



BOARD OF DIRECTORS

*Katherine Burnworth, President | Laura Goodsell, Vice-President | James Garcia, Treasurer | Enola Berker, Secretary
| Rodolfo Valdez, Director | Felipe Irigoyen, Director*

AGENDA

**REGULAR MEETING OF THE FINANCE & BUDGET COMMITTEE
MONDAY, FEBRUARY 23, 2026, 10:00 A.M.**

**Pioneers Memorial Hospital | PMH Auditorium
207 W. Legion Road, Brawley, CA92227**

[Join Microsoft Teams](#)

Meeting ID: 253 464 808 524 47

Passcode: aG3r7JB2

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Approval of Request for Remote Appearance by Board Member(s), if Applicable

5. Consider Approval of Agenda

In the case of an emergency, items may be added to the agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage, a crippling disaster, or other activity that severely imperils public health, safety, or both. Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. The Board may take action on any item appearing on the agenda.

6. Public Comments

At this time the Board will hear comments on any agenda item. If any person wishes to be heard, they shall stand; address the president, identify themselves, and state the subject for comment. Time limit for each speaker is 3 minutes individually per item to address the Board. Individuals who wish to speak on multiple items will be allowed four (4) minutes in total. A total of 15 minutes shall be allocated for each item for all members of the public. The board may find it necessary to limit the total time allowable for all public comments on items

not appearing on the agenda at anyone one meeting to one hour.

7. Consent Calendar

Any member of the Board may request that items for the Consent Calendar be removed for discussion. Items so removed shall be acted upon separately immediately following approval of items remaining on the Consent Calendar.

- a. Approve minutes for meetings of January 19, 2026

8. Items for Discussion and/or Board Action

- a. Review of January Financials and Profit & Loss Statements (Staff reference: Carly Loper)
- b. Discussion and/or possible action to recommend to the Board of Directors approval of Baker Tilly Audit 2026 (Staff reference: Carly Loper)
- c. Discussion and/or possible action to recommend to the Board of Directors approval of Alliant Broker Services. (Staff reference: Carly Loper)
- d. Discussion and/or possible action to recommend to the Board of Directors approval of Quench Dietary water services. (Staff reference: Carly Loper)
- e. Discussion and/or possible action to recommend to the Board of Directors approval of Authorization to approve Emergency Medical Care On-Call for Kala Dharma, M.D. (Staff reference Carly Zamora)

9. Items for Future Agenda

This item is placed on the agenda to enable the Board to identify and schedule future items for discussion at upcoming meetings and/or identify press release opportunities.

10. Adjournment

POSTING STATEMENT

A copy of the agenda was posted February 20, 2026, at 207 W. Legion Road, Brawley, CA 92227 at 10:00 a.m. and other locations throughout the IVHD pursuant to CA Government code 54957.5. Disclosable public records and writings related to an agenda item distributed to all or a majority of the Board, including such records and written distributed less than 24 hours prior to this meeting are available for public inspection at the District Administrative Office where the IVHD meeting will take place. The agenda package and material related to an agenda item submitted after the packets distribution to the Board is available for public review in the lobby of the office where the Board meeting will take place.

In compliance with the Americans with Disabilities Act, if any individuals request special accommodations to attend and/or participate in District Board meetings please contact the District at (760)970-6046. Notification of 48 hours

prior to the meeting will enable the District to make reasonable accommodation to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA title II].



**MEETING MINUTES
JANUARY 19, 2026
FINANCE COMMITTEE MEETING**

THE IMPERIAL VALLEY HEALTHCARE DISTRICT FINANCE COMMITTEE MET IN SPECIAL SESSION ON THE 19TH OF JANUARY AT 207 W. LEGION ROAD CITY OF BRAWLEY, CA. ON THE DATE, HOUR AND PLACE DULY ESTABLISHED OR THE HOLDING OF SAID MEETING.

1. TO CALL ORDER:

The regular meeting was called to order in open session at 10:00 a.m. by James Garcia.

2. ROLL CALL-DETERMINATION OF QUORUM:

President	James Garcia
Vice-President	Enola Berker
Trustee	Laura Goodsell

GUESTS:

Adriana Ochoa – Legal/Snell & Wilmer
Christopher R. Bjornberg - Chief Executive Officer

3. PLEDGE OF ALLEGIANCE WAS LED BY DIRECTOR GARCIA.

4. APPROVAL OF REQUEST FOR REMOTE APPEARANCE BY BOARD MEMBER(S)

None

5. CONSIDER APPROVAL OF AGENDA:

Motion was made by Director Goodsell and second by Director Berker to approve the agenda for January 19, 2026. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell
NOES: None

6. PUBLIC COMMENT TIME:

None.

7. CONSENT CALENDAR:

Motion was made by Director Berker and second by Director Goodsell to approve the consent calendar minutes for December 22, 2025. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell
NOES: None

8. ACTION ITEMS:

- a. Review of December Financials and Profit & Loss Statements



Motion was made by Director Goodsell and second by Director Berker to approve receiving and recommending to the Board of Directors approval of December 2025 Financials and Department Profit & Loss Statements. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

- b. Discussion on Benefits Broker (Staff reference: Chris Bjornberg)

Chris gave a brief report on the Benefits Broker.

- c. Discussion and/or possible action to recommend to the Board of Directors approval of Approval of Notable Annual Solutions Renewal Agreement (Staff reference: Lenin Valdez)

Motion was made by Director Berker and second by Director Goodsell to approve recommending to the Board of Directors approval subject to revisions discussed with legal of Approval of Notable Annual Solutions Renewal Agreement. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

- d. Discussion and/or possible action to recommend to the Board of Directors approval of Renew contract with Agiliti Equipment Service Agreement. (Staff reference: Chris Bjornberg)

Motion was made by Director Goodsell and second by Director Berker to approve recommending to the Board of Directors approval as presented subject to minor modifications by legal of Renew contract with Agiliti Equipment Service Agreement. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

- e. Discussion and/or possible action to recommend to the Board of Directors approval of Purchase of Canon Aplio i700 Ultrasound unit. (Staff reference: Carly Zamora)

Motion was made by Director Berker and second by Director Goodsell to approve recommending to the Board of Directors approval of approval of Purchase of Canon Aplio i700 Ultrasound unit. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

- f. Discussion and/or possible action to recommend to the Board of Directors approval of Renewal agreement between Rady Children's Hospital San Diego – Rady Children's Specialists of San Diego and Imperial Valley Healthcare District. (Staff reference Carol Bojorquez)



Motion was made by Director Goodsell and second by Director Berker to approve recommending to the Board of Directors approval of Renewal agreement between Rady Children's Hospital San Diego – Rady Children's Specialists of San Diego and Imperial Valley Healthcare District. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

- g. Discussion and/or possible action to recommend to the Board of Directors approval of Law Offices of Stephenson, Acquistio & Colman Legal/Professional Services. (Staff reference Lenin Valdez)

Motion was made by Director Berker and second by Director Goodsell to approve recommending to the Board of Directors approval of Law Offices of Stephenson, Acquistio & Colman Legal/Professional Services. Motion passed by the following vote wit:

AYES: Garcia, Berker, Goodsell

NOES: None

9. ITEMS FOR FUTURE AGENDA:

None

10. ADJOURNMENT:

With no future business to discuss, Motion was made unanimously to adjourn meeting at 11:36 a.m.



To: Board of Directors

Katherine Burnworth, President

Laura Goodsell, Vice President

Arturo Proctor, Secretary

James Garcia, Treasurer

Enola Berker, Trustee

Rodolfo Valdez, Trustee

Felipe Irigoyen, Trustee

Additional Distribution:

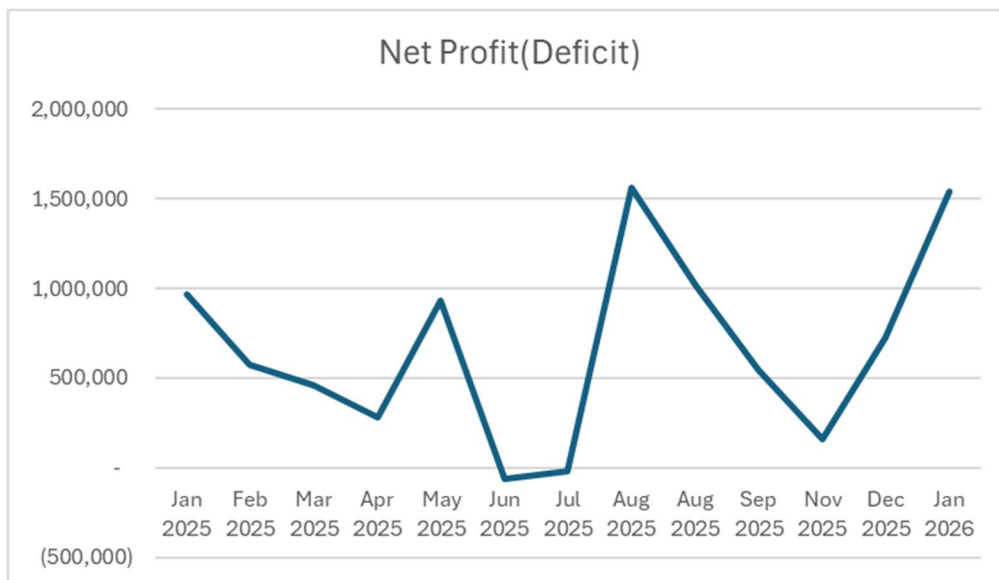
Christopher R. Bjornberg, Chief Executive Officer

From: Carly Loper, Chief Financial Officer

Financial Report – January 2026

Overview:

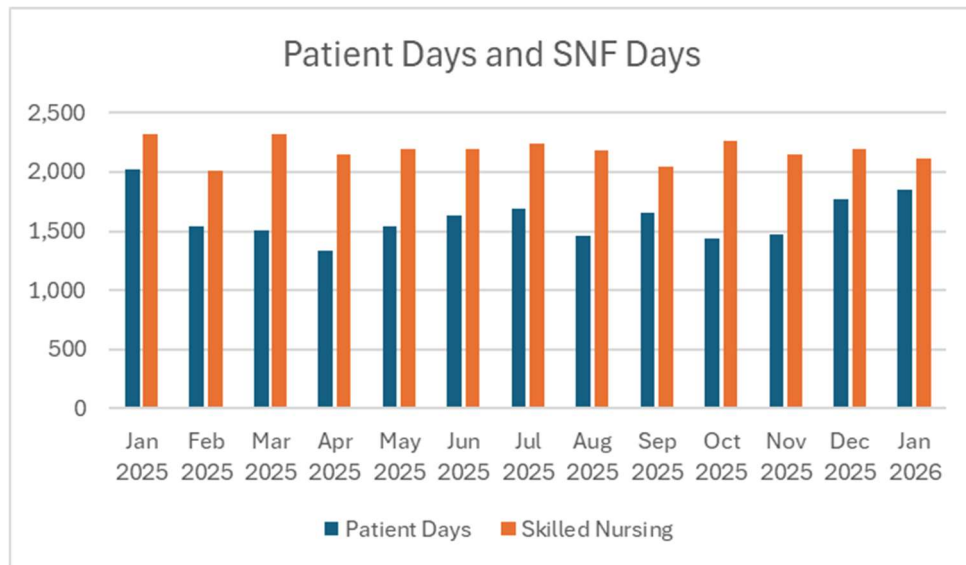
Financial operations for the month of January resulted in a profit of \$1,539,560 against a budgeted profit of \$5,090,813.



Patient Volumes:

In January, inpatient days fell below budget (8.7%) but exceeded the prior month volumes by 4.7%. For the year-to-date period, inpatient days were over budget and prior year volumes by 12.3%.

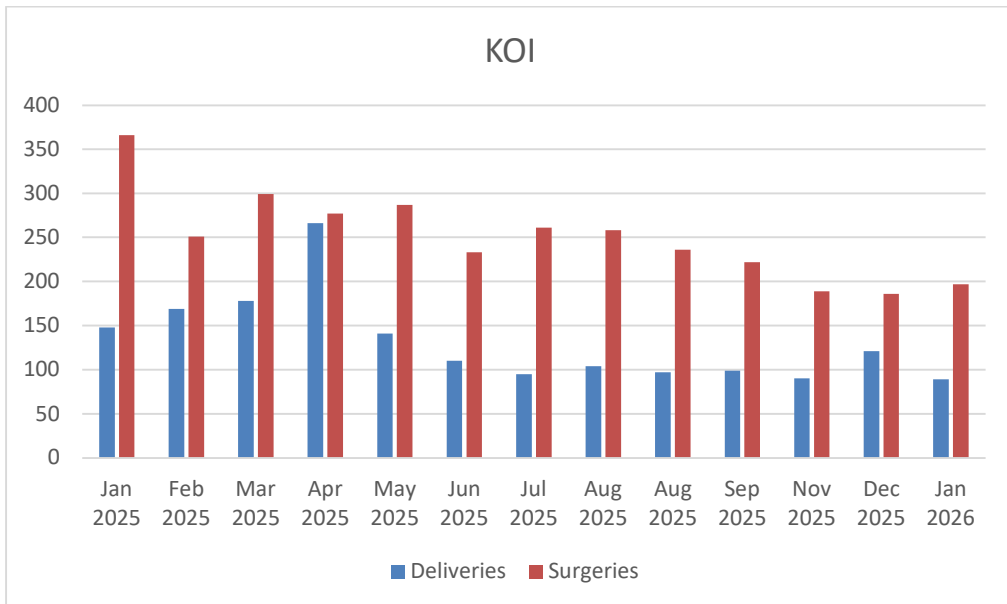
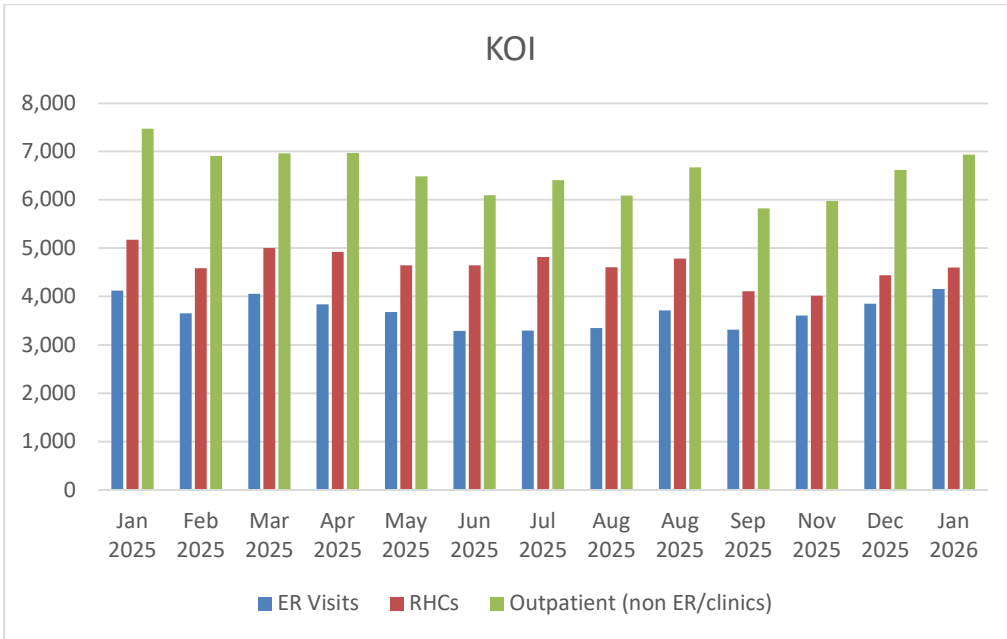
January inpatient days for Pioneers Memorial Skilled Nursing Center (PMSNC) were 2,113 compared to 2,195 inpatient days in December. PMSNC had an average daily census (ADC) of 70.6 for the month of January.



For the month of January, Deliveries fell below the prior month volumes, while Emergency Room visits, Surgeries, Pioneers Health Center visits, Calexico Health Center visits, Pioneers Children Health Center visits, and Outpatient (non-ER) visits/volumes all exceeded the prior month visits/volumes. All fiscal year-to-date volumes, except for the Calexico Health Center, are lower than prior year volumes. For actual compared to budget fiscal year-to-date, the visits/volumes are all under budget with the exception of the rural clinics.

See Exhibit A (Key Volume Stats – Trend Analysis) for additional detail.

	Current Period			Year To Date		
	Act.	Bud	Prior Yr.	Act.	Bud	Prior Yr.
Deliveries	89	162	148	695	1,258	1,147
E/R Visits	4,154	3,804	4,125	25,279	25,775	27,158
Surgeries	197	312	366	1,549	2,158	2,529
GI Scopes	55	109	55	290	902	210
Calexico RHC	974	957	1,012	6,833	5,843	6,403
Pioneer Health	2,552	2,809	2,856	17,380	17,071	18,873



Gross Patient Revenues:

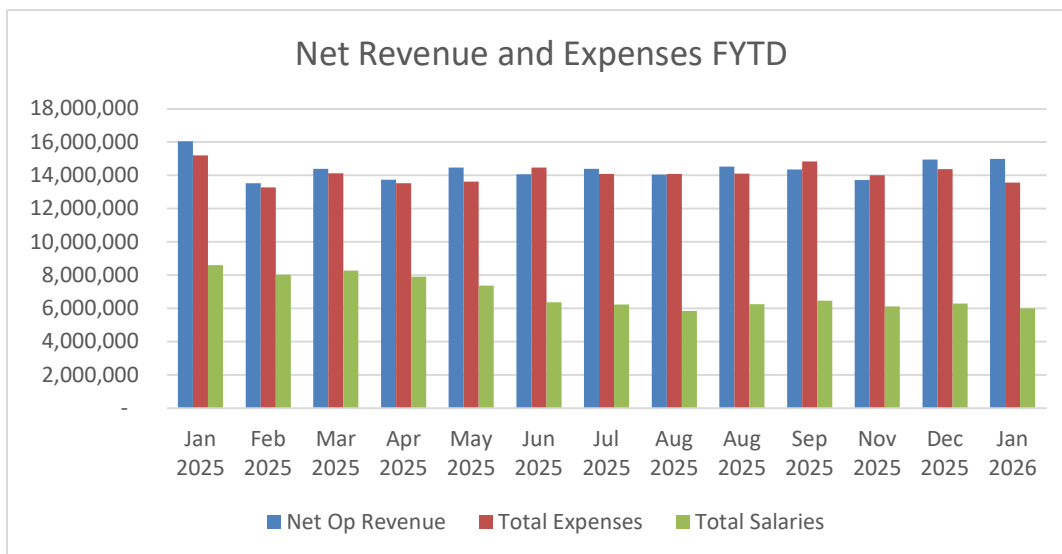
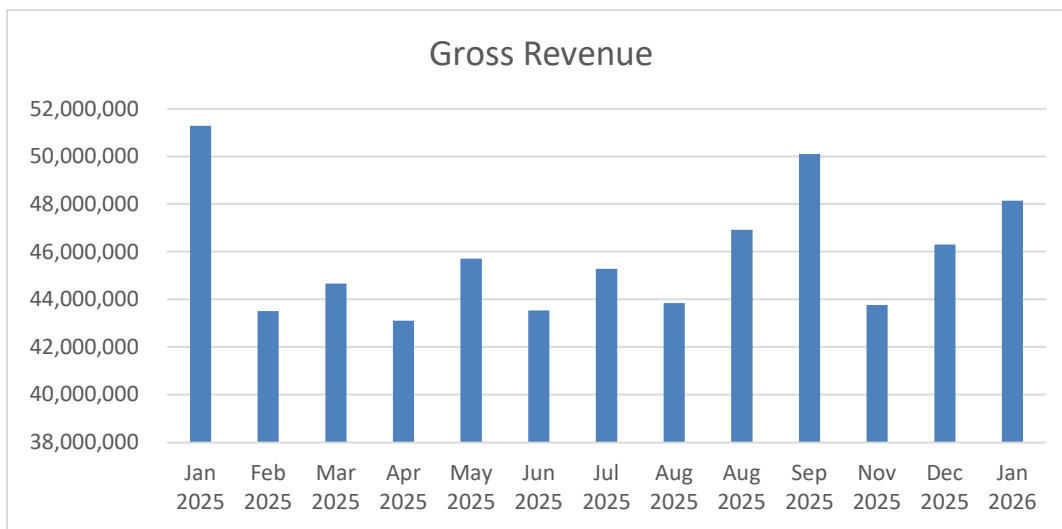
In January, gross revenues fell below budget by (\$3,145,561) or (6.1%) but exceeded the prior month's revenues by \$1,829,348 or 3.9%.

	Monthly Gross Revenue	Daily Gross Revenue
December	\$46,306,933	\$1,493,772
January	\$48,136,281	\$1,552,783

Operating Expenses:

In total, January operating expenses were under budget by \$2,137,407 or 13.6%. January’s daily expenses were \$437,653 per day, which is below January’s budgeted expenses at \$506,602 per day. Total staffing expenses and maintenance expenses for January were under budget by 14.7% and 21.6%, respectively. Total expenses for January fell below the prior month expenses by \$1,617,921 or 10.7%.

	Monthly Expenses	Daily Expenses
December	\$14,366,867	\$463,447
January	\$13,567,246	\$437,653

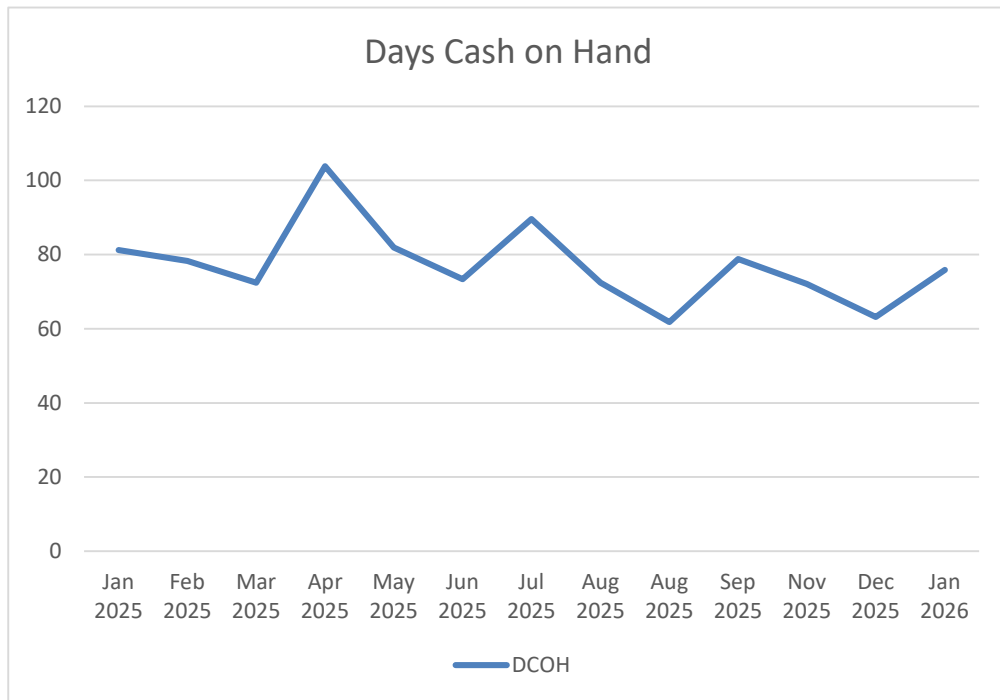


Bond Covenants:

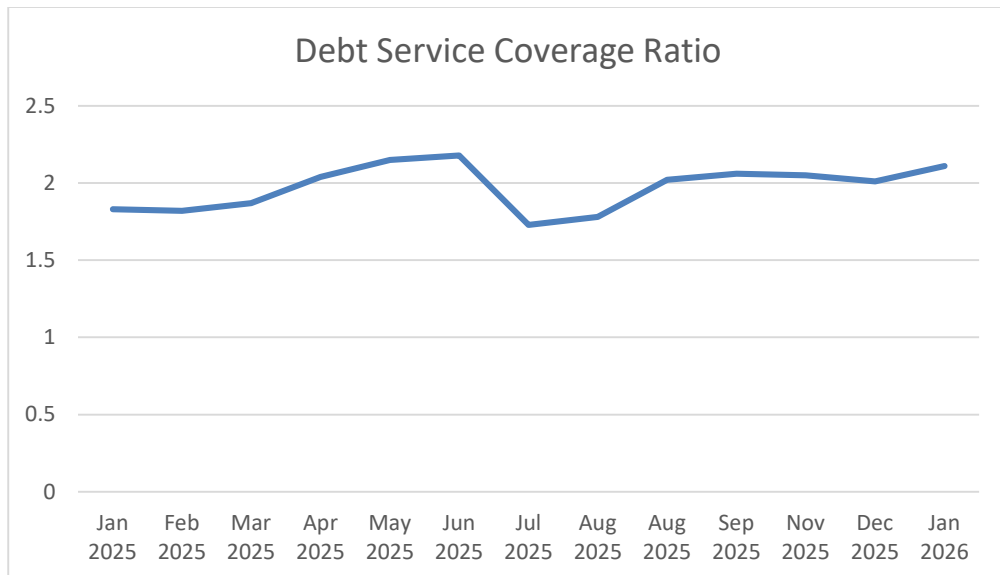
As part of the Series 2017 Bond issue, the District is required to maintain certain covenants or “promises” to maintain liquidity (days cash on hand of 50 days) and profitability (debt service coverage ratio of 1.20). A violation of either will allow the Bond Trustee (U.S. Bank) authorization to take certain steps to protect the interest of the individual Bond Holders.

