC account for \$28K is being reprocessed by PHP, as of 12/06/2022, 2 accounts are in process for \$181K.
 3. Commercial is 3.3 days under or \$240K below goal.
 4. Blues is \$102K or 1.4 days under the target of 5.4 days.

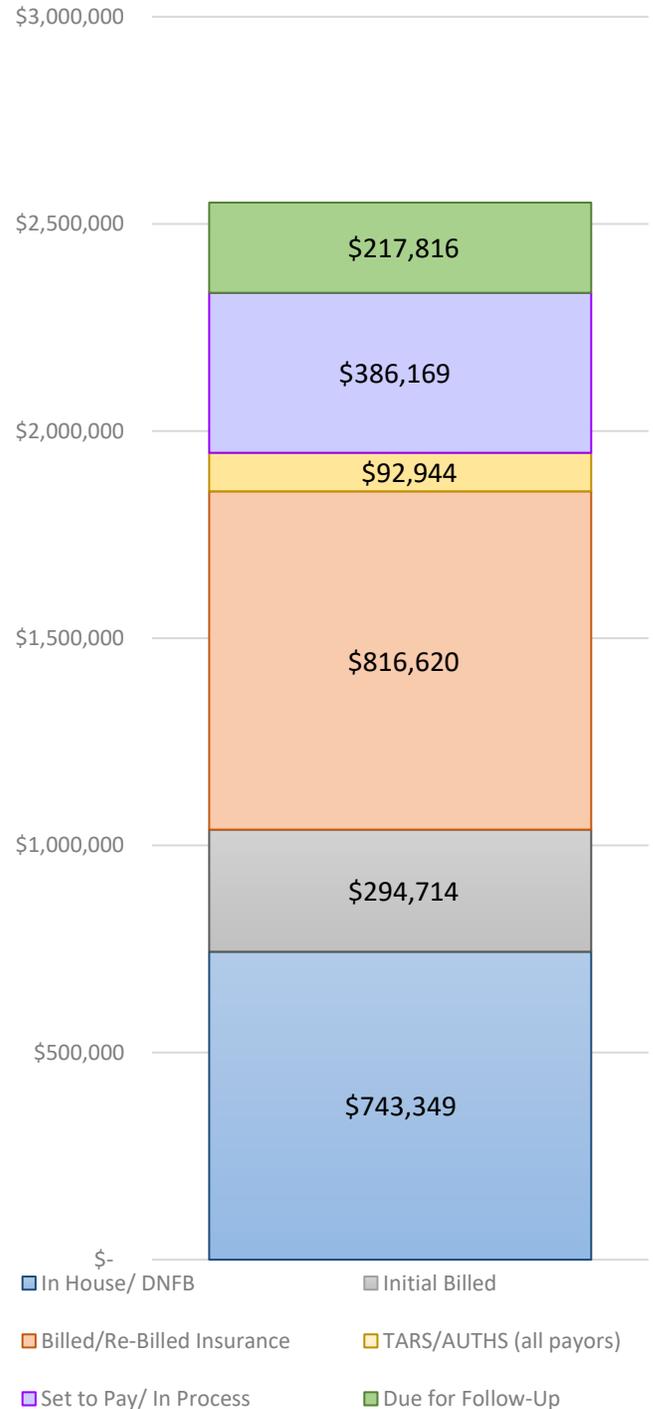
***Detail around these metrics are broken down in the following pages**

II. Third Party Aged 0-90 Days

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Target	Distance From Goal
Aging < 90 Days %	89.6%	95.0%	94.2%	93.1%	91.7%	94.8%	87.0%	7.8%
Dollars Aged < 90 Days	\$ 2,310,620	\$ 2,454,434	\$ 2,139,676	\$ 2,209,910	\$ 2,748,080	\$ 2,557,220	\$ 1,946,186	\$ 611,034



Aged Under 90 Days Status



Summary

When calculating where the metrics should be to hit our target 52 days in AR and 14.3% aged over 90 days, I found the following:

Based on the 13-month average daily revenue of \$67K, the total third party AR days under 90 should be at or below \$1.9M.

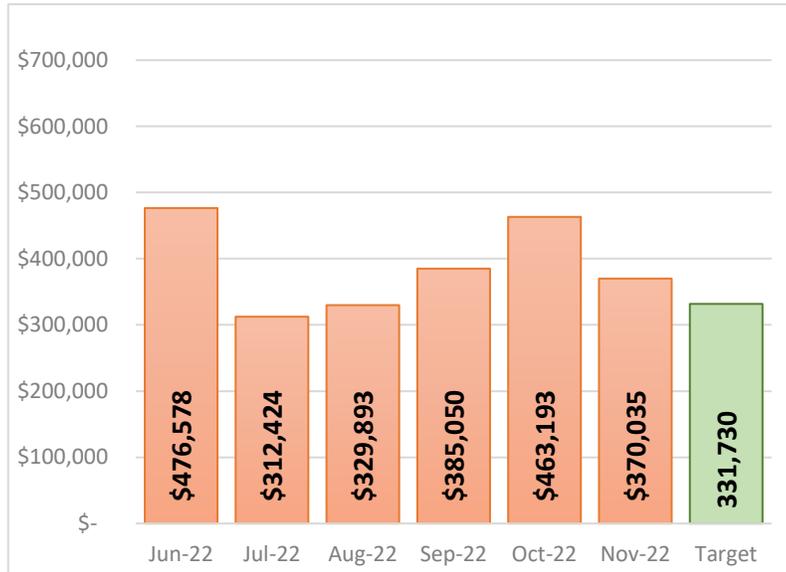
The breakdown to the right shows the current status of the services under 90 days. The total under 90 is currently at 94.8%, or above goal by 7.8%. The dollars aged under 90 days are \$611K from the target.

In-House increased by \$71K and DNFB increased \$161K, leaving overall unbilled up \$231K from October, closing November at \$758K for 10.4 days in AR.

Inpatient admits increased by 6, concluding November at 10. All other service lines experienced a decrease. Total services were down 131 from October, closing at 1,504.

III. Third Party Aged 90+ Days

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Target	Distance From Goal
Aging > 90 Days %	17.0%	11.1%	13.2%	14.4%	15.1%	12.6%	14.3%	-1.7%
Dollars Aged > 90 Days	\$ 476,578	\$ 312,424	\$ 329,893	\$ 385,050	\$ 463,193	\$ 370,035	\$ 331,730	\$ 38,305



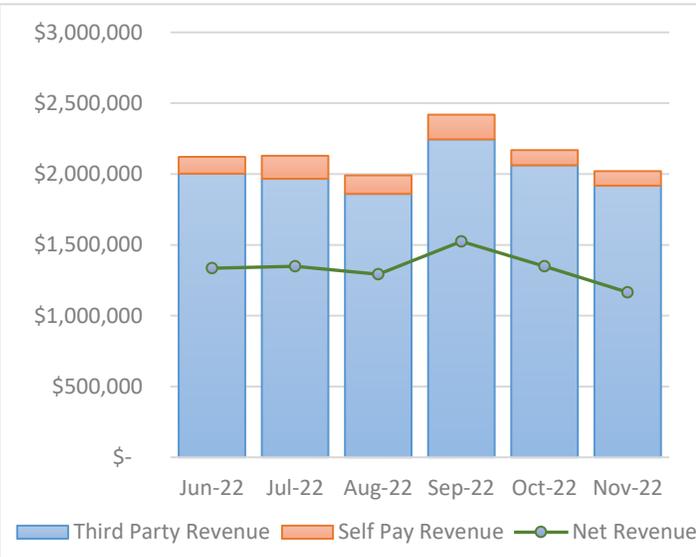
Summary

November's third party, aged over 90 days, decreased by \$93K; and the percentage decreased by 2.5%, ending at 12.6%. Third party aged over 90 days is \$38K above the \$331K that would achieve the target of 14.3%. The graph to the right illustrates the obstacles contributing to the aging.

1. Medicare aged over 90 days increased by \$7K, and was up 0.3%, closing at 4.7% or \$53K.
2. Medi-Cal aged over 90 days, decreased by \$32K and decreased by 6.7%, closing at 14.6% or \$158K. There are 2 accounts greater than \$10K, totaling \$48K or 43% of the total Medi-Cal aging. Both accounts are in process with PHP and CHW.
3. Commercial aged over 90 days decreased by \$25K, closing at 26.5% or \$70K, of which \$21K is VA. There are 5 VA accounts in appealed status, 6 pending authorization, 4 pending client review, and 2 are in process. The VA continues to run several months behind in processing claims. The remaining \$49K has 10 claims in process, and 11 pending a status update from the payer.
4. Blues aged over 90 decreased by \$38K, ending at 19.2% or \$75K. There are 17 accounts over \$1K. Of which 1 is pending authorization from client, 2 are being appealed, 1 pending client review, and 13 are in process.

IV. Revenue

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
Third Party Revenue	\$ 2,002,135	\$ 1,966,432	\$ 1,860,199	\$ 2,244,773	\$ 2,062,069	\$ 1,917,628	\$ 1,898,829
Self Pay Revenue	\$ 118,830	\$ 162,101	\$ 130,222	\$ 174,109	\$ 106,402	\$ 102,405	\$ 122,418
Total Revenue	\$ 2,120,965	\$ 2,128,533	\$ 1,990,421	\$ 2,418,882	\$ 2,168,472	\$ 2,020,034	\$ 2,021,247
Average Daily Revenue	\$ 64,481	\$ 67,658	\$ 67,825	\$ 71,063	\$ 71,498	\$ 72,609	\$ 66,926
Net Revenue	\$ 1,335,649	\$ 1,347,377	\$ 1,291,702	\$ 1,524,267	\$ 1,349,465	\$ 1,165,103	\$ 1,259,523



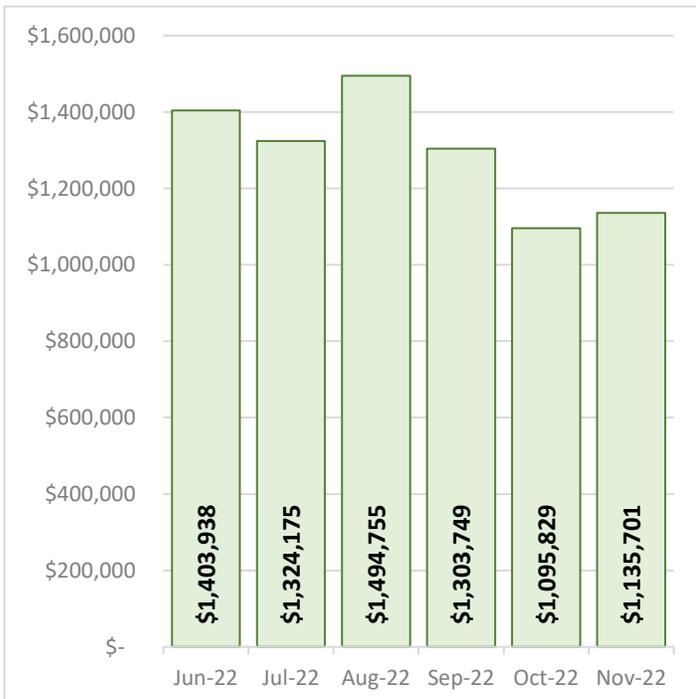
Summary

November's overall total revenue decreased by \$148K compared to October's, closing at \$2M. This is \$311K, less than November 2021 and \$1K, less than the 13-month average. The average daily revenue increased by \$2K, ending at \$73K.

The Medicare financial class increased by \$2K, concluding at \$1.3M; Medi-Cal increased by \$25K, ending at \$195K; Commercial decreased by \$58K, closing at \$137K; Blues was down \$108K, finishing at \$211K; Work Comp was down by \$5K, closing at \$27K, and Self-Pay decreased by \$4K, concluding at \$102K.

V. Cash Collections

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
Cash Collections	\$ 1,403,938	\$ 1,324,175	\$ 1,494,755	\$ 1,303,749	\$ 1,095,829	\$ 1,135,701	\$ 1,283,589
Collection %	69%	67%	69%	63%	64%	57%	66%
% of Net Revenue	112%	99%	111%	101%	72%	84%	101%



Summary

Cash collections for November were \$1.1M. Cash collections for December are projected to reach \$1.1M.

Medicare increased by \$103K, closing at \$501K; Medi-Cal decreased \$164K, concluding at \$64K; Commercial increased by \$75K, ending at \$176K; Blues increased by \$19K, closing at \$254K; Work Comp increased \$5K, ending at \$23K, and Self-Pay decreased \$13K, concluding at \$102K.

VI. Self Pay

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Self Pay	\$ 1,174,258	\$ 1,324,745	\$ 1,317,050	\$ 1,350,460	\$ 1,302,106	\$ 1,107,260

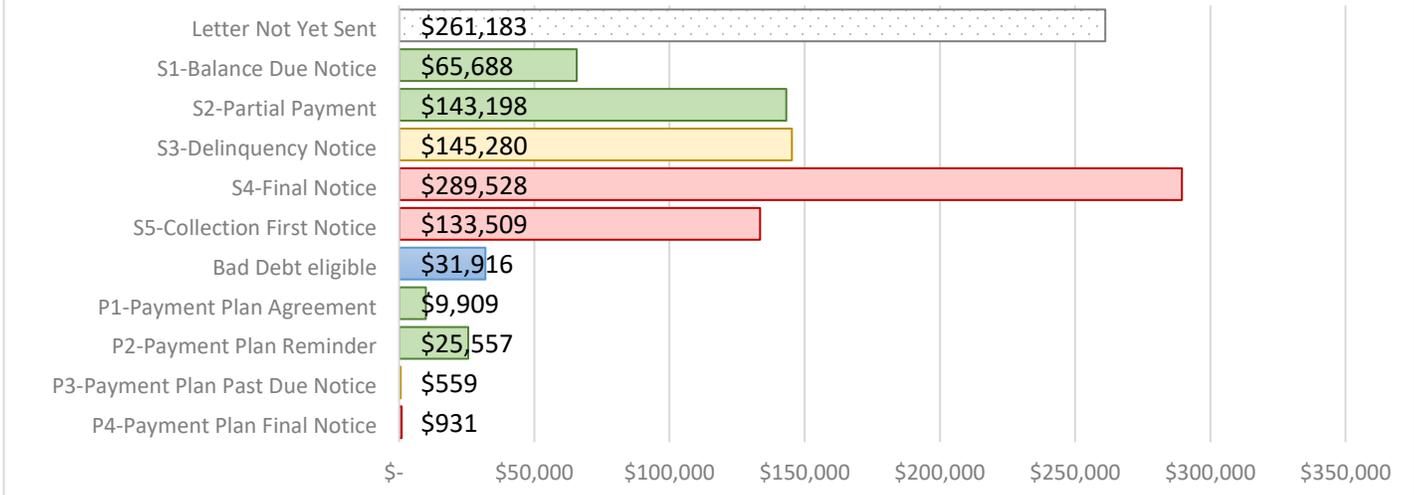


Summary

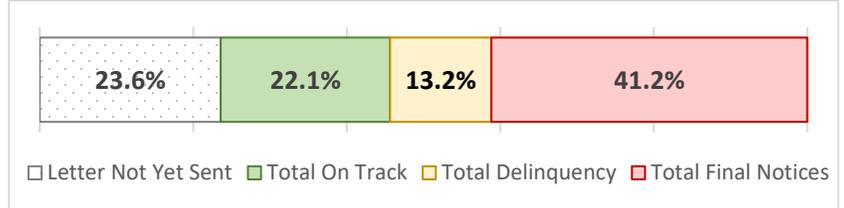
Self-Pay AR decreased in November, closing at 18 days, reaching the target 18 days in AR.

1. To be eligible for bad debt, a second final notice is sent (S5). There is \$32K eligible for bad debt, outside of the collection first notice of \$134K (S5).
2. The Self-Pay inventory has \$37K set up on a payment plan by HRG.
3. There was \$32K eligible for bad debt in November, of which \$28K was approved for transfer.

