



**SIERRA VISTA HOSPITAL GOVERNING BOARD
REGULAR MEETING AGENDA
Elephant Butte Lake RV
Resort Center
6-23-25**

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**Closed session items will be handed out in closed session*

High quality for every patient, every day.



**AGENDA
SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING**

June 23, 2025

12:00pm

**Elephant Butte Lake RV
Event Center**

MISSION STATEMENT: Provide high quality, highly reliable and medically proficient healthcare services to the citizens of Sierra County.

VISION STATEMENT: Become the trusted, respected, and desired destination for the highest quality of healthcare in the state of New Mexico; exceed compliance and quality expectations and improve the quality of life for our patients and community.

VALUES: Stewardship. Honest. Accountable. Respect. Professional. Kindness. Integrity. Trust. (SHARP KIT)

GUIDING PRINCIPLES: High quality for every patient, every day.

TIME OF MEETING: 12:00pm

PURPOSE: Regular Meeting

COUNTY

Kathi Pape, **Chair**
Serina Bartoo, **Vice Chair**
Shawnee R. Williams, **Member**

ELEPHANT BUTTE

Katharine Elverum, **Member**
Richard Holcomb, **Member**

CITY

Bruce Swingle, **Member**
Jesus Baray, **Member**
Greg D'Amour, **Member**

EX-OFFICIO

David Faulkner, **Interim CEO**
Amanda Cardona, **VCW**
Janet Porter-Carrejo, **City Manager, EB**
Amber Vaughn, **County Manager**
Gary Whitehead, **City Manager, TorC**
Jim Paxon, **JPC Chair**

VILLAGE of WILLIAMSBURG

Cookie Johnson, **Secretary**

SUPPORT STAFF:

Ming Huang, **CFO**
Sheila Adams, **CNO**
Heather Johnson, **HIM Mgr.**
Zach Heard, **PXO**
Lisa Boston, **CO**

Ovation:

Erika Sundrud
David Perry

AGENDA ITEMS	PRESENTER	ACTION REQUIRED
1. Call to Order	Kathi Pape, Chairperson	
2. Pledge of Allegiance	Kathi Pape, Chairperson	
3. Roll Call	Jennifer Burns	Quorum Determination
4. Approval of Agenda	Kathi Pape, Chairperson	Amend/Action
"Are there any items on this agenda that could cause a potential conflict of interest by any Governing Board Member?"		
5. Approval of minutes	Kathi Pape, Chairperson	
A. June 9, 2025 Special Meeting		Amend/Action
B. May 29, 2025 Regular Meeting		Amend/Action
6. Public Input – 3-minute limit		Information
7. Old Business-		
A. Bylaws Committee	Katharine Elverum	Report/ Action
1. Revisions		
8. New Business-		
A. e4h Architecture Presentation (2)	Thomas Newsom	Report/Action
9. Finance Committee- Bruce Swingle, Chairperson		
A. May Financial Report	Ming Huang, CFO	Action
B. DZA Accountants Year End 6/30/25	Ming Huang, CFO	Action
C. Authorized Bank Signers	Ming Huang, CFO	Action
10. Board Quality- Shawnee Williams, Chairperson		
A. Policies	Sheila Adams, CNO	Action
• Involuntary Hold (Nursing Administration)		
• Involuntary Hold (Form)		
• Mortality/ Morbidity Peer Review		
11. Administrative Reports		
A. HR Report	Heather Milton, HR	Report
B. Nursing Services	Sheila Adams, CNO	Report
C. CEO Report	David Faulkner, Interim CEO	Report
D. Governing Board Report	Kathi Pape, Chair	Report

Motion to Close Meeting:

12. Executive Session – In accordance with Open Meetings Act, NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 2, 7 and 9 including credentialing under NM Review Organization Immunity Act, NMSA Section 41-2E (8) and 41-9-5 the Governing Board will vote to close the meeting to discuss the following items:

Order of business to be determined by Chairperson:

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

David Faulkner, Interim CEO

2-Year Reappointments

Mary Pattridge, LCSW

Peace C. Chukwuma, NP

RP Delegated Reappointments

Amy E. Benson, MD

Provisional to 2-Year

Haywood Hall, MD ESS

Ryan J. Kronen, MD ESS

TERMS:

Chad A. Berryman, MD - ESS

Yosef Raskin, MD - ESS

Timothy W. Overton, MD - ESS

Greg D'Amour, PharmD

B. Patient Experience Report

C. CEO Pay range

D. Megan Toney Employment Agreement

E. Remote Compliance Officer Agreement

Zach Heard, PXO

Kathi Pape, Chair

David Faulkner, Interim CEO

David Faulkner, Interim CEO

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

A. Risk Report

Heather Johnson, Risk

10-15-1 (H) 9 – Public Hospital Board Meetings- Strategic and long-range business plans

A. Ovation Report to Board

Erika Sundrud, Ovation

B. Elephant Butte withdrawal notice

Jim Paxon, JPC Chair

C. City of Elephant Butte GRT

Ming Huang, CFO

Roll Call to Close Meeting:

14. Re-Open Meeting – As required by Section 10-15-1(J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

Action

2-Year Reappointments

Mary Pattridge, LCSW

Peace C. Chukwuma, NP

RP Delegated Reappointments

Amy E. Benson, MD

Provisional to 2-Year

Haywood Hall, MD ESS

Ryan J. Kronen, MD ESS

TERMS:

Chad A. Berryman, MD - ESS

Yosef Raskin, MD - ESS

Timothy W. Overton, MD - ESS

Greg D'Amour, PharmD

B. Patient Experience Report

C. CEO Pay range

D. Megan Toney Employment Agreement

E. Remote Compliance Office Agreement

Report

Discussion

Action

Action

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

A. Risk Report

Report

10-15-1 (H) 9 - Public Hospital Board Meetings- Strategic and long-range business plans

A. Ovation Report to Board

B. Elephant Butte withdrawal notice

C. City of Elephant Butte GRT

Report

Report

Report

15. Other

Next Regular Meeting- July 22 or 29, 2025 @ 12:00

Discussion

16. Adjournment

Action

**SIERRA VISTA HOSPITAL
GOVERNING BOARD SPECIAL MEETING MINUTES**

June 9, 2025

11:00am

SVH Boardroom

1.The Governing Board of Sierra Vista Hospital met June 9, 2025, at 11:00am in the boardroom at Sierra Vista Hospital for a special meeting. Kathi Pape, Governing Board Chairperson, called the meeting to order at 11:00am.