The District’s days cash on hand decreased from the prior month with the following results:

end of December 2025: 63.2 days cash on hand
end of January 2026: 75.9 days cash on hand

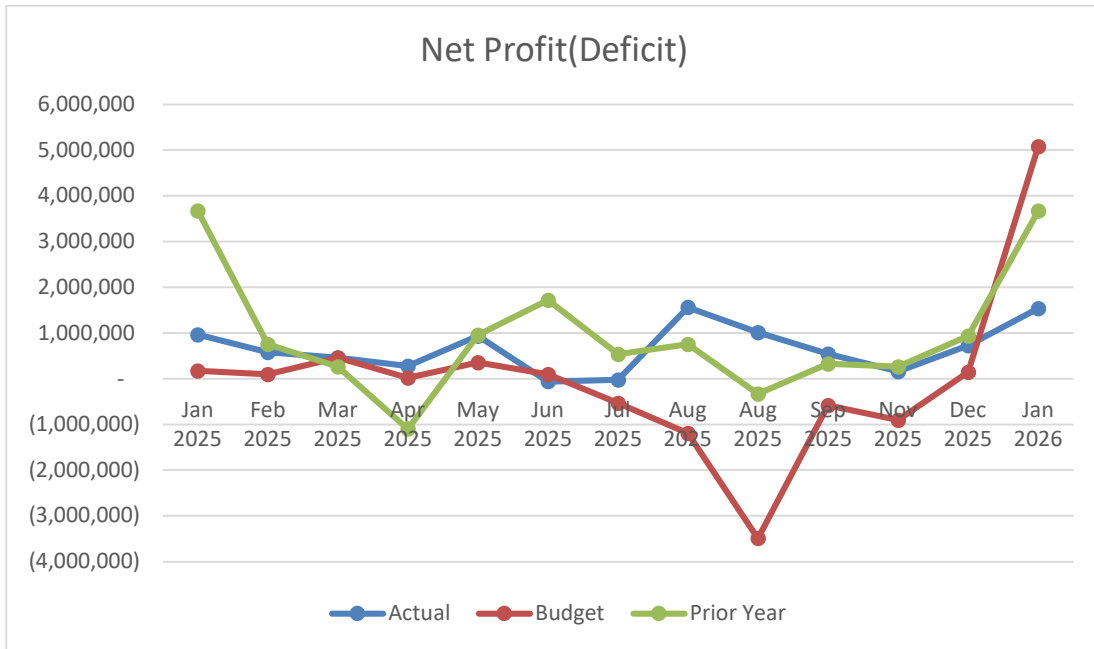


The debt service coverage ratio for December 2025 was 2.01 while the debt service coverage ratio for January 2026 was 2.11.



Net Excess/(Deficit):

Fiscal year-to-date, District operations have resulted in a profit of \$5,528,852 against a budgeted profit of \$1,271,246, which is ahead of the prior year-to-date profit of \$3,449,513.



END OF REPORT

**IMPERIAL VALLEY HEALTHCARE DISTRICT
STATEMENT OF REVENUE AND EXPENSE**

FOR THE PERIOD ENDING JANUARY 31, 2026

LAST MONTH ACTUAL DECEMBER	LAST YEAR ACTUAL JANUARY	THIS MONTH ACTUAL JANUARY	THIS MONTH BUDGET JANUARY	% VAR		FYTD ACTUAL JANUARY	FYTD BUDGET JANUARY	% VAR	FYTD PRIOR YEAR JANUARY	% VAR
4,616	3,577	5,099	4,324	17.92%	ADJ PATIENT DAYS	30,466	27,231	11.88%	23,401	30.19%
1,766	1,676	1,849	2,026	-8.74%	INPATIENT DAYS	11,315	11,753	-3.73%	10,100	12.03%
591	591	544	611	-10.97%	IP ADMISSIONS	3,713	3,860	-3.81%	3,624	2.46%
57	54	60	65	-8.74%	IP AVERAGE DAILY CENSUS	53	55	-3.73%	47	12.03%
					GROSS PATIENT REVENUES					
17,717,202	24,026,450	17,454,567	24,026,451	-27.35%	INPATIENT REVENUE	120,251,945	137,208,354	-12.36%	137,208,353	-12.36%
2,046,747	4,623,907	2,014,155	4,623,907	-56.44%	DAILY HOSPITAL SERVICES	13,495,624	29,883,563	-54.84%	29,883,563	-54.84%
15,670,455	19,402,543	15,440,412	19,402,543	-20.42%	INPATIENT ANCILLARY	106,756,321	107,324,791	-0.53%	107,324,790	-0.53%
28,589,731	27,255,392	30,681,714	27,255,392	12.57%	OUTPATIENT REVENUE	203,526,247	180,699,623	12.63%	180,699,623	12.63%
46,306,933	51,281,842	48,136,281	51,281,842	-6.13%	TOTAL PATIENT REVENUES	323,778,192	317,907,977	1.85%	317,907,976	1.85%
					REVENUE DEDUCTIONS					
10,865,907	13,186,192	11,459,208	12,779,537	10.33%	MEDICARE CONTRACTUAL	83,364,126	89,456,760	6.81%	74,660,704	-11.66%
13,155,413	18,178,743	14,173,721	13,214,896	-7.26%	MEDICAL CONTRACTUAL	98,424,636	92,504,275	-6.40%	97,223,973	-1.23%
-1,558,849	-1,374,159	-1,559,145	-1,518,546	-2.67%	SUPPLEMENTAL PAYMENTS	-12,123,748	-10,629,825	-14.05%	-9,585,520	-26.48%
0	0	0	0	100.00%	PRIOR YEAR RECOVERIES	-243,579	0	100.00%	-1,925,640	
9,044,769	4,827,640	8,483,492	5,408,650	-56.85%	OTHER DEDUCTIONS	48,193,469	37,860,550	-27.29%	52,580,193	8.34%
0	25,780	0	0	0.00%	CHARITY WRITE OFFS	1,775,956	0	#DIV/0!	281,965	-529.85%
500,000	749,234	939,836	1,365,442	31.17%	BAD DEBT PROVISION	5,556,360	9,558,094	41.87%	6,748,743	17.67%
-4,167	-4,167	-4,167	-4,167	0.00%	INDIGENT CARE WRITE OFFS	-25,002	-29,169	14.29%	-29,169	-14.29%
32,003,073	35,589,263	33,492,946	31,245,812	-7.19%	TOTAL REVENUE DEDUCTIONS	224,922,217	218,720,683	-2.84%	219,955,249	-2.26%
14,303,860	15,692,579	14,643,335	20,036,030	-26.91%	NET PATIENT REVENUES	98,855,975	99,187,294	-0.33%	97,952,727	-0.92%
69.1%	69.4%	69.6%	60.9%			69.5%	68.8%	69.2%		
0	0	32,748	4,167		OTHER OPERATING REVENUE					
642,090	343,185	311,078	461,008	-32.52%	GRANT REVENUES	32,748	29,167		0	#DIV/0!
642,090	343,185	343,826	465,175	-26.09%	OTHER	3,383,676	3,227,055	4.85%	3,250,799	4.09%
14,945,950	16,035,764	14,987,161	20,501,205	-26.90%	TOTAL OTHER REVENUE	3,416,424	3,256,222	4.92%	3,250,799	5.09%
					TOTAL OPERATING REVENUE	102,272,399	102,443,516	-0.17%	101,203,526	1.06%
					OPERATING EXPENSES					
6,289,771	6,670,775	6,000,604	7,027,037	14.61%	SALARIES AND WAGES	43,526,472	47,018,118	7.43%	44,838,215	2.93%
1,727,228	1,747,884	1,494,165	1,819,122	17.86%	BENEFITS	10,682,804	11,971,421	10.76%	11,494,958	7.07%
184,189	181,032	205,392	182,892	-12.30%	REGISTRY & CONTRACT	1,220,244	1,402,437	12.99%	1,311,411	6.95%
8,201,188	8,599,691	7,700,161	9,029,052	14.72%	TOTAL STAFFING EXPENSE	55,429,519	60,391,977	8.22%	57,644,584	3.84%
1,713,260	1,352,522	1,665,655	1,379,381	-20.75%	PROFESSIONAL FEES	11,193,353	9,525,597	-17.51%	9,336,000	-19.89%
1,620,743	1,960,507	1,452,740	2,023,688	28.21%	SUPPLIES	11,325,931	12,262,329	7.64%	11,918,340	4.97%
675,807	724,696	644,794	737,739	12.60%	PURCHASED SERVICES	4,754,230	4,533,937	-4.86%	4,415,653	-7.67%
674,653	820,025	655,292	835,678	21.59%	REPAIR & MAINTENANCE	4,402,465	4,825,982	8.78%	4,714,709	6.62%
309,555	399,610	371,466	291,528	-27.42%	DEPRECIATION & AMORT	2,228,810	2,089,348	-6.67%	2,131,622	-4.56%
223,636	222,108	207,264	237,968	12.90%	INSURANCE	1,855,532	1,745,130	-6.33%	1,634,116	-13.55%
0	266,507	253,111	266,507	5.03%	HOSPITALIST PROGRAM	1,467,295	1,650,379	11.09%	1,405,061	-4.43%
948,025	839,501	616,764	903,111	31.71%	OTHER	6,362,872	6,207,418	-2.50%	5,792,039	-9.86%
14,366,867	15,185,167	13,567,246	15,704,653	13.61%	TOTAL OPERATING EXPENSES	99,020,007	103,232,096	4.08%	98,992,124	-0.03%
579,083	850,597	1,419,914	4,796,552	70.40%	TOTAL OPERATING MARGIN	3,252,391	-788,580	-512.44%	2,211,402	-47.07%
					NON OPER REVENUE(EXPENSE)					
77,861	-6,426	53,158	121,307	-56.18%	OTHER NON-OP REV (EXP)	-267,403	849,148	-131.49%	728,902	-136.69%
0	0	0	0	0.00%	FEMA FUNDS	2,078,448	0	100.00%	0	0.00%
117,632	172,729	117,632	225,987	-47.95%	DISTRICT TAX REVENUES	823,424	1,581,909	-47.95%	878,521	-6.27%
-51,144	-51,350	-51,144	-53,033	3.56%	INTEREST EXPENSE	-358,008	-371,231	3.56%	-369,312	3.06%
144,349	114,953	119,646	294,260	-59.34%	TOTAL NON-OP REV (EXPENSE)	2,276,461	2,059,826	10.52%	1,238,111	83.87%
723,432	965,550	1,539,560	5,090,813	69.76%	NET EXCESS / (DEFICIT)	5,528,852	1,271,246	-334.92%	3,449,513	-60.28%
1,195.88	1,116.10	1,290.19	1,422.51	9.30%	TOTAL PAID FTE'S (Inc Reg & Cont.)	1,148.90	1,371.87	16.25%	1,280.81	10.30%
1,017.82	948.70	1,098.47	1,125.61	2.41%	TOTAL WORKED FTE'S	1,010.27	1,088.54	7.19%	1,033.09	2.21%
18.77	16.29	19.23	18.52	-3.84%	TOTAL CONTRACT FTE'S	17.88	20.47	12.69%	20.42	12.46%

IMPERIAL VALLEY HEALTHCARE DISTRICT

STATEMENT OF REVENUE AND EXPENSE - 12 Month Trend

	1	2	3	4	5	6	7	8	9	10	11	12	YTD
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Jan-26
ADJ PATIENT DAYS	2,876	3,264	2,707	3,686	3,714	4,647	4,044	4,407	3,843	3,835	4,616	5,099	46,364
INPATIENT DAYS	1,275	1,350	1,110	1,542	1,632	1,684	1,458	1,651	1,435	1,472	1,766	1,849	18,224
IP ADMISSIONS	488	511	462	551	538	555	500	518	486	519	591	544	6,263
IP AVERAGE DAILY CENSUS	46	44	46	50	54	54	47	55	48	49	57	60	609
GROSS PATIENT REVENUES													
INPATIENT REVENUE	19,289,412	18,471,097	17,673,179	19,122,305	19,132,498	16,407,174	15,807,716	17,579,003	18,708,455	16,577,828	17,717,202	17,454,567	213,940,436
DAILY HOSPITAL SERVICES	3,923,533	4,460,991	4,502,920	4,627,358	4,467,121	1,774,557	1,896,971	1,848,468	1,986,576	1,928,149	2,046,747	2,014,155	35,477,546
INPATIENT ANCILLARY	15,365,879	14,010,106	13,170,259	14,494,947	14,665,377	14,632,616	13,910,745	15,730,535	16,721,879	14,649,679	15,670,455	15,440,412	178,462,890
OUTPATIENT ANCILLARY	24,218,568	26,191,988	25,433,294	26,581,622	24,402,953	28,872,822	28,033,507	29,339,945	31,397,710	26,610,818	28,589,731	30,681,714	330,354,673
TOTAL PATIENT REVENUES	43,507,980	44,663,085	43,106,473	45,703,927	43,535,451	45,279,996	43,841,223	46,918,948	50,106,165	43,188,646	46,306,933	48,136,281	544,295,109
REVENUE DEDUCTIONS													
MEDICARE CONTRACTUAL	11,368,853	11,713,712	10,228,981	10,173,409	10,067,042	10,914,920	9,513,796	13,253,122	12,400,237	12,107,072	10,865,907	11,459,208	134,066,259
MEDICAL CONTRACTUAL	12,813,377	12,785,203	13,643,163	13,219,010	13,232,031	13,887,933	12,434,283	13,701,424	15,868,842	14,854,153	13,155,413	14,173,721	163,768,553
SUPPLEMENTAL PAYMENTS	-1,378,326	-1,184,154	-1,378,326	-1,453,003	-1,378,326	-1,322,496	8,526,807	-1,574,256	-1,573,242	-3,053,795	-1,558,849	-1,559,145	-8,887,111
PRIOR YEAR RECOVERIES	-15,505	-88,856	-467,741	0	0	0	994,668	0	-243,579	0	0	0	178,987
OTHER DEDUCTIONS	6,597,941	6,978,258	6,797,466	8,500,637	6,238,570	6,876,265	-4,235	5,605,549	7,821,997	4,893,665	9,044,769	8,483,492	77,834,374
CHARITY WRITE OFFS	7,162	0	8,600	188,266	1,012,366	2,926	159,173	1,375,831	390,992	0	0	0	3,145,316
BAD DEBT PROVISION	950,000	600,000	920,000	920,000	882,258	872,185	-1,396,479	38,784	1,106,077	1,006,077	500,000	939,836	7,338,738
INDIGENT CARE WRITE OFFS	0	0	0	0	0	0	0	-4,167	-4,167	-4,167	-4,167	-4,167	-20,835
TOTAL REVENUE DEDUCTIONS	30,343,502	30,804,163	29,752,143	31,548,319	30,053,941	31,231,733	30,228,014	32,396,287	35,767,157	29,803,005	32,003,073	33,492,945	377,424,282
NET PATIENT REVENUES	13,164,478	13,858,922	13,354,330	14,155,608	13,481,510	14,048,263	13,613,209	14,522,661	14,339,008	13,385,641	14,303,860	14,643,336	166,870,827
	69.74%	68.97%	69.02%	69.03%	69.03%	68.97%	68.95%	69.05%	71.38%	69.01%	69.11%	69.58%	69.34%
OTHER OPERATING REVENUE													
GRANT REVENUES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	362,386	535,886	372,539	311,185	571,500	339,253	424,312	457,484	887,444	322,016	642,090	343,826	5,569,921
TOTAL OTHER REVENUE	362,386	535,886	372,539	311,185	571,500	339,253	424,312	457,484	887,444	322,016	642,090	343,826	5,569,921
TOTAL OPERATING REVENUE	13,526,864	14,394,808	13,726,869	14,466,793	14,053,010	14,387,516	14,037,521	14,980,145	15,226,452	13,707,657	14,945,950	14,987,162	172,440,748
OPERATING EXPENSES													
SALARIES AND WAGES	6,039,904	6,268,879	6,237,213	6,278,514	6,359,473	6,223,056	6,189,444	6,240,870	6,463,090	6,119,637	6,289,771	6,000,604	74,710,455
BENEFITS	1,691,888	1,816,690	1,462,931	844,172	1,474,386	1,346,466	1,436,464	1,241,463	1,598,931	1,838,087	1,727,228	1,494,165	17,972,871
REGISTRY & CONTRACT	291,516	180,983	210,277	233,655	120,425	191,671	114,483	157,463	183,055	183,990	184,189	205,392	2,257,100
TOTAL STAFFING EXPENSE	8,023,308	8,266,552	7,910,421	7,356,341	7,954,285	7,761,193	7,740,391	7,639,796	8,245,076	8,141,714	8,201,188	7,700,161	94,940,426
PROFESSIONAL FEES	1,142,132	1,463,172	1,490,185	1,435,269	2,217,574	1,562,084	1,733,156	1,691,793	1,474,067	1,353,338	1,713,260	1,665,655	18,941,685
SUPPLIES	1,545,327	1,454,101	1,405,314	1,678,334	1,501,610	1,711,274	1,555,753	1,562,601	1,893,608	1,529,212	1,620,743	1,452,740	17,910,617
PURCHASED SERVICES	618,846	684,894	459,333	667,131	548,591	601,430	680,238	693,069	730,849	728,043	675,807	644,794	7,733,025
REPAIR & MAINTENANCE	266,691	723,397	662,344	733,946	591,319	713,336	617,305	666,485	471,500	603,894	674,653	655,292	7,380,162
PHYSICIAN GUARANTEES	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION & AMORT	282,356	282,356	331,604	305,281	299,579	309,556	309,566	309,556	309,556	309,555	309,555	371,466	3,729,986
INSURANCE	239,646	204,757	224,447	222,120	40,139	246,647	286,130	292,266	273,371	326,217	223,636	207,264	2,786,640
HOSPITALIST PROGRAM	167,004	249,017	244,297	207,916	292,881	295,732	244,175	253,042	256,382	164,853	0	253,111	2,628,410
OTHER	977,589	786,002	784,904	1,008,868	1,021,103	879,760	908,378	989,919	1,170,707	849,319	948,025	616,764	10,941,338
TOTAL OPERATING EXPENSES	13,262,899	14,114,248	13,512,849	13,615,206	14,467,081	14,081,012	14,075,092	14,098,527	14,825,116	14,006,145	14,366,867	13,567,247	167,992,289
TOTAL OPERATING MARGIN	263,965	280,560	214,020	851,587	-414,071	306,504	-37,571	881,618	401,336	-298,488	579,083	1,419,915	4,448,458
NON OPER REVENUE(EXPENSE)													
OTHER NON-OPS REVENUE	245,308	114,595	344	16,003	286,161	-1,109,043	171,783	68,041	79,378	391,419	77,861	53,158	395,008
FEMA FUNDS	0	0	0	0	0	715,753	0	0	0	0	0	0	715,753
DISTRICT TAX REVENUES	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	117,632	1,411,584
INTEREST EXPENSE	-51,299	-51,247	-51,196	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-51,144	-614,038
CARES HHS/ FEMA RELIEF FUNDING	0	0	0	0	0	0	1,362,695	0	0	0	0	0	1,362,695
TOTAL NON-OPS REVENUE(EXPENSE)	311,641	180,980	66,780	82,491	352,649	-326,802	1,600,966	134,529	145,866	457,907	144,349	119,646	3,271,002
NET EXCESS / (DEFICIT)	575,606	461,540	280,800	934,078	-61,422	-20,298	1,563,395	1,016,147	547,202	159,419	723,432	1,539,561	7,719,460
TOTAL PAID FTE'S (Inc Reg & Cont.)	1,172.24	1,106.21	964.28	1,011.14	1,129.64	1,191.95	1,276.95	954.26	1,017.98	1,107.43	1,195.88	1,290.19	1,118.18
TOTAL WORKED FTE'S	1,051.28	981.75	837.21	915.77	991.52	1,049.86	1,137.05	853.38	922.31	987.18	1,017.82	1,098.47	986.97
TOTAL CONTRACT FTE'S	24.10	20.84	21.15	21.06	15.28	19.86	14.68	16.53	17.51	18.53	18.77	19.23	18.96
PAID FTE'S - HOSPITAL	1,008.51	914.42	803.19	860.70	1,024.79	1,089.84	1,124.91	850.19	913.90	999.88	1,085.17	1,290.19	997.14
WKD FTE'S - HOSPITAL	910.21	798.47	697.31	785.41	900.06	960.18	1,003.78	762.67	831.61	896.47	933.80	1,098.47	881.54

Imperial Valley Healthcare District - Financial Indicators Report
(Based on Prior 12 Months Activities)
For The 12 Months Ending: January 31, 2026
excludes: GO bonds tax revenue, int exp and debt.

1. Debt Service Coverage Ratio

This ratio compares the total funds available to service debt compared to the debt plus interest due in a given year.

Formula:
$$\frac{\text{Cash Flow} + \text{Interest Expense}}{\text{Principal Payments Due} + \text{Interest}}$$

$$\text{DSCR} = \frac{\$12,063,471}{\$5,722,849} = \mathbf{2.11}$$

Recommendation: To maintain a debt service coverage of at least 1.20% x aggregate debt service per the 2017 Revenue Bonds covenant.

2. Days Cash on Hand Ratio

This ratio measures the number of days of average cash expenses that the hospital maintains in cash and marketable investments. (Note: The proformas ratios include long-term investments in this calculation:)

Formula:
$$\frac{\text{Cash} + \text{Marketable Securities}}{\text{Operating Expenses, Less Depreciation}} \times 365 \text{ Days}$$

$$\text{DCOHR} = \frac{\$34,147,198}{\$164,262,314} \times 365 = \mathbf{75.9}$$

Recommendation: To maintain a days cash on hand ratio of at least 50 days per the 2017 Revenue Bonds covenant.