Current Statement Status



Letter Not Yet Sent	\$	261,183
Total Final Notices	\$	455,885
Total Delinquency	\$	145,839
Total On Track	\$	244,353
Total	\$	1,107,260



Seneca Healthcare District

MONTH END FINANCE REPORT



November 2022

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FINANCE DASHBOARD

		Target	June-22	July-22	August-22	September-22	October-22	November-22
Revenue Cycle Performance	REVENUE							
	Net Revenue		\$1,335,649	\$1,347,377	\$1,291,702	\$1,524,267	\$1,349,465	\$1,165,103
	Gross Revenue		\$2,120,965	\$2,128,533	\$1,990,421	\$2,418,882	\$2,168,472	\$2,020,034
	CASH							
	Cash Collections as a % of Net Revenue	100%	112%	99%	111%	101%	72%	84%
	Cash Collections		\$1,403,938	\$1,324,175	\$1,494,755	\$1,303,746	\$1,095,829	\$1,135,701
	ACCOUNTS RECEIVABLE							
	Net AR		\$2,478,227	\$2,312,421	\$2,206,619	\$2,327,425	\$2,661,466	\$2,399,056
	Gross AR		\$3,826,687	\$3,788,855	\$3,537,853	\$3,771,777	\$4,125,797	\$4,001,018
	Unbilled	5	10.9	7.9	6.8	12.6	7.4	10.4
Third Party	29	29.1	30.1	26.7	20.8	32.3	26.7	
Self Pay	18	19.4	18.0	18.7	19.7	18.1	18.0	
Total Days in AR	52	59.3	56.0	52.2	53.1	57.7	55.1	
Days in AR - Credit Balances	< 1	4.78	6.17	5.65	6.57	5.37	5.39	
UNBILLED								
In-house	< 2 Days	2.5	0.1	0.7	2.9	2.4	3.3	
DNFB	< 3 Day	4.1	3.2	2.8	9.7	5.0	7.1	
Total Unbilled	< 5 Days	10.9	7.9	6.8	12.6	7.4	10.4	

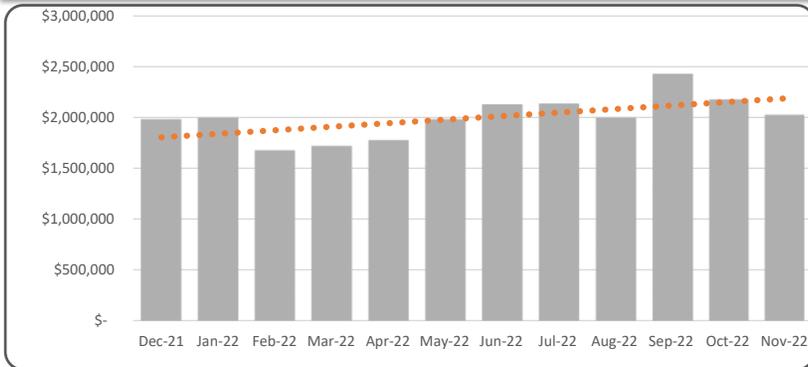
		Target	June-22	July-22	August-22	September-22	October-22	November-22						
Third Party	AGING (excluding credits)													
	Medicare Aging > 90 Days	9.8%	4.4%	\$ 47,513	2.9%	\$ 37,330	5.0%	\$ 46,451	4.7%	\$ 42,955	4.4%	\$ 45,192	4.7%	\$ 52,531
	Medi-Cal Aging > 90 Days	14.4%	25.0%	\$ 228,971	18.5%	\$ 104,530	19.2%	\$ 123,483	23.3%	\$ 160,795	21.1%	\$ 190,011	14.6%	\$ 157,783
	Commercial Aging > 90 Days	14.4%	21.8%	\$ 60,325	19.6%	\$ 72,368	16.9%	\$ 54,962	14.1%	\$ 70,736	18.0%	\$ 94,509	26.5%	\$ 69,695
	Blues Aging > 90 Days	16.7%	29.6%	\$ 124,873	17.5%	\$ 88,686	18.6%	\$ 95,514	19.5%	\$ 96,639	21.8%	\$ 116,294	19.2%	\$ 78,128
	Work Comp Aging > 90 Days	53.1%	14.8%	\$ 14,896	9.1%	\$ 9,510	11.1%	\$ 9,482	21.5%	\$ 13,925	24.5%	\$ 17,187	18.0%	\$ 11,898
	Total Third Party Aging > 90 Days	14.3%	17.0%	\$ 476,578	11.1%	\$ 312,424	13.2%	\$ 329,893	14.4%	\$ 385,050	15.1%	\$ 463,193	12.6%	\$ 370,035
	CLAIM SUBMISSION EFFICIENCY													
	Claims Submission		1,741	\$ 2,378,628	1,566	\$ 2,274,985	2,210	\$ 2,759,844	1,679	\$ 2,341,328	2,085	\$ 3,110,731	1,967	\$ 2,307,661
	Clean Claims	85%	87%		88%		97%		91%		96%		96%	
Denial Percent	5%	7%		3%		6%		5%		8%		5%		
Total Denial Rate	Count Amt	159	\$ 134,909	123	\$ 78,522	204	\$ 129,574	199	\$ 125,445	197	\$ 191,640	231	\$ 170,230	
Communication Log Backlog		238	\$ 106,405	204	\$ 163,378	0	\$ -	142	\$ 224,851	139	\$ 89,070	165	\$ 199,187	

		Target	June-22	July-22	August-22	September-22	October-22	November-22						
Self Pay	INVENTORY & QUALITY													
	Total Inventory		3,177	\$ 1,248,306	3,275	\$ 1,220,954	3,227	\$ 1,267,468	3,302	\$ 1,397,399	3,217	\$ 1,291,841	3,225	\$ 1,307,592
	New		337	\$ 99,256	220	\$ 44,457	394	\$ 221,694	337	\$ 191,388	249	\$ 83,985	282	\$ 94,250
	Resolved		396	\$ 46,702	334	\$ 68,035	522	\$ 99,027	273	\$ 264,834	322	\$ 57,487	398	\$ 110,745
	Aged >120 days from Assignment	< 25%	81.2%	\$ 1,013,193	70.3%	\$ 858,483	70.8%	\$ 897,062	54.2%	\$ 757,309	55.8%	\$ 720,782	55.1%	\$ 720,091
	Total Payment Plans over 120 days		\$17,491		\$24,701		\$11,799		\$12,503		\$10,360		\$3,892	
	Average Speed to Answer	< 60 seconds	0		0		26		46		68		76	
	STATEMENTS & LETTERS													
	Statements & Letters		13,394		14,566		0		14,427		1,869		1,750	
	Inbound and Outbound Calls	In Out	189	98	151	292	160	148	142	93	99	34	151	229
WRITE OFFS														
Bad Debt as a % of Gross Revenue	< 2%	3.0%	\$ 64,483	2.8%	\$ 59,901	1.6%	\$ 32,406	2.2%	\$ 53,009	0.5%	\$ 10,669	1.4%	\$ 27,620	
Charity as a % of Gross Revenue	< 2%	0.3%	\$ 6,817	0.4%	\$ 8,196	0.7%	\$ 13,784	0.0%	\$ 993	0.0%	\$ -	0.9%	\$ 18,363	

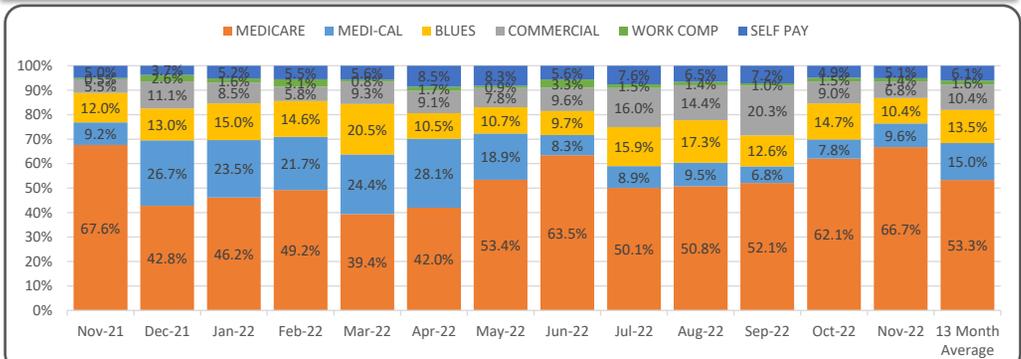
GROSS REVENUE

PAYER	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	\$ 1,576,694	\$ 845,325	\$ 918,442	\$ 822,624	\$ 675,359	\$ 744,336	\$ 1,055,154	\$ 1,346,116	\$ 1,066,271	\$ 1,011,502	\$ 1,259,683	\$ 1,345,965	\$ 1,348,173	\$ 1,078,126
MEDI-CAL	\$ 215,051	\$ 527,998	\$ 467,612	\$ 362,664	\$ 418,521	\$ 498,584	\$ 373,076	\$ 175,404	\$ 189,511	\$ 189,597	\$ 164,820	\$ 170,099	\$ 194,794	\$ 303,672
COMMERCIAL	\$ 129,278	\$ 219,289	\$ 169,705	\$ 97,695	\$ 158,616	\$ 161,201	\$ 154,140	\$ 204,377	\$ 340,087	\$ 286,149	\$ 491,032	\$ 194,712	\$ 136,696	\$ 210,998
BLUES	\$ 280,281	\$ 256,784	\$ 298,193	\$ 244,748	\$ 351,616	\$ 185,774	\$ 212,226	\$ 206,466	\$ 338,470	\$ 345,215	\$ 305,018	\$ 318,814	\$ 210,519	\$ 273,394
WORK COMP	\$ 12,634	\$ 52,347	\$ 32,595	\$ 51,332	\$ 13,943	\$ 30,457	\$ 17,240	\$ 69,772	\$ 32,094	\$ 27,736	\$ 24,220	\$ 32,479	\$ 27,447	\$ 32,638
SELF PAY	\$ 116,919	\$ 74,045	\$ 103,444	\$ 92,286	\$ 96,024	\$ 151,424	\$ 163,226	\$ 118,830	\$ 162,101	\$ 130,222	\$ 174,109	\$ 106,402	\$ 102,405	\$ 122,418
TOTAL	\$ 2,330,857	\$ 1,975,788	\$ 1,989,991	\$ 1,671,350	\$ 1,714,080	\$ 1,771,775	\$ 1,975,062	\$ 2,120,965	\$ 2,128,533	\$ 1,990,421	\$ 2,418,882	\$ 2,168,472	\$ 2,020,034	\$ 2,021,247
AVERAGE DAILY REVENUE	\$ 76,138	\$ 70,664	\$ 68,442	\$ 62,635	\$ 59,727	\$ 57,946	\$ 59,358	\$ 64,481	\$ 67,658	\$ 67,825	\$ 71,063	\$ 71,498	\$ 72,609	\$ 66,926