2.Pledge of Allegiance

COUNTY

Kathi Pape, **Chair**, Present
Serina Bartoo, **VC**, Present
Shawnee R. Williams, Present

ELEPHANT BUTTE

Katharine Elverum, Present
Richard Holcomb, Present

CITY

Bruce Swingle, Present
Jesus Baray, Present
Greg D'Amour, Present

EX-OFFICIO

Don Bates, CEO, Excused
Amanda Cardona, VCW, Absent
Janet Porter-Carrejo, CM, EB, Absent
Amber Vaughn, CM, Absent
Gary Whitehead, CM, TorC, Absent
Jim Paxon, JPC Chair, Present

VILLAGE of WILLIAMSBURG

Cookie Johnson, **Secretary**,
Present by phone

<u>AGENDA ITEMS</u>	<u>PRESENTER</u>	<u>ACTION REQUIRED</u>
1. Call to Order	Kathi Pape, Chairperson	
2. Pledge of Allegiance	Kathi Pape, Chairperson	
3. Roll Call	Jennifer Burns	Quorum Determination
4. Approval of Agenda	Kathi Pape, Chairperson	

“Are there any items on this agenda that could cause a potential conflict of interest by any Governing Board Member?” None

Katharine Elverum pointed out that “according to Open Meetings Act F.1, public bodies must include an agenda in their meeting notices or information where a copy of the agenda may be obtained. We were not sent a copy of the agenda with our notice nor did our emails state that you need to look at the website. Thankfully, Jennifer did tell me that after I asked. I don’t know of any meeting that we have ever had in the past that the agenda wasn’t included in the email. So, moving forward, I would like for that not to happen again.”

Note: All public notices sent to our government entities, the legal notice published in the Sentinel newspaper, the public notices posted inside the hospital and the website meetings and legal notices page state where and when the agendas will be available. In addition, copies of the agenda are printed and available at the front registration desk at the hospital.

Motion to Close Meeting:

Richard Holcomb motioned to close the meeting. Shawnee Williams seconded.

Kathi Pape read the following:

5. Executive Session – In accordance with Open Meetings Act, NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 2 the Governing Board will vote to close the meeting to discuss the following items:

10-15-1(H) 2 – Limited Personnel Matters

A. CEO

Roll Call to Close Meeting:

Kathi Pape – Y	Serina Bartoo – Y	Cookie Johnson - Y
Richard Holcomb – Y	Bruce Swingle – Y	Shawnee Williams - Y
Greg D’Amour – Y	Jesus Baray – Y	

6. Re-Open Meeting – As required by Section 10-15-1(J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

10-15-1(H) 2 – Limited Personnel Matters

A. CEO

Jesus Baray motioned to terminate Don Bates. Richard Holcomb seconded. Motion carried unanimously and Greg D’Amour motioned that Kathi Pape as Chairperson, with assistance from Erika Sundrud, contract with David Faulkner as Interim CEO. Katharine Elverum seconded. After clarification, motion carried unanimously.

Don Bates was called in to the meeting where he received his termination notice.

7. Adjournment

Kathi Pape motioned to adjourn. Serina Bartoo seconded. Motion carried unanimously.

Jennifer Burns, Recording Secretary

Date

Kathi Pape, Governing Board Chair

Date

DRAFT

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

May 29, 2025

12:00pm

**Elephant Butte Lake RV
Event Center**

1. The Governing Board of Sierra Vista Hospital met May 29, 2025, at 12:00pm at Elephant Butte Lake RV Resort Event Center for a regular meeting. Kathi Pape, Governing Board Chairperson, called the meeting to order at 12:00.

2. Pledge of Allegiance

3. Roll Call:

COUNTY

Kathi Pape, **Chair**, Present
Serina Bartoo, **VC**, Present
Shawnee R. Williams, Present

ELEPHANT BUTTE

Katharine Elverum, Present
Richard Holcomb, Present

CITY

Bruce Swingle, Present
Jesus Baray, Present
Greg D'Amour, Present

EX-OFFICIO

Don Bates, CEO, Present
Amanda Cardona, VCW, Present
Janet Porter-Carrejo, CM, EB, Absent
Amber Vaughn, CM, Absent
Gary Whitehead, CM, TorC, Absent
Jim Paxon, JPC Chair, Present

VILLAGE of WILLIAMSBURG

Cookie Johnson, **Secretary**,
Present by phone

SUPPORT STAFF:

Ming Huang, CFO
Sheila Adams, CNO, by phone
Zachary Heard, PXO
Heather Johnson, Risk
Lisa Boston, CO
Aaron Dow, CIO

Ovation:

Erika Sundrud

Guest:

Thomas Newsom, E4H
Don Welch, DOP

4. Approval of Agenda

Serina Bartoo motioned to approve the agenda. Katharine Elverum seconded. Motion carried unanimously.

“Are there any items on this agenda that could cause a potential conflict of interest by any Governing Board Member?” None

5. Approval of minutes

A. April 29, 2025 Regular Meeting

Serina Bartoo motioned to approve the April 29, 2025 minutes. Greg D’Amour seconded. Motion carried unanimously.

6. Public Input – None

7. Old Business-

None

8. New Business-

A. e4h Presentation- Thomas Newsom discussed with the Governing Board the outpatient therapy building and the master plan for the new facilities. Originally, the master plan was a 10-phase plan costing approximately \$49 million. After in depth analysis, this could be a 3-phase master plan that will save a few million dollars. Each phase was discussed. The project, if done as proposed, could be completed within 39 months.

9. Finance Committee- Bruce Swingle, Chairperson

A. April Financial Report- Ming Huang, CFO, reported that total patient days were 113, 12 days more than March. Outpatient visits were 847, 17 less than March. The RHC had 741 visits, 71 more than March and ER visits were 768, 9 less than March. Days cash on hand at the end of April were 93 which is equal to \$9,409,634. Accounts receivable net days were 50 and accounts payable days were 29.

Gross patient revenue was \$6,302,516. Bad debt expense was higher at \$788,464 and total revenue deductions were \$3,620,289. Other operating revenue was \$7,120,736. This is from the HDAA funds. Total operating revenue was \$10,132,997. Under expenses, benefits were higher due to delayed payment into the retirement plan. Total operating expense was \$3,063,507. EBITDA for April was \$7,069,490 which is a 70% margin. Year to date EBITDA \$11,956,466.

Bruce Swingle motioned based on the recommendation of the Finance Committee, approval of the April financial report. Serina Bartoo seconded. Motion carried unanimously.

B. 403b Principal to Voya - Ming Huang, CFO, requested approval from the board to open the 403b plan with Voya so that we can terminate the plan with Principal. The board approved switching to Voya last year.