3. Long-Term Debt to Capitalization Ratio

This ratio compares long-term debt to the Hospital's long-term debt plus fund balances.

Formula:
$$\frac{\text{Long-term Debt}}{\text{Long-term Debt} + \text{Fund Balance (Total Capital)}}$$

$$\text{L.T.D.-C.R.} = \frac{\$104,394,000}{\$182,706,671} = \mathbf{57.1}$$

Recommendation: To maintain a long-term debt to capitalization ratio not to exceed 60.0%.

7 Months 1/31/2026

	Current Month 1/31/2026	Year-To-Date 7 Month 1/31/2026
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	1,539,560	5,528,853
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	\$371,466	\$2,228,812
(Increase)/Decrease in Net Patient Accounts Receivable	(\$3,983,738)	(\$7,489,531)
(Increase)/Decrease in Other Receivables	\$6,355,277	\$3,034,480
(Increase)/Decrease in Inventories	(\$108,299)	(\$526,068)
(Increase)/Decrease in Pre-Paid Expenses	(\$250,819)	\$298,780
(Increase)/Decrease in Other Current Assets	\$0	\$3,233,154
Increase/(Decrease) in Accounts Payable	\$2,069,095	\$65,717
Increase/(Decrease) in Notes and Loans Payable	\$119,281	(\$3,153,736)
Increase/(Decrease) in Accrued Payroll and Benefits	(\$29,614)	(\$582,763)
Increase/(Decrease) in Accrued Expenses	\$0	\$0
Increase/(Decrease) in Patient Refunds Payable	\$0	\$0
Increase/(Decrease) in Third Party Advances/Liabilities	\$0	\$0
Increase/(Decrease) in Other Current Liabilities	\$53,129	(\$63,799)
Net Cash Provided by Operating Activities:	6,135,338	\$2,573,898
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(\$604,730)	(\$6,169,558)
(Increase)/Decrease in Limited Use Cash and Investments	(\$10,364)	\$18,954
(Increase)/Decrease in Other Limited Use Assets	\$0	(\$324,183)
(Increase)/Decrease in Other Assets	\$0	\$0
Net Cash Used by Investing Activities	(\$615,094)	(\$6,474,787)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bond/Mortgage Debt	(\$1,985)	(\$13,897)
Increase/(Decrease) in Capital Lease Debt	\$0	\$0
Increase/(Decrease) in Other Long Term Liabilities	(\$76,700)	\$1,647,996
Net Cash Used for Financing Activities	(\$78,685)	\$1,634,099
(INCREASE)/DECREASE IN RESTRICTED ASSETS	\$0	\$0
Net Increase/(Decrease) in Cash	\$5,441,559	(\$2,266,790)
Cash, Beginning of Period	\$28,705,639	\$36,413,989
Cash, End of Period	\$34,147,198	\$34,147,198



Key Operating Indicators January 2026

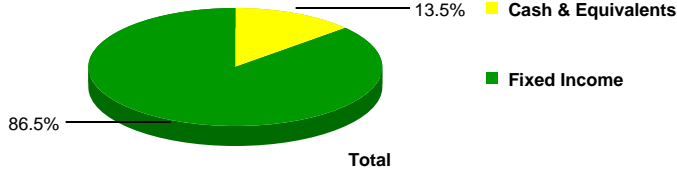
	Month			YTD		
	ACTUAL	BUDGET	PRIOR YR	ACTUAL	BUDGET	PRIOR YR
Volumes						
Admits	544	611	585	3,713	3,860	3,624
ICU	94	165	165	715	838	838
Med/Surgical	1,281	1,253	1,253	7,289	7,013	7,013
Newborn ICU	85	132	132	688	800	800
Pediatrics	76	93	93	428	412	412
Obstetrics	313	383	383	2,195	2,690	2,690
Total Patient Days	1,849	2,026	2,026	11,315	11,753	11,753
Adjusted Patient Days	5,099	4,324	4,324	30,466	27,238	27,231
Average Daily Census	60	65	65	53	55	55
Average Length of Stay	2.09	3.32	3.13	1.19	3.04	2.79
Deliveries	89	162	148	695	1,258	1,147
E/R Visits	4,154	3,804	4,125	25,279	25,775	27,158
Surgeries	197	312	366	1,549	2,158	2,529
Wound Care	280	167	293	1,962	1,019	2,057
Pioneers Health Center	2,552	2,809	2,856	17,380	17,071	18,873
Calexico Visits	974	957	1,012	6,833	5,843	6,403
Pioneers Children	754	905	878	4,782	5,918	5,211
Outpatients (non-ER/Clinics)	6,933	7,941	7,471	44,651	49,753	47,363
Surgical Health	58	62	50	410	458	374
Urology	234	386	337	1,782	2,448	2,420
WHAP	321	425	427	2,382	2,893	3,052
C-WHAP	362	581	425	3,649	3,842	2,371
CDLD	199	95	118	1,059	339	382
Skilled Nursing	2,113	2,435	2,315	15,181	17,044	15,474
FTE's						
Worked	1,098.47	1,125.61	993.61	1,010.27	1,088.54	1,033.09
Paid	1,290.19	1,422.51	1,189.57	1,148.90	1,371.87	1,280.81
Contract FTE's	19.23	18.52	17.57	17.88	20.47	20.42
FTE's APD (Worked)	6.68	8.07	7.12	7.13	8.59	8.16
FTE's APD (Paid)	7.84	10.20	8.53	8.11	10.83	10.11
Net Income						
Operating Revenues	14,987,161	20,501,205	16,035,764	\$102,272,399	\$102,422,682	\$101,203,529
Operating Margin	1,419,914	796,552	850,594	\$3,252,391	-\$4,809,413	\$2,211,412
Operating Margin %	9.5%	3.9%	5.3%	3.2%	-4.7%	2.2%
Total Margin	1,539,560	5,090,813	965,550	\$5,528,852	\$1,250,413	\$3,449,517
Total Margin %	10.3%	24.8%	6.0%	5.4%	1.2%	3.4%

Exhibit A - January 2026

Key Volume Stats -Trend Analysis

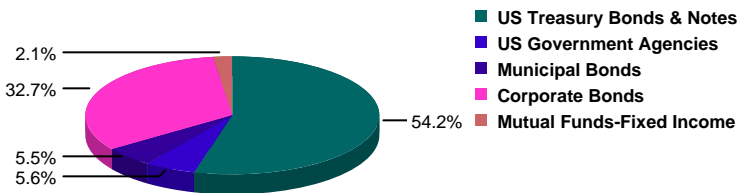
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD
Deliveries														
Actual	95	104	97	99	90	121	89	0	0	0	0	0	695	695
Budget	162	181	195	171	187	200	162	156	178	177	177	177	2,123	1,258
Prior FY 2025	152	167	184	159	167	170	148	169	178	266	141	110	2,201	1,147
E/R Visits														
Actual	3,297	3,346	3,710	3,318	3,605	3,849	4,154	0	0	0	0	0	25,279	25,279
Budget	3,509	3,338	3,463	3,408	3,629	4,624	3,804	3,442	3,794	3,668	3,668	3,668	44,015	25,775
Prior FY 2025	3,728	3,498	3,597	3,590	3,817	4,803	4,125	3,654	4,055	3,839	3,678	3,285	43,064	27,158
Surgeries														
Total Actual	261	258	236	222	189	186	197	0	0	0	0	0	1,549	1,549
Total Budget	335	309	275	295	301	331	312	219	275	295	295	295	3,537	2,158
Prior FY 2025	312	403	369	452	323	304	366	251	299	277	287	233	3,510	2,529
Caalexico														
Actual	1,124	961	1,002	914	900	958	974	0	0	0	0	0	6,833	6,833
Budget	722	760	831	906	776	891	957	944	1,074	873	873	873	10,480	5,843
Prior FY 2025	621	675	829	915	1,119	1,232	1,012	948	1,074	1,174	923	1,034	11,556	6,403
Pioneers Health Center														
Actual	2,654	2,539	2,630	2,251	2,269	2,485	2,552	0	0	0	0	0	17,380	17,380
Budget	2,186	2,396	2,320	2,678	2,377	2,305	2,809	2,483	2,594	2,461	2,461	2,461	29,531	17,071
Prior FY 2025	1,937	2,115	2,308	2,688	3,473	3,496	2,856	2,580	2,744	2,655	2,599	2,584	32,035	18,873
Pioneers Children														
Actual	660	734	766	622	573	673	754	0	0	0	0	0	4,782	4,782
Budget	723	799	846	906	858	881	905	798	839	839	839	839	10,072	5,918
Prior FY 2025	358	376	765	841	1,009	984	878	734	845	728	749	659	8,926	5,211
Outpatients														
Actual	6,548	6,085	6,669	5,825	5,974	6,617	6,933	0	0	0	0	0	44,651	44,651
Budget	7,094	6,949	7,889	7,775	5,951	6,154	7,941	7,663	6,516	7,104	7,104	7,104	85,244	49,753
Prior FY 2025	6,314	6,270	6,378	6,780	6,531	7,619	7,471	6,911	6,961	6,966	6,484	6,092	80,777	47,363
Wound Care														
Actual	297	281	272	323	237	272	280	0	0	0	0	0	1,962	1,962
Budget	197	160	118	122	119	136	167	112	104	137	137	137	1,646	1,019
Prior FY 2025	270	327	332	326	251	258	293	304	287	292	242	270	3,452	2,057
WHAP														
Actual	378	373	383	324	276	327	321	0	0	0	0	0	2,382	2,382
Budget	378	513	392	415	391	379	425	320	336	394	394	394	4,731	2,893
Prior FY 2025	330	443	388	414	688	362	427	325	342	367	375	369	4,830	3,052
C-WHAP														
Actual	738	657	651	424	403	414	362	0	0	0	0	0	3,649	3,649
Budget	465	457	588	610	558	583	581	379	445	518	518	518	6,220	3,842
Prior FY 2025	131	95	365	403	552	400	425	441	432	419	599	588	4,850	2,371

Asset Allocation Summary



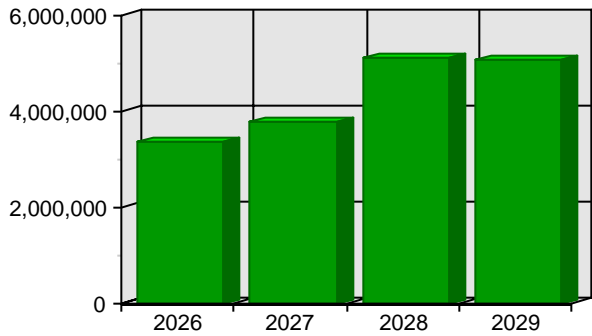
	Market Value	Unrealized Gain/Loss	Annual Income
Cash & Equivalents	\$ 2,771,861.69	\$ 0	\$ 98,454
Fixed Income	\$ 17,772,510.54	\$ 266,795	\$ 550,060
Total	\$ 20,544,372.23	\$ 266,795	\$ 648,515

Bond Sector Summary



	Market Value	Unrealized Gain/Loss	Annual Income
US Treasury Bonds & Notes	\$ 9,625,624.35	\$ 118,658	\$ 259,950
US Government Agencies	\$ 999,910.00	\$ 21,570	\$ 5,500
Municipal Bonds	\$ 970,232.25	\$ 8,442	\$ 44,455
Corporate Bonds	\$ 5,803,543.94	\$ 115,749	\$ 222,488
Mutual Funds-Fixed Income	\$ 373,200.00	\$ 2,375	\$ 17,667
Total	\$ 17,772,510.54	\$ 266,795	\$ 550,060

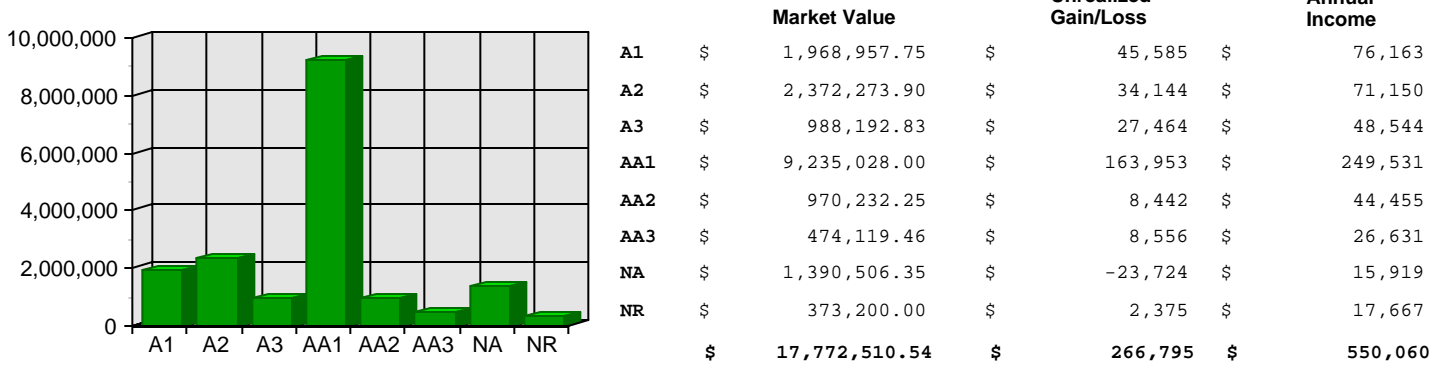
Bond Maturity Summary



	Market Value	Unrealized Gain/Loss	Annual Income
2026	\$ 3,379,402.70	\$ 12,385	\$ 42,019
2027	\$ 3,794,795.15	\$ 36,037	\$ 96,841
2028	\$ 5,136,601.33	\$ 129,275	\$ 180,479
2029	\$ 5,088,511.36	\$ 86,722	\$ 213,055
Total	\$ 17,399,310.54	\$ 264,420	\$ 532,393

IMA FOR IMPERIAL VALLEY HC DIST

Bond Rating Summary



IMA FOR IMPERIAL VALLEY HC DIST

February 11, 2026

Description	% Bond	Quantity	Price	Market Value	Unrealized Gain/Loss	Annual Income	Yield to Maturity	Quality Rating
US Treasury Bonds & Notes								
UNITED STATES TREASURY NOTES 0.625% 03/31/27	8.4%	1,500,000.000	\$96.86	1,452,960.00	1,415	9,375	3.47%	AA1
UNITED STATES TREASURY NOTES 1.125% 08/31/28	8.1%	1,500,000.000	\$94.28	1,414,140.00	55,523	16,875	3.50%	AA1
UNITED STATES TREASURY NOTES 1.125% 10/31/26	8.0%	1,415,000.000	\$98.27	1,390,506.35	-23,724	15,919	3.58%	NA
UNITED STATES TREASURY NOTES 3.750% 12/31/28	10.1%	1,750,000.000	\$100.66	1,761,620.00	30,313	65,625	3.51%	AA1
UNITED STATES TREASURY NOTES 3.875% 09/30/29	4.4%	750,000.000	\$100.98	757,357.50	14,909	29,062	3.59%	AA1
UNITED STATES TREASURY NOTES 4.250% 02/28/29	8.2%	1,400,000.000	\$102.08	1,429,078.00	39,849	59,500	3.54%	AA1
UNITED STATES TREASURY NOTES 4.625% 04/30/29	8.2%	1,375,000.000	\$103.27	1,419,962.50	374	63,594	3.55%	AA1
Total US Treasury Bonds & Notes	55.3%			9,625,624.35	118,658	259,950		
US Government Agencies								
FHLB BD 0.550% DUE 02/12/26	5.7%	1,000,000.000	\$99.99	999,910.00	21,570	5,500	2.16%	AA1
Total US Government Agencies	5.7%			999,910.00	21,570	5,500		
Municipal Bonds								
SAN FRANCISCO CALIF CITY & CNTY 4.655% DUE 10/01/27 DTD 07/31/24 PUB UTILS COMMN WASTEWATER REV TAXABLE BDS 2024A GREEN BOND CA	5.6%	955,000.000	\$101.59	970,232.25	8,442	44,455	3.59%	AA2
Total Municipal Bonds	5.6%			970,232.25	8,442	44,455		
Corporate Bonds								
BANK OF AMERICA CORP 3.248% DUE 10/21/27 DTD 10/21/16	2.8%	496,000.000	\$99.28	492,404.00	12,841	16,110	3.69%	A1
BANK OF NY MELLON CORP 5.802% DUE 10/25/28 DTD 10/25/22	2.7%	459,000.000	\$103.29	474,119.46	8,556	26,631	4.49%	AA3
CATERPILLAR FINL SVCS CORP 1.700% DUE 01/08/27 DTD 01/10/22 MEDIUM TERM N	2.9%	507,000.000	\$98.27	498,228.90	7,215	8,619	3.65%	A2
HOME DEPOT INC 4.875% DUE 06/25/27 DTD 06/17/24	2.2%	375,000.000	\$101.59	380,970.00	6,124	18,281	3.67%	A2
JOHN DEERE CAPITAL CORP 4.500% DUE 01/16/29 DTD 01/08/24	2.9%	500,000.000	\$102.01	510,055.00	14,631	22,500	3.77%	A1
JPMORGAN CHASE & CO 4.851% DUE 07/25/28 DTD 07/25/22	2.7%	468,000.000	\$101.31	474,107.40	9,678	22,703	4.29%	A1
PFIZER INVESTMENT ENTER 4.450% DUE 05/19/28 DTD 05/19/23	2.9%	500,000.000	\$101.38	506,900.00	12,274	22,250	3.81%	A2
PNC FINL SVCS GROUP INC 5.354% DUE 12/02/28 DTD 11/29/22	2.9%	493,000.000	\$102.58	505,714.47	12,931	26,395	4.37%	A3
THE CHARLES SCHWAB CORPORATION 3.250% DUE 05/22/29 DTD 05/22/19	2.8%	500,000.000	\$97.92	489,580.00	2,428	16,250	3.93%	A2
UNITEDHEALTH GROUP INC 1.150% DUE 05/15/26 DTD 05/19/21	2.9%	500,000.000	\$99.32	496,595.00	6,105	5,750	3.79%	A2
US BANCORP 4.653% DUE 02/01/29 DTD 02/01/23	2.8%	476,000.000	\$101.36	482,478.36	14,532	22,148	4.16%	A3
WELLS FARGO & COMPANY 3.000% DUE 10/23/26 DTD 10/19/16	2.8%	495,000.000	\$99.47	492,391.35	8,435	14,850	3.76%	A1
Total Corporate Bonds	33.4%			5,803,543.94	115,749	222,488		
Total Bond Diversification				17,399,310.54	264,420	532,393		

Bonds Maturing within: 15 Years

Description	Quantity	Price	Market Value	Unrealized Gain/Loss	Annual Income	Yield to Maturity
Maturing in 2026						
FHLB BD 0.550% DUE 02/12/26	1,000,000.000	\$99.99	999,910.00	21,570	5,500	2.16%
UNITED STATES TREASURY NOTES 1.125% 10/31/26	1,415,000.000	\$98.27	1,390,506.35	-23,724	15,919	3.58%
UNITEDHEALTH GROUP INC 1.150% DUE 05/15/26 DTD 05/19/21	500,000.000	\$99.32	496,595.00	6,105	5,750	3.79%
WELLS FARGO & COMPANY 3.000% DUE 10/23/26 DTD 10/19/16	495,000.000	\$99.47	492,391.35	8,435	14,850	3.76%
Total Maturing in 2026			3,379,402.70	12,385	42,019	
Maturing in 2027						
BANK OF AMERICA CORP 3.248% DUE 10/21/27 DTD 10/21/16	496,000.000	\$99.28	492,404.00	12,841	16,110	3.69%
CATERPILLAR FINL SVCS CORP 1.700% DUE 01/08/27 DTD 01/10/22 MEDIUM TERM N	507,000.000	\$98.27	498,228.90	7,215	8,619	3.65%
HOME DEPOT INC 4.875% DUE 06/25/27 DTD 06/17/24	375,000.000	\$101.59	380,970.00	6,124	18,281	3.67%
SAN FRANCISCO CALIF CITY & CNTY 4.655% DUE 10/01/27 DTD 07/31/24 PUB UTILS COMMN WASTEWATER REV TAXABLE BDS 2024A GREEN BOND CA	955,000.000	\$101.59	970,232.25	8,442	44,455	3.59%
UNITED STATES TREASURY NOTES 0.625% 03/31/27	1,500,000.000	\$96.86	1,452,960.00	1,415	9,375	3.47%
Total Maturing in 2027			3,794,795.15	36,037	96,841	
Maturing in 2028						
BANK OF NY MELLON CORP 5.802% DUE 10/25/28 DTD 10/25/22	459,000.000	\$103.29	474,119.46	8,556	26,631	4.49%
JPMORGAN CHASE & CO 4.851% DUE 07/25/28 DTD 07/25/22	468,000.000	\$101.31	474,107.40	9,678	22,703	4.29%
PFIZER INVESTMENT ENTER 4.450% DUE 05/19/28 DTD 05/19/23	500,000.000	\$101.38	506,900.00	12,274	22,250	3.81%
PNC FINL SVCS GROUP INC 5.354% DUE 12/02/28 DTD 11/29/22	493,000.000	\$102.58	505,714.47	12,931	26,395	4.37%
UNITED STATES TREASURY NOTES 1.125% 08/31/28	1,500,000.000	\$94.28	1,414,140.00	55,523	16,875	3.50%
UNITED STATES TREASURY NOTES 3.750% 12/31/28	1,750,000.000	\$100.66	1,761,620.00	30,313	65,625	3.51%
Total Maturing in 2028			5,136,601.33	129,275	180,479	
Maturing in 2029						
JOHN DEERE CAPITAL CORP 4.500% DUE 01/16/29 DTD 01/08/24	500,000.000	\$102.01	510,055.00	14,631	22,500	3.77%
THE CHARLES SCHWAB CORPORATION 3.250% DUE 05/22/29 DTD 05/22/19	500,000.000	\$97.92	489,580.00	2,428	16,250	3.93%
UNITED STATES TREASURY NOTES 3.875% 09/30/29	750,000.000	\$100.98	757,357.50	14,909	29,062	3.59%
UNITED STATES TREASURY NOTES 4.250% 02/28/29	1,400,000.000	\$102.08	1,429,078.00	39,849	59,500	3.54%
UNITED STATES TREASURY NOTES 4.625% 04/30/29	1,375,000.000	\$103.27	1,419,962.50	374	63,594	3.55%
US BANCORP 4.653% DUE 02/01/29 DTD 02/01/23	476,000.000	\$101.36	482,478.36	14,532	22,148	4.16%
Total Maturing in 2029			5,088,511.36	86,722	213,055	
Total Bonds	17,414,000.000		17,399,310.54	264,420	532,393	

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2026)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper—Non-Pooled Funds ^F (under \$100,000,000 of investments)	397 days or less	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds ^I (min. \$100,000,000 of investments)	397 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper— Pooled Funds ^J	397 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^K	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^L	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^L	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^M	20% of the base value of the portfolio	None ^N	53601(j)
Medium-Term Notes ^O	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% ^P	Multiple ^{Q, R}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^S	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities ^T	5 years or less ^T	20%	"AA" rating category or its equivalent or better ^T	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^U	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^V	N/A	None	None	16340
Supranational Obligations ^W	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE	FYTD ACT-PRIOR VARIANCE
	FYTD ACTUAL DEC 2025		FYTD PRIOR YEAR DEC 2024			
ICU						
					\$'s	%
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	4,161,660		4,265,080		(103,420)	-2%
DEDUCTIONS FROM REVENUE	3,108,760		3,386,474			
NET PATIENT REVENUES	1,052,900		878,606		174,294	20%
OPERATING EXPENSES						
SALARIES	1,123,063		1,335,985		(212,921)	
BENEFITS	274,995		341,179		(66,184)	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	1,398,058		1,677,164		(279,105)	-17%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	32,600		0		32,600	
SUPPLIES	121,807		112,294		9,513	
PURCHASED SERVICES	0		0		-	
REPAIRS AND MAINTENANCE	7,456		7,252		203	
DEPRECIATION AND AMORTIZATION	0		0		-	
INSURANCE	0		0		-	
HOSPITALIST PROGRAM	0		0		-	
OTHER EXPENSE	(25,082)		20,850		(45,932)	
ALL NON-LABOR	136,781		140,397		(3,616)	-3%
TOTAL OPERATING EXPENSES	1,534,839		1,817,561		(282,722)	-16%
NET OPERATING MARGIN	(481,939)		(938,954)		457,015	-49%
Statistics	621		673			
Rev by Stat	6,702		6,337			
Exp by Stat	2,472		2,701			