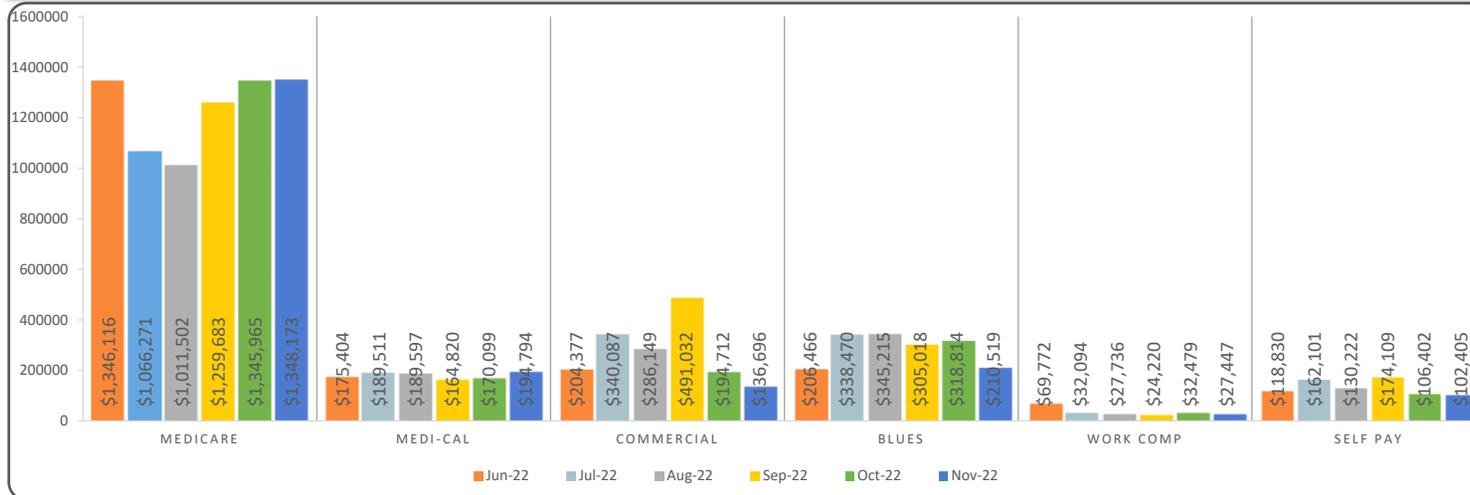
Gross Revenue



Payer Mix



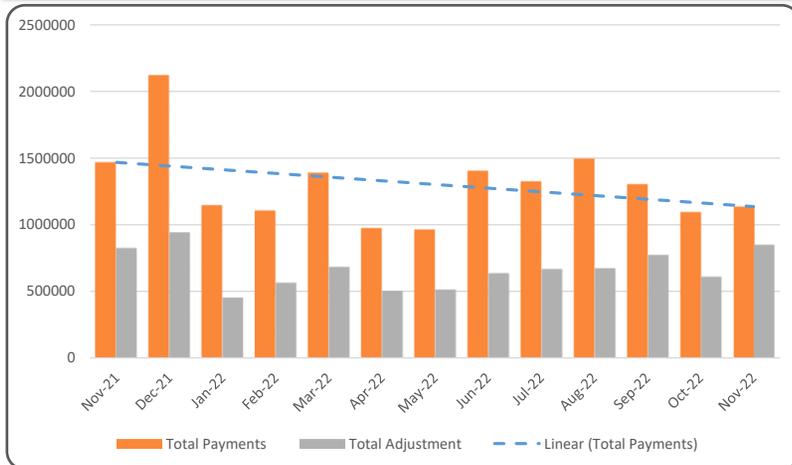
Revenue Trending By Payer



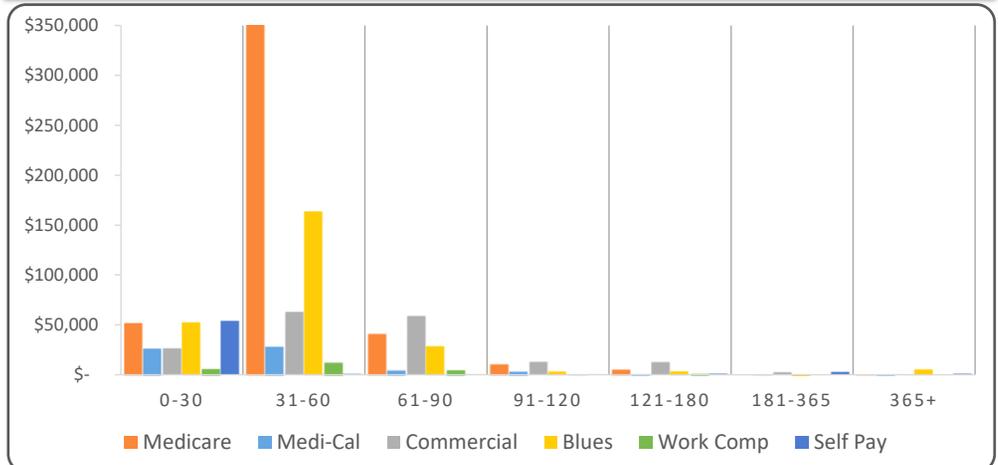
CASH DETAIL

PAYER	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE														
Payments	\$ 781,257	\$ 762,096	\$ 342,118	\$ 531,862	\$ 725,854	\$ 367,579	\$ 289,278	\$ 661,997	\$ 400,060	\$ 712,982	\$ 514,673	\$ 398,232	\$ 500,799	\$ 537,599
Adjustments	\$ 297,457	\$ 303,036	\$ 203,729	\$ 115,118	\$ 330,131	\$ 177,397	\$ 207,209	\$ 271,424	\$ 210,205	\$ 264,500	\$ 361,785	\$ 267,927	\$ 311,422	\$ 255,488
Collection %	72%	72%	63%	82%	69%	67%	58%	71%	66%	73%	59%	60%	62%	67%
MEDI-CAL														
Payments	\$ 186,390	\$ 838,457	\$ 278,889	\$ 145,682	\$ 252,588	\$ 158,381	\$ 271,733	\$ 273,407	\$ 492,462	\$ 214,068	\$ 260,889	\$ 227,919	\$ 64,174	\$ 281,926
Adjustments	\$ 331,258	\$ 459,646	\$ 120,899	\$ 324,645	\$ 238,820	\$ 177,636	\$ 156,792	\$ 172,665	\$ 282,232	\$ 175,983	\$ 209,302	\$ 208,171	\$ 203,789	\$ 235,526
Collection %	36%	65%	70%	31%	51%	47%	63%	61%	64%	55%	55%	52%	24%	52%
COMMERCIAL														
Payments	\$ 93,246	\$ 102,957	\$ 82,726	\$ 90,979	\$ 97,549	\$ 87,154	\$ 80,764	\$ 105,564	\$ 112,428	\$ 180,875	\$ 149,272	\$ 100,969	\$ 176,084	\$ 112,351
Adjustments	\$ 44,404	\$ 48,099	\$ 11,471	\$ 29,681	\$ 19,385	\$ 61,483	\$ 22,218	\$ 40,324	\$ 44,345	\$ 75,596	\$ 47,853	\$ 29,604	\$ 177,496	\$ 50,151
Collection %	68%	68%	88%	75%	83%	59%	78%	72%	72%	71%	76%	77%	50%	72%
BLUES														
Payments	\$ 316,681	\$ 325,840	\$ 316,355	\$ 207,128	\$ 212,066	\$ 210,041	\$ 195,259	\$ 249,384	\$ 215,412	\$ 245,675	\$ 254,401	\$ 235,271	\$ 253,871	\$ 249,030
Adjustments	\$ 112,010	\$ 85,398	\$ 78,756	\$ 71,905	\$ 76,245	\$ 75,376	\$ 53,139	\$ 68,129	\$ 54,269	\$ 102,535	\$ 87,271	\$ 83,522	\$ 101,731	\$ 80,791
Collection %	74%	79%	80%	74%	74%	74%	79%	79%	80%	71%	74%	74%	71%	76%
WORK COMP														
Payments	\$ 5,497	\$ 21,868	\$ 14,387	\$ 31,603	\$ 34,967	\$ 39,988	\$ 31,920	\$ 12,309	\$ 24,182	\$ 42,760	\$ 33,937	\$ 18,155	\$ 23,021	\$ 25,738
Adjustments	\$ 12,925	\$ 10,539	\$ 5,058	\$ 17,721	\$ 6,867	\$ 8,110	\$ 10,624	\$ 9,009	\$ 3,431	\$ 5,662	\$ 8,419	\$ 6,982	\$ 3,789	\$ 8,395
Collection %	30%	67%	74%	64%	84%	83%	75%	58%	88%	88%	80%	72%	86%	73%
SELF PAY														
Payments	\$ 81,958	\$ 62,313	\$ 110,306	\$ 98,848	\$ 65,718	\$ 109,052	\$ 92,395	\$ 99,384	\$ 78,678	\$ 94,649	\$ 87,331	\$ 114,749	\$ 101,709	\$ 92,084
Bad Debt Recoveries	\$ 2,173	\$ 6,304	\$ 1,856	\$ 1,565	\$ 2,142	\$ 2,846	\$ 2,785	\$ 1,893	\$ 953	\$ 3,746	\$ 3,242	\$ 534	\$ 16,043	\$ 3,545
Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charity Care	\$ 10,035	\$ 10,529	\$ -	\$ -	\$ 3,792	\$ 1,653	\$ 57,869	\$ 6,817	\$ 8,196	\$ 13,784	\$ 993	\$ -	\$ 18,363	\$ 10,156
Bad Debt	\$ 10,564	\$ 18,666	\$ 32,696	\$ 3,074	\$ 3,294	\$ -	\$ 2,785	\$ 64,483	\$ 59,901	\$ 32,406	\$ 53,009	\$ 10,669	\$ 27,620	\$ 24,551
Total SP Adjustments	\$ 20,599	\$ 29,195	\$ 32,696	\$ 3,074	\$ 7,086	\$ 1,653	\$ 60,654	\$ 71,300	\$ 68,097	\$ 46,190	\$ 54,002	\$ 10,669	\$ 45,983	\$ 34,707
Collection %	80%	68%	77%	97%	90%	99%	60%	58%	54%	67%	62%	91%	69%	75%
TOTAL														
Total Payments	\$ 1,467,203	\$ 2,119,834	\$ 1,146,637	\$ 1,107,668	\$ 1,390,884	\$ 975,041	\$ 964,134	\$ 1,403,938	\$ 1,324,175	\$ 1,494,755	\$ 1,303,746	\$ 1,095,829	\$ 1,135,701	\$ 1,302,273
Total Adjustment	\$ 818,654	\$ 935,913	\$ 452,607	\$ 562,144	\$ 678,534	\$ 501,654	\$ 510,636	\$ 632,850	\$ 662,578	\$ 670,467	\$ 768,632	\$ 606,877	\$ 844,209	\$ 630,351
Total Collection %	64%	69%	72%	66%	67%	66%	65%	69%	67%	69%	63%	64%	57%	66%

Cash & Adjustment Trending

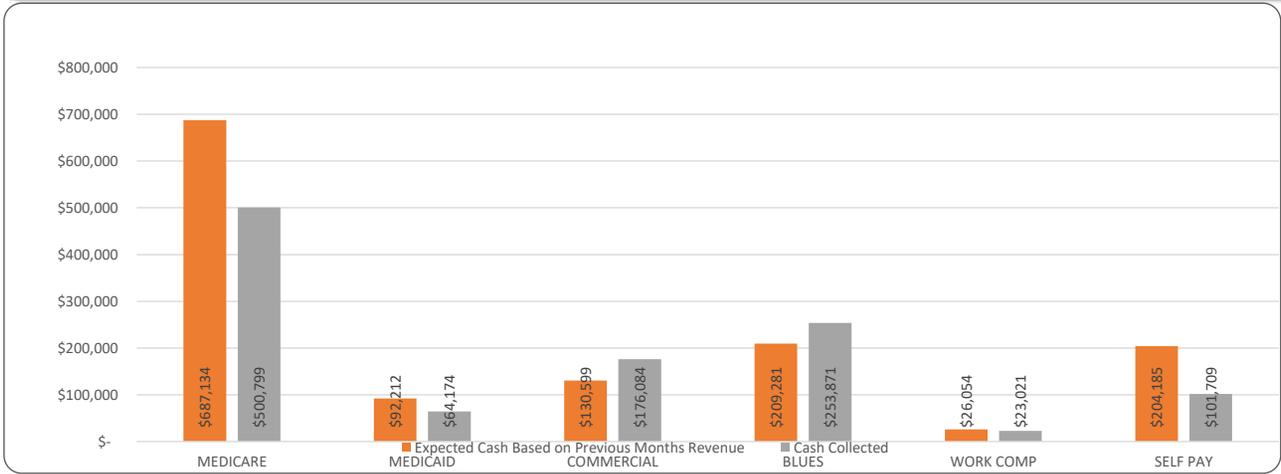


Cash Collections by Discharge Date

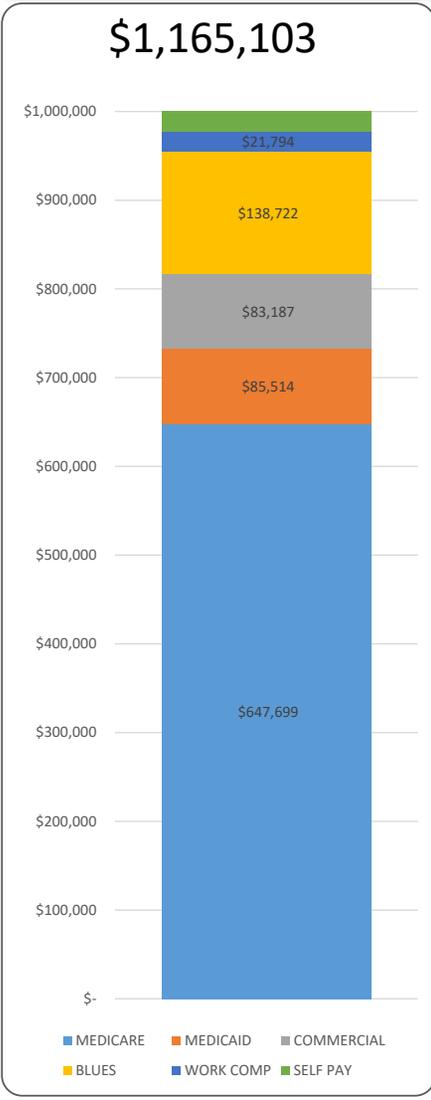


CASH FORECASTING

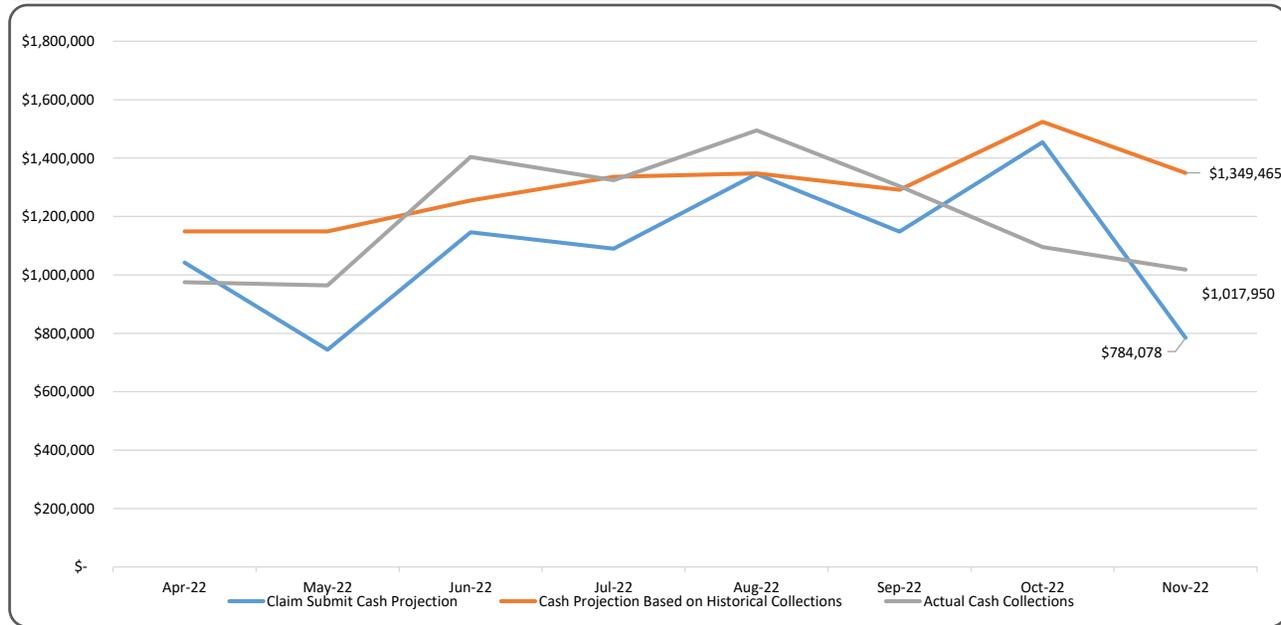
Expected Last Month vs Cash Collected (Based on Previous Months Revenue)



Cash Expected Next Month (Based on *this Months* Revenue)



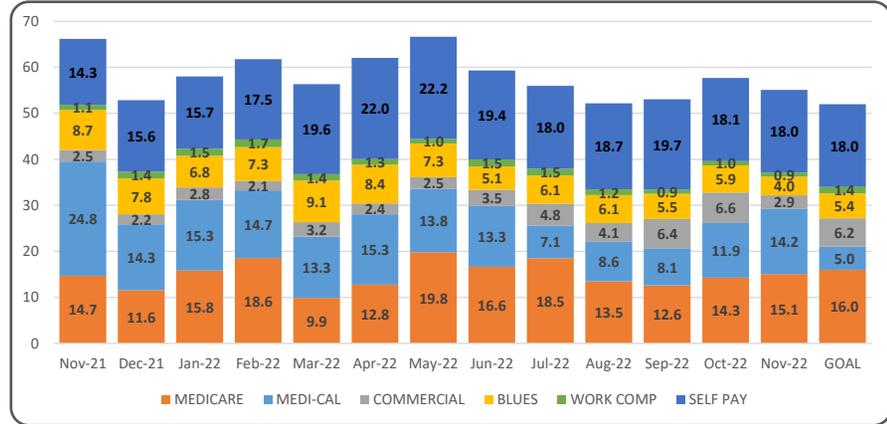
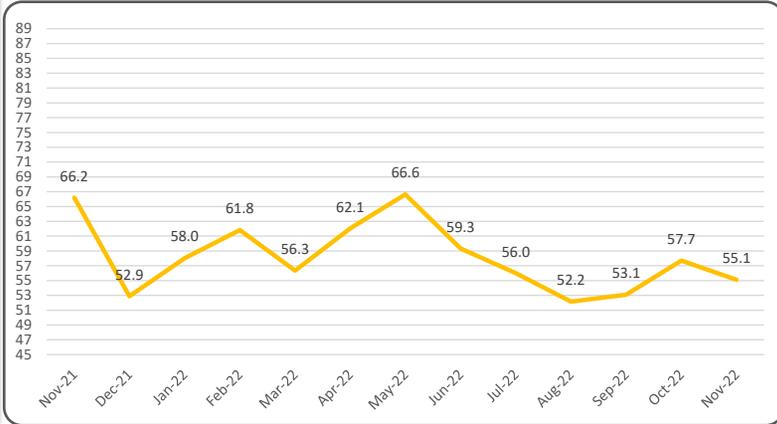
Expected Cash Based on Claim Submissions and Historical Collections