Greg D’Amour motioned to approve the move to Voya. Katharine Elverum seconded. Motion carried unanimously.

10. Board Quality- Shawnee Williams, Chairperson

A. Policies

- Annual Policy Review – RHC
- Annual Program Evaluation – RHC
- Authorized Services Performed by a Nurse Practitioner – RHC
- Clinical Record System – RHC
- History and Physical – RHC

- In Charge Identification – RHC
- Scope of Services – RHC
- Involuntary Hold & Form – RHC
- OPPE Form – Psychologist
- OPPE Form – Rural Health LICSW
- OPPE Form – RHC Walk-In Clinic FNP
- Medical Staff Peer Review – Medical Staff
- Re-appointment Credentialing – Medical Staff
- Hospital Committee Support – Medical Staff

Sheila Adams, CNO, explained that the RHC policies were put in place because they are required for a rural health clinic. The OPPE (ongoing professional practice evaluation) forms did not exist. The form spells out how we will evaluate our providers in these fields. The medical staff peer review is now in line with the New Mexico statutes and our medical staff bylaws. The re-appointment credentialing policy was formerly two policies, now combined into one. There were five policies regarding hospital committee support and now there is one.

Discussion was held regarding medical staff peer review and how it works. Erika Sundrud explained that OPPE and FPPE are not requirements of CMS conditions of participation. They are for JCC. We implemented these in preparation to become JCC accredited and because it's the right thing to do. Any unexpected outcome or death has always gone to peer review.

Shawnee Williams motioned based on the recommendation of the Board Quality Committee, approval of all policies and forms listed above as presented. Greg D'Amour seconded. Cookie Johnson abstained as she could not hear most of the discussion. Motion carried unanimously.

11. Administrative Reports

A. HR Report - Don Bates, CEO, stated that our new HR Director will start on June 9th. New hires include a CNA in the ER, a maintenance tech and a registration clerk. Three agency contracts ended and four PRN employees were released. Terminations include a registration clerk that resigned, an EMS paramedic who violated policy, the former DPS resigned, and a maintenance tech refused immunization.

Current agency staff includes 10 RNs, 1 LPN, 1 MA, 3 CNAs, 1 sterile processing tech, 1 physical therapist, 2 independent contracted nurses and 9 foreign nurses (three-year contracts). We currently have 223 employees.

B. Nursing Services - Sheila Adams, CNO, gave an update on the SVH CNA program which starts June 16th. The trauma program gave out 210 life jackets over the Memorial Day weekend and we will have more for the 4th of July. EMS week was celebrated the week of May 18-24. In the past year in addition to responding to 911 calls and transferring patients, EMS has been available at community events, completed classes at the high school and hospital, participated in higher education functions and was awarded the State Service of the year award for 2024.

C. CEO Report - Don Bates, CEO. AR days are coming back down to where they were a year ago and where they need to be. The community health needs assessment is now in the Ovation market analysis phase and key stakeholder interviews are being scheduled for June 25th. We will build our strategic plan from the data collected.

We are finalizing the contract with Three Crosses and Dr. Robinson and Dr. Kamali are in credentialing. Katie, at Ovation, is finalizing the surgical services proforma. We are also looking at pain management, cardiology, orthopedics and GYN with Three Crosses.

We are reviewing our hospital charges, which hasn't been done since 2018. We are charging less in some cases than the fee schedule, especially for radiology and surgical services. We don't want to be the highest, but we do not want to be lowest.

Finally, we are exploring the possibility of setting up an intensive outpatient program for Geri-Psych.

Motion to Close Meeting:

Bruce Swingle motioned to close the meeting. Jesus Baray seconded.

12. Executive Session – In accordance with Open Meetings Act, NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 2, 7 and 9 including credentialing under NM Review Organization Immunity Act, NMSA Section 41-2E (8) and 41-9-5 the Governing Board will vote to close the meeting to discuss the following items:

Order of business to be determined by Chairperson:

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

Don Bates, CEO

Temps to Provisional:

Emily Gerardo, FNP

2-Year Reappointment

Jeremy Parsons, MD

Michael Pena, MD (ESS)

RP Delegated Reappointment:

Chukwusomnazu E. Nwanze MD

Ashton D. Regalado-Magdos MD

Terms:

Minnsun Park, MD/MMC Cardiology - did not reappoint

Audra Yadack, MD/Arena Health - did not reappoint

Roi Altit, MD/MMC Cardiology - did not reappoint

B. Patient Experience Report

Zach Heard, PXO

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

A. Risk Report

Heather Johnson, Risk

10-15-1 (H) 9 – Public Hospital Board Meetings- Strategic and long-range business plans

A. Annual Compliance Report

Lisa Boston, CO

B. Governing Board Report

Kathi Pape, Chairperson

1. Bylaws revisions

C. QAPI/ Survey

Lisa Boston, CO

D. Ovation Report to Board

Erika Sundrud, Ovation

E. Board Self-evaluation

Erika Sundrud, Ovation

Roll Call to Close Meeting:

Kathi Pape – Y
Katharine Elverum – Y
Greg D'Amour – Y

Serina Bartoo – Y
Richard Holcomb – Y
Cookie Johnson – Y

Jesus Baray – Y
Bruce Swingle - Y
Shawnee Williams - Y

14. Re-Open Meeting – As required by Section 10-15-1(J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

Temps to Provisional:

Emily Gerardo, FNP

2-Year Reappointment

Jeremy Parsons, MD

Michael Pena, MD (ESS)

RP Delegated Reappointment:

Chukwusomnazu E. Nwanze MD

Ashton D. Regalado-Magdos MD

Terms:

Minnsun Park, MD/MMC

Audra Yadack, MD/Arena Health

Roi Altit, MD//MMC Cardiology

Shawnee Williams motioned to approve all above listed privileges based on the recommendation of the Board Quality Committee. Greg D'Amour seconded. Motion carried unanimously.

B. Patient Experience Report

No Action

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

A. Risk Report

No Action

10-15-1 (H) 9 - Public Hospital Board Meetings- Strategic and long-range business plans

A. Annual Compliance Report

B. Governing Board Report

1. Bylaws Revisions

Tabled until next meeting

C. QAPI/ Survey

D. Ovation Report to Board

E. Board Self-evaluation

No action on items A-E

15. Other

Next Regular Meeting- June 23, 2025 @ 12:00. Finance Committee will meet at 11:00. Board Quality will meet on Friday, June 20, 2025 at 10:00.

16. Adjournment

Jesus Baray motioned to adjourn. Richard Holcomb seconded. Motion carried unanimously.