Emergency Room	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	PRIOR YEAR	FYTD		
	DEC 2025	DEC 2024	DEC 2024			
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	50,018,494		50,868,218	(849,724)		-2%
DEDUCTIONS FROM REVENUE	42,565,738		43,746,667			
NET PATIENT REVENUES	7,452,756		7,121,550	(849,724)		-12%
OPERATING EXPENSES						
SALARIES	3,077,990		3,196,511	(118,521)		
BENEFITS	753,681		816,314	-		
REGISTRY & CONTRACT	88,012		0	88,012		
TOTAL STAFFING EXPENSE	3,919,684		4,012,826	(30,509)		-1%
CONTRACT LABOR	0		0	-		
PROFESSIONAL FEES	93,000		90,500	2,500		
SUPPLIES	566,823		451,612	115,211		
PURCHASED SERVICES	0		0	-		
REPAIRS AND MAINTENANCE	12,138		52,794	(40,655)		
DEPRECIATION AND AMORTIZATION	0		0	-		
INSURANCE	0		0	-		
HOSPITALIST PROGRAM	0		0	-		
OTHER EXPENSE	22,133		55,072	(32,939)		
ALL NON-LABOR	694,094		649,978	44,117		
TOTAL OPERATING EXPENSES	4,613,778		4,662,803	13,608		0%
NET OPERATING MARGIN	2,838,978		2,458,747	(863,332)		-35%
Statistics	21,125		23,033			
Rev by Stat	2,368		2,208			
Exp by Stat	218		202			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE	FYTD ACT-PRIOR VARIANCE
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Pediatrics						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	896,363		792,077		104,286	13%
DEDUCTIONS FROM REVENUE						
DEDUCTIONS FROM REVENUE	575,465		522,771			
NET PATIENT REVENUES						
NET PATIENT REVENUES	320,898		269,306		51,592	19%
OPERATING EXPENSES						
SALARIES	426,585		401,363		25,222	
BENEFITS	104,454		102,499		1,955	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	531,039		503,862		27,178	5%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	0		0		-	
SUPPLIES	21,754		18,268		3,486	
PURCHASED SERVICES	0		0		-	
REPAIRS AND MAINTENANCE	0		0		-	
DEPRECIATION AND AMORTIZATION	0		0		-	
INSURANCE	0		0		-	
HOSPITALIST PROGRAM	0		0		-	
OTHER EXPENSE	257		0		257	
ALL NON-LABOR	22,011		18,268		3,743	20%
TOTAL OPERATING EXPENSES	553,050		522,130		30,921	6%
NET OPERATING MARGIN	(232,152)		(252,823)		20,671	-8%
Statistics	352		319			
Rev by Stat	2,546		2,483			
Exp by Stat	1,571		1,637			

	FY2026		FY2025		FYTD	FYTD	ACT-PRIOR	VARIANCE	ACT-PRIOR	VARIANCE		
	FYTD	ACTUAL	PRIOR YEAR	DEC 2024							\$'s	%
		DEC 2025										
Womens Services												
LDRP, GYN, NICU												
GROSS PATIENT REVENUES												
GROSS PATIENT REVENUE	18,292,075		17,454,632		837,443				5%			
DEDUCTIONS FROM REVENUE	12,603,240		12,026,241									
NET PATIENT REVENUES	5,688,835		5,428,391		260,445				5%			
OPERATING EXPENSES												
SALARIES	4,405,728		4,515,880		(110,152)							
BENEFITS	1,078,793		1,153,251		0							
REGISTRY & CONTRACT	351,140		722,644		(371,504)							
TOTAL STAFFING EXPENSE	5,835,661		6,391,775		(556,114)				-9%			
CONTRACT LABOR	0		0		0							
PROFESSIONAL FEES	652,675		419,000		233,675							
SUPPLIES	579,000		617,534		(38,534)							
PURCHASED SERVICES	198,128		124,425		73,703							
REPAIRS AND MAINTENANCE	34,409		32,453		1,956							
DEPRECIATION AND AMORTIZATION	0		0		0							
INSURANCE	0		0		0							
HOSPITALIST PROGRAM	0		0		0							
OTHER EXPENSE	57,509		16,753		40,756							
ALL NON-LABOR	1,521,721		1,210,165		311,557				26%			
TOTAL OPERATING EXPENSES	7,357,382		7,601,940		(244,557)				-3%			
NET OPERATING MARGIN	(1,668,547)		(2,173,549)		505,002				-23%			
Statistics	1,209		1,667									
Rev by Stat	15,130		10,471									
Exp by Stat	6,086		4,560									

	FY2026		FY2025		FYTD	FYTD	FYTD
	ACTUAL	PRIOR YEAR	ACT-PRIOR	ACT-PRIOR	VARIANCE	VARIANCE	
	DEC 2025	DEC 2024	VARIANCE	VARIANCE	\$'s	%	
Womens Services							
LDRP, GYN without NICU							
GROSS PATIENT REVENUES							
GROSS PATIENT REVENUE	16,750,038	15,743,408	1,006,630			6%	
DEDUCTIONS FROM REVENUE	11,473,776	10,815,721					
NET PATIENT REVENUES	5,276,262	4,927,687	348,575			7%	
OPERATING EXPENSES							
SALARIES	3,444,461	3,636,275	(110,152)				
BENEFITS	843,416	928,620	0				
REGISTRY & CONTRACT	285,545	616,368	(371,504)				
TOTAL STAFFING EXPENSE	4,573,422	5,181,263	(607,841)			-12%	
CONTRACT LABOR	0	0	0				
PROFESSIONAL FEES	652,675	419,000	233,675				
SUPPLIES	497,070	561,491	(38534)				
PURCHASED SERVICES	198,128	124,425	73,703				
REPAIRS AND MAINTENANCE	27,967	22,997	1956				
DEPRECIATION AND AMORTIZATION	0	0	0				
INSURANCE	0	0	0				
HOSPITALIST PROGRAM	0	0	0				
OTHER EXPENSE	33,907	4,686	40,756				
ALL NON-LABOR	1,409,748	1,132,599	277,149			24%	
TOTAL OPERATING EXPENSES	5,983,169	6,448,689	(465,519)			-7%	
NET OPERATING MARGIN	(706,907)	(1,521,002)	814,095			-54%	
Statistics	606	999					
Rev by Stat	27,640	15,759					
Exp by Stat	9,873	6,455					

	FY2026		FY2025		
	FYTD	ACTUAL	FYTD	PRIOR YEAR	FYTD
		DEC 2025		DEC 2024	ACT-PRIOR
					VARIANCE
					\$
					%
NICU					
NEO NATAL INTERMEDIATE					
GROSS PATIENT REVENUES					
DHS REVENUE		0		0	
I/P ANCILLARY REVENUE		1,529,532		1,711,224	(181,692)
O/P ANCILLARY REVENUE		12,505		0	12,505
GROSS PATIENT REVENUE		1,542,037		1,711,224	(169,187)
					-10%
DEDUCTIONS FROM REVENUE					
		1,147,276		1,218,391	
NET PATIENT REVENUES		394,761		492,833	(169,187)
					-34%
OPERATING EXPENSES					
SALARIES		961,267		879,606	81,661
BENEFITS		235,377		224,631	
REGISTRY & CONTRACT		65,595		106,275	(40,681)
TOTAL STAFFING EXPENSE		1,262,239		1,210,512	40,981
					3%
CONTRACT LABOR		0		0	
PROFESSIONAL FEES		0		0	
SUPPLIES		81,930		56,043	25,887
PURCHASED SERVICES		0		0	
REPAIRS AND MAINTENANCE		6,442		9,456	(3,014)
DEPRECIATION AND AMORTIZATION		0		0	
INSURANCE		0		0	
HOSPITALIST PROGRAM		0		0	
OTHER EXPENSE		23,602		12,067	11,535
ALL NON-LABOR		111,974		77,566	34,408
					44%
TOTAL OPERATING EXPENSES		1,374,213		1,288,078	75,388
					6%
NET OPERATING MARGIN		(979,451)		(795,246)	(244,575)
					31%
Statistics		603		668	
Rev by Stat		2557.28		2561.71	
Exp by Stat		2278.96		1928.26	

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Respiratory Services						
EKG, ECHO, EEG, Cardio, Resp						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	8,639,465		7,637,428		1,002,037	13%
DEDUCTIONS FROM REVENUE	6,329,259		5,306,836			
NET PATIENT REVENUES	2,310,206		2,330,592		(20,386)	-1%
OPERATING EXPENSES						
SALARIES	733,127		688,192		44,936	
BENEFITS	179,515		175,748		3,766	
REGISTRY & CONTRACT	0		0		-	
TOTAL STAFFING EXPENSE	912,642		863,940		48,702	6%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	193,833		207,344		(13511)	
SUPPLIES	102,486		144,902		(42416)	
PURCHASED SERVICES	25,186		26,977		(1791)	
REPAIRS AND MAINTENANCE	27,257		27,236		21	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	3,831		10,727		(6896)	
ALL NON-LABOR	352,593		417,186		(64,593)	-15%
TOTAL OPERATING EXPENSES	1,265,235		1,281,126		(15,891)	-1%
NET OPERATING MARGIN	1,044,971		1,049,466		(4,495)	0%
Statistics	11,438		21,906			
Rev by Stat	755		349			
Exp by Stat	111		58			

	FY2026		FY2025		FYTD ACT- PRIOR VARIANCE	FYTD ACT- PRIOR VARIANCE
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Surgery						
GROSS PATIENT REVENUES						
DHS REVENUE	0		0		0	
I/P ANCILLARY REVENUE	3,694,363		6,371,336		(2,676,973)	
O/P ANCILLARY REVENUE	7,602,279		8,281,878		(679,600)	
GROSS PATIENT REVENUE	11,296,642		14,653,214		(3,356,572)	-23%
DEDUCTIONS FROM REVENUE	8,525,484		11,135,803			
NET PATIENT REVENUES	2,771,158		3,517,411		(746,253)	-21%
OPERATING EXPENSES						
SALARIES	1,347,022		1,209,111		137,910	
BENEFITS	329,834		308,779		21,055	
REGISTRY & CONTRACT	0		0		-	
TOTAL STAFFING EXPENSE	1,676,855		1,517,890		158,965	10%
CONTRACT LABOR	0		0		-	
PROFESSIONAL FEES	584,600		654,925		(70,325)	
SUPPLIES	1,633,035		1,641,115		(8,080)	
PURCHASED SERVICES	55		49,500		(49,445)	
REPAIRS AND MAINTENANCE	211,314		149,035		62,279	
DEPRECIATION AND AMORTIZATION	0		0		-	
INSURANCE	0		0		-	
HOSPITALIST PROGRAM	0		0		-	
OTHER EXPENSE	314,673		174,218		140,454	
ALL NON-LABOR	2,743,676		2,668,792		74,884	3%
TOTAL OPERATING EXPENSES	4,420,531		4,186,683		233,848	6%
NET OPERATING MARGIN	(1,649,373)		(669,272)		(980,101)	146%
Statistics	1,352		2,163			
Rev by Stat	8,356		6,774			
Exp by Stat	3,270		1,936			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	PRIOR YEAR	FYTD		
	DEC 2025	DEC 2024	DEC 2024			
Recovery						
GROSS PATIENT REVENUES						
DHS REVENUE	0	0	0	0	0	
I/P ANCILLARY REVENUE	858,327	1,564,568	1,564,568	(706,241)		
O/P ANCILLARY REVENUE	2,531,942	3,461,183	3,461,183	(929,241)		
GROSS PATIENT REVENUE	3,390,269	5,025,751	5,025,751	(1,635,482)		-33%
DEDUCTIONS FROM REVENUE	2,559,610	3,823,696	3,823,696			
NET PATIENT REVENUES	830,659	1,202,055	1,202,055	(371,396)		-31%
OPERATING EXPENSES						
SALARIES	1,072,432	1,127,155	1,127,155	(54,723)		
BENEFITS	262,597	287,849	287,849	(25,252)		
REGISTRY & CONTRACT	0	0	0	-		
TOTAL STAFFING EXPENSE	1,335,030	1,415,004	1,415,004	(79,974)		-6%
CONTRACT LABOR	0	0	0	0		
PROFESSIONAL FEES	0	0	0	-		
SUPPLIES	15,898	19,190	19,190	(3,292)		
PURCHASED SERVICES	0	0	0	0		
REPAIRS AND MAINTENANCE	0	0	0	0		
DEPRECIATION AND AMORTIZATION	0	0	0	0		
INSURANCE	0	0	0	0		
HOSPITALIST PROGRAM	0	0	0	0		
OTHER EXPENSE	256	256	256	256		
ALL NON-LABOR	16,154	19,190	19,190	(3,036)		-16%
TOTAL OPERATING EXPENSES	1,351,184	1,434,195	1,434,195	(83,011)		-6%
NET OPERATING MARGIN	(520,525)	(232,140)	(232,140)	(288,385)		124%

	FY2026		FY2025		FYTD ACT-PRIO	FYTD ACT-PRIO	FYTD ACT-PRIO	FYTD ACT-PRIO		
	FYTD	ACTUAL	PRIOR YEAR	DEC 2024					VARIANCE	VARIANCE
	DEC 2025	DEC 2025	DEC 2024	DEC 2024					\$'s	%
Anesthesia										
GROSS PATIENT REVENUES										
DHS REVENUE	0	0	0	0	0	0	0			
I/P ANCILLARY REVENUE	1,729,300	1,729,300	1,673,373	1,673,373	55927	55927	0			
O/P ANCILLARY REVENUE	1,942,877	1,942,877	2,156,478	2,156,478	(213601)	(213601)				
GROSS PATIENT REVENUE	3,672,177	3,672,177	3,829,851	3,829,851	(157,674)	(157,674)	-4%			
DEDUCTIONS FROM REVENUE	2,769,249	2,769,249	2,910,463	2,910,463						
NET PATIENT REVENUES	902,928	902,928	919,388	919,388	(16,460)	(16,460)	-2%			
OPERATING EXPENSES										
SALARIES	20,645	20,645	12,634	12,634	8,011	8,011				
BENEFITS	5,055	5,055	3,226	3,226	1,829	1,829				
REGISTRY & CONTRACT	0	0	0	0	-	-				
TOTAL STAFFING EXPENSE	25,700	25,700	15,860	15,860	9,839	9,839	62%			
CONTRACT LABOR	0	0	0	0	0	0				
PROFESSIONAL FEES	1,654,282	1,654,282	1,605,584	1,605,584	48698	48698				
SUPPLIES	80,215	80,215	83,158	83,158	(2942)	(2942)				
PURCHASED SERVICES	0	0	0	0	0	0				
REPAIRS AND MAINTENANCE	0	0	260	260	(260)	(260)				
DEPRECIATION AND AMORTIZATION	0	0	0	0	0	0				
INSURANCE	0	0	0	0	0	0				
HOSPITALIST PROGRAM	0	0	0	0	0	0				
OTHER EXPENSE	804	804	6,478	6,478	(5673)	(5673)				
ALL NON-LABOR	1,735,302	1,735,302	1,695,479	1,695,479	39,823	39,823	2%			
TOTAL OPERATING EXPENSES	1,761,002	1,761,002	1,711,340	1,711,340	49,662	49,662	3%			
NET OPERATING MARGIN	(858,073)	(858,073)	(791,951)	(791,951)	(66,122)	(66,122)	8%			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Vascular Access Center						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	88,662		95,685		(7,023)	-7%
DEDUCTIONS FROM REVENUE	0		0			
NET PATIENT REVENUES	88,662		95,685		(7,023)	-7%
OPERATING EXPENSES						
SALARIES	0		0		0	
BENEFITS	0		0		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	0		0		0	
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	190,207		176,902		13305	
SUPPLIES	78		0		78	
PURCHASED SERVICES	5,352		7,235		(1883)	
REPAIRS AND MAINTENANCE	0		0		0	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	33,315		31,195		2120	
ALL NON-LABOR	228,952		215,332		13,620	6%
TOTAL OPERATING EXPENSES	228,952		215,332		13,620	6%
NET OPERATING MARGIN	(140,290)		(119,647)		(20,642)	17%

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Diagnostic Services						
CT, IR, MRI, Nuc Med, Radiology, US						
GROSS PATIENT REVENUES						
DHS REVENUE	(636)		4,191		(4827)	
I/P ANCILLARY REVENUE	10,625,505		8,550,806		2074699	
O/P ANCILLARY REVENUE	56,351,917		50,626,890		5725027	
GROSS PATIENT REVENUE	66,976,786		59,181,887		7,794,899	13%
DEDUCTIONS FROM REVENUE	52,226,156		46,412,194			
NET PATIENT REVENUES	14,750,630		12,769,693		1,980,937	16%
OPERATING EXPENSES						
SALARIES	1,909,461		1,829,512		79,949	
BENEFITS	467,553		467,215		339	
REGISTRY & CONTRACT	106,386		35,711		70,675	
TOTAL STAFFING EXPENSE	2,483,400		2,332,437		150,962	6%
CONTRACT LABOR	0		0		-	
PROFESSIONAL FEES	854,905		1,155,577		(300,672)	
SUPPLIES	550,100		413,610		136,490	
PURCHASED SERVICES	7,183		1,212		5,971	
REPAIRS AND MAINTENANCE	571,448		506,326		65,122	
DEPRECIATION AND AMORTIZATION	0		0		-	
INSURANCE	0		0		-	
HOSPITALIST PROGRAM	0		0		-	
OTHER EXPENSE	41,850		97,557		(55,707)	
ALL NON-LABOR	2,025,485		2,174,282		(148,797)	-7%
TOTAL OPERATING EXPENSES	4,508,885		4,506,719		2,166	0%
NET OPERATING MARGIN	10,241,745		8,262,974		1,978,771	24%
Statistics	48,016		35,699			
Rev by Stat	1,395		1,658			
Exp by Stat	94		126			

	FY2026		FY2025		FYTD ACT-PRIO VARIANCE	FYTD ACT-PRIO VARIANCE	FYTD ACT-PRIO VARIANCE
	FYTD	ACTUAL	FYTD	PRIOR YEAR			
	DEC 2025	DEC 2024	DEC 2024	DEC 2024			
Laboratory Services							
GROSS PATIENT REVENUES							
GROSS PATIENT REVENUE	31,492,994		27,824,979		3,668,014		13%
DEDUCTIONS FROM REVENUE	24,848,452		22,388,244				
NET PATIENT REVENUES	6,644,542		5,436,735		1,207,807		22%
OPERATING EXPENSES							
SALARIES	1,525,317		1,526,105		(788)		
BENEFITS	373,491		389,732		(16,240)		
REGISTRY & CONTRACT	105,578		0		105,578		
TOTAL STAFFING EXPENSE	2,004,386		1,915,837		88,550		5%
CONTRACT LABOR	0		0		0		
PROFESSIONAL FEES	45,000		45,000		-		
SUPPLIES	1,669,919		1,572,942		96,977		
PURCHASED SERVICES	505,613		557,571		(51,958)		
REPAIRS AND MAINTENANCE	49,680		(7,194)		56,873		
DEPRECIATION AND AMORTIZATION	0		0		-		
INSURANCE	0		0		-		
HOSPITALIST PROGRAM	0		0		-		
OTHER EXPENSE	47,896		54,699		(6,802)		
ALL NON-LABOR	2,318,108		2,223,018		95,090		4%
TOTAL OPERATING EXPENSES	4,322,495		4,138,855		183,640		4%
NET OPERATING MARGIN	2,322,047		1,297,880		1,024,167		79%
Statistics	2,601		2,316				
Rev by Stat	12,108		12,014				
Exp by Stat	1,662		1,787				

	FY2026		FY2025				
	FYTD	FYTD	PRIOR YEAR	FYTD	FYTD	FYTD	FYTD
Therapy Services	ACTUAL	ACTUAL	DEC 2024	DEC 2024	ACT-PRIOR	ACT-PRIOR	ACT-PRIOR
	DEC 2025	DEC 2025	DEC 2024	DEC 2024	VARIANCE	VARIANCE	VARIANCE
					\$'s	\$'s	%
GROSS PATIENT REVENUES							
GROSS PATIENT REVENUE	1,515,167	1,515,167	1,466,712	1,466,712	48,454	48,454	3%
DEDUCTIONS FROM REVENUE	1,193,211	1,193,211	1,093,430	1,093,430			
NET PATIENT REVENUES	321,956	321,956	373,283	373,283	(51,327)	(51,327)	-14%
OPERATING EXPENSES							
SALARIES	422,816	422,816	451,980	451,980	(29,164)	(29,164)	
BENEFITS	103,531	103,531	115,425	115,425	(11,894)	(11,894)	
REGISTRY & CONTRACT	0	0	0	0	-	-	
TOTAL STAFFING EXPENSE	526,347	526,347	567,405	567,405	(41,058)	(41,058)	-7%
CONTRACT LABOR	0	0	0	0	0	0	
PROFESSIONAL FEES	0	0	0	0	0	0	
SUPPLIES	5,610	5,610	2,724	2,724	2,886	2,886	
PURCHASED SERVICES	0	0	0	0	-	-	
REPAIRS AND MAINTENANCE	0	0	0	0	-	-	
DEPRECIATION AND AMORTIZATION	0	0	0	0	-	-	
INSURANCE	0	0	0	0	-	-	
HOSPITALIST PROGRAM	0	0	0	0	-	-	
OTHER EXPENSE	47,501	47,501	46,040	46,040	1,461	1,461	
ALL NON-LABOR	53,111	53,111	48,764	48,764	4,348	4,348	
TOTAL OPERATING EXPENSES	579,458	579,458	616,169	616,169	(36,710)	(36,710)	-6%
NET OPERATING MARGIN	(257,503)	(257,503)	(242,886)	(242,886)	(14,616)	(14,616)	6%
Statistics	7,245	7,245	6,558	6,558			
Rev by Stat	209	209	224	224			
Exp by Stat	80	80	94	94			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	Dec 2024			
Pioneers Childrens Health Center PCHC						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	992,090		886,518		105,571	12%
DEDUCTIONS FROM REVENUE						
	220,244		60,283			
NET PATIENT REVENUES						
	771,846		826,235		(54,389)	-7%
OPERATING EXPENSES						
SALARIES	288,492		336,636			
BENEFITS	70,641		85,969		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	359,133		422,605		(63,473)	-15%
CONTRACT LABOR	0		0			
PROFESSIONAL FEES	273,315		248,581		24,734	
SUPPLIES	48,675		46,507		2,168	
PURCHASED SERVICES	6,371		2,086		4,285	
REPAIRS AND MAINTENANCE	0		4,014		(4,014)	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	105,112		105,953		(841)	
ALL NON-LABOR	433,472		407,139		26,333	6%
TOTAL OPERATING EXPENSES	792,605		829,745		(37,140)	-4%
NET OPERATING MARGIN	(20,759)		(3,510)		(17,250)	492%
Statistics	4,028		4,333			
Rev by Stat	246.30		204.60			
Exp by Stat	196.77		191.49			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2025	DEC 2024	DEC 2024		
Comprehensive Women's at Pioneers C-WHAP						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	2,478,079		1,598,729		879,350	55%
DEDUCTIONS FROM REVENUE	1,623,142		1,120,709			
NET PATIENT REVENUES	854,937		478,020		376,917	79%
OPERATING EXPENSES						
SALARIES	257,025		305,886		(48861)	
BENEFITS	62,935		78,116		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	319,960		384,002		(64,042)	-17%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	438,000		473,490		(35490)	
SUPPLIES	35,364		57,642		(22278)	
PURCHASED SERVICES	3,115		2,722		394	
REPAIRS AND MAINTENANCE	6,500		2,100		4400	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	88,742		91,279		(2536)	
ALL NON-LABOR	571,721		627,232		(55,511)	-9%
TOTAL OPERATING EXPENSES	891,681		1,011,234		(119,553)	-12%
NET OPERATING MARGIN	(36,744)		(533,214)		496,470	-93%
Statistics	3,287		1,946			
Rev by Stat	753.90		821.55			
Exp by Stat	271.28		519.65			