ACCOUNTS RECEIVABLE

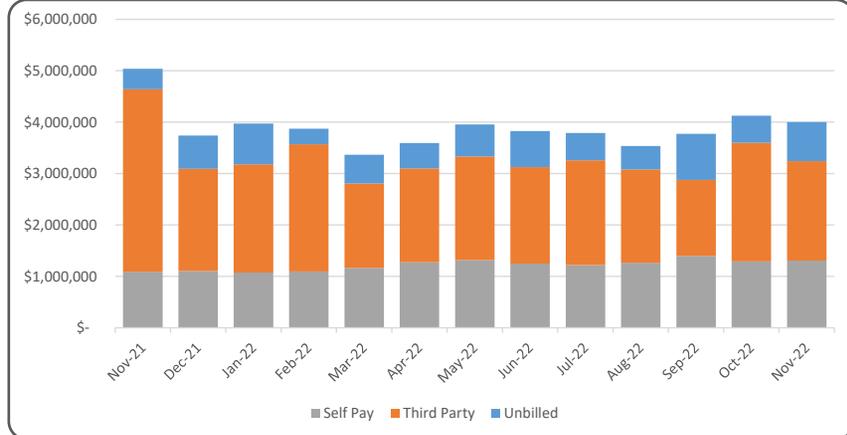
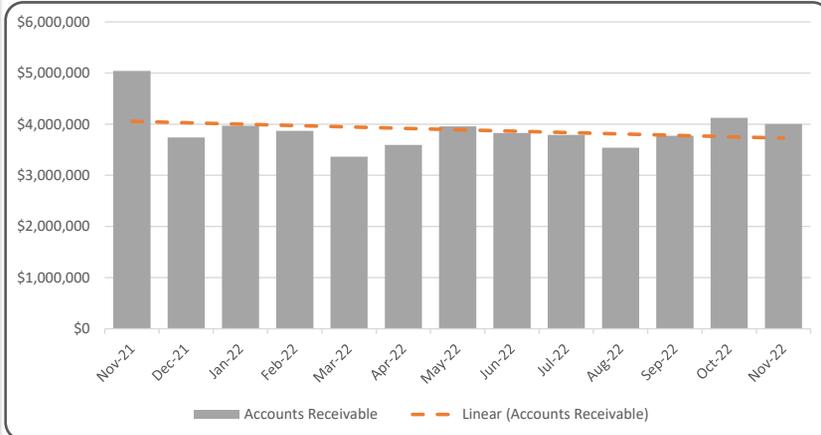
AR Days

PAYER	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	14.7	11.6	15.8	18.6	9.9	12.8	19.8	16.6	18.5	13.5	12.6	14.3	15.1	14.9
MEDI-CAL	24.8	14.3	15.3	14.7	13.3	15.3	13.8	13.3	7.1	8.6	8.1	11.9	14.2	13.4
COMMERCIAL	2.5	2.2	2.8	2.1	3.2	2.4	2.5	3.5	4.8	4.1	6.4	6.6	2.9	3.5
BLUES	8.7	7.8	6.8	7.3	9.1	8.4	7.3	5.1	6.1	6.1	5.5	5.9	4.0	6.8
WORK COMP	1.1	1.4	1.5	1.7	1.4	1.3	1.0	1.5	1.5	1.2	0.9	1.0	0.9	1.3
SELF PAY	14.3	15.6	15.7	17.5	19.6	22.0	22.2	19.4	18.0	18.7	19.7	18.1	18.0	18.4
TOTAL DAYS	66.2	52.9	58.0	61.8	56.3	62.1	66.6	59.3	56.0	52.2	53.1	57.7	55.1	58.3



AR Balance

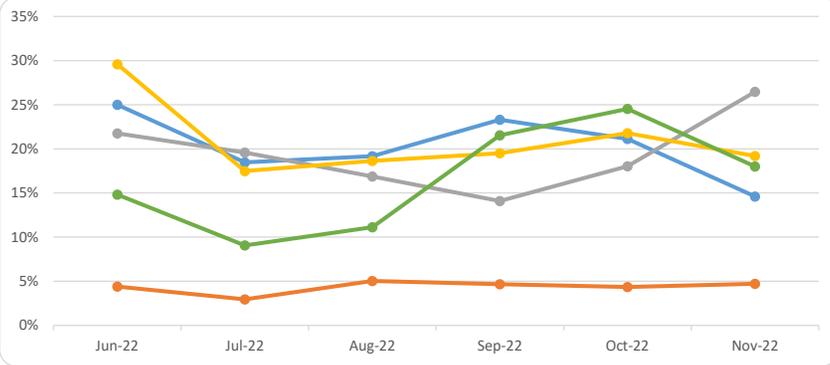
PAYER	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	\$ 1,120,843	\$ 816,863	\$ 1,082,717	\$ 1,162,013	\$ 591,571	\$ 739,316	\$ 1,176,212	\$ 1,073,167	\$ 1,252,620	\$ 916,722	\$ 895,974	\$ 1,020,321	\$ 1,096,270	\$ 995,739
MEDI-CAL	\$ 1,888,973	\$ 1,011,935	\$ 1,050,317	\$ 920,469	\$ 793,021	\$ 886,175	\$ 819,197	\$ 856,438	\$ 480,599	\$ 581,982	\$ 573,118	\$ 849,344	\$ 1,030,845	\$ 903,262
COMMERCIAL	\$ 193,409	\$ 154,473	\$ 188,864	\$ 131,373	\$ 188,301	\$ 139,209	\$ 148,961	\$ 223,877	\$ 321,763	\$ 276,349	\$ 452,621	\$ 474,468	\$ 211,850	\$ 238,886
BLUES	\$ 661,985	\$ 551,754	\$ 468,208	\$ 457,712	\$ 541,405	\$ 484,497	\$ 432,966	\$ 327,238	\$ 410,862	\$ 412,990	\$ 389,636	\$ 421,373	\$ 290,029	\$ 450,050
WORK COMP	\$ 83,786	\$ 99,539	\$ 106,034	\$ 105,284	\$ 83,357	\$ 73,554	\$ 61,619	\$ 97,660	\$ 102,056	\$ 82,341	\$ 63,028	\$ 68,450	\$ 64,432	\$ 83,934
SELF PAY	\$ 1,090,792	\$ 1,103,577	\$ 1,075,251	\$ 1,094,417	\$ 1,167,667	\$ 1,272,813	\$ 1,316,325	\$ 1,248,306	\$ 1,220,954	\$ 1,267,468	\$ 1,397,399	\$ 1,291,841	\$ 1,307,592	\$ 1,219,569
TOTAL	\$ 5,039,787	\$ 3,738,141	\$ 3,971,391	\$ 3,871,267	\$ 3,365,322	\$ 3,595,563	\$ 3,955,280	\$ 3,826,687	\$ 3,788,855	\$ 3,537,853	\$ 3,771,777	\$ 4,125,797	\$ 4,001,018	\$ 3,891,441



ACCOUNTS RECEIVABLE AGING

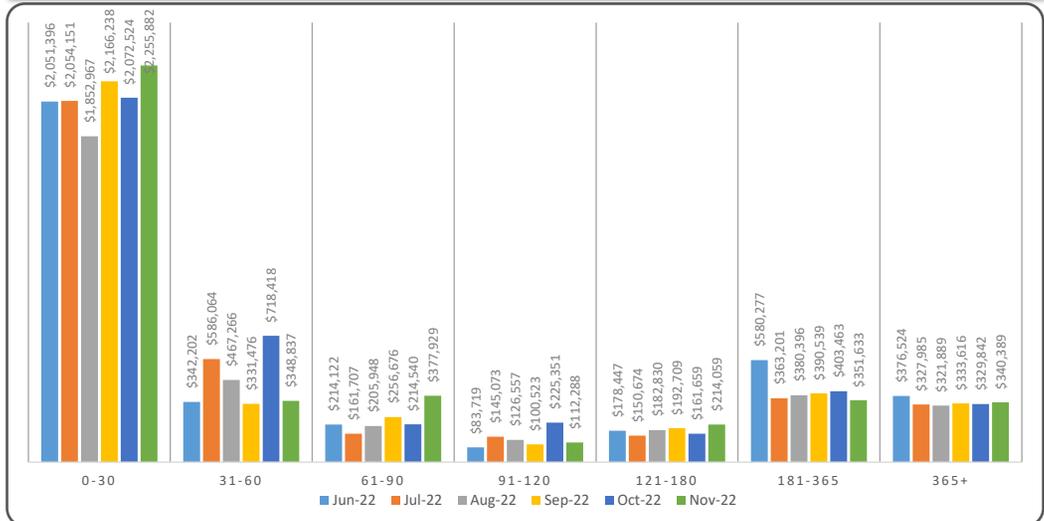
	0-30 Days		31-60 Days		61-90 Days		91-120 Days		121-180 Days		181-365 Days		366+ Days		Grand Totals	
	# Acts	\$	# Acts	\$	# Acts	\$	# Acts	\$	# Acts	\$	# Acts	\$	# Acts	\$	# Acts	\$
MEDICARE																
Non-Credit	553	\$ 972,104	87	\$ 67,837	24	\$ 24,506	10	\$ 16,260	19	\$ 13,071	15	\$ 17,285	4	\$ 5,915	712	\$ 1,116,978
Credit	13	\$ (454)	1	\$ (34)	2	\$ (4,184)	4	\$ (8,181)	0	\$ -	5	\$ (4,851)	19	\$ (3,006)	44	\$ (20,708)
TOTAL	566	\$ 971,651	88	\$ 67,803	26	\$ 20,322	14	\$ 8,080	19	\$ 13,071	20	\$ 12,434	23	\$ 2,909	756	\$ 1,096,270
MEDI-CAL																
Non-Credit	205	\$ 728,699	157	\$ 84,516	115	\$ 108,812	87	\$ 28,144	84	\$ 47,581	81	\$ 52,145	40	\$ 29,913	769	\$ 1,079,810
Credit	1	\$ (0)	2	\$ (1,183)	4	\$ (451)	5	\$ (1,318)	14	\$ (5,752)	24	\$ (4,952)	139	\$ (35,309)	189	\$ (48,965)
TOTAL	206	\$ 728,699	159	\$ 83,333	119	\$ 108,361	92	\$ 26,826	98	\$ 41,829	105	\$ 47,192	179	\$ (5,395)	958	\$ 1,030,845
COMMERCIAL																
Non-Credit	67	\$ 72,426	68	\$ 40,343	27	\$ 80,923	20	\$ 17,075	22	\$ 20,672	16	\$ 7,332	16	\$ 24,615	236	\$ 263,387
Credit	2	\$ (60)	0	\$ -	1	\$ (40)	1	\$ (26)	4	\$ (617)	16	\$ (6,475)	119	\$ (44,318)	143	\$ (51,537)
TOTAL	69	\$ 72,366	68	\$ 40,343	28	\$ 80,883	21	\$ 17,049	26	\$ 20,055	32	\$ 857	135	\$ (19,703)	379	\$ 211,850
BLUES																
Non-Credit	247	\$ 209,444	111	\$ 83,548	45	\$ 36,178	20	\$ 7,053	28	\$ 32,660	18	\$ 12,903	17	\$ 25,512	486	\$ 407,299
Credit	28	\$ (1,230)	1	\$ (10)	3	\$ (104)	7	\$ (8,318)	4	\$ (12,627)	30	\$ (18,550)	209	\$ (76,432)	282	\$ (117,270)
TOTAL	275	\$ 208,214	112	\$ 83,538	48	\$ 36,074	27	\$ (1,264)	32	\$ 20,034	48	\$ (5,647)	226	\$ (50,920)	768	\$ 290,029
WORK COMP																
Non-Credit	15	\$ 34,275	12	\$ 13,778	6	\$ 6,098	3	\$ 543	4	\$ 3,184	2	\$ 665	4	\$ 7,506	46	\$ 66,049
Credit	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	4	\$ (1,617)	4	\$ (1,617)
TOTAL	15	\$ 34,275	12	\$ 13,778	6	\$ 6,098	3	\$ 543	4	\$ 3,184	2	\$ 665	8	\$ 5,889	50	\$ 64,432
SELF PAY																
Non-Credit	78	\$ 242,694	183	\$ 60,733	181	\$ 126,579	134	\$ 62,026	249	\$ 116,834	518	\$ 312,379	912	\$ 537,846	2255	\$ 1,459,091
Credit	17	\$ (2,017)	3	\$ (692)	6	\$ (389)	16	\$ (971)	18	\$ (946)	40	\$ (16,247)	870	\$ (130,237)	970	\$ (151,499)
TOTAL	95	\$ 240,677	186	\$ 60,041	187	\$ 126,190	150	\$ 61,055	267	\$ 115,887	558	\$ 296,132	1782	\$ 407,609	3225	\$ 1,307,592
ACCOUNTS RECEIVABLE																
Non-Credit	1165	\$ 2,259,643	618	\$ 350,756	398	\$ 383,097	274	\$ 131,102	406	\$ 234,001	650	\$ 402,708	993	\$ 631,308	4504	\$ 4,392,615
Credit	61	\$ (3,760)	7	\$ (1,919)	16	\$ (5,168)	33	\$ (18,814)	40	\$ (19,942)	115	\$ (51,075)	1360	\$ (290,919)	1632	\$ (391,597)
GRAND TOTAL	1226	\$ 2,255,882	625	\$ 348,837	414	\$ 377,929	307	\$ 112,288	446	\$ 214,059	765	\$ 351,633	2353	\$ 340,389	6136	\$ 4,001,018

Aged Over 90 Days Trending (excluding Credits)



	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Medicare	4.4%	2.9%	5.0%	4.7%	4.4%	4.7%
Medi-Cal	25.0%	18.5%	19.2%	23.3%	21.1%	14.6%
Commercial	21.8%	19.6%	16.9%	14.1%	18.0%	26.5%
Blues	29.6%	17.5%	18.6%	19.5%	21.8%	19.2%
Work Comp	14.8%	9.1%	11.1%	21.5%	24.5%	18.0%

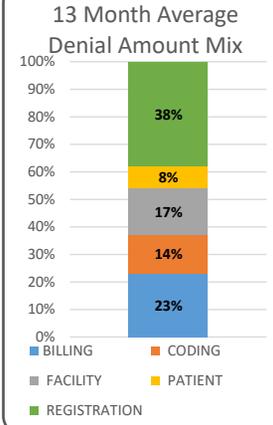
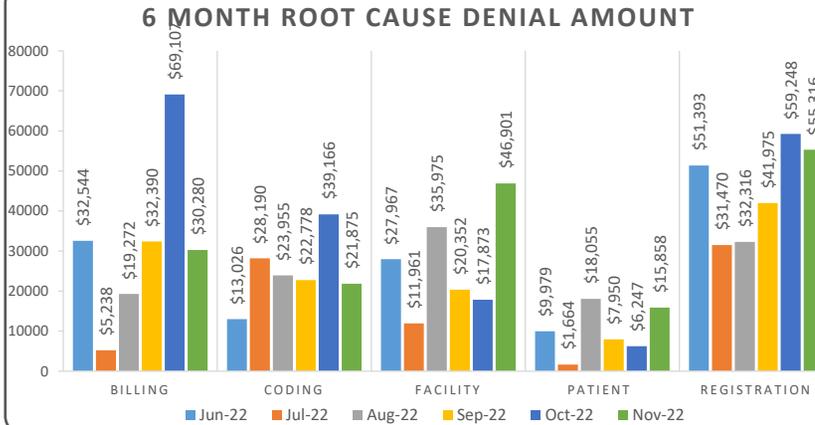
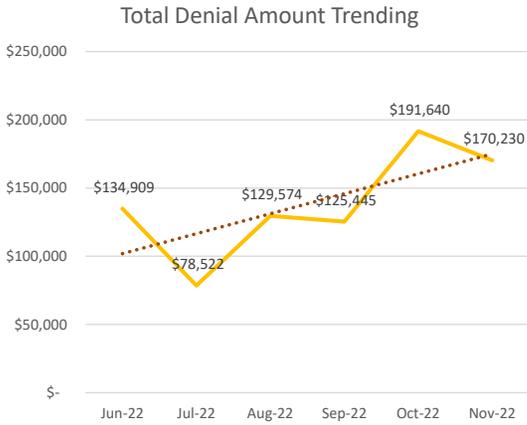
6 Month Aging