Jennifer Burns, Recording Secretary

Date

Kathi Pape, Governing Board Chair

Date



Financial Analysis

May 31st, 2025

Days Cash on Hand for May 2025 are 120 which equals \$12,033,104

Accounts Receivable Net days are 45

Accounts Payable days are 13

Hospital Excess Revenue over Expense

The **Net Income** for the month of May was (\$281,438) vs. a Budget Income of (\$334,291).

Hospital Gross Revenue for May was \$5,061,742 or \$435,153 less than the budget. Patient Days were 133 – 20 more than April, Outpatient visits were 848 – 1 more than April. RHC visits were 817 – 76 more than April and ER visits were 735 – 33 less than April.

Revenue Deductions for May were \$2,998,242.

Other Operating Revenue was \$353,270.

Non-Operating Revenue was \$401,868. Received trauma grant of \$60,967.

Hospital Operating Expenses for May were \$2,716,069. Compared to budget, Contract Services were less than budget due to the lower agency/contract staffing expenses and Athena refunded \$26,129 for overpayment.

EBITDA for May was \$106,396 vs. a Budget of \$92,396. YTD EBITDA is \$12,062,862 vs. a Budget of \$998,474.

The **Bond Coverage Ratio** in May was 453% vs. an expected ratio of 130%.

Sierra Vista Hospital
KEY STATISTICS
May 31, 2025

MONTH				BENCHMARK RANGE				YEAR TO DATE					
Actual	Budget	Variance to		Prior Year	Variance to		QHR 75th	QHR 50th	Actual	Budget	Variance to	Prior Year	Variance to
5/31/25	5/31/25	Budget	5/31/24	Prior Year					5/31/25	5/31/25	Budget	05/31/24	Prior Year
DESCRIPTION													
Growth													
Net Patient Revenue Growth Rate													
Admissions													
29	29	-	20	9	6%	477	5%	-2%	300	319	(19)	262	38
3	3	-	5	(2)		67			30	33	(3)	37	(7)
32	32	-	25	7		544			330	352	(22)	299	31
Total Admissions													
4.2	3.2	1.0	4.9	(0.8)		3.3	4.0	3.8	3.2	3.2	1	3.6	0.16
133	102	31	123	10		49,938	28,793	1,250	1,122	1,084	128	1,084	166
848	986	(138)	1,031	(183)		21,200	17,254	10,572	10,846	10,902	(274)	10,902	(330)
817	880	(63)	855	(38)		9,514	7,358	8,384	9,680	9,691	(1,296)	9,691	(1,307)
735	705	30	780	(45)		10%	6%	8,048	7,755	7,753	293	7,753	295
4%	4%	-0.2%	3%	1%		ER Visits Conversion to Acute Admissions		4%	4%	4%	0%	3%	0%
Surgery Cases													
-	-	-	-	-		238	114	-	-	-	-	4	(4)
-	15	(15)	22	(22)		1,396	708	94	165	165	(71)	164	(70)
-	15	(15)	22	(22)		1,634	821	94	165	165	(71)	168	(74)
Total Surgeries													
Profitability													
4%	15%	-11%	11%	-8%		7%	4%	27%	15%	15%	12%	2%	24%
-10%	15%	-25%	-1%	-9%		2%	2%	17%	15%	15%	2%	-11%	28%
59%	46%	13%	57%	3%		47%	50%	58%	46%	46%	12%	54%	4%
11%	2%	9%	9%	2%		2%	6%	11%	2%	2%	9%	10%	1%
96%			89%			83%	78%	96%	96%	89%		89%	7%
\$ 6,327			\$ 28,268	(\$21,941)				\$6,327				\$ 28,268	(\$21,941)
\$ 2,584			\$ 12,323	(\$9,739)				\$2,584				\$ 12,323	(\$9,739)
55%	40%	15%	40%	16%		35%	40%	46%	40%	40%	6%	42%	4%
10%	7%	3%	7%	2%		11%	12%	9%	9%	7%	2%	8%	1%
7%	8%	-1%	7%	0%		10%	13%	8%	8%	8%	0%	8%	0%
Cash and Liquidity													
120						236	106	120				68	52
69						47	57	69				86	(17)
45						41	53	45				68	(22)
13						30	35	13				28	(15)
6.7						4.3	2.6	6.7				3.6	3.1
Current Ratio													

Sierra Vista Hospital
STATISTICS by Month
May 31, 2025
(SUBJECT TO AUDIT)

Description	Month Ending 6/30/2025	Month Ending 5/31/2025	Month Ending 4/30/2025	Month Ending 3/31/2025	Month Ending 2/28/2025	Month Ending 1/31/2025	Month Ending 12/31/2024	Month Ending 11/30/2024	Month Ending 10/31/2024	Month Ending 9/30/2024	Month Ending 8/31/2024	Month Ending 7/31/2024
Admissions												
Acute	29	27	32	32	22	27	30	33	31	24	25	20
Swing	3	2	-	-	1	3	5	3	2	2	4	5
Total Admissions	32	29	32	32	23	30	35	36	33	26	29	25
ALOS (acute and swing)	4.2	3.9	3.2	3.2	3.3	4.9	3.9	3.4	3.3	3.1	3.9	4.8
Patient Days (acute and swing)	133	113	101	101	77	148	137	121	108	80	113	119
Outpatient Visits	848	847	864	864	682	1,032	858	955	1,186	1,185	1,078	1,037
Rural Health Clinic Visits	817	741	670	670	671	809	658	765	831	764	872	786
ER Visits	735	768	777	777	670	715	782	757	714	728	676	726
ER Visits Conversion to Acute Admissions	#DIV/0!	4%	4%	4%	3%	4%	4%	4%	4%	3%	4%	3%
Surgery Cases												
Inpatient Surgery Cases	-	-	-	-	-	-	-	-	-	-	-	-
Outpatient Surgery Cases	-	-	-	-	-	-	-	5	33	17	22	17
Total Surgeries	-	-	-	-	-	-	-	5	33	17	22	17
Profitability												
EBITDA % Net Rev	4%	70%	52%	52%	-103%	47%	-2%	-3%	-15%	18%	-1%	-1%
Operating Margin %	-10%	66%	46%	46%	-129%	40%	-18%	-18%	-30%	8%	-15%	-14%
Rev Ded % Net Rev	59%	57%	52%	52%	69%	57%	57%	59%	61%	53%	58%	58%
Bad Debt % Net Pt Rev	11%	23%	9%	9%	18%	6%	13%	11%	9%	5%	10%	9%
Outpatient Revenue %	96%	97%	97%	97%	98%	96%	96%	97%	97%	98%	97%	97%
Gross Patient Revenue/Adjusted Admission	\$ 6,327	\$ 6,520	\$ 6,670	\$ 6,670	\$ 2,238	\$ 7,539	\$ 6,563	\$ 4,965	\$ 5,517	\$ 4,929	\$ 6,328	\$ 7,676
Net Patient Revenue/Adjusted Admission	\$ 2,584	\$ 2,775	\$ 3,187	\$ 3,187	\$ 688	\$ 3,234	\$ 2,795	\$ 2,024	\$ 2,162	\$ 2,330	\$ 2,633	\$ 3,209
Salaries % Net Pt Rev	55%	41%	34%	34%	129%	50%	43%	48%	53%	38%	44%	43%
Benefits % Net Pt Rev	10%	11%	6%	6%	24%	9%	7%	9%	6%	9%	9%	8%
Supplies % Net Pt Rev	7%	7%	7%	7%	22%	8%	10%	9%	9%	8%	8%	8%
Cash and Liquidity												
Days Cash on Hand	120	93	93	93	75	93	50	41	48	52	56	55
A/R Days (Gross)	69	75	88	88	80	79	85	94	82	81	73	71
A/R Days (Net)	45	50	49	49	42	46	54	67	58	60	57	58
Days in AP	13	29	22	22	24	22	35	31	23	24	22	27
Current Ratio	6.7	5.5	4.2	4.2	3.6	4.3	3.7	3.7	4.4	4.7	5.0	4.9