Callexico Health Center CHC	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	Dec 2024			
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	1,700,687		1,225,136		475,551	39%
DEDUCTIONS FROM REVENUE						
DEDUCTIONS FROM REVENUE	852,044		535,385			
NET PATIENT REVENUES						
NET PATIENT REVENUES	848,643		689,752		158,891	23%
OPERATING EXPENSES						
SALARIES	436,891		431,352		5,539	
BENEFITS	106,978		110,157		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	543,868		541,509		2,359	0%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	54,300		37,060		17,240	
SUPPLIES	12,743		7,192		5,552	
PURCHASED SERVICES	17,540		23,714		(6,173)	
REPAIRS AND MAINTENANCE	11,393		11,321		72	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	156,867		154,526		2,341	
ALL NON-LABOR	252,843		233,813		19,031	8%
TOTAL OPERATING EXPENSES	796,712		775,322		21,390	3%
NET OPERATING MARGIN	51,931		(85,570)		137,501	-161%
Statistics	5,859		5,391			
Rev by Stat	290.27		227.26			
Exp by Stat	135.98		143.82			

	FY2026		FY2025		FYTD ACT- PRIOR VARIANCE	FYTD ACT- PRIOR VARIANCE
	FYTD	ACTUAL	FYTD	PRIOR YEAR		
	DEC 2025	DEC 2024	DEC 2024	DEC 2024		
Pioneers Health Center PHC						
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	4,350,267		3,914,647		435,621	11%
DEDUCTIONS FROM REVENUE	2,349,144		1,663,725			
NET PATIENT REVENUES	2,001,123		2,250,922		(249,799)	-11%
OPERATING EXPENSES						
SALARIES	693,687		824,416		(130730)	
BENEFITS	169,857		210,537		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	863,544		1,034,953		(171,409)	-17%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	676,838		591,475		85363	
SUPPLIES	79,227		40,230		38997	
PURCHASED SERVICES	2,690		6,810		(4120)	
REPAIRS AND MAINTENANCE	12,754		11,438		1316	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	165,861		150,595		15267	
ALL NON-LABOR	937,370		800,547		136,823	17%
TOTAL OPERATING EXPENSES	1,800,914		1,835,500		(34,586)	-2%
NET OPERATING MARGIN	200,209		415,422		(215,213)	-52%
Statistics	14,828		16,017			
Rev by Stat	293.38		244.41			
Exp by Stat	121.45		114.60			

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE \$'s	FYTD ACT-PRIOR VARIANCE %
	FYTD ACTUAL DEC 2025		FYTD PRIOR YEAR DEC 2025			
Women's Health at Pioneers WHAP						
GROSS PATIENT REVENUES						
DHS REVENUE	(48,199)		591,348		(639,547)	
I/P ANCILLARY REVENUE	0		0		0	
O/P ANCILLARY REVENUE	569,261		2,581		566,680	
GROSS PATIENT REVENUE	521,062		593,929		(72,867)	-12%
DEDUCTIONS FROM REVENUE						
	160,487		178,773			
NET PATIENT REVENUES	360,575		415,157		(54,582)	-13%
OPERATING EXPENSES						
SALARIES	290,553		292,240		(1,686)	
BENEFITS	71,145		74,631		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	361,699		366,871		(5,172)	-1%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	19,787		45,891		(26,104)	
SUPPLIES	7,083		20,098		(13,014)	
PURCHASED SERVICES	0		1,356		(1,356)	
REPAIRS AND MAINTENANCE	299		3,781		(3,483)	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	52,736		61,290		(8,554)	
ALL NON-LABOR	79,905		132,415		(52,511)	-40%
TOTAL OPERATING EXPENSES	441,603		499,286		(57,683)	-12%
NET OPERATING MARGIN	(81,029)		(84,130)		3,101	-4%
Statistics	2,061		2,625			
Rev by Stat	252.82		226.26			
Exp by Stat	214.27		190.20			

Urology	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE	FYTD ACT-PRIOR VARIANCE	FYTD ACT-PRIOR VARIANCE
	FYTD	ACTUAL	FYTD	PRIOR YEAR			
	DEC 2025	DEC 2025	DEC 2024	DEC 2024			
GROSS PATIENT REVENUES							
GROSS PATIENT REVENUE	1,440,508		1,165,218		275,290		24%
DEDUCTIONS FROM REVENUE							
DEDUCTIONS FROM REVENUE	1,054,452		812,157				
NET PATIENT REVENUES							
NET PATIENT REVENUES	386,056		353,061		32,995		9%
OPERATING EXPENSES							
SALARIES	173,138		204,558		(31,421)		
BENEFITS	42,395		52,239		0		
REGISTRY & CONTRACT	0		0		0		
TOTAL STAFFING EXPENSE							
TOTAL STAFFING EXPENSE	215,532		256,798		(41,265)		-16%
CONTRACT LABOR							
CONTRACT LABOR	0		0		0		
PROFESSIONAL FEES							
PROFESSIONAL FEES	179,466		282,500		(103,034)		
SUPPLIES							
SUPPLIES	47,516		45,943		1,573		
PURCHASED SERVICES							
PURCHASED SERVICES	0		5,738		(5,738)		
REPAIRS AND MAINTENANCE							
REPAIRS AND MAINTENANCE	357		2,381		(2,024)		
DEPRECIATION AND AMORTIZATION							
DEPRECIATION AND AMORTIZATION	0		0		0		
INSURANCE							
INSURANCE	0		0		0		
HOSPITALIST PROGRAM							
HOSPITALIST PROGRAM	0		0		0		
OTHER EXPENSE							
OTHER EXPENSE	49,724		38,032		11,692		
ALL NON-LABOR							
ALL NON-LABOR	277,063		374,595		(97,532)		-26%
TOTAL OPERATING EXPENSES							
TOTAL OPERATING EXPENSES	492,595		631,393		(138,797)		-22%
NET OPERATING MARGIN							
NET OPERATING MARGIN	(106,539)		(278,332)		171,792		-62%
Statistics							
Statistics	1,548		2,083				
Rev by Stat							
Rev by Stat	930.56		559.39				
Exp by Stat							
Exp by Stat	318.21		303.12				

	FY2026		FY2025		FYTD ACT-PRIOR VARIANCE	FYTD ACT-PRIOR VARIANCE
	FYTD	ACTUAL	PRIOR YEAR	DEC 2024		
		DEC 2025				
Center for Digestive and Liver Disease CDLD/GI/Gastro					\$'s	%
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	642,199		63,644		578,555	909%
DEDUCTIONS FROM REVENUE	238,898		12,220			
NET PATIENT REVENUES	403,301		51,424		351,877	684%
OPERATING EXPENSES						
SALARIES	137,762		95,150		42612	
BENEFITS	33,733		24,299		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	171,495		119,449		52,046	44%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	296,561		273,600		22961	
SUPPLIES	2,417		8,113		(5696)	
PURCHASED SERVICES	(1,250)		3,341		(4591)	
REPAIRS AND MAINTENANCE	189		0		189	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	58,601		28,552		30049	
ALL NON-LABOR	356,518		313,607		42,912	14%
TOTAL OPERATING EXPENSES	528,013		433,056		94,957	22%
NET OPERATING MARGIN	(124,712)		(381,632)		256,919	-67%
Statistics	860		264			
Rev by Stat	746.74		241.08			
Exp by Stat	613.97		1640.36			

	FY2026		FY2025			
	FYTD	ACTUAL	FYTD	PRIOR YEAR	FYTD	FYTD
Wound Care		DEC 2025			ACT-PRIOR	ACT-PRIOR
					VARIANCE	VARIANCE
					\$'s	%
GROSS PATIENT REVENUES						
GROSS PATIENT REVENUE	1,813,434		1,873,441		(60,007)	-3%
DEDUCTIONS FROM REVENUE	1,331,061		1,356,372			
NET PATIENT REVENUES	482,373		517,070		(34,696)	-7%
OPERATING EXPENSES						
SALARIES	117,700		139,998		(22,298)	
BENEFITS	28,820		35,752		0	
REGISTRY & CONTRACT	0		0		0	
TOTAL STAFFING EXPENSE	146,520		175,751		(29,231)	-17%
CONTRACT LABOR	0		0		0	
PROFESSIONAL FEES	272,225		275,400		(3,175)	
SUPPLIES	38,603		30,102		8,501	
PURCHASED SERVICES	0		1,366		(1,366)	
REPAIRS AND MAINTENANCE	16,964		2,759		14,205	
DEPRECIATION AND AMORTIZATION	0		0		0	
INSURANCE	0		0		0	
HOSPITALIST PROGRAM	0		0		0	
OTHER EXPENSE	51,477		60,004		(8,527)	
ALL NON-LABOR	379,269		369,631		9,638	3%
TOTAL OPERATING EXPENSES	525,789		545,381		(19,592)	-4%
NET OPERATING MARGIN	(43,416)		(28,312)		(15,104)	53%
Statistics	1,682		852			
Rev by Stat	1078.14		2198.87			
Exp by Stat	312.60		640.12			

	FY2026		FY2025		FYTD	FYTD	FYTD
	FYTD	ACTUAL	PRIOR YEAR	FYTD	ACT-PRIOR	FYTD	FYTD
	DEC 2025	DEC 2024	DEC 2024		VARIANCE		VARIANCE
					\$'s		%
GROSS PATIENT REVENUES							
GROSS PATIENT REVENUE	12,287,138		12,790,834		(503,696)		-4%
DEDUCTIONS FROM REVENUE	4,177,741		4,542,210				
NET PATIENT REVENUES	8,109,397		8,248,624		(139,227)		-2%
OPERATING EXPENSES							
SALARIES	3,251,736		3,463,078		(211,342)		
BENEFITS	796,225		884,389		(88,165)		
REGISTRY & CONTRACT	0		63,521		(63,521)		
TOTAL STAFFING EXPENSE	4,047,961		4,410,988		(363,027)		-8%
CONTRACT LABOR	0		0		0		
PROFESSIONAL FEES	29,397		27,950		1447		
SUPPLIES	424,287		384,914		39373		
PURCHASED SERVICES	666,742		653,038		13704		
REPAIRS AND MAINTENANCE	37,941		27,734		10207		
DEPRECIATION AND AMORTIZATION	0		0		0		
INSURANCE	14,524		14,108		416		
HOSPITALIST PROGRAM	0		0		0		
OTHER EXPENSE	1,154,788		1,006,331		148457		
ALL NON-LABOR	2,327,680		2,114,075		213,605		10%
TOTAL OPERATING EXPENSES	6,375,641		6,525,063		(149,423)		-2%
NET OPERATING MARGIN	1,733,756		1,723,560		10,196		1%
Statistics	13,068		13,159				
Rev by Stat	940		972				
Exp by Stat	488		496				

**IMPERIAL VALLEY HEALTHCARE DISTRICT
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JANUARY 31, 2026**

	ECRMC FYTD ACTUAL JANUARY	PMH FYTD ACTUAL JANUARY	IVHD FYTD ACTUAL JANUARY	ECRMC FYTD BUDGET JANUARY	PMH FYTD BUDGET JANUARY	IVHD FYTD BUDGET JANUARY	% VAR	ECRMC FYTD PRIOR YEAR JANUARY	PMH FYTD PRIOR YEAR JANUARY	IVHD FYTD PRIOR YEAR JANUARY	% VAR
INPATIENT REVENUE	108,255,405	120,251,945	228,507,349	110,258,386	137,208,354	247,466,741	-7.66%	106,206,271	137,208,353	243,414,624	-6.12%
DAILY HOSPITAL SERVICES	0	13,495,624	13,495,624	0	29,883,563	29,883,563	-54.84%	0	29,883,563	29,883,563	-54.84%
INPATIENT ANCILLARY	0	106,756,321	106,756,321	0	107,324,791	107,324,791	-0.53%	0	107,324,790	107,324,790	-0.53%
OUTPATIENT REVENUE	298,492,970	203,526,247	502,019,217	357,542,349	180,699,623	538,241,972	-6.73%	290,452,473	180,699,624	471,152,097	6.55%
	406,748,374	323,778,192	730,526,566	467,800,735	317,907,977	785,708,713	-7.02%	396,658,744	317,907,977	714,566,721	2.23%
MEDICARE CONTRACTUAL	113,665,304	83,364,126	197,029,430	163,297,999	89,456,760	252,754,759	-22.05%	0	74,660,702	74,660,702	163.90%
MEDICAL CONTRACTUAL	13,463,759	98,424,636	111,888,394	16,913,819	92,504,275	109,418,094	2.26%	0	97,223,973	97,223,973	15.08%
SUPPLEMENTAL PAYMENTS	-12,756,906	-12,123,748	-24,880,654	-3,400,025	-10,629,825	-14,029,850	77.34%	-10,979,028	-9,585,520	-20,564,548	20.99%
PRIOR YEAR RECOVERIES	0	-243,579	-243,579	0	0	0	#DIV/0!	0	-1,925,640	-1,925,640	-87.35%
OTHER DEDUCTIONS	201,412,615	48,193,469	249,606,083	193,472,973	37,860,550	231,333,523	7.90%	322,088,502	52,580,193	374,668,695	-33.38%
CHARITY WRITE OFFS	217,913	1,775,956	1,993,869	138,979	0	138,979	1334.66%	975,191	281,965	1,257,156	58.60%
BAD DEBT PROVISION	4,452,846	5,556,360	10,009,206	3,985,634	9,558,094	13,543,728	-26.10%	3,950,057	6,748,743	10,698,800	-6.45%
INDIGENT CARE WRITE OFFS	-1,277	-25,002	-26,279	8,699	-29,169	-20,470	28.38%	0	-29,169	-29,169	-9.91%
	320,454,254	224,922,217	545,376,471	374,418,078	218,720,685	593,138,763	-8.05%	316,034,722	219,955,247	535,989,969	1.75%
	86,294,121	98,855,975	185,150,096	93,382,657	99,187,292	192,569,950	-3.85%	80,624,022	97,952,730	178,576,752	3.68%
	78.8%	69.5%		80.0%	68.8%			79.7%	69.2%		
GRANT REVENUES	0	32,748	32,748	0	29,169	29,169		0	0	0	
OTHER	2,375,007	3,383,676	5,758,682	2,985,638	3,227,055	6,212,693	-7.31%	2,755,703	3,250,799	6,006,502	-4.13%
	2,375,007	3,416,424	5,791,430	2,985,638	3,256,224	6,241,862	-7.22%	2,755,703	3,250,799	6,006,502	-3.58%
	88,669,127	102,272,399	190,941,526	96,368,295	102,443,516	198,811,811	-3.96%	83,379,725	101,203,529	184,583,254	3.44%
SALARIES AND WAGES	36,917,034	43,526,472	80,443,505	37,091,563	47,018,118	84,109,681	-4.36%	36,240,582	44,838,214	81,078,796	-0.78%
BENEFITS	10,511,681	10,682,804	21,194,484	0	11,971,421	11,971,421	77.04%	10,638,464	11,494,958	22,133,422	-4.24%
REGISTRY & CONTRACT	164,362	1,220,244	1,384,606	98,574	1,402,437	1,501,011	-7.76%	138,394	1,311,411	1,449,805	-4.50%
TOTAL STAFFING EXPENSE	47,593,077	55,429,519	103,022,596	37,190,137	60,391,977	97,582,114	5.58%	47,017,440	57,644,583	104,662,023	-1.57%
PROFESSIONAL FEES	9,770,198	11,193,353	20,963,551	10,934,282	9,525,597	20,459,880	2.46%	10,094,751	9,336,000	19,430,751	7.89%
SUPPLIES	18,432,044	11,325,931	29,757,975	17,592,323	12,262,329	29,854,652	-0.32%	18,179,476	11,918,339	30,097,815	-1.13%
PURCHASED SERVICES	1,377,521	4,754,230	6,131,752	1,120,461	4,533,937	5,654,398	8.44%	0	4,415,653	4,415,653	38.86%
REPAIR & MAINTENANCE	4,245,241	4,402,465	8,647,707	4,700,179	4,825,982	9,526,161	-9.22%	4,903,706	4,714,708	9,618,414	-10.09%
DEPRECIATION & AMORT	3,502,737	2,228,810	5,731,547	2,559,191	2,089,348	4,648,538	23.30%	4,268,791	2,131,621	6,400,412	-10.45%
INSURANCE	1,266,871	1,855,532	3,122,403	0	1,745,130	1,745,130	78.92%	1,367,886	1,634,116	3,002,002	4.01%
HOSPITALIST PROGRAM	0	1,467,295	1,467,295	0	1,650,379	1,650,379	-11.09%	0	1,405,060	1,405,060	4.43%
OTHER	6,735,967	6,362,872	13,098,839	7,074,241	6,207,418	13,281,659	-1.38%	6,996,287	5,792,039	12,788,326	2.43%
	92,923,657	99,020,007	191,943,664	81,170,815	103,232,096	184,402,911	4.09%	92,828,337	98,992,119	191,820,456	0.06%
	-4,254,530	3,252,391	-1,002,138	15,197,480	-788,580	14,408,901	-106.95%	-9,448,612	2,211,410	-7,237,202	-86.15%
OTHER NON-OP REV (EXP)	0	-267,403	-267,403	-17,277,901	849,148	-16,428,752	-98.37%	1,172,800	728,904	1,901,704	-114.06%
FEMA FUNDS	0	2,078,448	2,078,448	0	0	0	#DIV/0!	0	0	0	
DISTRICT TAX REVENUES	0	823,424	823,424	0	1,581,909	1,581,909	-47.95%	0	878,521	878,521	-6.27%
INTEREST EXPENSE	-3,587,445	-358,008	-3,945,453	0	-371,231	-371,231	962.80%	-4,155,359	-369,312	-4,524,671	-12.80%
	3,587,445	2,276,461	-1,310,984	17,277,901	2,059,826	-15,218,074	-91.39%	-2,982,559	1,238,113	-1,744,446	-24.85%
	-7,841,975	5,528,852	-2,313,123	-2,080,420	1,271,246	-809,174	185.86%	-12,431,171	3,449,512	-8,981,659	-74.25%

IMPERIAL VALLEY HEALTHCARE DISTRICT

BOARD MEETING DATE: February 26, 2026

SUBJECT:

Authorize the approval of the Engagement Letter and Professional Services Agreement between Baker Tilly US, LLP and IVHD for financial audit services for fiscal year ending June 30, 2026.

BACKGROUND:

IVHD has contracted with Baker Tilly US, LLP *formerly Moss Adams LLP* for many years for services including cost report preparation, financial audit and consulting services regarding appeals. Financial audit services include the release of the Annual report and presentation to Board of Directors upon completion of services.

KEY ISSUES: None

CONTRACT VALUE: \$145,000 plus fees and expenses
***\$225,000 plus fees and expenses if El Centro Regional Medical Center is included in audit for fiscal year ending June 30, 2026**

CONTRACT TERM: One Year Agreement (audit for FY ending 6/30/2026)

BUDGETED: Yes

BUDGET CLASSIFICATION: Purchased Services

RESPONSIBLE ADMINISTRATOR: Carly Loper, CFO

DATE SUBMITTED TO LEGAL: 2-18-26 **REVIEWED BY LEGAL:** Yes No

FIRST OR SECOND SUBMITTAL: 1st 2nd

RECOMMENDED ACTION:

Authorize the approval of the Engagement Letter and Professional Services Agreement between Baker Tilly US, LLP and IVHD, as outlined.



Baker Tilly US, LLP
2050 Main Street
Suite 700
Irvine, CA 92614
United States of America

T: +1 (949) 221 4000
F: +1 (949) 221 4001

bakertilly.com

February 17, 2026

Mrs. Katherine Burnworth, President of the Board of Directors
Mr. Christopher Bjornberg, Chief Executive Officer
Imperial Valley Healthcare District
601 Heber Avenue
Calexico, CA 92231

Re: Audit and Nonattest Services

Dear Mrs. Burnworth and Mr. Bjornberg:

Thank you for the opportunity to provide services to Imperial Valley Healthcare District. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference (collectively, the "Agreement"), confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Baker Tilly US, LLP ("Firm," "we," "us," and "our") will provide to Imperial Valley Healthcare District ("you," "your," and "District").

Scope of Services – Audit

You have requested that we audit the District's financial statements, which comprise the statement of net position as of June 30, 2026, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. We will also report on whether the Schedule of Federal Awards, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to District's RSI in accordance with auditing standards generally accepted in the United States of America. We will not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

The following RSI will be subjected to certain limited procedures, but will not be audited:

Management's discussion and analysis.

Scope of Services and Limitations – Nonattest

We will provide the District with the following nonattest services:

- Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2026 (excluding managements discussion and analysis).
- Assist you with the completion of the auditee portion of the Data Collection Form.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, District management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that Carly Loper, CFO, has been designated by the District to oversee the nonattest services and that in the opinion of the District is qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Timing

Aparna Venkateswaran is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin our audit in approximately June 2026, conduct fieldwork during August 2026, and issue our report no later than November 30, 2026. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.



Mrs. Katherine Burnworth, President of the Board of Directors
 Mr. Christopher Bjornberg, Chief Executive Officer
 Imperial Valley Healthcare District
 February 17, 2026
 Page 3 of 5

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.

Fees

We estimate that our fees for the services will be as follows:

	Amount*	Amount**
Audit of financial statements	\$130,000	\$130,000
Additional procedures related to assumption of El Centro Regional Medical Center including audit of operations from transaction date to June 30, 2026	80,000	-
Single audit related to FEMA funds	15,000	15,000
Total	\$225,000	\$145,000

*Assumes the assumption of El Centro Regional Medical Center during fiscal year 2026.

**Assumes Imperial Valley Healthcare District maintains operations from fiscal year 2025 and the assumption of El Centro Regional Medical Center does not close in fiscal year 2026.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses will be billed separately and are not included in the 5% charge.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the District's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. 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, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2026.



Mrs. Katherine Burnworth, President of the Board of Directors
Mr. Christopher Bjornberg, Chief Executive Officer
Imperial Valley Healthcare District
February 17, 2026
Page 4 of 5

At the conclusion of the engagement, we will complete the auditor section of the Data Collection Form and electronically sign the Data Collection Form that summarizes our findings. We will provide electronic copies of our reports to you; however, it is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan, as applicable) along with the Data Collection Form to the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period. At the conclusion of the engagement, we will make arrangements with management regarding Data Collection Form submission procedures.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,

Baker Tilly US, LLP

Baker Tilly US, LLP

Enclosures



Mrs. Katherine Burnworth, President of the Board of Directors
Mr. Christopher Bjornberg, Chief Executive Officer
Imperial Valley Healthcare District
February 17, 2026
Page 5 of 5

Accepted and Agreed:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Imperial Valley Healthcare District with respect to this engagement and the services to be provided by the Firm:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Client: #915188
v. 12/8/2025

PROFESSIONAL SERVICES AGREEMENT

Single Audit Version (Uniform Guidance)

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that the Firm will provide to the Company. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Objectives of the Audit

The objectives of our audit 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 auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

The objectives of our audit are also to obtain reasonable assurance about whether the Company has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program.