DENIAL MANAGEMENT

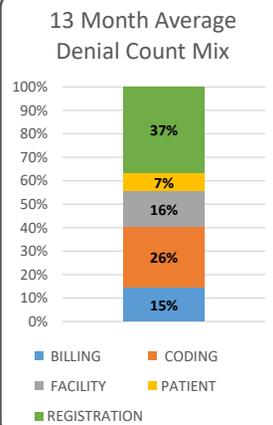
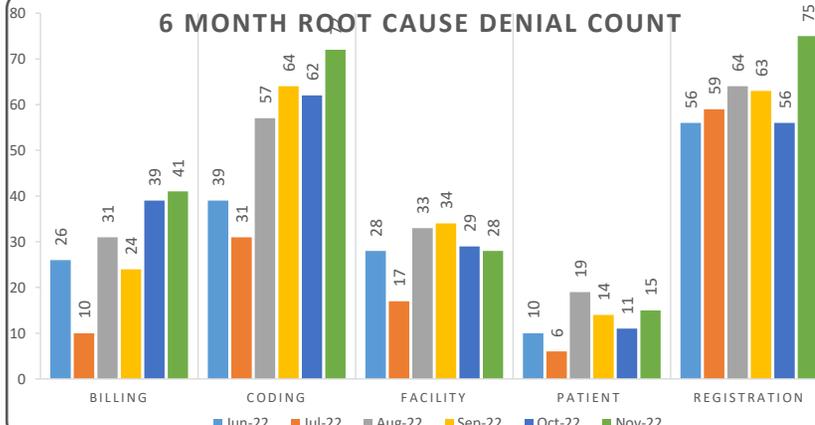
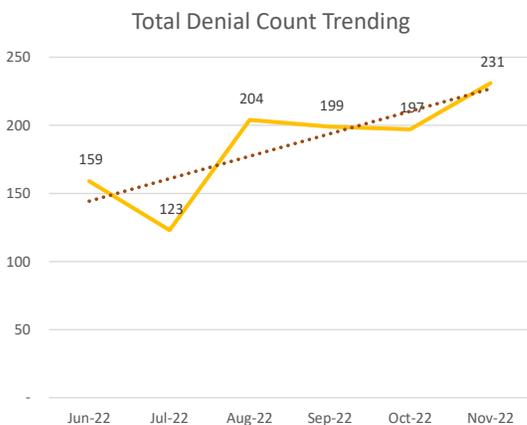
Denial Amount

AMOUNT	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
BILLING	\$ 34,183	\$ 8,363	\$ 43,481	\$ 90,770	\$ 42,492	\$ 46,039	\$ 10,521	\$ 32,544	\$ 5,238	\$ 19,272	\$ 32,390	\$ 69,107	\$ 30,280	\$ 35,745
CODING	\$ 19,708	\$ 22,535	\$ 15,652	\$ 9,522	\$ 18,116	\$ 31,891	\$ 15,168	\$ 13,026	\$ 28,190	\$ 23,955	\$ 22,778	\$ 39,166	\$ 21,875	\$ 21,660
FACILITY	\$ 39,359	\$ 38,627	\$ 12,854	\$ 29,373	\$ 17,951	\$ 20,371	\$ 19,416	\$ 27,967	\$ 11,961	\$ 35,975	\$ 20,352	\$ 17,873	\$ 46,901	\$ 26,075
PATIENT	\$ 22,060	\$ 25,263	\$ 6,782	\$ 21,552	\$ 15,212	\$ 3,940	\$ 6,999	\$ 9,979	\$ 1,664	\$ 18,055	\$ 7,950	\$ 6,247	\$ 15,858	\$ 12,428
REGISTRATION	\$ 15,362	\$ 143,121	\$ 181,197	\$ 43,038	\$ 30,346	\$ 55,718	\$ 18,669	\$ 51,393	\$ 31,470	\$ 32,316	\$ 41,975	\$ 59,248	\$ 55,316	\$ 58,398
TOTAL	\$ 130,671	\$ 237,909	\$ 259,965	\$ 194,254	\$ 124,117	\$ 157,959	\$ 70,773	\$ 134,909	\$ 78,522	\$ 129,574	\$ 125,445	\$ 191,640	\$ 170,230	\$ 154,305



Denial Count

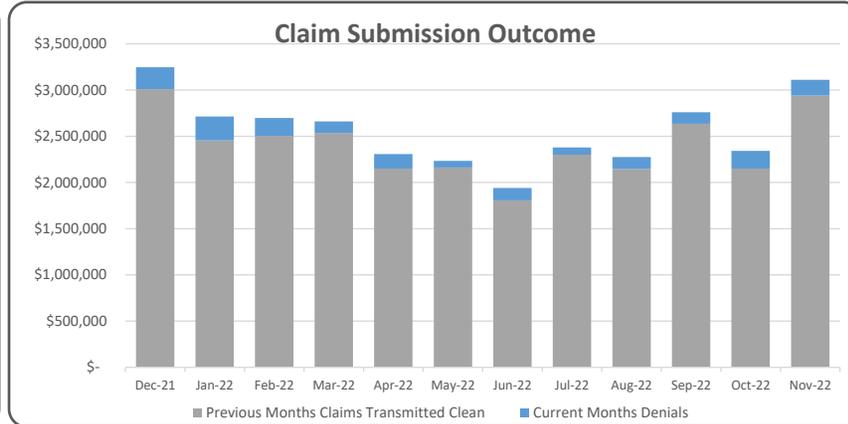
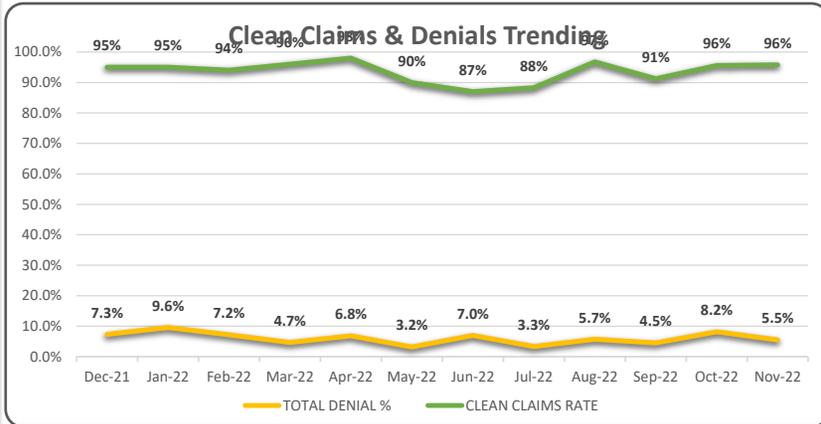
COUNT	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
BILLING	33	15	31	26	19	36	15	26	10	31	24	39	41	27
CODING	26	44	28	29	28	30	104	39	31	57	64	62	72	47
FACILITY	39	28	21	20	27	27	40	28	17	33	34	29	28	29
PATIENT	18	24	10	15	14	8	12	10	6	19	14	11	15	14
REGISTRATION	39	100	90	69	85	74	48	56	59	64	63	56	75	68
TOTAL	155	211	180	159	173	175	219	159	123	204	199	197	231	183



CLAIM SUBMIT EFFICIENCY & DENIAL RESOLUTION

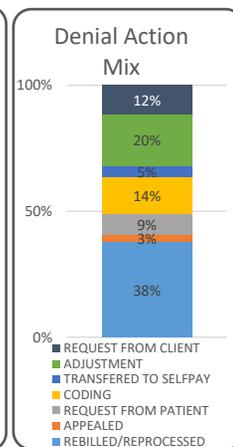
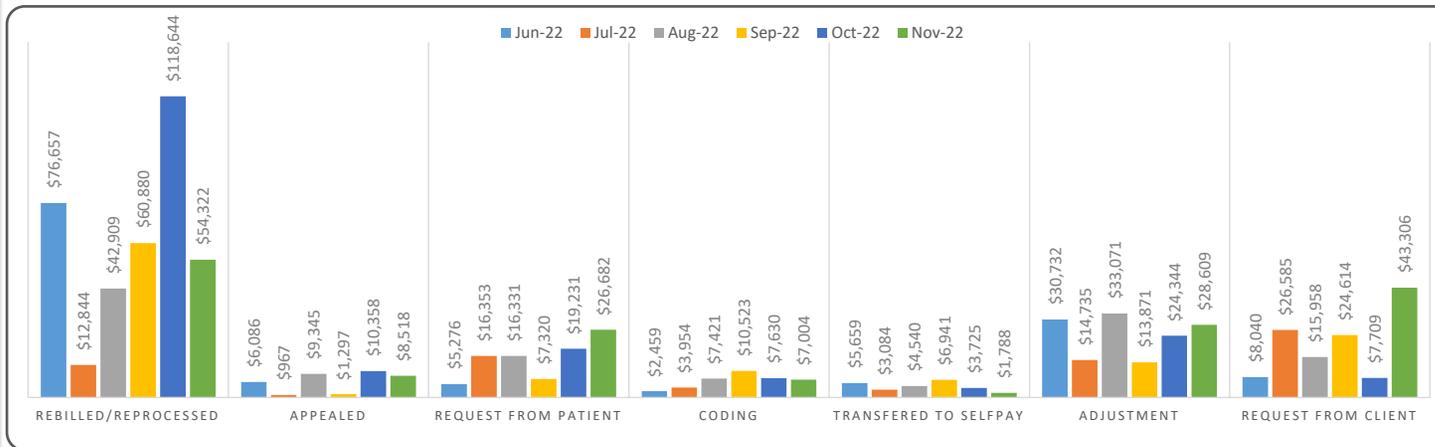
Denial & Clean Claim Trending

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
DENIAL AMOUNT	\$ 130,671	\$ 237,909	\$ 259,965	\$ 194,254	\$ 124,117	\$ 157,959	\$ 70,773	\$ 134,909	\$ 78,522	\$ 129,574	\$ 125,445	\$ 191,640	\$ 170,230	\$ 154,305
PREVIOUS MONTH'S TRANSMITTED CLAIMS	\$ 2,308,819	\$ 3,246,022	\$ 2,714,408	\$ 2,698,385	\$ 2,660,543	\$ 2,308,424	\$ 2,233,739	\$ 1,940,725	\$ 2,378,628	\$ 2,274,985	\$ 2,759,844	\$ 2,341,328	\$ 3,110,731	\$ 2,536,660
TOTAL DENIAL %	5.7%	7.3%	9.6%	7.2%	4.7%	6.8%	3.2%	7.0%	3.3%	5.7%	4.5%	8.2%	5.5%	6.0%
CLEAN CLAIMS RATE	86%	95%	95%	94%	96%	98%	90%	87%	88%	97%	91%	96%	96%	93%



Action Taken on Denials

DENIAL ACTION	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
REBILLED/REPROCESSED	\$ 60,709	\$ 47,647	\$ 56,876	\$ 103,379	\$ 52,831	\$ 53,822	\$ 18,139	\$ 76,657	\$ 12,844	\$ 42,909	\$ 60,880	\$ 118,644	\$ 54,322	\$ 58,435
APPEALED	\$ 5,875	\$ 419	\$ 196	\$ -	\$ 2,862	\$ 4,971	\$ 4,799	\$ 6,086	\$ 967	\$ 9,345	\$ 1,297	\$ 10,358	\$ 8,518	\$ 4,284
REQUEST FROM PATIENT	\$ 16,519	\$ 21,690	\$ 6,754	\$ 14,625	\$ 13,507	\$ 2,037	\$ 4,702	\$ 5,276	\$ 16,353	\$ 16,331	\$ 7,320	\$ 19,231	\$ 26,682	\$ 13,156
CODING	\$ 319	\$ 55,223	\$ 155,012	\$ 145	\$ 9,949	\$ 24,035	\$ 3,787	\$ 2,459	\$ 3,954	\$ 7,421	\$ 10,523	\$ 7,630	\$ 7,004	\$ 22,112
TRANSFERRED TO SELFPAY	\$ 4,182	\$ 5,560	\$ 956	\$ 6,386	\$ 6,241	\$ 37,671	\$ 4,576	\$ 5,659	\$ 3,084	\$ 4,540	\$ 6,941	\$ 3,725	\$ 1,788	\$ 7,024
ADJUSTMENT	\$ 20,092	\$ 88,097	\$ 21,488	\$ 52,925	\$ 35,882	\$ 24,509	\$ 19,878	\$ 30,732	\$ 14,735	\$ 33,071	\$ 13,871	\$ 24,344	\$ 28,609	\$ 31,403
REQUEST FROM CLIENT	\$ 22,975	\$ 19,272	\$ 18,683	\$ 16,794	\$ 2,846	\$ 10,916	\$ 14,892	\$ 8,040	\$ 26,585	\$ 15,958	\$ 24,614	\$ 7,709	\$ 43,306	\$ 17,891
TOTAL	\$ 130,671	\$ 237,909	\$ 259,965	\$ 194,254	\$ 124,117	\$ 157,959	\$ 70,773	\$ 134,909	\$ 78,522	\$ 129,574	\$ 125,445	\$ 191,640	\$ 170,230	\$ 154,305



UNBILLED & INVENTORY

Unbilled

INHOUSE	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	\$ 120,244	\$ 120,507	\$ 28,642	\$ 7,035	\$ 17,312	\$ 101,523	\$ 118,951	\$ 158,174	\$ 3,538	\$ 46,981	\$ 113,270	\$ 47,611	\$ 102,053	\$ 75,834
MEDI-CAL	\$ 33,261	\$ 17,268	\$ 147,951	\$ 50,962	\$ 74,040	\$ 404	\$ 404	\$ 22,082	\$ 25,777	\$ 34,587	\$ 53,236	\$ 77,737	\$ 94,062	\$ 48,598
COMMERCIAL	\$ 10,465	\$ 10,716	\$ 7,271	\$ 3,823	\$ (9)	\$ 3,116	\$ 1,075	\$ 2,358	\$ (60)	\$ 2,766	\$ 9,489	\$ 7,376	\$ 1,093	\$ 4,575
BLUES	\$ 16,912	\$ 25,696	\$ 39,982	\$ 39,415	\$ 33,906	\$ 27,699	\$ 28,868	\$ 23,809	\$ (614)	\$ 32,480	\$ 27,855	\$ 37,599	\$ 44,449	\$ 29,081
WORK COMP	\$ 635	\$ -	\$ -	\$ -	\$ 1,279	\$ 2,963	\$ 2,977	\$ 6,903	\$ -	\$ 11,665	\$ 1,120	\$ 978	\$ -	\$ 2,194
SELF PAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206	\$ -	\$ -	\$ 397	\$ 397	\$ 672	\$ 129
TOTAL	\$ 181,516	\$ 174,187	\$ 223,846	\$ 101,234	\$ 126,528	\$ 135,705	\$ 152,275	\$ 213,531	\$ 28,641	\$ 128,479	\$ 205,367	\$ 171,698	\$ 242,329	\$ 160,411

DNFB	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	\$ 105,276	\$ 144,937	\$ 278,814	\$ 116,931	\$ 209,418	\$ 226,211	\$ 290,329	\$ 264,840	\$ 219,386	\$ 191,308	\$ 340,323	\$ 279,791	\$ 411,859	\$ 236,879
MEDI-CAL	\$ 43,050	\$ 174,140	\$ 121,417	\$ 41,535	\$ 72,614	\$ 74,392	\$ 60,204	\$ 114,328	\$ 89,091	\$ 51,735	\$ 98,422	\$ 18,866	\$ 46,604	\$ 77,415
COMMERCIAL	\$ 21,097	\$ 24,711	\$ 14,093	\$ 3,733	\$ 27,822	\$ 15,395	\$ 52,842	\$ 39,031	\$ 64,191	\$ 12,707	\$ 74,359	\$ 6,569	\$ 12,419	\$ 28,382
BLUES	\$ 41,013	\$ 102,606	\$ 131,762	\$ 34,156	\$ 115,008	\$ 36,495	\$ 57,481	\$ 31,088	\$ 123,620	\$ 69,033	\$ 163,731	\$ 42,718	\$ 25,073	\$ 74,906
WORK COMP	\$ 8,518	\$ 24,689	\$ 23,682	\$ 5,409	\$ 8,924	\$ 5,239	\$ 8,560	\$ 39,526	\$ 6,625	\$ 5,579	\$ 12,415	\$ 6,991	\$ 19,438	\$ 13,507
SELF PAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ 53	\$ -	\$ -	\$ 53	\$ 53	\$ 53	\$ 450	\$ 55
TOTAL	\$ 218,953	\$ 471,082	\$ 569,768	\$ 201,763	\$ 433,786	\$ 357,785	\$ 469,468	\$ 488,812	\$ 502,912	\$ 330,414	\$ 689,303	\$ 354,987	\$ 515,842	\$ 431,144