Sierra Vista Hospital
TWELVE MONTH STATISTICS
May 31, 2025
(SUBJECT TO AUDIT)

Description	Month Ending 5/31/2025	Month Ending 4/30/2025	Month Ending 3/31/2025	Month Ending 2/28/2025	Month Ending 1/31/2025	Month Ending 12/31/2024	Month Ending 11/30/2024	Month Ending 10/31/2024	Month Ending 9/30/2024	Month Ending 8/31/2024	Month Ending 7/31/2024	Month Ending 6/30/2024
Admissions												
Acute	29	27	32	22	27	30	33	31	24	25	20	30
Swing	3	2	-	1	3	5	3	2	2	4	5	3
Total Admissions	32	29	32	23	30	35	36	33	26	29	25	33
ALOS (acute and swing)	4.2	3.9	3.2	3.3	4.9	3.9	3.4	3.3	3.1	3.9	4.8	5.3
Patient Days (acute and swing)	133	113	101	77	148	137	121	108	80	113	119	175
Outpatient Visits	848	847	864	682	1,032	858	955	1,186	1,185	1,078	1,037	931
Rural Health Clinic Visits	817	741	670	671	809	658	765	831	764	872	786	867
ER Visits	735	768	777	670	715	782	757	714	728	676	726	703
ER Visits Conversion to Acute Admissions	4%	4%	4%	3%	4%	4%	4%	4%	3%	4%	3%	4%
Surgery Cases												
Inpatient Surgery Cases	-	-	-	-	-	-	-	-	-	-	-	-
Outpatient Surgery Cases	-	-	-	-	-	-	5	33	17	22	17	-
Total Surgeries	-	-	-	-	-	-	5	33	17	22	17	-
Profitability												
EBITDA % Net Rev	4%	70%	52%	-103%	47%	-2%	-3%	-15%	18%	-1%	-1%	-2%
Operating Margin %	-10.0%	66.1%	46.3%	-129%	40%	-18%	-18%	-30%	8%	-15%	-14%	-16.3%
Rev Ded % Net Rev	59%	57%	52%	69%	57%	57%	59%	61%	53%	58%	58%	57%
Bad Debt % Net Pt Rev	11.3%	22.7%	9.3%	18%	6%	13%	11%	9%	5%	10%	9%	11.1%
Outpatient Revenue %	96%	97%	97%	98%	96%	96%	97%	97%	98%	97%	97%	88%
Gross Patient Revenue/Adjusted Admission	\$ 6,327	\$ 6,520	\$ 6,670	\$ 2,238	\$ 7,539	\$ 6,563	\$ 4,965	\$ 5,517	\$ 4,929	\$ 6,328	\$ 7,676	\$ 20,880
Net Patient Revenue/Adjusted Admission	\$ 2,584	\$ 2,775	\$ 3,187	\$ 688	\$ 3,234	\$ 2,795	\$ 2,024	\$ 2,162	\$ 2,330	\$ 2,633	\$ 3,209	\$ 9,052
Salaries % Net Pt Rev	55%	41%	34%	129%	50%	43%	48%	53%	38%	44%	43%	43%
Benefits % Net Pt Rev	10%	11%	6%	24%	9%	7%	9%	6%	9%	9%	8%	8%
Supplies % Net Pt Rev	7%	7%	7%	22%	8%	10%	9%	9%	8%	8%	8%	9%
Cash and Liquidity												
Days Cash on Hand	120	93	93	75	93	50	41	48	52	56	55	62
A/R Days (Gross)	69	75	88	80	79	85	94	82	81	73	71	82
A/R Days (Net)	45	50	49	42	46	54	67	58	60	57	58	65
Days in AP	13	29	22	24	22	35	31	23	24	22	27	29
Current Ratio	6.7	5.5	4.2	3.6	4.3	3.7	3.7	4.4	4.7	5.0	4.9	3.8

Sierra Vista Hospital
Detailed Stats by Month
5/31/2025

(SUBJECT TO AUDIT)