The objectives also include reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements contained in OMB Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The reports on internal control and compliance will each include a statement that the purpose of the report is solely to: describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance; describe the scope of testing internal control over compliance for major federal programs and major federal program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance; that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance and the OMB Uniform Guidance in considering internal control over compliance and major federal program compliance; and, accordingly, it is not suitable for any other purpose.

The objectives of our audit are also to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Auditor's Responsibility

We will conduct our audit in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the audit provisions of the OMB Uniform Guidance. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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 Company's internal control or to identify deficiencies in the design or operation of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time

In accordance with the OMB Uniform Guidance we also:

- Determine major program(s)
- Identify and assess the risks of material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion on compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program.
- Obtain an understanding of internal control over compliance that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program in order to design audit procedures that are appropriate in the circumstances. We will perform tests of controls to evaluate the effectiveness of the design and operation of such controls, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance or to identify deficiencies in the design or operation of internal control over compliance. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control over compliance that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program that we have identified during the audit.

The supplementary information will be subject to 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.

If our opinion on the financial statements or on compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and the audit provisions of the OMB Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the OMB Uniform Guidance. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements or noncompliance with the provisions of federal statutes, regulations, and the terms and condition of federal awards that do not have a direct and material effect on major federal programs. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws, federal statutes, regulations, contracts grant agreements and federal awards that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

We may assist management in the preparation of the Company's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of the Firm.

Procedures and Limitations—Internal Control

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with the provisions of laws, regulations, contract and grant agreements and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the OMB Uniform Guidance.

Procedures and Limitations—Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled "Objectives of the Audit." As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform tests of the Company's compliance with the provisions of laws, regulations, contracts, and grant agreements that may have a direct and material effect on the financial statements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Our procedures will consist of the applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major federal programs. The purpose of those procedures will be to express an opinion on the Company's compliance with requirements applicable to each of its major federal programs in our report on compliance issued pursuant to the OMB Uniform Guidance.

Management's Responsibility for Financial Statements, Internal Control, and Federal Award Compliance

As a condition of our engagement, management acknowledges and understands that 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. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, including the schedule of expenditures of federal awards, but management remains responsible for the financial statements and the schedule of expenditures of federal awards. Management also acknowledges and understands that management is responsible 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 error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets.

You are responsible for informing us about all known or suspected fraud affecting the Company involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Company complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud or noncompliance with the provisions of laws, regulations, contract, and grant agreements, that we may report.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control and for compliance with federal statutes, regulations, and the terms and conditions of federal awards and for identifying and ensuring that the Company complies with such provisions. Management is also responsible for informing us of any significant contractor relationships in which the contractor is responsible for program compliance. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with federal statutes, regulations, and the terms and conditions of federal awards or abuse that we may report. Additionally, as required by the OMB Uniform Guidance, it is your responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement, management will provide us with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, whether obtained from within or outside of the general and subsidiary ledgers (including all information relevant to the preparation and fair presentation of disclosures), such as records, documentation, and other matters;
- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates

Our professional standards require that we remain independent of the Company as well as any "affiliate" of the Company. Professional standards define an affiliate as follows:

- an entity that the Company can control (for example, a subsidiary);
- an entity in which the Company or an entity controlled by the Company has a direct financial interest that gives the Company significant influence over such entity and is material to the Company;
- an entity that controls the Company (for example, a parent) when the Company is material to such entity;
- an entity with a direct financial interest in the Company when that entity has significant influence over the Company, and the interest in the Company is material to such entity;
- a sister entity of the Company if the Company and sister entity are each material to the entity that controls both;

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify the Firm of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform the Firm of any known services provided or relationships between affiliates of the Company and the Firm or any of its employees or personnel.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in an entity's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to us as soon as it is available.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If we identify that a material inconsistency or misstatement of the other information exists, we will discuss it with you; if it is not resolved U.S. GAAS requires us to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not contemplate the Firm providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.

If you request to engage the Firm to communicate key audit matters in the auditor's report, before accepting the engagement we would discuss with you the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements and Reports

We will provide copies of our reports to the Company; however, management is responsible for distribution of the reports and the financial statements. Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This Agreement does not contemplate the Firm providing any services in connection with the offering of securities, whether registered or exempt from registration, and the Firm will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that the Firm will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

Changes in Professional or Accounting Standards

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

Representations of Management

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Company's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Company's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Company's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Company further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Company's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the Company's management.

Fees and Expenses

The Company acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;

- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by the Firm as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Company Information

All information provided by you or on your behalf ("Company Information") will be accurate and complete. You represent the provision of Company Information to us will not infringe any intellectual property, privacy, proprietary, or other third-party rights. You also represent that you have obtained all necessary consents and have provided all necessary notifications to the extent required by applicable law in connection with the provision of Company Information to us. The Firm will use at least the same degree of care to protect the confidentiality of Company Information as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The Firm will not disclose Company Information to any third party without your consent, except we may disclose Company Information: (1) as required by law or regulation, or to respond to governmental inquiries, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining hereto; (2) to the extent such information (i) is or becomes publicly available other than as the result of a disclosure in breach hereof, (ii) becomes available to the Firm on a nonconfidential basis from a source that the Firm believes is not prohibited from disclosing such information to the Firm, or (iii) is already known by the Firm without any obligation of confidentiality with respect thereto; (3) to contractors providing administrative, infrastructure, and other support services to the Firm and subcontractors providing services in connection with this engagement, in each case, whether located within or outside of the United States, provided that such contractors and subcontractors have agreed to be bound by confidentiality obligations related to Company Information; or (4) as otherwise permitted under this Agreement. This paragraph replaces and supersedes any prior confidentiality or non-disclosure agreements entered into by the Firm or its affiliates with respect to Company Information.

Data Privacy and Security

To the extent the Services require the Firm to receive personal data or personal information from Company, the Firm may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws, and such processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Company, such as the Firm's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which the Firm or its clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. The Firm is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Company personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Company, the Firm shall, unless otherwise permitted by applicable privacy law, (a) follow Company instructions; (b) not sell personal data or personal information collected from the Company or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Company's engagement and not for the Firm's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Company to ensure compliance with applicable privacy laws. Company is responsible for notifying the Firm of any applicable privacy laws the personal data or personal information provided to the Firm is subject to, and Company represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize the Firm to process such information in connection with the Services described herein. Company further understands the Firm, Baker Tilly Advisory Group, LP and Moss Adams Advisory Group, LP and their affiliated entities (collectively, the "Firm Entities") may co-process Company data as necessary to perform the Services, pursuant to the alternative practice structure in place among the entities, and by executing this Agreement, you hereby consent to the sharing of Company data, Company files, workpapers and work product with such Firm Entities. Baker Tilly Advisory Group, LP maintains custody of client files for the Firm. The Firm Entities are bound by the same confidentiality obligations as the Firm. The Firm is responsible for notifying Company if the Firm becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Company to take reasonable and appropriate steps to remediate personal data or personal information processing. Company agrees that the Firm Entities have the right to utilize Company data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Company to be used for the Firm Entities' business purposes and with the outputs owned by the Firm Entities. For clarity, the Firm Entities will only disclose aggregated/de-identified data in a form that does not identify Company, Company employees, or any other individual or business entity and that is stripped of all persistent identifiers. Company is not responsible for the Firm Entities' use of aggregated/de-identified data.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Pursuant to authority given by law or regulation, we may be requested to make certain engagement documentation available to an applicable entity with oversight responsibilities for the audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such engagement documentation will be provided under the supervision of Firm personnel. Furthermore, upon request, we may provide photocopies of selected engagement documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

Document Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Company records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that the Firm may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Enforceability

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between the Firm and the Company. The Company agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which the Firm provides services to the Company, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written agreement or terminate their relationship, whichever occurs first.

Use of the Firm's Name

The Company may not use any of the Firm's or its affiliates' names, trademarks, service marks or logos in connection with the services contemplated by this Agreement or otherwise without the prior written permission of the Firm, which permission may be withheld for any or no reason and may be subject to certain conditions.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Resolution of Disagreements

In the unlikely event that differences concerning services, fees, this Agreement or any services subsequently provided to Company by the Firm should arise ("Dispute(s)") that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the Dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation, and the parties shall share equally in the mediator's fees and expenses.

If mediation does not settle the Dispute, then the parties agree that the Dispute shall be settled by binding arbitration to be initiated by the party seeking damages or other permitted relief in any form (the "Claimant"). The arbitration proceeding shall take place in the city in which the Firm office providing the services in Dispute is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the Arbitration Rules for Professional Accounting and Related Disputes of the AAA (the "Rules") as amended and effective February 1, 2015, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. Any issue concerning the extent to which the Dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a panel of three (3) arbitrators, with experience in accounting and auditing matters or resolving accounting and auditing matters. In the thirty (30) days after the arbitration is initiated, the parties shall attempt to mutually agree on the three (3) arbitrators, including one arbitrator who will serve as chair of the panel, and all of whom may be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. If the parties cannot agree on a panel of three (3) arbitrators within the thirty (30) day period, the three (3) arbitrators shall be selected according to Rules A-16(a) and (b) of the Rules except that the AAA shall send an identical list of fifteen (15) names to the parties to the arbitration. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with this Agreement or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrators upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrators shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any Dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrators shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Agreement, and shall have no power to decide the Dispute in any manner not consistent with such limitations period. The arbitrators shall be empowered to interpret the applicable statutes of limitations subject to the choice of law provision set forth herein.

However, in the event of a receivership or delinquency proceeding commenced against the Company, the mediation or arbitration agreement may operate at the option of the Department of Justice or may be disavowed by the statutory receiver.

Limitations

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

THE LIABILITY (INCLUDING ATTORNEY'S FEES AND ALL OTHER COSTS) OF THE FIRM AND ITS PRESENT OR FORMER PARTNERS, PRINCIPALS, AGENTS OR EMPLOYEES RELATED TO ANY CLAIM FOR DAMAGES RELATING TO THE SERVICES PERFORMED UNDER THIS AGREEMENT SHALL NOT EXCEED THE FEES PAID TO THE FIRM FOR THE PORTION OF THE WORK TO WHICH THE CLAIM RELATES, EXCEPT TO THE EXTENT FINALLY DETERMINED TO HAVE RESULTED FROM THE WILLFUL MISCONDUCT OR FRAUDULENT BEHAVIOR OF THE FIRM RELATING TO SUCH SERVICES. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY TO THE FULL EXTENT ALLOWED BY LAW, REGARDLESS OF THE GROUNDS OR NATURE OF ANY CLAIM ASSERTED, INCLUDING THE NEGLIGENCE OF EITHER PARTY.

EACH PARTY FURTHER AGREES THAT ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination, (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to the Firm prior to reviewing our files.

Hiring of Employees

Any offer of employment to members of the audit team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.

No Legal Advice Provided

The services performed under this Agreement do not include the provision of legal advice and the Firm makes no representations regarding questions of legal interpretation. You should consult with your attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois, without giving effect to the provisions relating to conflict of laws.

Alternative Practice Structure: Baker Tilly International

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

IMPERIAL VALLEY HEALTHCARE DISTRICT

BOARD MEETING DATE: February 26, 2026

SUBJECT:

Authorize the renewal of the Broker Services Agreement between Alliant Insurance Services, Inc. and IVHD for the 2026-2027 coverage year.

BACKGROUND:

IVHD, formerly PMHD, currently utilizes Alliant Insurance Services as broker for the following insurance coverages: buildings and contents (including physical loss/damage, boiler and machinery and cyber liability), crime, earthquake and fiduciary liability.

KEY ISSUES: N/A

CONTRACT VALUE: \$57,500

CONTRACT TERM: One-year term (March 1, 2026 – March 1, 2027)

BUDGETED: Yes

BUDGET CLASSIFICATION: Insurance

RESPONSIBLE ADMINISTRATOR: Carly Loper, CFO

DATE SUBMITTED TO LEGAL: 2-16-26 **REVIEWED BY LEGAL:** Yes No

FIRST OR SECOND SUBMITTAL: 1st 2nd

RECOMMENDED ACTION:

Authorize the renewal of the Broker Services Agreement between Alliant Insurance Services, Inc. and IVHD for the 2026-2027 coverage year, as outlined herein.

BROKER SERVICES AGREEMENT

between

Alliant Insurance Services, Inc.

and

Imperial Valley Healthcare District FKA: Pioneers Memorial Healthcare District

I. PARTIES.

The PARTIES to this BROKER SERVICES AGREEMENT are Imperial Valley Healthcare District FKA: Pioneers Memorial Healthcare District (CLIENT) and **Alliant Insurance Services, Inc.** (ALLIANT).

II. AGREEMENT.

In consideration of the payments and covenants specified in this AGREEMENT, ALLIANT shall perform the SERVICES described herein.

III. DEFINITIONS.

When used throughout this AGREEMENT, capitalized terms, whether in the singular or in the plural form, shall have the meanings ascribed to them at their first occurrence. In addition, the following terms, when capitalized, whether in the singular or in the plural form, shall have the meanings set forth below:

- A. ALLIANT** – Alliant Insurance Services, Inc.
- B. CLIENT** – Imperial Valley Healthcare District FKA: Pioneers Memorial Healthcare District
- C. AGREEMENT** – This Broker Services Agreement, its addendums, exhibits, and/or attachments, and any written changes that are agreed upon by the PARTIES.
- D. COMPENSATION** – Remuneration paid to ALLIANT as consideration for its SERVICES performed under this AGREEMENT, which shall be in the form of either a FEE and/or COMMISSION.
- E. FEE** – Annual or interim remuneration paid by CLIENT directly to ALLIANT for SERVICES in connection with the categories or risk and insurance identified in **Addendum A** (does not include COMMISSION).
- F. COMMISSION** – Remuneration paid by CLIENT’S insurance carriers (or excess pools) directly to ALLIANT in connection with ALLIANT’S placement of insurance for CLIENT.
- G. PARTY** – CLIENT or ALLIANT.

- H. PROGRAM** – The categories of risk and insurance placed on behalf of CLIENT and SERVICES provided under the scope of this AGREEMENT and listed in **Addendum A**.
- I. SERVICES** – Any and all obligations of ALLIANT to be performed pursuant to Article IV of this AGREEMENT.
- J. CONFIDENTIAL INFORMATION** – Information considered by its owner to be confidential, proprietary and/or trade secret including, without limitation, client information, data, recommendations, proposals, reports and similar information, and work product.
- K. DISCLOSING PARTY** – The party disclosing CONFIDENTIAL INFORMATION under this AGREEMENT.
- L. RECIPIENT PARTY** – The party receiving CONFIDENTIAL INFORMATION under this AGREEMENT.
- M. KEY PERSONNEL** – Those individuals on the account service team, designated in the attached **Addendum B**, who are responsible for ALLIANT’S role provided for under the Section IV, SCOPE OF SERVICE.

IV. SCOPE OF SERVICES.

Upon CLIENT’S request, ALLIANT shall perform the following SERVICES for the categories of risk and insurance identified in the attached **Addendum A**:

- A.** Develop and recommend insurance and other risk financing or loss funding PROGRAMS, techniques, and methods.
- B.** Assist client in developing underwriting information. Structure offerings to insurers and secure, when reasonably available, a PROGRAM as desired by CLIENT with financially acceptable insurance companies, or other pooling programs providing the balance of coverage scope, cost, and services selected by the CLIENT.
- C.** Negotiate and review insurance wording for PROGRAM contracts to meet the specific needs of CLIENT.
- D.** Review marketing plan with CLIENT prior to approaching insurers on any PROGRAM.
- E.** Review insurance policies, binders, certificates, and other documents related to the PROGRAM for accuracy and obtain revisions in such documents when needed.
- F.** Monitor the PROGRAM to assure its continuing balance of coverage scope, cost, service, and stability.

- G.** Prepare written reports to CLIENT management to include:
- 1.** Reports as needed of pending rate, coverage, or renewal problems including significant changes in the financial status of major insurers, reinsurers, and other entities providing services for PROGRAM. At least ninety (90) days prior to PROGRAM anniversary, prepare a written report stating anticipated renewal terms and conditions, and other indications of market conditions, trends, and anticipated changes,
 - 2.** Not more than ninety (90) days after renewal, deliver a comprehensive annual summary report outlining the PROGRAM for use in the CLIENT'S annual report. Such report shall contain the following information:
 - (a)** Recapitulation of PROGRAM'S cost for current and preceding years.
 - (b)** Summary of coverages and other PROGRAM terms and conditions.
- H.** Provide additional broker services as agreed upon by the PARTIES.
- I.** ALLIANT'S goal is to procure insurance for CLIENT with underwriters possessing the financial strength to perform. To that end, ALLIANT regularly reviews publicly available information concerning an underwriter's financial condition. ALLIANT does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and CLIENT recognizes and agrees that ALLIANT maintains no responsibility for any loss or damage occasioned by reason of the financial failure or insolvency of any insurer. ALLIANT encourages CLIENT to review the publicly available information collected by ALLIANT to enable CLIENT to make the ultimate decision of accepting or rejecting a particular underwriter.
- J.** Deliver binders or other evidences of insurance after the placement of any insurance under the PROGRAM to be effective until such time as the policy or policies for the placement are received by CLIENT from the insurance carriers. Such binders shall be signed by an authorized agent or employee of the insurance carrier.
- K.** ALLIANT shall use best efforts to secure a correct policy or policies of any insurance under the PROGRAM.
- L.** ALLIANT shall not be responsible for the failure of CLIENT to make premium payments.

V. COMPENSATION

- A. Annual Fee.** As compensation for the SERVICES, CLIENT shall pay to it ALLIANT \$57,500 for the 2026 - 2027 policy year. Any mutually agreed extensions to this AGREEMENT shall include negotiation of the FEE prior to the expiration of the then current term.
- 1. Changes in SERVICES.** The FEE is subject to adjustment if CLIENT creates a new PROGRAM other than those listed in **Addendum A**, requests a change in SERVICES or if the CLIENT's size or organization changes to alter the time involved in the SERVICES. Tasks or functions that are not presently included in the SERVICES may be available on a "per service basis" for a separate fee.
 - 2. Early Cancellation.** If this AGREEMENT is terminated or canceled mid-year, and within the first three hundred (300) days of the PROGRAM year, then the FEE shall be prorated with a minimum of fifty percent (50%) deemed earned. The FEE shall be deemed fully earned if termination occurs after three hundred one (301) days of the PROGRAM year. In the event of a mid-term termination of this AGREEMENT by either PARTY, all excess COMPENSATION will be paid to CLIENT within sixty (60) days of the date of termination.
 - 3. Payment.** The FEE shall be paid annually within thirty (30) days of the anniversary date of this AGREEMENT and, if necessary, adjusted thirty (30) days prior to the anniversary date.
 - 4. Fee Reduction.** When marketing and placing insurance under this AGREEMENT, ALLIANT will request all carriers to quote premiums net of commissions. The PARTIES acknowledge that when premiums are not rendered net of commissions, the premium total includes broker commissions, all of which is paid by CLIENT. In such case, the carrier will pass the commission portion of the premium to ALLIANT as compensation for its broker services. If any of CLIENT'S premiums include commissions and, as a result, ALLIANT receives COMMISSIONS in addition to the FEE, ALLIANT shall reduce the FEE for the relevant period by the amount of COMMISSIONS it received that period so as to avoid overpayment by CLIENT ("REDUCED FEE"). Notwithstanding the above, the FEE shall not be reduced to an amount below zero. If CLIENT paid part or all of the FEE before ALLIANT received the COMMISSIONS, ALLIANT will return to CLIENT any amounts it paid over the REDUCED FEE. If COMMISSIONS exceed the FEE, ALLIANT will not return or give the excess amount to CLIENT.

- B. Commissions.** COMMISSIONS shall be collected as agreed by both PARTIES in writing.
- C. Revenue from Pool or JPA membership.** Revenue Alliant may receive for placing reinsurance or excess insurance for a pool or a joint power authority shall not be considered compensation paid by the CLIENT when the CLIENT participates in a pool or joint power authority placement.
- D. Disclosures.**
- 1. Exclusions.** COMMISSIONS for Notary and Fidelity Bonds, are not included in the annual FEE or COMPENSATION.
 - 2. Transparency and Disclosure.** During the time of this AGREEMENT, ALLIANT will, upon request, disclose COMMISSIONS received by ALLIANT, where possible, in connection with any insurance placements on behalf of CLIENT under ALLIANT'S "Transparency and Disclosure" policy, a copy of which is made available upon request. Pursuant to its policy, ALLIANT will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of its clients. In addition, ALLIANT'S conflict of interest policy precludes it from accepting any form of broker incentives that would result in business being placed with carriers in conflict with the interests of ALLIANT'S clients.
 - 3. Other Alliant Services.**
 - (a) Alliant Specialty Insurance Services (ASIS).** In addition to the COMPENSATION that ALLIANT receives, its related entity, Alliant Specialty Insurance Services (ASIS) and its underwriting operations, Alliant Underwriting Services (AUS), may receive compensation from ALLIANT and/or carriers for providing underwriting services. The financial impact of the compensation received by ASIS is a cost included in the premium. Compensation received by ASIS will be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium. CLIENT further acknowledges that ALLIANT and ASIS maintain an arm's length relationship. CLIENT understands that while ALLIANT represents CLIENT as an individual entity, ASIS independently administers its program as a whole and not on behalf of any particular member.
 - (b) Alliant Business Services (ABS).** Additionally, ALLIANT'S internal operating group, Alliant Business Services (ABS), may receive compensation from ALLIANT and/or carriers for providing designated, value-added services. Services contracted for by the CLIENT directly will be invoiced accordingly. Otherwise, services will be provided at the expense of ALLIANT and/or the carrier.

VI. TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME.

- A. Surplus Lines Fees and Taxes.** In certain circumstances, placement of insurance services made by ALLIANT on behalf of CLIENT, with the prior approval of CLIENT, may require the payment of surplus lines assessments, taxes, and/or fees to state regulators, boards, and associations. Such assessments, taxes, and/or fees will be charged to CLIENT and identified separately on invoices covering these placements. CLIENT shall be responsible for all such assessments, taxes, and fees, whether or not separately invoiced. ALLIANT shall not be responsible for the payment of any such fees, taxes, or assessments, except to the extent such fees, taxes or assessments have already been collected from CLIENT.
- B. Third Party Brokers.** ALLIANT may determine from time to time that it is necessary or appropriate to utilize the services of third party brokers (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the CLIENT insurance PROGRAM. Subject to the provisions herein, these third party brokers may be affiliates of ALLIANT (e.g., other companies of ALLIANT that provide services other than those included within the SCOPE OF SERVICES of this AGREEMENT), or may be unrelated third party brokers. Compensation to such third party brokers will not be part of ALLIANT'S FEE.
- C. Indirect Income.** "INDIRECT INCOME" means insurance carrier contingency arrangements. ALLIANT will accept these compensation incentives from insurers, if any, including contingent commissions, market service agreements (MSA), volume-based commission incentives and rebates on business placed on behalf of CLIENT within the SCOPE OF SERVICES of this AGREEMENT. The parties acknowledge that ALLIANT producers who solicit, negotiate, or place insurance products, or services for clients, including CLIENT, do not negotiate indirect income agreements with the carriers, nor do they receive any portion of the indirect income paid to ALLIANT. Nonetheless, the client may opt-out of having its premiums included in the calculation of indirect income by accessing the "opt-out" form from the link on Alliant's website: <http://www.alliant.com/Legal-Notices/Pages/Disclosure-Policy.aspx>. The "opt out" provision applies only to those accounts served directly by ALLIANT as a retail agent or broker. It does not apply to account placements for which ALLIANT's role is that of a wholesaler, MGA, or program administrator working with non-ALLIANT brokers who represent the client. The parties acknowledge that indirect income, if any, is determined by insurance carriers, and if the CLIENT does not opt-out, it remains the carriers' exclusive decision to include or exclude certain premiums in any calculation. The availability of information regarding the make-up of any indirect income payment is at the carrier's discretion.