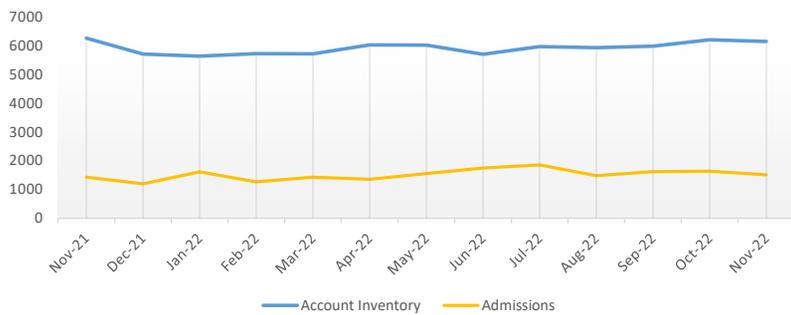
TOTAL UNBILLED	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
TOTAL UNBILLED	\$ 400,469	\$ 645,269	\$ 793,614	\$ 302,997	\$ 560,314	\$ 493,490	\$ 621,743	\$ 702,344	\$ 531,553	\$ 458,893	\$ 894,670	\$ 526,685	\$ 758,171	\$ 591,555
UNBILLED DAYS	5.3	9.1	11.6	4.8	9.4	8.5	10.5	10.9	7.9	6.8	12.6	7.4	10.4	8.9

Admissions & Account Inventory

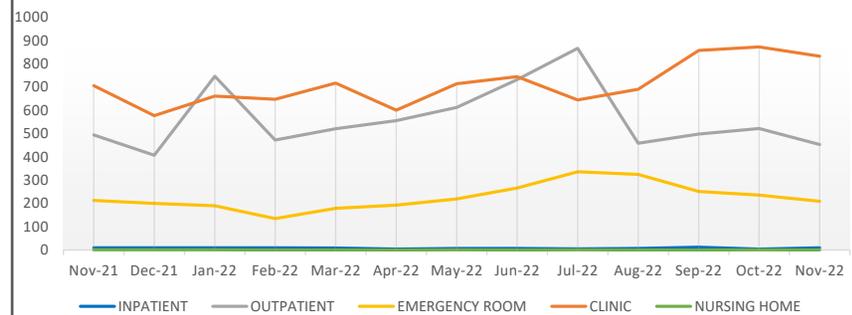
ADMISSIONS	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
INPATIENT	10	10	10	10	9	4	7	7	5	7	12	4	10	8
OUTPATIENT	494	407	746	472	521	556	612	731	866	458	498	522	453	564
EMERGENCY ROOM	213	200	190	135	179	193	219	266	336	325	251	236	209	227
CLINIC	706	577	661	647	717	600	714	744	644	690	857	872	832	712
NURSING HOME	1	1	1	0	0	0	1	0	1	0	0	1	0	0
TOTAL	1,424	1,195	1,608	1,264	1,426	1,353	1,553	1,748	1,852	1,480	1,618	1,635	1,504	1512

ACCOUNT INVENTORY	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	13 Month Average
MEDICARE	673	459	587	624	512	677	777	668	788	785	627	891	756	679
MEDI-CAL	750	678	677	697	703	798	774	715	650	761	868	919	958	765
COMMERCIAL	492	423	381	400	417	391	322	405	412	390	426	406	379	403
BLUES	887	655	687	671	667	671	669	660	767	690	692	706	768	707
WORK COMP	79	74	76	64	74	77	62	67	71	73	59	56	50	68
SELF PAY	3,374	3,412	3,221	3,263	3,337	3,405	3,409	3,177	3,275	3,227	3,302	3,217	3,225	3296
TOTAL	6255	5701	5629	5719	5710	6019	6013	5692	5963	5926	5974	6195	6136	5918

Account Inventory & Admissions

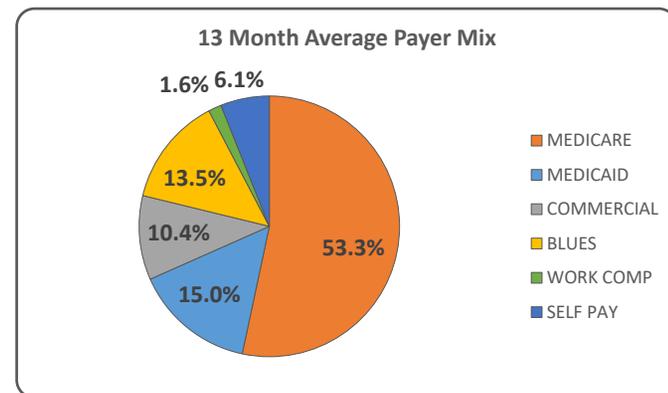
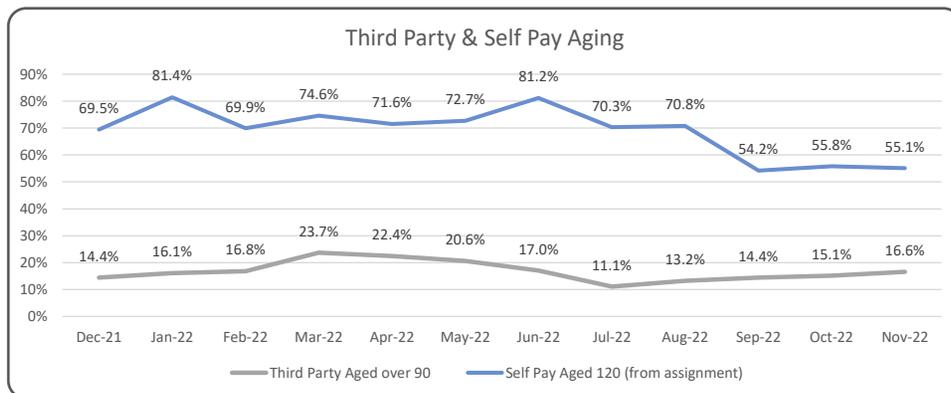
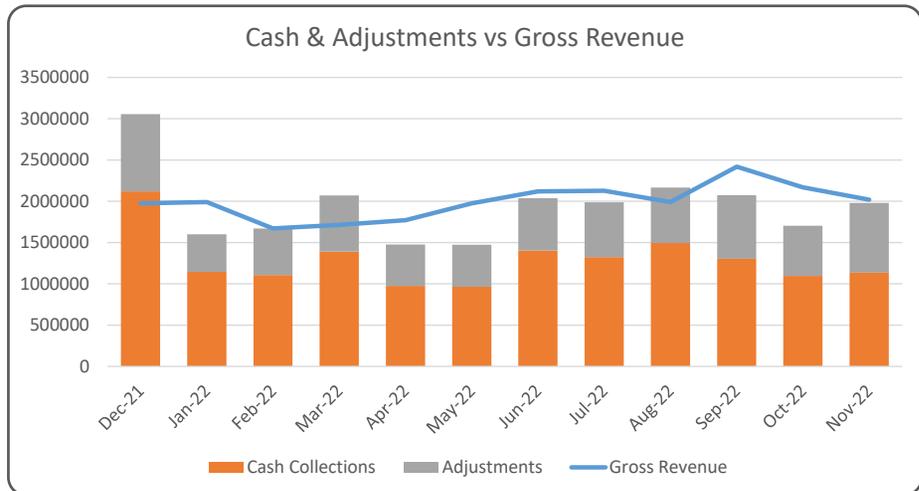
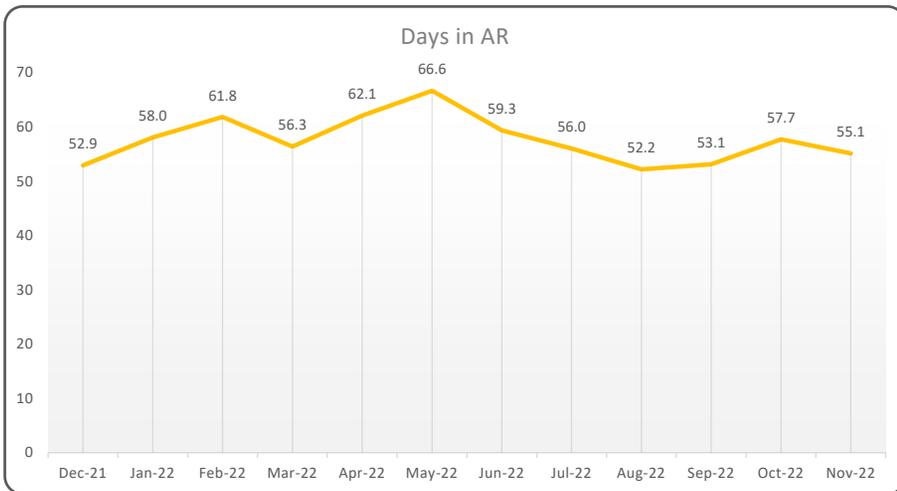


Admissions by Service Type



Seneca Healthcare District Executive Dashboard

	TARGET	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Days in AR	52.0	52.9	58.0	61.8	56.3	62.1	66.6	59.3	56.0	52.2	53.1	57.7	55.1
Gross AR		3,738,141	3,971,391	3,871,267	3,365,322	3,595,563	3,955,280	3,826,687	3,788,855	3,537,853	3,771,777	4,125,797	4,001,018
Gross Revenue		1,975,788	1,989,991	1,671,350	1,714,080	1,771,775	1,975,062	2,120,965	2,128,533	1,990,421	2,418,882	2,168,472	2,020,034
Cash Collections		2,119,834	1,146,637	1,107,668	1,390,884	975,041	964,134	1,403,938	1,324,175	1,494,755	1,303,746	1,095,829	1,135,701
Adjustments		935,913	452,607	562,144	678,534	501,654	510,636	632,850	662,578	670,467	768,632	606,877	844,209
Collection %		69.4%	71.7%	66.3%	67.2%	66.0%	65.4%	68.9%	66.7%	69.0%	62.9%	64.4%	57.4%
Late Charges	1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bad Debt	3%	0.9%	1.6%	0.2%	0.2%	0.0%	0.1%	3.0%	2.8%	1.6%	2.2%	0.5%	1.4%
Charity Care	3%	0.5%	0.0%	0.0%	0.2%	0.1%	2.9%	0.3%	0.4%	0.7%	0.0%	0.0%	0.9%
Third Party Aged over 90	14%	14.4%	16.1%	16.8%	23.7%	22.4%	20.6%	17.0%	11.1%	13.2%	14.4%	15.1%	16.6%
Self Pay Aged 120 (from assignment)	25%	69.5%	81.4%	69.9%	74.6%	71.6%	72.7%	81.2%	70.3%	70.8%	54.2%	55.8%	55.1%



SPT Report to the SHD Board

12/29/2022

SWIMLANES	SUBCATEGORIES	General Summary	Updates
General Plan Amendment / Rezone		This application has been submitted to the Plumas County Planning	No changes
	CEQA/NEPA	For approval of the GPA/RZ and LAFCO (see below) as well as for anticipated USDA financing (see below), an environmental review is required to evaluate project compliance with CEQA (state) and NEPA (federal) requirements. Sequoia Environmental is the consultant that has been contracted to lead this process. SHD has been identified as the lead agency for the CEQA review/approval, USDA for the NEPA review/approval.	Initial Study is being completed with information as needed from the upcoming final technical reports. From there Plumas County Planning and LAFCO have requested a review of that document prior to public distribution. Communication is also ongoing with USDA to work to identify the NEPA process required for that funding source.
	Heliport	It is being examined whether a heliport is physically, financially, and regulatorily feasible in order to have the capability to transport patients as needed direct from the future facility in lieu of first transporting to the airport. A heliport consultant provided input in determining the physical feasibility at the site. From there a determination can be made to proceed in full, not at all, or only with the infrastructure so that a helipad can be added at a later date.	Draft MOU for development and maintenance for the heliport flight path has been provided to Collins Pine for their review and input (noting Exhibits will be added in conjunction with that review). Ultimately, it is anticipated that an Easement (similar to the one with Wildwood) will be developed/recorded. Potential heliport consultants have been identified and discussions with them is resulting in the realization that because the services/helicopters used are not used with instrument-flight-rules (IFR), advisement not approval is required from the FAA. We are determining if, similarly, the Division of Aeronautics (DOA) approval is not necessary. If neither agencies need to approve, we will follow FAA guidelines in the case there is a desire to convert the heliport to IFR-capable in the future, but beyond that, no consultant would be needed. We will confirm DOA requirements as next steps.

	Harvest Plan	Sierra Timber Services (STS) has been retained to prepare a Timber Harvesting Plan and associated Timberland Conversion permit. This is needed in order to clear trees as needed for the development, and will also be a component of the CEQA/NEPA analysis.	Upon receipt of technical studies as referenced above for the CEQA/NEPA process, these will be provided to STS for completion of the application to CalFire for the Timber Conversion Permit. We are discussing with STS the timing for that approval (estimated at 4 months), RFP for associated tree/stump removal, and resulting onsite work.
Wildwood Easement		There is a need for easement across the SW corner of Wildwood in order to properly access the new site. Communications are ongoing with Wildwood for that and for an easement for emergency access only through the North-most drive of Wildwood.	No update from 12/1 BOD meeting. Easement at Wildwood's SW corner for main access from Reynolds Rd to the planned new facility was approved by the Plumas County Community Development Commission BOD at their 10/18/22 meeting. We are in the process of getting PCCDC signatures/notary and will then send for recordation. Additionally, Wildwood has verbally given conceptual approval of the secondary emergency access/egress at the North, that will be requested to be formalized upon further design by the selected Design-Build Entity.
LAFCO Annexation		Documentation has been compiled to submit to LAFCO to annex the site for the new CAH into Chester Public Utilities District. That application is being held until it is determined where in the overall project schedule the submittal should be done in order to not need an extension for the application, noting that any LAFCO approval needs to follow Board of Supervisors' approval of the General Plan Amendment/Rezone.	Given the delay on the CEQA/NEPA work, anticipate pushing submittal of LAFCO application to around March in order to best align with completion of CEQA and Board of Supervisors review of the project. Impact fee values for water, sewer & fire annexation have been received. All have been accounted for in the budget/cashflow.
Financing		Much work has been done to vet various avenues to funding the project, with consideration being given to USDA along with public support via ad valorem tax, potential state/local funding, and philanthropy.	

	Ballot Measure	<p>Measure B on the November 2022 Plumas County Ballot to ask voters within the District to support a General Obligation Bond that would provide up to \$42M in support of the hospital's replacement facility passed with 79% approval. Municipal Adviser (MA) Fieldman Rolapp (FR) has been contracted to provide financial/tax information, and Bond Counsel BBK has been contracted for guidance with logistics and communications during the authoring/approval/placement of bonds as applicable.</p>	<p>With input from USDA representatives from the 12/6 meeting, FR has developed a couple different scenarios for funding throughout the project. There are multiple reasonable options likely starting with a BAN for funding from the GO bond starting mid 2023. More details will be presented as info is solidified.</p>
	USDA Financing	<p>A loan is being pursued from USDA to provide revenue-supported financing for the project.</p>	<p>USDA 12/6 site visit was extremely helpful, and at that meeting it was indicated that the response to the pre-application is expected to be provided shortly. That has still not been received, but we are pursuing information on timing.</p>
	Other Funding	<p>Anticipating a combination of state/federal funds, Philanthropy and public support.</p>	<p>No update from 12/1 BOD meeting. Philanthropy discussions ongoing with more interest developing now that Measure B has passed.</p> <p>Discussions with LaMalfa's office regarding Federal Community Project Funding are also ongoing...SPT is discussing which portion(s) of the project to identify as potential areas to apply for funding.</p> <p>SHD was approved for SB395 funding, value to be determined with more information on that expected January 2023.</p>
Schedule		Validating	Working on validation based upon Design-Build Entity Validation Phase.
Budget		Validating	Working on validation based upon Design-Build Entity Validation Phase.