Description	FY2025	Avg FY2025	Month Ending 6/30/2025	Month Ending 5/31/2025	Month Ending 4/30/2025	Month Ending 3/31/2025	Month Ending 2/28/2025	Month Ending 1/31/2025	Month Ending 12/31/2024	Month Ending 11/30/2024	Month Ending 10/31/2024	Month Ending 9/30/2024	Month Ending 8/31/2024	Month Ending 7/31/2024
Total Acute Patient Days	990	90	93	109	109	93	101	68	91	106	96	91	70	89
Total Swingbed Patient Days	260	24	20	24	24	20	-	9	57	31	25	17	10	24
Total Acute Hours (based on Disch Hrs)	24,148	2,195	2,275	2,643	2,643	2,275	2,439	1,643	2,184	2,843	2,298	2,187	1,680	1,820
TOTAL ACUTE														
Patient Days	990	90	93	109	109	93	101	68	91	106	96	91	70	89
Admits	300	27	27	32	32	27	32	22	27	30	33	27	24	25
Discharges	317	29	31	26	26	31	29	22	27	34	33	48	22	23
Discharge Hours	24,148	2,195	2,275	2,643	2,643	2,275	2,439	1,643	2,184	2,843	2,298	2,187	1,680	1,820
Avg LOS	3.1	3.1	3.0	4.2	4.2	3.0	3.5	3.1	3.4	3.1	2.9	1.9	3.2	3.9
Medicare Acute														
Patient Days	689	63	59	80	80	59	65	50	60	59	81	47	46	78
Admits	194	18	16	19	19	16	22	13	17	14	26	15	15	21
Discharges	196	18	20	18	18	20	18	14	17	17	26	16	13	19
Discharge Hours	16,600	1,509	1,450	1,930	1,930	1,450	1,568	1,210	1,435	1,424	1,945	1,125	1,104	1,872
Avg LOS	3.5	3.5	3.0	4.4	4.4	3.0	3.6	3.6	3.5	3.5	3.1	2.9	3.5	4.1
SWING - ALL (Medicare/Other)														
Patient Days	260	24	20	24	24	20	-	9	57	31	25	17	10	24
Admits	30	3	2	3	3	2	-	1	3	5	3	2	2	4
Discharges	26	2	2	3	3	2	-	1	4	4	3	2	2	3
Discharge Hours	6,224	566	476	577	577	476	-	216	1,368	746	602	402	230	576
Avg LOS	10.0	10.0	10.0	8.0	8.0	10.0	#DIV/0!	9.0	14.3	7.8	8.3	8.5	5.0	8.0
Observations														
Patient Days	224	20	20	15	15	20	34	8	19	40	22	13	20	11
Admits	154	14	18	15	15	18	24	8	15	19	13	9	14	7
Discharge Hours	5,365	488	483	349	349	483	820	190	461	958	519	307	480	273
Emergency Room														
Total ER Patients	8,048	732	768	735	735	768	777	670	715	782	757	714	728	676
Admitted	222	20	20	14	14	20	34	25	31	33	20	15	11	7
Transferred	888	81	84	68	68	84	90	77	83	77	89	73	88	84
Ambulance														
Total ALS/BLS runs	3,651	332	386	323	323	386	383	269	348	323	320	352	306	323
911 Calls	2,738	249	291	247	247	291	290	187	264	240	239	269	220	250
Transfers	913	83	95	76	76	95	93	82	84	83	81	83	86	73
OP Registrations														
	10,407	946	847	848	848	847	864	682	1,032	858	955	1,107	1,154	1,051
Rural Health Clinic														
Total RHC Visits	8,384	762	741	817	817	741	670	671	809	658	765	831	764	872
Avg Visits per day	401	36	34	41	41	34	29	34	40	33	40	36	38	40
Walk-In Clinic	1,909	174	228	240	240	228	140	171	220	187	170	170	132	139
Behavioral Health														
Patients Seen	3,388	308	319	283	283	319	296	254	253	283	350	350	269	332

**Sierra Vista Hospital
Detailed Stats by Month**

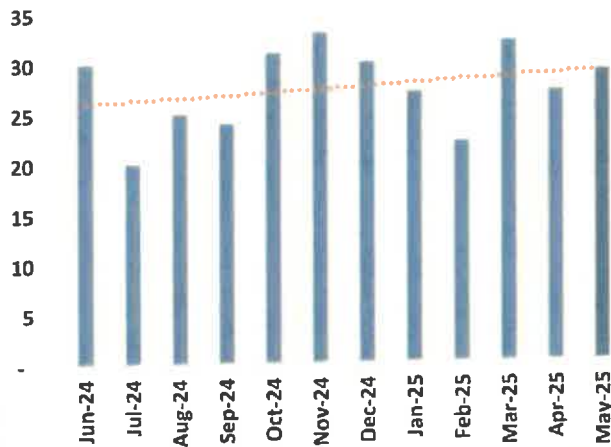
5/31/2025

(SUBJECT TO AUDIT)

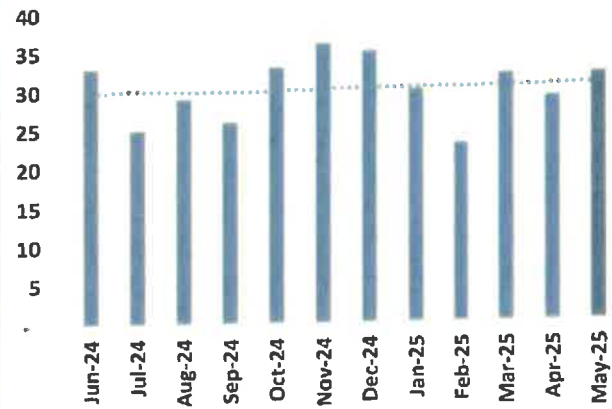
FY2025	Avg FY2025	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
		Ending 6/30/2025	Ending 5/31/2025	Ending 4/30/2025	Ending 3/31/2025	Ending 2/28/2025	Ending 1/31/2025	Ending 12/31/2024	Ending 11/30/2024	Ending 10/31/2024	Ending 9/30/2024	Ending 8/31/2024	Ending 7/31/2024	Ending 6/30/2024	Ending 5/31/2024	Ending 4/30/2024	Ending 3/31/2024	Ending 2/29/2024
Dietary																		
Inpatient Meals	8,002	727	713	720	674	492	930	881	710	706	508	812	856					
Outpatient Meals	1,378	125	124	204	120	85	140	128	118	131	115	117	96					
Cafeteria Meals	64,382	5,853	5,442	5,457	5,582	5,487	6,361	6,152	5,821	6,069	5,543	5,958	6,510					
Functions	3,499	318	631	282	266	189	302	325	285	344	172	357	346					
Laboratory																		
In-house Testing	200,876	18,261	18,975	20,482	19,998		20,101	19,864	19,977	20,531	19,259	21,236	20,453					
Sent Out Testing	7,469	679	648	801	743		709	678	772	762	679	917	760					
Drugscreens	207	19	23	25	18		18	15	21	28	18	17	24					
Physical Therapy																		
PT Visits	1,322	120							253	312	212	294	251					
Tx Units	5,024	457							981	1,226	807	1,109	901					
Outpatient	224	20							47	61	39	38	39					
Inpatient	228	21							29	44	40	60	55					
Radiology																		
X-Ray Patients	5,250	477	445	499	533		518	475	494	482	493	511	439					
CT Patients	4,622	420	359	497	450		465	407	444	388	450	455	438					
Ultrasound Patients	1,528	139	110	112	108		141	130	162	155	189	185	162					
Mammogram Patients	623	57	48	60	58		27	57	87	68	45	60	64					
MRI Patients	537	49	51	40	48		59	52	29	55	48	55	63					
Nuclear Medicine Patients		34	6	-	1		3	-	4	8	2	4	1					
DEXA	184	17	21	18	21		6	11	17	22	14	16	21					
Surgery																		
Surgical Procedures - OR	109	10	-	-	-		-	-	6	33	21	26	23					
GI Lab Scopes	84	8	-	-	-		-	-	6	28	16	18	16					
Major Surgery	10	1	-	-	-		-	-	-	-	4	6	-					
Minor Surgery Under TIVA/Sedation	21	2	-	-	-		-	-	-	11	1	2	7					
Inpatient Procedures	-	-	-	-	-		-	-	-	-	-	-	-					
Outpatient Procedures	94	9	-	-	-		-	-	5	33	17	22	17					
Sleep Study																		
Home Testing	27	2	2		1		2	3	4	5	4							
Inhouse	64	6	11	6	7		1	2	6	11	12	4	1					