- D. Premium Financing.** Upon CLIENT'S request, ALLIANT may provide CLIENT with assistance in obtaining a premium finance agreement with third party financing company. In some cases, the financing company may pay ALLIANT a fee for the placements facilitated by ALLIANT.

VII. PERSONNEL.

ALLIANT agrees KEY PERSONNEL as listed in **Addendum B** will be responsible for performance of the SERVICES described herein. Should such personnel become unavailable to perform SERVICES for CLIENT, ALLIANT agrees to replace, as soon as practicable, such personnel with individual(s) of comparable skills and experience as determined by ALLIANT'S evaluation and subject to CLIENT'S right of reasonable refusal.

VIII. INSURANCE REQUIREMENTS.

- A. Coverage and Limits.** During the term of this AGREEMENT, ALLIANT shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage that can be met through a combination of primary and excess policies:
1. Professional Liability insurance with minimum limits of \$5 million per claim providing coverage for any errors and omissions that ALLIANT or its agents may make resulting in financial loss to CLIENT;
 2. Commercial General and Automobile Liability insurance with minimum limits of at least \$1 million combined single limit per occurrence and \$5 million in the aggregate for bodily injury and property damage.
 3. Workers' Compensation coverage in compliance with applicable law, and Employers' Liability insurance in the amount of at least \$1 million per accident or aggregate.
- B. Carrier Rating.** All insurance carriers providing the coverages required by this section shall have a financial rating of at least an VII A- published A.M. Best, or an equivalent financial rating firm. Published reports will be used to confirm the insurance carriers' rating, unless ALLIANT has obtained the CLIENT'S written acknowledgment that an insurance carrier with a lower financial rating is permitted.
- C. Certificates of Insurance/Endorsements.** Upon request, ALLIANT shall also provide to CLIENT certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this AGREEMENT.

- D. Ongoing Obligation.** The failure of ALLIANT to procure and maintain the required insurance does not negate its obligation under this AGREEMENT to do so.

IX. OBLIGATIONS OF CLIENT.

CLIENT will cooperate with ALLIANT in the performance of ALLIANT'S duties by providing complete and accurate information as to CLIENT'S loss experience, risk exposures, and any other pertinent information that ALLIANT requests. CLIENT shall promptly review coverage documents concerning the PROGRAMS delivered by ALLIANT for consistency with CLIENT'S specifications. In addition, CLIENT shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to ALLIANT. This reporting must be memorialized in writing and delivered to ALLIANT in accordance with the notice provisions below.

X. CONFIDENTIALITY.

- A. Confidential Information.** The services and work product exchanged by the PARTIES under this AGREEMENT are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The PARTIES acknowledge that during the term of this AGREEMENT, they may each exchange CONFIDENTIAL INFORMATION. Except as otherwise provided herein or as required by applicable law, the PARTIES understand and agree that they will not distribute, use, or rely upon CONFIDENTIAL INFORMATION received from the other without the permission of the DISCLOSING PARTY.

- 1. Ownership.** Except as otherwise provided in this AGREEMENT, CONFIDENTIAL INFORMATION is and remains the absolute and exclusive property of the DISCLOSING PARTY and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this AGREEMENT, no copies of CONFIDENTIAL INFORMATION shall be made without the written permission of the DISCLOSING PARTY. The PARTIES agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's CONFIDENTIAL INFORMATION to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such CONFIDENTIAL INFORMATION to others.

- 2. Exclusions.** The following types of information shall not be considered confidential:

- (a)** Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this AGREEMENT;

- (b) Information that is independently developed by either PARTY as demonstrated by the PARTY'S records;
- (c) Any item or data forming part of the CONFIDENTIAL INFORMATION that is lawfully known by the RECIPIENT PARTY, without any obligation of confidentiality or other restriction on use or disclosure, prior to the provision of such information by DISCLOSING PARTY; or
- (d) Information that is disclosed by a third party whom the RECIPIENT PARTY has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information.

B. Legal Process of Compulsion. Either PARTY is entitled to release CONFIDENTIAL INFORMATION as required to prosecute or defend any claim under this AGREEMENT; provided however, that the PARTY seeking to enforce this AGREEMENT shall take all reasonable steps necessary to avoid disclosing CONFIDENTIAL INFORMATION, including filing documents and papers under seal. A RECIPIENT PARTY may disclose CONFIDENTIAL INFORMATION pursuant to a valid order of a court or governmental agency with proper jurisdiction, or if such disclosure is required by law or regulation provided that the information is disclosed only to the minimum extent necessary, and provided that, to the extent allowed by law, the releasing PARTY shall give DISCLOSING PARTY sufficient advance notice so that it may seek a protective order or employ other lawful means to avoid or limit disclosure.

C. Reasonable Efforts. The PARTIES agree to employ reasonable and customary business practices to protect and secure CONFIDENTIAL INFORMATION from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives (collective, "REPRESENTATIVES") who have a legitimate need to know in order to provide the products and SERVICES under this AGREEMENT. The PARTIES further agree that those employees, officers, agents, and representatives who are privy to CONFIDENTIAL INFORMATION shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this AGREEMENT. The RECIPIENT PARTY shall remain liable for any breach of this AGREEMENT by any of its REPRESENTATIVES.

- D. Return of Confidential Information.** Upon termination of this Agreement, or earlier upon the DISCLOSING PARTY's request, the RECIPIENT PARTY shall promptly return all of DISCLOSING PARTY's Confidential Information, including all copies, that was received in a non-electronic form, and shall destroy all information received electronically. Upon termination of this Agreement, a RECIPIENT PARTY shall promptly return all of DISCLOSING PARTY's Confidential Information, including all copies, that was received in a non-electronic form, and will destroy all information received electronically. Notwithstanding anything to the contrary herein, and subject to the confidentiality obligations herein, a RECIPIENT PARTY may retain on a confidential basis copies of DISCLOSING PARTY's Confidential Information in order to comply with legal or regulatory requirements, as well as any and all (A) emails and any attachments contained in such emails, and (B) any electronic files, each of which are automatically saved pursuant to legal or regulatory requirements.
- E. Survival.** The PARTIES agree that the obligations contained in this section shall survive the termination of this AGREEMENT, for a period of two (2) years, or longer to the extent required by law. Nothing in this section limits or otherwise diminishes the protections afforded to trade secret information or otherwise conferred by applicable law.

XI. DISASTER RECOVERY; CONTINUITY.

ALLIANT agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information adversely affected by a security breach, force majeure or natural disaster. In addition, ALLIANT will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this AGREEMENT including in the event of a force majeure, natural disaster, or pandemic.

XII. ETHICS AND CONFLICT OF INTEREST STATEMENT.

ALLIANT shall conduct its business so as to fulfill all legal and ethical requirements, and standards of the industry and the applicable state(s) in which SERVICES are rendered, and shall place the best interests of CLIENT ahead of any other concerns in the placement of insurance services and products. To this end, ALLIANT:

- A.** Will adhere to its ethical obligations to CLIENT to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance market place;

- B.** Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact and the name, address, phone number and, to the extent available, email address of the individual contact for each market;
- C.** Will make every good faith attempt to avoid even the appearance of a conflict of interest between ALLIANT, CLIENT, and any provider of any insurance product or service, and will promptly notify CLIENT of any real or potential conflict of interest;
- D.** Agrees to provide to CLIENT a copy of ALLIANT'S own Ethics Statement or Code, or ALLIANT'S Compliance Statement, or to make such statements available on ALLIANT'S website; and
- E.** Will request that all insurance carriers show any commission rates on their insurance policies and will otherwise ensure those rates are known to CLIENT.

XIII. TERM.

The term of this AGREEMENT shall be effective from March 1, 2026 and ending 12:01 a.m. March 1, 2027, unless cancelled pursuant to termination provisions set forth herein.

XIV. TERMINATION.

This AGREEMENT may be cancelled by either PARTY any time upon ninety (90) days' advance written notice delivered or mailed to the other PARTY in accordance with the notice provisions set forth herein. In the event of termination or expiration of this AGREEMENT, ALLIANT will provide CLIENT with reasonable assistance in arranging a smooth transition to another broker. Except for this transition assistance, ALLIANT'S obligation to provide SERVICES to CLIENT will cease at 12:01 a.m. upon the effective date of termination or expiration.

XV. NONASSIGNABLE.

This AGREEMENT is binding upon the PARTIES hereto and their respective successors by merger, sale, consolidation, or reorganization. This AGREEMENT may not be assigned or delegated without prior written consent of the other PARTY, except that consent shall not be required in the case of a merger, consolidation, or sale of substantially all of a PARTY's assets.

XVI. MATERIAL CHANGE.

In the event that CLIENT operations change substantially by merger, acquisition, expansion, or other material change, thus changing the scope and nature of exposures, losses, and/or insurance program(s), the PARTIES will negotiate in good faith to revise this AGREEMENT'S compensation arrangement as appropriate. It is agreed and understood that a material change shall include a change in existing coverage or limits, and/or lines of coverage.

XVII. RELATIONSHIP OF THE PARTIES.

At all times and for all purposes, the relationship between the PARTIES is intended to be that of independent contractors and there is no intent to create a joint venture relationship, and any person representing ALLIANT, shall be an independent contractor to CLIENT, and the AGREEMENT shall not in any way be construed as a contract of employment between CLIENT and ALLIANT'S agents. In addition, the PARTIES agree that, except as otherwise provided herein, CLIENT shall not be obligated for any expense incurred by ALLIANT in rendering SERVICES, or by engaging in any other transaction or conduct arising out of this AGREEMENT.

XVIII. OWNERSHIP OF BOOKS AND RECORDS.

The PARTIES shall each maintain normal business records related to all business generated under this AGREEMENT. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the PARTIES may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting submissions/applications, and loss data in the other's possession, custody, or control with respect to all business generated under this AGREEMENT.

XIX. INDEMNIFICATION.

- A.** In the event that ALLIANT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the AGREEMENT, or any written rule, regulation, policy, procedure or similar instruction under the PROGRAM, ALLIANT shall indemnify, defend, and hold CLIENT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by CLIENT in connection with such conduct.
- B.** In the event that CLIENT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the AGREEMENT, CLIENT shall indemnify, defend, and hold ALLIANT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by ALLIANT in connection with such conduct.

XX. NOTICE.

All notices, requests, and other communications given under this AGREEMENT, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) five (5) business days after being sent by U.S. certified mail (charges prepaid); or (d) one (1) business day after being sent to the recipient by fax or email transmission. Except as otherwise provided herein, all notices, requests or communications under this AGREEMENT shall be addressed to the intended recipient as set forth below:

To CLIENT:
Carly Loper
Chief Financial Officer
207 W. Legion Road
Brawley, CA 92227

To ALLIANT:
Janice Diem
First Vice President
18100 Von Karman Ave. 10th Floor
Irvine, CA 92612

with a copy to:

Alliant Insurance Services, Inc.
Attn: General Counsel
701 B Street, 6th Floor
San Diego, CA 92101

XXI. WAIVER.

No provision of this AGREEMENT shall be considered waived, unless such waiver is in writing and signed by the PARTY that benefits from the enforcement of such provision. No waiver of any provision in this AGREEMENT, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this AGREEMENT shall not in any way affect, limit, or waive a PARTY'S right under this AGREEMENT at any time to enforce strict compliance thereafter with every term and condition of this AGREEMENT.

XXII. ENTIRE AGREEMENT MODIFICATION.

This AGREEMENT contains the entire agreement between the PARTIES and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The AGREEMENT may be modified only by a written amendment signed by authorized representatives of both PARTIES.

XXIII. SEVERABILITY.

If any term, covenant, condition, or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

XXIV. APPLICABLE LAW.

This AGREEMENT has been executed and delivered in the State of California, and the validity, enforceability, and interpretation of any of its provisions shall be determined and governed by the applicable laws of this state, without regard to any conflict of law provisions.

XXV. DISPUTE RESOLUTION.

Any dispute arising under the terms of this AGREEMENT that is not resolved within a reasonable period of time by authorized representatives of the PARTIES shall be brought to the attention of the Chief Executive Officer (or designated representative) of ALLIANT and the Chair (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success and upon the PARTIES' mutual agreement, such dispute may be submitted to final and binding arbitration, or either PARTY may elect to and pursue any rights and remedies by legal action. In any dispute arising out of or under the terms of this AGREEMENT, the prevailing PARTY shall be entitled to recover its legal fees and costs from the other PARTY to the extent allowed by applicable law. Any such arbitration or legal action shall be venued in [Imperial County, California](#), unless the PARTIES mutually agree in writing to another location. Despite an unresolved dispute, ALLIANT shall continue without delay to perform its responsibilities under this AGREEMENT. ALLIANT shall keep accurate records of its SERVICES in order to document the extent of its SERVICES under this AGREEMENT.

XXVI. HEADINGS AND CONSTRUCTION.

The PARTIES agree that the headings and sections of this AGREEMENT are used for convenience only and shall not be used to interpret the provisions herein. The PARTIES also agree that the terms of this AGREEMENT were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this AGREEMENT.

SO AGREED.

IMPERIAL VALLEY
HEALTHCARE DISTRICT FKA:
PIONEERS MEMORIAL HEALTHCARE

ALLIANT INSURANCE
SERVICES, INC.

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM A

ALLIANT agrees to provide SERVICES for the following PROGRAMS of CLIENT:

1. Property
2. Difference in Conditions;
3. Fidelity Insurance;
- 4.
- 5.
- 6.

For additional compensation, CLIENT may obtain SERVICES from ALLIANT for programs not listed in this Addendum A. The terms, including without limitation compensation, for ALLIANT's provision of SERVICES for additional programs must be mutually agreed to in writing by the PARTIES.

ADDENDUM B

Team Coordinator

* Chris Tobin

Account Manager

* Miki Fujii

Marketing and Risk Management Specialists

*Matt McManus

Chris Tobin

Claims Services:

Robert Frey

Account Management

Level

I. Chris Tobin

II. Matt McManus

III. Miki Fujii

*Denotes KEY PERSONNEL

IMPERIAL VALLEY HEALTHCARE DISTRICT

BOARD MEETING DATE: February 26, 2026

SUBJECT:

Authorize the renewal of the Water Dispenser Service Agreement between Quench USA, Inc. and IVHD.

BACKGROUND:

IVHD as *Pioneers* has had an exclusive contract with Quench (formerly Pure Water Technologies) since 2017. Quench supplies 51 water dispensers throughout the main hospital campus as well as the clinics. The dispensers are bottle free machines that provide pure drinking water through an advanced filtration system that taps into our pre-existing water lines.

KEY ISSUES:

Quench charges a \$33.50 filter changing fee per dispenser, annually.
Standard service rates: \$49.00 Trip Charge; \$95/hour Labor Charge.
Monthly Dispenser Fee: \$45/unit.

CONTRACT VALUE: estimated \$37,500/year

CONTRACT TERM: Three-year term (March 1, 2026 - March 1, 2029)

BUDGETED: Yes

BUDGET CLASSIFICATION: Purchased Services - Other

RESPONSIBLE ADMINISTRATOR: Carly Loper, Chief Financial Officer

DATE SUBMITTED TO LEGAL: 02/17/26 **REVIEWED BY LEGAL:** Yes No

FIRST OR SECOND SUBMITTAL: 1st 2nd

RECOMMENDED ACTION:

Authorize the renewal of the Water Dispenser Service Agreement between Quench USA, Inc. and IVHD, as outlined herein.

Amendment Agreement

Who is Quench?

Quench is the brand that helps growing and forward-thinking workplaces keep their employees, customers, and guests happy, healthy, and hydrated. We offer water-as-a-service solutions by providing pure drinking water through a broad array of bottle-free machines, including water coolers, ice machines, sparkling water dispensers, and coffee brewers.

Our point-of-use machines offer users countless consumption choices, including mineral-infused quenchWATER+, chewable ice, sparkling water, flavored water, and even coffee. Customers choose Quench because of our the depth of options, national reach, and consistently high level of service to deliver pure, delicious water to tens of thousands of small businesses and to over half of the Fortune 500 organizations across the continent.

Headquartered outside Philadelphia, PA, Quench is a Culligan company.

Why Choose Quench?

Quench empowers you to take hydration and on-demand water to the next level. Over twenty years of industry experience and state-of-the-art filtration technologies make Quench the authority in sustainable drinking water solutions tailored for your business. We don't just filter your workplace water, we can purify it, freeze it, make it sparkle, make flavored, make it hot, even make it coffee. We can install and service one or one thousand units.

Highest Quality Products: Over the last few years, we have been building our portfolio of best-in-class point-of-use water dispensing systems so that our customers can fulfill all their water needs with us. We are a one-stop-shop for all your workplace hydration requirements.

National Reach & Local Touch: Quench is fully staffed with local water experts for your region, and your industry. That means we will work with you to build the right setup for your specific location and business model. Consolidated billing, consistent equipment servicing experience and a highly-trained nationwide workforce means that Quench can provide the same excellent water service to multi-location enterprises as well as small-to-medium businesses, anywhere in North America.

Ultimate Flexibility: Because our portfolio is so deep, and because we pair national capacity with local service and expertise, we are able to customize drinking water solutions for businesses of all sizes and in most locations.



Water



Ice



Sparkling Water



Coffee



Please consider electronic invoicing, and credit card or ACH payment options to help us both do our part for the environment.





TERMS AND CONDITIONS (Rev. 11132018)

1. OWNERSHIP OF EQUIPMENT: Quench USA, Inc. (Quench) is the sole owner of the equipment listed on this Agreement, including any Add-on Schedule(s) hereto, as well as the tubing between the water source and such equipment (collectively, the Equipment). Quench shall have the right to change, substitute or remove any of the Equipment. Customer agrees not to modify, remove or conceal any identification notices or markings affixed to the Equipment. Customer has no right to sell, transfer, encumber, sublet or assign the Equipment or this Agreement to any other entity. Quench may transfer or assign this Agreement and/or ownership of Equipment to any entity, and such party will have the same rights and benefits as Quench.

2. INSTALLATION, LOCATION AND USE OF EQUIPMENT: Quench shall arrange for delivery and installation of the Equipment, including the initial connection of the Equipment to Customer's CO2 source, if applicable. Customer authorizes Quench or its installer to drill holes and/or run tubing where needed. Customer may not move the Equipment without Quench's prior written permission. Customer will allow Quench or its agents to inspect the Equipment at any reasonable time. Quench agrees to perform service as Quench deems necessary to maintain the Equipment in good working order. Additional service requested by Customer will be billed at Quench's applicable rate. Services will be performed as Quench deems necessary to maintain the Equipment in good working order. Customer will allow Quench or its agents to inspect the Equipment at any reasonable time. Quench agrees to perform service as Quench deems necessary to maintain the Equipment in good working order. Additional service requested by Customer will be billed at Quench's applicable rate. Customer will use the Equipment only for its intended purpose of filtering or purifying potable water. Customer will not modify the Equipment in any manner or allow the Equipment to be affixed to the premises in such a manner as to become a permanent part thereof. Customer is responsible for all authorizations or approvals necessary to install the Equipment in its premises and represents to Quench that it has obtained all such approvals.

3. PAYMENTS AND FEES: Customer agrees to pay to Quench all fees within Net 30 days of invoice. If Customer fails to make any payment by its due date, Customer agrees to pay a late fee equal to the greater of 10% of the payment due or \$25.00. Customer agrees to pay \$40.00 per payment rejected by its bank, in addition to any other remedy allowed by law. In the event this Agreement includes one or more coffee brewers, Customer agrees to purchase from Quench at least the minimum monthly coffee order per unit specified on the reverse hereof (the "Minimum Order"). To the extent the Customer's actual monthly order value is less than the Minimum Order, the difference between the Minimum Order per unit and the actual order per unit shall be billed to the Customer and become payable to Quench under the terms of this Agreement. Quench may waive its right to invoice the Customer for this difference at its discretion. Coffee orders may be fulfilled and invoiced by the Quench office coffee service group (Macke Coffee, a division of Quench, USA, Inc.). In the event this Agreement includes one or more Bevi systems, Customer agrees to purchase replacement flavors and CO2 that will be automatically replenished by Quench as needed to maintain full operation of the system. Quench will invoice Customer for the Flavor and CO2 replenishment following the completion of the work. This replenishment invoicing will be separate from the rental invoicing. Unless otherwise stated in this Agreement, invoicing will occur Monthly starting the first day of the month after the commencement of this Agreement. The first Monthly invoice will include a prorated amount reflecting the period between commencement of this Agreement and the invoicing start date. To the extent that Customer is party to any other Rental Agreements or Add-on Schedules relating to Quench equipment, Quench reserves the right to issue a consolidated invoice. The initial consolidated invoice will reflect the appropriate prorated adjustments to address for differences in billing periods. Consolidated billing will not modify the start and end dates of the relevant rental term or renewal term, which shall continue to be governed by the applicable Rental Agreement or Add-on Schedule. Invoices will be delivered Email listed on the reverse hereof. Changes in email and/or credit card information must be made prior to any billing cycle to avoid late fees. Customer authorizes Quench to contact any credit agency for information on Customer in connection with this transaction.

4. EQUIPMENT RESPONSIBILITY, TAXES AND INSURANCE: Customer is responsible for the Equipment until removed by Quench and shall exercise all due care in use of the Equipment. Customer will comply with all laws applicable to the operation and maintenance of the Equipment and assumes responsibility for failure to comply therewith. Customer will maintain the Equipment in the condition received, excepting ordinary wear and tear. Customer agrees to pay when due all applicable taxes relating to the Equipment. Customer will maintain, at all times while the Equipment is located on the premises of Customer, (i) insurance covering any loss, damage or injury of any nature caused by the Equipment, which insurance will protect Quench from any such liability, and (ii) insurance against any loss of or damage to the Equipment. Customer agrees that the amount of insurance against loss of or damage to the Equipment shall not be less than its full replacement value. All insurance will show Quench as a loss payee and additional named insured. In the event that the Equipment is lost, damaged or becomes inoperable due to Customer's act or omission, Customer agrees to pay replacement value for the damaged Equipment and continue to make payments under this Agreement and the applicable Add-on Schedules until the end of the applicable rental term. Quench will provide replacement Equipment of the same make, model or equivalent capability. Customer agrees to defend, indemnify, and hold harmless Quench from and against any and all claims, losses, liabilities, damages, and expenses relating to the Equipment, Equipment installation, or this Agreement, or the failure of any connection to or from the Equipment (including any supply lines enabling such connection), except to the extent arising from the intentional misconduct of Quench.