Design	Design Documentation	The Boldt Company with HGA Architects have been contracted as the project Design-Build Entity (DBE).	DBE started the 45-day Validation Phase on 11/28/22, completing 1/12/2023. They are reviewing and analyzing data associated with historic patterns as well as projections, resulting in various recommendations to optimize program and associated costs. Meetings are ongoing with the DBE and members of the SPT and at the 1/12 date a proposed path forward will be solidified and brought to the BOD at the 1/26 meeting.
	Medical Equipment Planning	Contract has been executed with Ross & Baruzzini (R&B), changing company name to Introba, for Medical Equipment Planning & Procurement services. They will be involved in the project through procurement with a decision at a later point if they will also provide installation management (cost defined within their contract as a potential additional service).	We will be working with Introba to incorporate changes resulting from the DBE Validation, likely following the 1/12 date.

TAB

“M”

Verbal Report

By:

Shawn McKenzie, CEO



December 2022

SHD Board of Directors Meeting

CNO Report

COVID and Other Public Health Updates:

Current Case Rate (as of 12/22/22): 5.26 per 100 k population (trending ↑--last month was 2.26 per 100k); test positivity rate = 4.4% (trending ↓--was 5.6% and does not account for home testing).

- Current COVID-19 Community Level in Plumas County = LOW

COVID-19 Vaccine & Bivalent Booster clinics at Seneca by appointment only:

Mondays: Moderna – Boosters (only) from 0900-1000

Thursday: Pfizer vaccine – Boosters (only) from 3:00-4:00

Influenza

Seasonal influenza activity is high across the United States. The Centers for Disease Control and Prevention (CDC) estimates that in the 2022-2023 season to date, there have been at least 13 million illnesses, 120,000 hospitalizations, and 7,300 deaths from influenza ([Weekly U.S. Influenza Surveillance Report | CDC](#)). While the (FDA) has not indicated shortages of oseltamivir (generic for Tamiflu) in any of its forms (capsules, oral suspension), CDC has received numerous anecdotal reports of availability issues for generic oseltamivir in some locations. This may continue to occur in some communities as influenza activity continues. Currently, we have several doses of oseltamivir on hand at Seneca.

Invasive Group “A” Streptococcal Infections

The Centers for Disease Control and Prevention (CDC) has issued an advisory regarding a recent increase in pediatric invasive group A streptococcal (iGAS) infections. In November 2022, CDC was notified of a possible increase in iGAS infections among children at a hospital in Colorado. There have been no cases reported locally or regionally to date.

Nursing and Clinical Education

One ER RN will attend the TNCC course at Enloe in January.

Seneca will host another skills fair for licensed nurses in January.

Recently a Seneca RN attended the NPWT course at Enloe and these skills will be used, as we have a community member returning home who may require outpatient NPWT (“wound vac”).

Nursing Recruitment and Other Workforce Concerns

Certified Nurse Assistant (CNA) Program: Planning underway to conduct another CNA program in late spring. Community members may submit their interest on the Seneca website:

<https://senecahospital.org/cna-program>

Clinical Lab Scientist (CLS): A temporary CLS has been onboarded to assist us with this critical workforce shortage.

Lake Almanor Clinic: An LVN and an MA have been hired, joining our clinic operations in January.

Regulatory Surveys

No further regulatory surveys have occurred since the multiple visits in October—all the associated plan of corrections (minimal) have been accepted and are considered complete.

Surgical Services

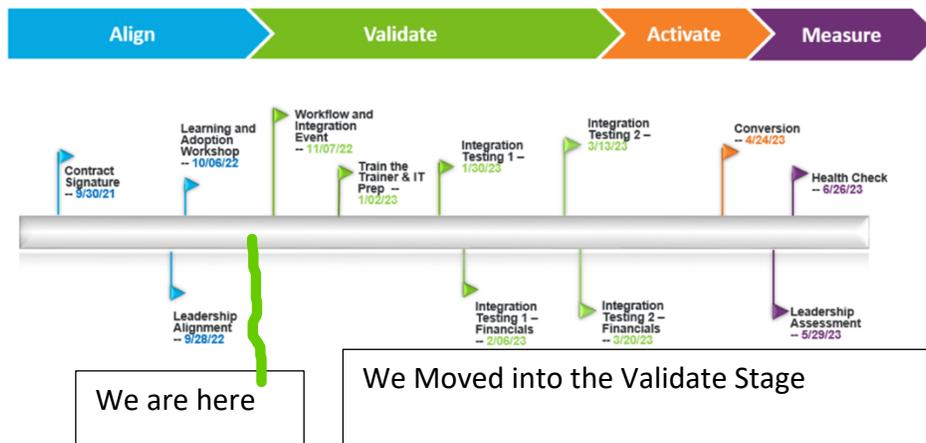
New anesthesia unit has arrived. Unfortunately, it did not arrive with a desflurane vaporizer, so it has not been placed into use at this time.

Respectfully submitted,

Judy Cline, MSN, RN, PHN

Chief Nursing Officer

Seneca Healthcare District Implementation Timeline



All have a Safe and Happy Holiday.

Notes for the Week ending 12/23/22

Train the Trainer 1/4/22-1/6/22

- Long Term Module resources have been secured from Cerner
 - LTC will go live at the same time
- Train the Trainer Attendee list has been sent to Cerner
 - You should start to see Remote Session invites
- SME/SU need to complete their assigned Learning Journey Assignments
- DCW (Data Collection Worksheet) – Please work on your DCW; if you are having issues, please get in touch with your Cerner Assoc or Me.
 - Check the DCW to due Dates (we are at a point where DCW delays can impact Testing)
 - Checking IN or OUT Documents...
 - Attached is the DCW Tracker. Due Dates have been Updated
- Please bring to my attention any issues you may have with a Cerner Consultant.

The next Important Milestone is Integrated testing

Clinical Week of 1/31/23

Financial Week of 2/7/23

Cerner Term of the week

PATHNET – LAB – Suite of applications



Compliance Report

December 2022

Submitted by: *Charlene Almocera*

Ongoing Review and Tracking

Medicare Secondary Payer Review (MSP)	<p>Audit: Entities providing items and services to Medicare patients must determine if Medicare is the primary payer by utilizing the MSP Questionnaire.</p> <p>Results: Compliance rate for the month of October is 98.8%. MSP reports will be presented quarterly during closed sessions.</p>
Inter Qual	<p>We continue to monitor InterQual utilization. Education, communication of expectations, and process improvement occur on an ongoing basis by Dr. Nielsen. Results will be presented quarterly during closed session.</p>
QA Studies	<p>Physician chart completion data will be submitted quarterly during closed session.</p>

Office of Inspector General (OIG) Monthly Workplan

Link: <https://www.oig.hhs.gov/reports-and-publications/workplan/>

The OIG Work Plan lists various priorities for fraud and abuse enforcement efforts for the government federally funded health care programs (Medicare/Medi-Cal) that are underway or planned to be addressed during the fiscal year. Each month the plan is updated by OIG and our compliance committee reviews the new initiatives added to the OIG Work Plan and selects the audits relevant to our institution. The initiatives listed below apply to our facility and the action plan we are taking to validate compliance of each initiative.

We reviewed 20 newly added initiatives for October, November, and December 2022. Of those, only one applied to the organization.

<p>October 2022</p>	<p><i>Potentially Preventable Hospitalizations of Medicare-Eligible Skilled Nursing Facility Residents</i></p> <p><i>Prior OIG work identified nursing facilities with high rates of Medicaid enrollee transfers to hospitals for a urinary tract infection (UTI), a condition that is often preventable and treatable in the nursing facility setting without requiring hospitalization. The audits disclosed that the nursing facilities often did not provide UTI prevention and detection services in accordance with its residents' care plans, increasing the residents' risk for infection and hospitalization. Previous CMS studies found that five conditions (pneumonia, congestive heart failure, UTIs, dehydration, and chronic obstructive pulmonary disease/asthma) constituted 78 percent of the long-term care resident transfers to hospitals. Additionally, sepsis is often considered a preventable condition when the underlying cause of sepsis is preventable. OIG's review of claims shows that skilled nursing facility (SNF) residents often present with one of these six conditions (pneumonia, congestive heart failure, UTIs, dehydration, chronic obstructive pulmonary disease/asthma, and sepsis) on inpatient hospitalization. We will review inpatient hospitalizations of SNF residents with any of these six conditions and determine whether the SNF provided services to residents in accordance with their care plans and professional standards of practice (42 CFR §483.21 and 42 CFR § 483.25).</i></p>
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	SHD Facility Status: The SNF DON will meet with the Compliance/Privacy Officer to move forward with auditing and reporting data.
Compliance /Privacy Reports/Investigations	There were no Compliance and Privacy incidents reported in the month of November.
OIG Exclusions	<p>We continue to perform monthly monitoring of Employees and Medical Staff for OIG Exclusion on OIG’s website. The website contains a database of individuals who cannot participate in Medicare and Medicaid programs.</p> <p>We discussed utilizing an outside vendor to perform monthly mandated monitoring to ease the process and effectively provide reports to demonstrate compliance. Jennie from HR proposed utilizing EverCheck. The proposal will be submitted through the appropriate channels.</p>
Cerner Activities	<ol style="list-style-type: none"> 1. Fax number validation letters and coversheets that will be generated by Cerner were reviewed and approved for content and verbiage. 2. Compliance Meeting changed to meet Quarterly- the Compliance Officer proposed that we meet quarterly during the Cerner project. Federal oversight agencies mandates that the Compliance Committee meets at least quarterly. The Compliance Committee agreed to the suggestion and will revisit frequency of meetings in June 2023. Next compliance meeting will be in March 2023.
Open Tasks	<ol style="list-style-type: none"> 1. The committee is currently reviewing the Annual Privacy education slides for content and applicable scenarios for each department. Compliance officer will reach out to each member for suggestions. 2. The annual compliance education is currently being addressed in the Annual Competency Packets. We will review those packets and determine if it needs to be updated or if separate education is necessary.

TAB

P.b

- SHD - IT Report (Part I)
- Apex - IT Update Report (Part II)

SHD - IT Report (Part I)



IT Department Report for December 2022 Seneca Healthcare District

Board of Directors Meeting

- **Apex Wired and Wi-Fi corrective actions – Cerner assessment results received mid-September, Apex in attendance. Apex is modifying configurations based on Cerner’s report; Apex is continuing to work on configurations for optimal Cerner performance. Anticipate replacement request in 2023; Wireless Access Points are considered end of life. May 01, 2023, is the last date that Cisco Engineering may release any final software maintenance releases or bug fixes. After this date, Cisco Engineering will no longer develop, repair, maintain, or test the product software.**
- **Cerner – Cerner consultants and Seneca are finalizing data collection workbooks and continuing with workflow design. Order sets being worked on in preparation for Train the Trainer event in January. Cerner now has a Skilled Nursing representative to work with our team. Project on track for Go-Live 04/24/2023.**
- **Phones – Hardware finalized, data gathering for workflow design continuing. Expected Go-Live on track for 01/23/2023.**
- **Evident server maintenance completed in December. Medweb declined to push server update; it is dated and will require an upgrade or equal alternative solution.**
- **Facility workstation refresh is 30% complete, will resume distribution in January following Train the Trainer event.**

Apex - IT Update Report

(Part II)



Technology Management, Inc.

Seneca Healthcare District – IT Infrastructure Update December 2022





Results of the 2021 IT Assessment

Background

- **Security Issues – Major Security Risks and Vulnerabilities were Identified:**
 - Anti-Virus and Anti-Malware – outdated and missing anti-virus software
 - Security vulnerabilities identified on internal equipment
 - Outdated operating system and software
 - Vulnerable network configurations, including firewall and switches
 - Inconsistent security updates and patching without centralized management and alerting
 - Centralized data storage solution was not in place
- **Backup and Disaster Recovery Solutions: Full production backups were not being performed and recovery times were unknown. This created a major risk for loss of data and liability risk in the event of an extended outage or catastrophic disaster.**
- **Network Connectivity: Multiple issues were identified, including frequent and extensive wireless network drops, unreliable wireless bridge network, and lack of failover broadband Internet and encryption creating work stoppage issues for staff as well as security vulnerabilities.**



Results of the 2021 IT Assessment (cont'd)

Background

- **Hardware and Network Cabling:**
 - Multiple servers were found to have significantly low disk space, impacting performance and stability
 - Unused servers and network equipment were in place, causing a security risk
 - Patch panels were not in place and cabling was located outside of buildings, increasing the risk for elemental exposure, damage and/or vandalism
 - Network switching and cabling was not centralized at the hospital, resulting in multiple distribution points within the building. This had potential impact on performance and redundancy
 - Outdated workstations were identified throughout all departments
- **Productivity and Collaboration:** A lack of published desktop applications on workstations and terminal servers created challenges for staff sharing and collaboration.
- **Power Protection for Production Equipment:** Battery backups and monitoring software was not in place to protect production equipment. This created risk of unintended shutdown and subsequent downtime of critical systems during power outages.



IT Projects Accomplished

- Wireless bridge equipment installed to connect the Hospital to the Clinic
- Centralized data storage unit installed
- Servers: Two new servers were purchased and installed (one Production and 1 BDR (Backup/Disaster Recovery). Two existing servers were upgraded to 2019 licensing The File Server was replaced, and existing folders were redirected
- Core network hardware (storage and server switches) were replaced in the hospital MDF, main server room and clinic server rooms
- Digital Umbrella Backup Appliance and Services were installed
- New server racks were purchased and installed
- Multiple UPS (Uninterruptible Power Supply) installed in multiple locations, to ensure connectivity in the event of outage or disaster
- Network access control appliances, SFTP (Secure File Transfer Protocols) and licensing was upgraded



IT Projects Accomplished – cont'd

- 24/7 monitoring and alerting software was implemented
- Microsoft 365 licensing/email cloud backup and encryption was implemented
- Clinic and MDF cable management was completed
- Antivirus software was installed on all servers and workstations (Apex Endpoint Security, AES)



IT Remediation Tasks in Process

- Implementation of Multi-Factor Authentication (MFA) to ensure security and user authentication
- Implementation of PassPortal, for enhanced password security management
- Workstation deployment project – 140 devices, including workstations, laptops, tablets, and docking stations are in process of being deployed for all Seneca departments
- Broadband Internet Failover – failover tests are successful, pending is evaluation of poor performance speeds for the secondary circuit (DigitalPath)
- Wireless network reconfiguration for improved performance



Other Projects in Motion

- Mitel VOIP project (January 2023)
- Cerner EHR implementation (April 2023)
- Campus wide wireless replacement solution (tbd)

Best Practice Compliance Status - June 2021

		LEGEND		
		Not Compliant	Partial	Compliant
Security	Antivirus – Server, Workstation	✗	✗	✗
	Web Browsing Filtering	✗	✗	✗
	Email Encryption	✗	✗	✗
	Email Virus & Scan Protection	✓	✓	✓
	Firewall Gateway Protection	✓	✓	✓
	Enforced network access credentials	✓	✓	✓
	Centralized user access database	✓	✓	✓
	Radius authentication	✓	✓	✓
Backup and Disaster Recovery	Daily Automated Local Image Backups	✓	✓	✓
	Daily Automated Offsite Image Backup	✗	✗	✗
	Local appliance for backup & recovery	✗	✗	✗
	Retention Points: Up to 31 daily, 13 monthly	✗	✗	✗
	Recovery Time: < 1 hour	✗	✗	✗
Network Connectivity	High speed failover broadband internet	✗	✗	✗
	Layer 2 Manageable Switches	✗	✗	✗
	Segregated networks for production services	✗	✗	✗
	Fast reliable network traffic	✓	✓	✓
	Secure Wireless Encryption WPA2	✓	✓	✓
	Bandwidth Restricted guest wireless access	✗	✗	✗
	Radius level wireless authentication	✗	✗	✗
Productivity & Collaboration	Email – Private Domain Business Email	✓	✓	✓
	Shared files – User specific access	✓	✓	✓
	Published desktop/applications/terminal snrs	✓	✓	✓
	MS Office Productivity Suite - Shared Version	✓	✓	✓
Trusted Hardware	Scalable enterprise grade hardware	✗	✗	✗
	Highly reliable shared network storage	✗	✗	✗
	Virtualization Consolidation & Efficiencies	✗	✗	✗
	Server & workstation 3-5 year hardware warranty	✗	✗	✗
	Business Grade Firewall with sufficient speed	✗	✗	✗
Trusted Hardware	Redundant UPS w/server safe shutdown	✓	✓	✓
	UPS – Workstation (safe shutdown)	✗	✗	✗
	UPS – Network Equipment	✗	✗	✗
	Surge Protection – Printers, Laptops	✗	✗	✗
	Monitored Power Distribution Unit	✗	✗	✗
Monitoring and Alerting	Monitor and alert on hardware and software 24x7	✗	✗	✗
	Reporting, budgeting, ticketing, history and kb	✗	✗	✗
	Ticketing system, central documentation, credential mgmt	✗	✗	✗
	Standard Policies and Procedures for IT	✗	✗	✗