Volume Trends

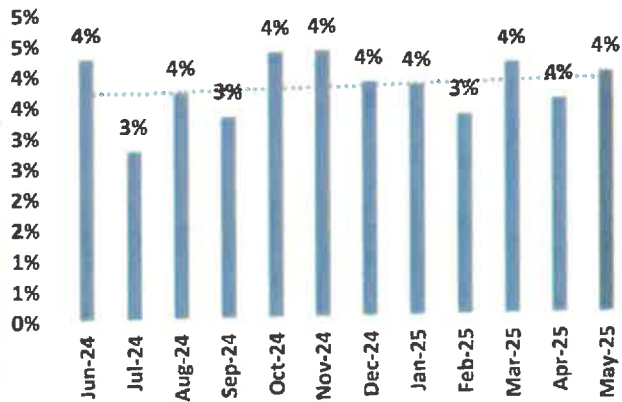
Acute Admissions



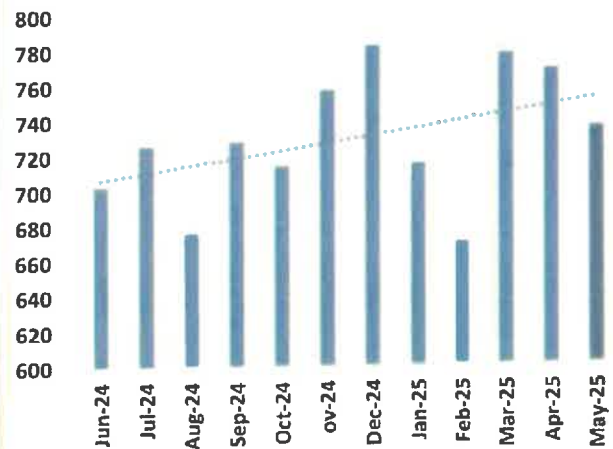
Total Acute +Swing Bed Admissions



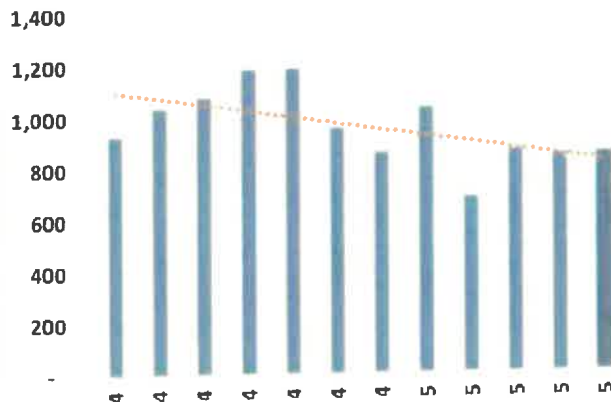
ER Visits Conversion to Acute Admissions