5. TERM AND TERMINATION: The initial rental term under this Agreement for a particular piece of Equipment shall commence on the date that such Equipment is installed. The rental term shall continue for the period set forth on the reverse hereof; provided, however, that, if this Agreement includes multiple pieces of Equipment, such period shall be measured from the date on which the last piece of Equipment is installed. After the initial rental term under this Agreement and any renewal thereof, the rental term will automatically renew for an additional 12-month term, unless either party notifies the other in writing 30 days prior to the expiration of such initial or subsequent rental term. The automatic renewal mechanism described in the foregoing sentence shall similarly apply at the end of the initial rental term identified on any Add-on Schedule, as well as at the end of any renewal rental term thereunder. Upon renewal, Quench has the right to increase the monthly rent by up to 5% in any calendar year without advance notice; provided, however, that if Quench elects to increase the monthly rent by more than 5%, Quench shall provide notice to Customer at least 60 days prior to expiration of the relevant rental term. Upon termination of the rental, Customer agrees to pay a removal fee of \$150 per water, sparkling and coffee unit and \$250 per ice and Bevi unit to cover costs incurred by Quench for termination and removal and return of the Equipment; provided, however, that any such termination shall not be effective until Quench receives the applicable Equipment in good working order. In connection with removal of the Equipment, the tubing may not be removed from the water source. In such event, Customer shall, for all purposes, assume responsibility for such tubing thereafter. Further, Customer will ensure that the Equipment is disconnected from any CO2 source, if applicable, prior to Quench's removal of the Equipment. The terms and conditions of this Agreement shall remain in full force and effect from the date upon which this Agreement is fully executed, and continuing for so long as any Equipment is being rented by Customer, whether listed on the reverse hereof or on an Add-on Schedule, and this Agreement shall terminate only after all such rental terms have ended and Quench has received all Equipment in good working order.

6. DEFAULT: If Quench terminates a rental term under this Agreement or any Add-on Schedule due to Customer's default, including but not limited to, non-payment of any amount when due, improper care, usage or handling of the Equipment, or failure to perform any other obligation hereunder, Customer will be responsible for payment of all fees for the remaining term(s), as well as for all damages and removal and shipping charges incurred by Quench. Further, in the event of default, Customer waives any and all right to notice before Quench removes the Equipment from Customer's premises and waives any requirement that Quench post a bond in connection with any such removal.

7. MISCELLANEOUS: This Agreement, together with any applicable Add-on Schedule(s) and Site Survey(s) and Change Order(s) executed by the parties, and any document provided to Customer by Quench in connection with the delivery, installation or use of the Equipment, constitutes the entire agreement between Customer and Quench and supersedes any and all previous agreements between the parties related to rental of the Equipment. This Agreement may only be amended or modified by written instrument executed by duly authorized representatives of the parties. If any provision of this Agreement is found to be unenforceable, such provision shall be severed from this Agreement, and the remaining terms of the Agreement will continue in full force and effect. Quench may use Customer's name for marketing purposes. If Quench brings an action to enforce any term or condition of this Agreement, including, but not limited to in connection with termination or Customer's default, the non-prevailing Customer agrees to pay the prevailing party's reasonable attorney's fees and all costs associated with such action. Further, Customer agrees that this Agreement will be governed under the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law principles, and Customer agrees that any action arising hereunder will be submitted only to any court in Montgomery County, Pennsylvania. Customer hereby waives any right to trial by jury in any such action. Any delay or failure by Quench to exercise any right under this Agreement will not prevent Quench from exercising any rights at any later time. Customer authorizes Quench and any of its agents, representatives or employees to (i) sign any document in connection with a filing under the Uniform Commercial Code on Customer's behalf, and (ii) make modifications as needed to complete any such filing. Any notice required under this Agreement shall be directed to Customer or Quench at their respective addresses set forth on the reverse hereof with delivery by hand, by certified U.S. mail, or by any other method verifying receipt by Customer or Quench. Fax transmission is acceptable, but printed verification of transmission is required.

AUTHORIZATION: Customer agrees to all terms and conditions contained in this Agreement, and represents that signer is authorized to enter into this Agreement. This Agreement is not binding unless executed by an authorized representative of Quench USA, Inc.

Authorized Representative of Customer	Authorized Representative of Quench USA, Inc.
Name: {{(N_es_signer1.fullname)}}	Name: {{(N_es_sender.fullname)}}
Email: {{(Em_es_signer1.email)}}	Phone: {{(phone_es_sender)}}
Title: {{(Tit1_es_title)}}	Email: {{(Em_es_sender)}}



IMPERIAL VALLEY HEALTHCARE DISTRICT

BOARD MEETING DATE: February 26th, 2026

SUBJECT: Authorization to approve Emergency Medical Care On-Call for Kala Dharma, M.D.

BACKGROUND: This agreement is for On-Call Emergency Medical Care/OBGYN services for the Imperial Valley Health Care District

KEY ISSUES: Physician will be compensated at a base compensation as follow:

- \$1,500 for each twenty-four (24) hour weekday on call coverage
- \$1,800 for each twenty-four (24) hour weekend on call coverage starting Friday 7pm to Sunday at 6:59pm
- \$2,000 for holiday coverage- 6 observed Holidays
- Compensated for \$300 per delivery with a total cap of \$4,500 for total compensation (coverage and deliveries) during a 24-hour call period.

CONTRACT VALUE: approximately \$200,000 value varies depending on Call Coverage and needs.

CONTRACT TERM: 2 years

BUDGETED: No

BUDGET CLASSIFICATION: On-Call

RESPONSIBLE ADMINISTRATOR: Christopher R. Bjornberg/Carly Zamora

DATE SUBMITTED TO LEGAL: _____ **REVIEWED BY LEGAL:** Yes No

FIRST OR SECOND SUBMITTAL: 1st 2nd

RECOMMENDED ACTION: : Authorization to approve Emergency Medical Care On-Call Amendment for Kala Dharma, M.D.



EMERGENCY MEDICAL CARE/OBSTETRICS & GYNECOLOGY SERVICES ON-CALL COVERAGE AGREEMENT

This Agreement "**Agreement**" shall be effective as of _____, 2025 (the "**Effective Date**"), and is entered into by and between Imperial Valley Healthcare District dba. Pioneers Memorial Hospital, a local health care district formed under California Health & Safety Code §§ 32000 *et. seq.*, ("**Hospital**") Kala Dharma, M.D. ("**Physician**"). Hospital and Physician are sometimes referred to individually as a "**Party**" and collectively as "**Parties**".

RECITALS

A. WHEREAS, Hospital is owner and operator of Pioneers Memorial Hospital, an acute care hospital located at 207 West Legion Road, Brawley, California and by the Effective Date, may also own and operate a second general acute hospital located in El Centro, California;

B. WHEREAS, Hospital operates an obstetrics and gynecology department on its premises, to serve the members of the community and other persons who may require immediate medical and/or hospital services related to obstetrics and gynecology (the "**Department**");

C. WHEREAS, In order to maintain "on-premises" emergency services, Hospital and Physician recognize that Hospital must comply with relevant statutory and administrative requirements including those set forth as follows. Pursuant to California Administrative Code Title 22 section 70455, the Department must provide experienced physicians in specialty categories to be available twenty-four hours a day, which specialties include obstetrics and gynecology. In addition, since the Hospital has an emergency department, the Hospital must comply with the Emergency Medical Treatment and Active Labor Act ("EMTALA"; 42 USC section 1395dd) and the regulations thereunder. Under EMTALA, the Department must provide for appropriate medical screening examination within the capability of the Department including ancillary services routinely available therein including the services of an obstetrician-gynecologist; and

D. WHEREAS, Physician has the requisite skills and background to provide the services sought herein, desires to enter into this Agreement with Hospital to share such coverage services with other obstetric-gynecologist physicians, as herein below described.

NOW THEREFORE, in consideration of the mutual promises made, the receipt and sufficiency of which are acknowledged, Hospital and Physician hereby agree as follows:

AGREEMENT

1 Duties and Obligations of Physician

1.1 Adequate Coverage. Hospital hereby contracts with Physician to provide on-call obstetrics and gynecological coverage in the Hospital. Physician shall provide a monthly schedule of his availability for on-call obstetrics and gynecology coverage in the Hospital to the Hospital's Chief of Staff and Hospital's Medical Staff Director at least thirty (30) days prior to the commencement of the month for which the schedule applies.

1.2 Billing. Hospital shall bear exclusive responsibility for determining and establishing fees, and to bill, collect, and retain all professional fees for Physician's professional services rendered in the Department and Physician shall have no responsibility for said billing and collection activities. However, Physician shall promptly complete and finalize for Hospital all medical record and report documentation required to accurately record the visit in the Hospital's electronic medical record (EMR) system or on the forms provided by the Hospital. Subject to applicable restrictions on disclosure, Physician shall have reasonable access, including the right to make copies, during business hours of all such medical records and reports as they may need from time to time for patient care or responding to any legal, judicial or third party administrative/investigative inquiries. Physician hereby assigns to Hospital all rights to bill, collect and receive payment for any professional services rendered under this Agreement. Physician agrees to cooperate with and assist Hospital in collecting for Physician's professional services.

1.3 Coverage Services.

1.3.1 Physician agrees that he will provide obstetric and gynecological services as set forth in **Exhibit A**, (the "**Coverage Services**"). During such times when Physician is providing the Coverage Services, he shall devote sufficient time and be available to adequately perform such services. In the event Physician is not physically present in the Hospital when he is providing the Coverage Services, he agrees to be present at the Hospital within thirty (30) minutes from a call or page by the Department requesting his presence, as required by EMTALA. "Present" means that Physician will be physically located in the Hospital. Physician understands and agrees that pursuant to the terms of this Agreement, he may not request a Certified Nurse Midwife or other Advanced Care Provider to provide Coverage Services in his place when Physician is on-call. If Physician fails to personally provide the Coverage Services and/or present to the Hospital within the time required under this Agreement, such action shall constitute a breach of this Agreement.

1.3.2 Physician agrees to participate on a regular basis in rotation with other physicians who have agreed to perform obstetric and gynecological services, including but not limited to labor and delivery services.

1.3.3 Physician will provide services according to the quality assurance criteria established by Hospital through its Quality Management Program.

1.3.4 Physician agrees that the Hospital's medical staff ("**Medical Staff**") may, at

its sole discretion, review Physician's clinical performance in reviewing and evaluating Physician's obstetric and gynecological services.

1.3.5 Physician will notify Hospital in the event he is unable to provide the Coverage Services and shall be responsible to arrange for a substitute qualified physician to provide the Coverage Services and shall communicate any such substitution to Hospital's Medical Staff Director no less than twenty-four (24) hours before Physician's on-call shift to provide Coverage Services is scheduled to begin.

1.4 Accounting for Services Performed. Physician shall provide a monthly certification of services provided ("**Certification Log**") in the format set forth in the attached **Exhibit B**, to the Hospital's Chief Executive Officer ("**CEO**") each month. This Certification Log must be legible, identify the time and date services were performed, and specify the nature of the Physician's activity. Because either Physician or Hospital may be called upon by either state or federal government authorities to provide a detailed summary of services performed, Physician acknowledges and understands that if he does not provide a Certification Log in the manner specified herein, the Hospital will withhold any compensation due Physician from Hospital pursuant to this Agreement until such information is provided. Repeated failure to provide a Certification Log in the manner specified shall constitute a breach of this Agreement.

1.5 Malpractice Insurance. Physician shall provide and maintain current for the term of this Agreement, medical malpractice insurance as required by the bylaws, rules and regulations governing Hospital Medical Staff physicians in a minimum amount of one million (\$1,000,000.00) per occurrence and three million (\$3,000,000.00) aggregate.

1.6 Reporting Requirements. Physician shall provide to the Hospital's Chief of Staff, Medical Staff, Hospital Emergency Department, Obstetrics and Gynecology Department, and Hospital Administration the current numbers for his office, residence and cellular telephones and to his mobile pager. Physician further agrees that he will report as provided in Section 1.3 above.

1.7 Transferring Physician. At any time when the Physician is providing emergency Coverage Services pursuant to the terms of this agreement and assumes responsibility for the care or treatment of a patient of the Emergency room or of an admitted patient and such patient requires transfer to another facility, Physician agrees that he will act as the transferring physician assuring that all matters required for the transfer of such patient are completed expeditiously. If Physician is unable to effectuate a transfer, then Physician shall contact the Hospital's Chief of Staff to assist in facilitating with such a transfer. Physician shall also provide Coverage Services when applicable to patients who are transferred to Hospital's emergency department from another hospital as required by EMTALA.

1.8 Professional Qualifications. Physician shall at all times (i) be certified or qualified for certification by the American Board of Obstetrics and Gynecology; (ii) maintain an unrestricted license to practice medicine in California; (iii) be a participating physician in Medicare and in MediCal; (iv) maintain medical staff membership in good standing at Hospital; (v) maintain clinical privileges in obstetrics and gynecology, as deemed necessary by Medical

Staff, and (vi) maintain professional liability coverage, in such amounts and as required by Hospital in Section 1.5.

2 Duties & Obligations of Hospital

2.1 Hospital shall ensure that there is sufficient staff skilled and knowledgeable in obstetrics and gynecology to support Physician in the care and treatment of patients.

2.2 Compensation. The hospital shall pay the Physician one thousand five hundred dollars (\$1,500.00) for each twenty-four (24) hour weekday on-call period covered during each month. One thousand eight hundred (\$1,800) for weekend coverage starting Friday at 7pm to Sunday at 6:59pm. Hospital shall pay the Physician two thousand dollars (\$2,000) for holiday coverage. The observed holidays are New Years, Memorial Day, Independence Day, Labor Day, thanksgiving and Christmas. Physician shall be compensated with a pro-rated amount for coverage provided that is less than 24-hours. In addition to the foregoing compensation, Physician shall be paid three-hundred dollars (\$300) per delivery with a total cap of \$4,500 for total compensation (coverage and deliveries) during a 24-hour call period.

2.3 Payment. Compensation will be paid within thirty (30) days of receipt of a legible, complete and properly submitted Certification Log which includes detailing the obstetric and gynecological services provided. As a required condition for payment, all patient charts must be completed and locked before compensation will be paid.

3 Term and Termination

3.1 Term of Agreement. The term of this Agreement is twenty-four (24) months and shall commence on the Effective Date and remain in effect through _____, 2028.

3.2 Termination

3.2.1 Termination for Cause. Either Party may, for cause (“cause” being defined herein as a material breach of an obligation contained or set forth in this Agreement) terminate this Agreement, provided, however, that the breaching Party has been provided written notice of the breach and has failed to cure said breach within thirty (30) days of the mailing by the non-breaching Party of such notice.

3.2.2 Immediate Termination. In the event that Physician’s medical license is revoked or medical staff privileges at Hospital are suspended, as determined by the Medical Staff, such action will be considered an incurable breach by Physician and this Agreement shall immediately terminate without further notice or cure period.

3.2.3 Jeopardy Event. Should the performance of either Party of any term, covenant, condition, or provision of this Agreement jeopardize the Hospital’s license, Hospital’s participation in Medicare, MediCal, other reimbursement or payment program (for example Blue Cross), Hospital’s full accreditation by DNV Healthcare or any other state or nationally recognized accreditation organization, or the tax-exempt status of the Hospital’s bonds or any

other Hospital's tax-exempt financing, or it is deemed illegal or unethical by any recognized body, agency or association the medical or hospital fields and the jeopardy or violation has not been or cannot be cured in within thirty (30) days from the date of notice of such jeopardy or violation has been communicated to the Parties, the Agreement shall immediately terminate.

3.2.4 No Cause Termination. It is also understood and agreed that either Party may terminate this Agreement upon ninety (90) days' written notice to the other without cause, however, the Parties understand and agree if this agreement is terminated without cause prior to the expiration of its term, the Parties may not enter into an agreement for the same or similar services until after the term of this Agreement has expired.

4 General Terms and Conditions

4.1 Independent Contractor. Physician is engaged as an independent contractor with Hospital in performing all work, duties and obligations hereunder. The parties expressly agree that no work, act, commission or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician the agent or servant of Hospital. Physician shall not be entitled to receive vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability, or unemployment insurance or any other employee or pension benefit of any kind.

4.2 Treatment of MediCal and Medicare Patients. Physician shall not refuse treatment to MediCal or Medicare patients and shall participate in managed-care contracts in which Hospital does or will participate.

4.3 No Waiver. Failure by either party to enforce any provision of this Agreement shall not constitute a waiver of such provision.

4.4 Severability. In the event that any of the terms and provisions of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable under the laws, regulations, ordinances, or other guidelines of the federal government or of any state or local government to which this Agreement is subject, such terms or provisions shall remain severed from this Agreement and the remaining terms and provisions shall continue and remain unaffected. If the term of this Agreement cannot be severed without materially affecting the operation of this Agreement, then this Agreement shall automatically terminate as of the date in which the term is held unenforceable.

4.5 Access to Books and Records. To the extent required by Section 1395(x)(V)(1) of Title 42 of the United States Code, until the expiration of four (4) years after the termination of this Agreement, Physician shall make available, upon written request to the Secretary of the United States Department of Health and Human Services, or upon request to the Comptroller General of the United States Department of Health and Human Services, or any of their duly authorized representatives, a copy of this Agreement and such books and documents and records as are necessary to certify the nature and extent of the costs of the services provided by Physician under this Agreement. Physician further agrees that in the event Physician carries out any of her duties under this Agreement through a subcontractor, with a value or cost of ten

thousand dollars (\$10,000.00) or more over a twelve (12) month period, with a related organization, such contract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of the United States Department of Health and Human Services, or upon request to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of such subcontract and such books, documents and records of such organization as are necessary to verify the nature and extent of such costs.

4.6 Compliance with Non-Discrimination Laws.

4.6.1 Non-Discrimination. During the performance of this Agreement, Physician and his subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Physician and his subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Physician and his subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990(a-f), set forth in California Code of Regulations, Title 2, Chapter 5, Division 4 are incorporated into this contract by reference as if duly set forth herein. Physician and his subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Physician shall include the nondiscrimination and compliance provisions of this Agreement in all subcontracts to perform work under this Agreement.

4.6.2 Access to Determine Compliance. Physician shall permit access by the representatives of the Department of Fair Employment and Housing and the Department of Corrections, upon reasonable notice at any time during normal business hours, but in no case less than twenty-four (24) hours' notice, to such of its books, records, accounts, other sources of information and its facilities as such agencies shall require to ascertain compliance with this clause.

4.7 Notices. Notices and demands required or permitted to be given hereunder shall be in writing and shall be effective when delivered whether by hand delivery, by courier, or by U.S. Mail, certified, return receipt requested, to the following addresses:

Physician:

Kala Dharma, M.D.

Hospital:

Chief Executive Officer
Imperial Valley Healthcare District
207 West Legion Road

4.8 Entire Agreement. This Agreement embodies the entire agreement between the parties hereto and supersedes all other previous agreements and understandings, written or oral, between the parties hereto. There are no other Agreements between the parties hereto as to the subject matter hereof other than those set forth in this Agreement.

4.9 Choice of Law and Venue. This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of California. The venue for any legal proceeding relating to, or arising out of, this Agreement shall be in the County of Imperial, State of California. In cases of Federal Jurisdiction, Parties agree that the United States District Courts for the Southern District of California in San Diego shall have sole jurisdiction and venue.

4.10 Confidentiality of Records. Physician and Hospital agree to keep confidential and take all reasonable precautions to prevent the disclosure of records required to be prepared and/or maintained pursuant to this Agreement, unless such disclosure is authorized by patient or by law; provided, however, that to the extent required by section 42 U.S.C.A. Section 1395x(v)(1)(I) of Title II and any amendment thereto, revision or subsequent legislative enactment pertaining to the subject matter of said section, the parties agree to retain such records, and make them available for the appropriate governmental agencies, for a period of seven (7) years after the expiration of the termination of this agreement. Physician will comply with all confidentiality laws and requirements, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and California Civil Code Section 56.10 et. seq. as applicable.

4.11 No Assignment Without Consent. Physician shall not assign, sell or transfer any rights conferred by this Agreement, without prior written consent of Hospital which consent shall not unreasonably be withheld.

4.12 Headings. Headings have been included solely as a convenience to the reader and are not intended nor shall they be construed in the interpretation of this Agreement.

4.13 Retention of Professional and Administrative Responsibility. Hospital shall retain professional and administrative responsibility for the services rendered as outlined in this Agreement.

4.14 Payment of Taxes. Physician acknowledges and agrees that he will pay all applicable federal, state and local taxes in connection with the services provided pursuant to this Agreement. Physician agrees to defend and indemnify and hold the Hospital harmless from any and all liability, claims, damages or losses (including, without limitation, attorneys' fees, costs penalties and fines) which arise against the District as a result of Physician's failure to perform her obligations under this Section.

4.15 Offset. In the event Physician is indebted or financially obligated to Hospital for

any reason and has failed to repay as required any such debt or obligation for sixty (60) days or more, then Hospital in its sole discretion may offset the amount of such unpaid debt or obligation owed by Physician from any compensation due and payable under this agreement to Physician. Hospital shall provide Physician a written notice of the exercise of its offset rights under this paragraph at any time before, or at the time of exercise of the offset. Any offset(s) exercised by the Hospital shall not affect or change any other conditions or provisions of contracts or agreements between Hospital and Physician. Further, Hospital exercise of any offset shall not be considered a waiver of any interest or penalty amount due and payable to Hospital from Physician.

4.16 No Payments After Termination. After termination of this contract, Physician understands that there will be no further payments made for services which are the subject of this Agreement until Physician has executed a new agreement except for services which have already been provided before the end of the term of this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

HOSPITAL

By _____
Christopher R. Bjornberg
Chief Executive Officer
Imperial Valley Healthcare District

Date _____

PHYSICIAN

By _____
Kala Dharma, M.D.

Date _____

EXHIBIT A

PHYSICIAN'S COVERAGE SERVICES & DUTIES

During the term of this Agreement, Physician shall provide the following Coverage Services:

1. Make recommendations to the Hospital's CEO regarding the use of Hospital personnel, necessary equipment and standards of patient care in connection with this Agreement.
2. Report to the Hospital's CEO, who will represent Hospital in the administration of this Agreement.
3. Provide on-call obstetric and gynecological services, including, but not limited to, labor and delivery, in connection with this Agreement. Services shall include acceptance and medical management of obstetrics and gynecology patients, from Emergency Department, in-patient admission to discharge, including obtaining additional consultations as necessary, and office follow-up when required by EMTALA.
4. Maintain communication with Department Director and Hospital's Chief of Staff to ensure proper call coverage at all times.
5. Accepting the referral for treatment or consultation to patients regardless of the patient's ability to pay for services.
6. Managing patient from evaluation to the time of transfer, and transferring patients only upon acceptance by receive hospitals and physicians. Accepting EMTALA transfers from other hospitals.
7. Timely provide Hospital will Physician's schedule to enable preparation of on-call schedules.
8. Responding by phone to Department within twenty (20) minutes of initial contact and being on site at Hospital within thirty (30) minutes of request to be present in the emergency department to evaluate a patient consistent with Hospital's Rules and Regulations and EMTALA. Failure to respond as required herein during any 12-month period during the Term of this Agreement shall result in the following:
 - a. First failure – mandatory meeting with Hospital's Chief of Staff;
 - b. Second Failure – 30-day suspension from on-call list for obstetrics and gynecology;
 - c. Third Failure – 60-day suspension from on-call list for obstetrics and gynecology;
 - d. Fourth Failure – termination from on-call list during the Term.

By signing this document, I certify that I have performed the services set forth above. I further acknowledge and understand that this Certification Log may be made available to law enforcement or other regulatory agencies to confirm compliance with applicable state and federal law if so requested.

Physician's Printed Name: _____

Physician's Signature: _____

Date Signed: _____

By signing this document, Hospital acknowledges that the Coverage Services reflected in the Certification Log above are consistent with the records of Coverage Services provided by Physician during the previous month.

CEO's Signature: _____

Date Signed: _____