Best Practice Compliance Status – December 2022

LEGEND	
✗	Not Compliant
⚠	Partial
✓	Compliant

Productivity & Collaboration

- ✓ Email – Private Domain Business Email
- ✓ Shared files – User specific access
- ⚠ Published desktop/applications/terminal snvs
- ✓ MS Office Productivity Suite – Shared Version

Trusted Hardware

- ✓ Scalable enterprise grade hardware
- ✓ Highly reliable shared network storage
- ✓ Virtualization Consolidation & Efficiencies
- ✓ Server & workstation 3-5 year hardware warranty
- ✓ Business Grade Firewall with sufficient speed

Trusted Hardware

- ✓ Redundant UPS w/server safe shutdown
- ⚠ UPS – Workstation (safe shutdown)
- ✓ UPS – Network Equipment
- ✓ Surge Protection – Printers, Laptops
- ⚠ Monitored Power Distribution Unit

Monitoring and Alerting

- ✓ Monitor and alert on hardware and software 24x7
- ✓ Reporting, budgeting, ticketing, history and kb
- ✓ Ticketing system, central documentation, credential mgmt
- ✓ Standard Policies and Procedures for IT

Security

- ✓ Antivirus – Server, Workstation
- ✓ Web Browsing Filtering
- ✓ Email Encryption
- ✓ Email Virus & Scan Protection
- ✓ Firewall Gateway Protection
- ✓ Enforced network access credentials
- ✓ Centralized user access database
- ✓ Radius authentication

Backup and Disaster Recovery

- ✓ Daily Automated Local Image Backups
- ✓ Daily Automated Offsite Image Backup
- ✓ Local appliance for backup & recovery
- ✓ Retention Points: Up to 31 daily, 13 monthly
- ✓ Recovery Time: < 1 hour

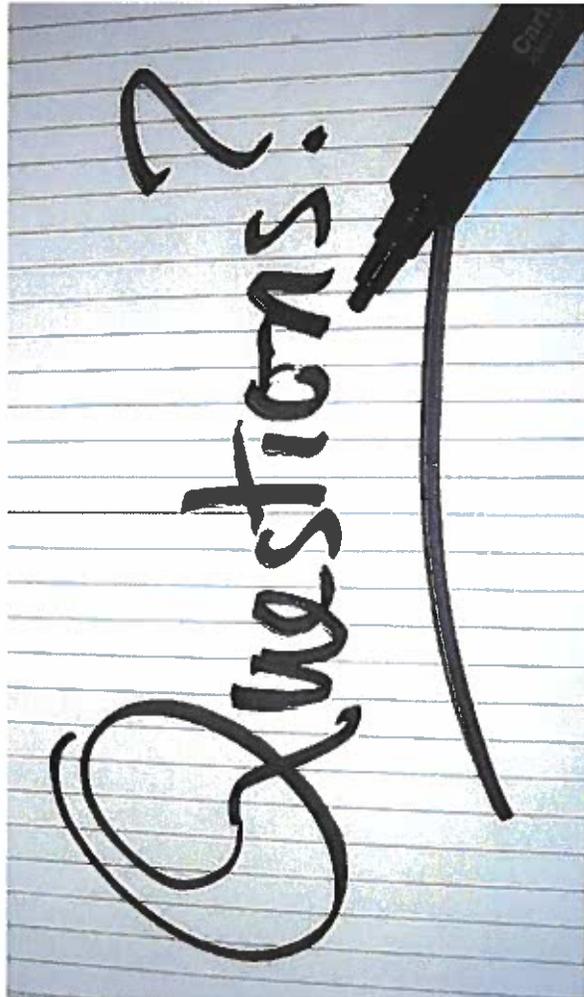
Network Connectivity

- ⚠ High speed failover broadband Internet
- ✓ Layer 2 Manageable Switches
- ✓ Segregated networks for production services
- ✓ Fast reliable network traffic
- ✓ Secure Wireless Encryption WPA2
- ✓ Bandwidth Restricted guest wireless access
- ✓ Radius level wireless authentication

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Human Resources – Board Report

December 28th, 2022

- Recruitment is still hopping! I'm continuing to source candidates using traditional methods as well as online, and have been utilizing a few recruitment companies to source the more difficult placements (specifically, Clinical Laboratory Scientist and Clinic Director).
- We had a wonderful Christmas party for our employees the week before Christmas at the Timber House, with everyone seemingly enjoying themselves and having fun. We passed out anniversary pins and Employee of the Year pin, played games, and enjoyed delicious food!
- Corie and I will be passing out Employee Appreciation Gifts to our employees this week, as all have arrived and are ready to be handed out.
- Feedback is continuing to be positive regarding our Newsletter! December's version is attached to this board report.
- Union Negotiations have opened, and we will be scheduling our first negotiation meeting quite soon.
- **Open Positions for December 2022:**
 - Registered Nurse (Full Time, Part Time, Per Diem) (Acute & ER experience preferred)
 - LVN (Full Time, Part Time, Per Diem)
 - CNA (Full Time, Part Time, Per Diem)
 - Clinic Director (Full Time)
 - Materials Management and Plant Operations Assistant (Full Time)
 - Clinical Laboratory Scientist (Full Time, Part Time, Per Diem)
 - Diet Aide (Per Diem)
 - Housekeeper (Per Diem)
 - Maintenance Worker (Full Time)

Sincerely,

Jennie Mathews
Director of Human Resources

List of Staff: Additions & Deletions

December 1-31, 2022

Activity/Event	Status	Job Title	Start/End Date
<u>ADDITIONS</u>	PD	Diet Aide	12/5/2022
<u>CONDITIONAL ADDITIONS</u>	FT	Clinic Licensed Vocational Nurse	1/2/2023
<u>DELETIONS</u>	FT	Care Coordination Assistant	12/16/2022

Jennie Mathews, Director of Human Resources

Seneca Healthcare District

NEWSLETTER



HAPPY HOLIDAYS

BY SHAWN MCKENZIE, CEO



A Gift of Trust

No need to point out that the past year has been an amazing series of events and activities as it pertains to Seneca's place in our community. Your continued efforts, and our constant focus on delivering compassionate care with a smile has changed the tide of public sentiment and solidified for generations Seneca's future for providing healthcare to Lake Almanor Basin.

On November 8th of this year, our community delivered a gift through the ballot box and a resounding vote of confidence and trust in Seneca Healthcare by approving the funding measure represented by "Measure B". With 80% in favor, our community sent us a message that we are seen as an integral part of this community and our future of providing quality care will be one supported by a new hospital as the center point of our healthcare campus.

We must humbly embrace this gesture of confidence and continually seek new ways to provide the highest level of care and patient experience for all those we serve.

So, as we lead into the holiday season and the new year, please know that your efforts and commitment is not going unnoticed.

Happy Holidays!



NOTES & NEWS



It's Time For A

HOLIDAY

party!

Timber House
501 Main Street, Chester

DEC 22ND



6:30-9 PM

+1s welcome, no children please

Appetizers | No-Host Bar | Games
Pinning of Anniversary Pins

RSVP by December 9th

DECEMBER WORK ANNIVERSARIES

1 Year

December 20th - Stacey McGarity

2 Years

December 7th - Chelssa Outland

4 Years

December 17th - Scott Enos

5 Years

December 11th - Adrienne Vaughn

6 Years

December 7th - Lovena Smith

10 Years

December 7th - Carolin Martin

14 Years

December 2nd - David Vindiola

17 Years!

December 8th - Talina Schier

Happy holidays

AWESOME NRC COMMENTS... *great job, staff!*

Admitting nurse was great and when we got to the back

The Staff Corner

Employee of the Month:

Jenny Maynard



DECEMBER EMPLOYEE OF THE MONTH

Jenny is an extremely hard working and reliable employee. She volunteers to work extra shifts and hours when we are short staffed. She is pleasant and friendly to staff and the Residents. Jenny has an outstanding work ethic. She sets an example to other employees of what it means to be a true team player. On several occasions, she has worked multiple positions in the kitchen in a single day, starting as the AM kitchen helper, then transferring to the PM cook without missing a beat. She is able to think on her feet when it comes to food substitutions and provide the Residents and patients with nutritious meals. I have received several compliments from the Residents and patients about how flavorful her meals taste. She is very knowledgeable about the Residents' likes and dislikes, and does her best to adhere to them. Jenny is outstanding with helping to keep the kitchen clean. Jenny also helps me by keeping our "cheat sheets" up to date in the kitchen, which we use to help train new employees. I can count on her to train new employees, and she is very thorough with her training techniques. Jenny practices our Core Values on a daily basis. She is Compassionate, Respectful, Accountable, Innovative, Resourceful, Curious, and Trustworthy. She puts out Quality meals, and practices Safety while doing so. She is always thinking about how to improve our department for efficiency and cleanliness. Thank you, Jenny!

Nominated by: Andrea Kelly, CDM

Q&A with
Jenny

As an employee of Seneca, you have demonstrated our Seneca Core Values. What would you recommend others to do to demonstrate these Core Values as well?

Show up on time, work, be respectful, help out, be a team player, stay on task, and have fun!

What qualities do you possess that make you stand out as an excellent team member at Seneca?

I am willing to work extra days and hours and I'm honest and reliable.

What have been your biggest accomplishments on our team?

I started out part-time as a dishwasher and am now a full-time Cook. I train people and am the main PM Cook Trainer.

Who are some of your biggest inspirations within the company?

Marty Robie and Andrea Kelly.

What's the most unique part about working here?

I love that I get to have creativity within the guidelines of cooking, and have fun while doing it.

How have you grown professionally over the last several years?

I take initiative now on what needs to be done and take extra shifts as needed.

What are your career goals?

Not sure at this time but if I was to be here in 5 years, I'd like to see forward momentum as Lead Cook or even a managerial position.

Departmental Updates

FINANCE

BY KRISTIN COURTRIGHT, ACCOUNTING SUPERVISOR

As we approach 2023, it is our goal to bring the remainder of our employees on board with ADP. Though this has been a strongly encouraged option up to this point, as of January 1, 2023, it will now be required in order to process any PTO, Sick Leave, and Unpaid Time Off Requests.

Jennie and I will be available at the below time and location in order to help any employee log in and get trained in the system:

Tuesday, December 13th
Between 12 noon and 2pm
Clinic - cubicle area

We hope to answer any questions and assist in any way possible to make the process quick and easy! As we are sympathetic to the fact that some may not have access to stable internet connections at home, there is a computer accessible in the Clinic cubicle area to any employee in need of it.

In addition to the set date and times mentioned, if any ADP assistance is required, please feel free to come by either my office or Jennie's office and ask!

As an additional note, I want to thank Janelle Hardig for her spectacular work on the Multiview implementation. It would not have happened without her. Thank you, Janelle!



PR/MARKETING

BY CHELSSA OUTLAND, PR/MARKETING DIRECTOR

Please Join Administration in Welcoming our New Locum Provider Dr. Joseph Russo.

HUMAN RESOURCES

BY JENNIE MATHEWS, DIRECTOR OF HR

One of our AFLAC Representatives, Jasmine Rodriguez, will be onsite at the below days/times to enroll any employees with an AFLAC plan or answer any questions. I highly encourage new hires to visit with her to find out about the plans available as we are in an open enrollment period.

Thursday, Dec 15th: 8am - 5pm

Friday, Dec 16th: 8am - 1pm

She will be located in the Lake Almanor Clinic Conference Room. You can sign up for an available time slot by reaching out to me, or stop by on a drop-in basis.

Please reach out to me with any questions!

Compliance or Privacy Reporting

If you have privacy or compliance concerns to report, please call:

Charlene Almocera
(530) 258-0305/Internal Ext. 1002

To report anonymously, please leave a message at:

Compliance Hotline
(530) 258-1166 / Internal Ext. 1013

We also have blank compliance forms for you to complete and drop into one of the Compliance Drop Boxes next to each Time Clock. Concerns or reports submitted are all investigated without fear of retaliation to the reporting employee. We prefer that you leave your name so that Compliance can respond to you timely with the status of your report as some issues may take longer to investigate and work through remediation.

The FRC LVN students completed their clinical time with us. Thank you to everyone who engaged with them and provided them a fun and comfortable learning environment. We look forward to having them back next fall.

Current Projects Update December 2022

- **New Build Campaign /Philanthropy**
 - Working with donors on end of the year donations.
 - Completed and mailed end of the year thank you cards to all direct donors.
 - Working to complete the end-of-the-year “Thank You’s” and updates for all donors who donated through the Almanor Foundation.
 - Tracking donations and what donors will be eligible for bricks, leaves, etc.
 - Working to gather details and specifics on the giving tree. Collins has requested information on what the cost for this tree will be and is interested in sponsoring this tree on behalf of Terry.
 - Tacking and updating spreadsheets for Donor Leaf information
 - Assisting with application for federal earmark funds. The new hospital planning team has chosen the project to apply for the federal earmark fund with and we will submit applications at the beginning of the new year.
 - Reached out to PG&E philanthropic department.

- **General Philanthropy**
 - I will work with Shawn and Steve to develop a consistent process for direct donations this coming year to ensure proper recognition is given to all donors and we are tracking the donation properly.

- **New phone number 1(833)-CareSHD (227-3742)**
 - The phone transition with marketing materials is continuing, as we update pages and information the new phone number is being added.
 - Changing over digital numbers, Print Media Designs with the new number are completed for the first quarter of next year, **Waiting for confirmation of new extensions prior to redesign of business cards. Waiting for confirmation from the VoIP team on how the porting of numbers from frontier will work. (I expect to have clarification on this by the end of the 12/26 week.)**

- **General Marketing**
 - Financial assistance brochure, *in progress* – marketing is working with finance on designing a new trifold that will help to provide information on financial assistance. *Continued from last month*
 - LACC Newsletter - Continual updates are released and ads in the LACC
 - Social medial schedule for next year is being completed, designs are currently being scheduled, I am hoping to have more posting the next year including any major holidays and healthcare awareness days. – **Working on Monday Motivational, Tuesday Tips, Wednesday Wellness, Thursday Thought and Friday Fitness. Continued from last month**
 - Google Ads

Marketing Report

- Website
 - Google ads will launch with the new phone number to help promote the transition of the new phone number.
- Website Updates
 - Marketing is currently working on updates to the following pages:
 - **Verifying ADA compliance with regards to the entire website.**
 - New Build – holding on updates for this page, waiting for validation process to be completed.
 - Covid pages- continual updates
 - Leadership – updating new roles and positions
 - General informational posts to answer commonly asked questions.
 - Donation Page
- **Signage for Hospital**
 - Signs are in and waiting to be installed.
 - ER Sign – coordinating with Michael White Construction for this installation
 - Clinic interior directional signage waiting to be installed.