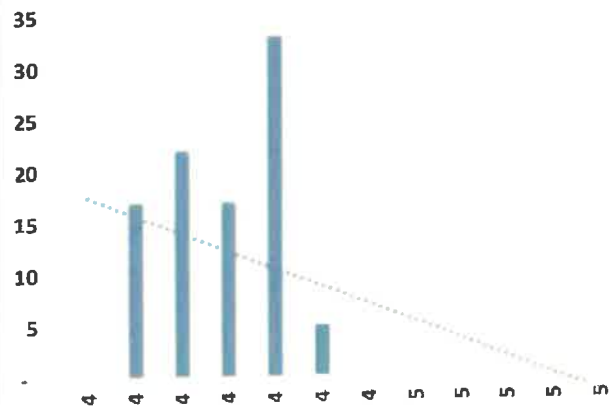
Emergency Room



Outpatient Visits



Total Surgeries



Sierra Vista Hospital
INCOME STATEMENT
May 31, 2025

MONTH				YEAR TO DATE						
Actual 5/31/25	Budget 5/31/25	Variance to Budget	Prior Year 5/31/24	Variance to Prior Year	DESCRIPTION	Actual 5/31/25	Budget 5/31/25	Variance to Budget	Prior Year 5/31/24	Variance to Prior Year
\$ 5,061,742	\$ 5,496,895	\$ (435,153)	\$ 6,681,638	(\$1,619,897)	Gross Patient Revenue	\$ 63,398,165	\$ 59,401,926	\$ 3,996,239	\$ 59,610,554	\$3,787,612
\$ 2,566,661	2,517,803	48,859	3,417,518	(\$850,856)	Revenue Deductions					
\$ 262,403	271,581	(9,177)	305,679	(\$43,276)	Contractual Allowances	29,930,135	27,208,514	2,721,621	28,121,722	\$1,808,412
\$ 169,178	112,709	56,469	53,221	\$115,957	Bad Debt	3,338,274	2,934,822	403,453	2,970,381	\$367,894
\$ 2,998,242	2,902,092	\$ 96,150	\$ 3,776,418	(\$778,175)	Other Deductions	3,294,797	1,217,984	2,076,813	1,159,102	2,135,696
\$ 3,827	2,293	1,534	7,500	(\$3,673)	Total Revenue Deductions	\$ 36,563,206	\$ 31,361,319	\$ 5,201,887	\$ 32,251,205	\$ 4,312,002
\$ 2,067,327	\$ 2,597,095	\$ (529,769)	\$2,912,721	(\$845,394)	Other Patient Revenue	31,933	24,778	7,155	29,998	1,935
					Net Patient Revenue	\$ 26,866,892	\$ 28,065,385	\$ (1,198,493)	\$ 27,389,347	\$ (522,455)
					Gross to Net %	42%	47%	(5%)	46%	(4%)
\$ 353,270	254,350	98,920	303,334	\$49,936	Other Operating Revenue	14,611,650	2,748,617	11,863,032	2,819,028	11,792,622
\$ 401,868	375,358	26,510	234,113	\$167,755	Non-Operating Revenue	4,013,377	4,056,293	(42,916)	2,670,300	1,343,077
\$ 2,822,465	\$ 3,226,803	\$ (404,339)	\$ 3,450,168	(\$627,703)	Total Operating Revenue	\$ 45,491,918	\$ 34,870,295	\$ 10,621,623	\$ 32,878,674	12,613,244
					Expenses					
\$ 1,362,315	\$1,454,124	(\$91,809)	\$1,418,983	(\$56,668)	Salaries & Benefits	\$15,149,796	\$15,713,917	(\$564,121)	\$14,046,007	\$1,103,789
\$ 1,144,644	1,202,601	(57,958)	1,160,810	(16,166)	Salaries	12,491,502	12,995,854	(504,352)	11,536,696	954,806
\$ 202,156	219,829	(17,673)	216,641	(14,485)	Benefits	2,374,878	2,375,566	(688)	2,192,926	181,953
\$ 15,516	31,694	(16,178)	41,533	(26,017)	Other Salary & Benefit Expense	283,416	342,497	(59,082)	316,385	(32,970)
\$ 150,093	202,844	(52,751)	215,896	(65,803)	Supplies	2,232,403	2,192,021	40,381	2,152,751	\$79,651
\$ 725,597	977,725	(252,128)	1,011,032	(285,435)	Contract Services	10,534,830	10,565,739	(30,909)	11,028,643	(\$493,813)
\$ 209,863	185,756	24,108	194,380	15,484	Professional Fees	2,123,374	2,007,360	116,014	2,016,983	\$106,391
\$ 4,185	7,339	(3,154)	4,886	(701)	Leases/Rentals	71,151	79,306	(8,155)	140,053	(\$68,903)
\$ 44,982	49,847	(4,865)	43,717	1,265	Utilities	495,671	538,668	(42,997)	540,135	(\$44,464)
\$ 34,800	66,254	(31,454)	48,499	(13,699)	Repairs / Maintenance	658,602	715,969	(57,366)	758,723	(\$100,121)
\$ 154,946	149,274	5,672	88,136	66,809	Insurance	1,679,114	1,613,122	65,992	933,968	\$745,146
\$ 29,289	41,246	(11,957)	30,458	(1,169)	Other Operating Expenses	484,115	445,720	38,395	477,755	\$6,360
\$2,716,069	\$3,134,407	(\$418,338)	3,055,987	(\$339,918)	Total Operating Expenses	\$33,871,821	\$33,871,821	(\$442,765)	\$32,095,018	\$1,334,038
\$106,396	\$92,396	\$13,999	\$94,181	(\$287,785.77)	EBITDA	\$12,062,862	\$998,474	\$11,064,388	\$783,655	\$11,279,207
					EBITDA Margin	27%	3%	24%	2%	24%
					Non - Operating Expenses					
\$ 256,277	\$295,688	(\$39,411)	\$298,589	(\$42,312)	Depreciation and Amortization	3,041,375	\$3,195,336	(153,961)	\$3,199,822	(\$158,447)
\$ 76,215	81,222	(\$5,007)	74,733	\$1,483	Interest	828,668	877,722	(49,054)	\$816,670	\$11,998
\$ 55,341	49,777	\$5,563	51,127	\$4,214	Tax/Other	616,174	\$37,916	78,259	\$539,169	\$77,006
\$387,833	\$426,687	(\$38,854)	\$424,448	(\$36,615)	Total Non Operating Expense	\$4,486,217	\$4,610,974	(\$124,757)	\$4,555,661	(\$69,443)
(\$281,438)	(\$334,291)	\$52,854	(\$30,267)	(\$251,171)	NET INCOME (LOSS)	\$7,576,645	(\$3,612,500)	\$11,189,145	(\$3,772,005)	\$11,348,650
					Net Income Margin	17%	(10%)	27%	(11%)	28%

Sierra Vista Hospital
INCOME STATEMENT by Month
May 31, 2025

Description	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending						
	6/30/2025	5/31/2025	4/30/2025	3/31/2025	2/28/2025	1/31/2025	12/31/2024	11/30/2024	10/31/2024	9/30/2024	8/31/2024	7/31/2024						
Revenues																		
Gross Patient Revenue	\$	5,061,742	\$	6,302,516	\$	7,115,100	\$	2,573,340	\$	5,654,494	\$	6,068,566	\$	6,407,535	\$	6,117,139	\$	6,396,968
Revenue Deductions		2,566,661		2,666,669		3,075,801		1,186,560		2,510,927		2,669,871		2,988,783		3,264,731		3,321,360
Contractual Allowances		262,403		788,464		347,485		179,350		167,288		375,313		287,808		223,750		263,774
Bad Debt		169,178		165,157		292,440		416,416		550,883		252,625		209,944		545,447		293,346
Other Deductions		2,998,242		3,620,289		3,715,726		1,782,327		3,229,098		3,297,809		3,533,228		3,698,426		3,727,858
Total Revenue Deductions	\$	-	\$	3,620,289	\$	3,715,726	\$	1,782,327	\$	3,229,098	\$	3,297,809	\$	3,533,228	\$	3,698,426	\$	3,727,858
Other Patient Revenue		3,827		0		2		0		0		1,375		3,775		8,266		5,006
Net Patient Revenue	\$	-	\$	2,067,327	\$	3,999,377	\$	791,014	\$	2,425,396	\$	2,446,002	\$	2,428,875	\$	2,378,406	\$	2,545,356
Gross to Net %	#DIV/0!	41%	43%	48%	48%	31%	43%	39%	41%	47%	42%	42%						
Other Operating Revenue		353,270		7,120,736		2,556,854		161,004		3,040,185		145,900		203,291		158,806		257,755
Non-Operating Revenue		401,868		330,034		511,933		354,068		447,020		317,485		296,805		328,569		192,549
Total Operating Revenue	\$	-	\$	2,822,465	\$	10,132,997	\$	1,306,085	\$	5,907,601	\$	2,904,387	\$	2,938,971	\$	2,865,781	\$	3,947,269
Expenses																		
Salaries & Benefits	\$0	\$1,362,315		\$1,404,547		\$1,405,535		\$1,226,887		\$1,448,327		\$1,437,569		\$1,400,071		\$1,451,433		\$1,357,932
Salaries		1,144,644		1,090,671		1,152,634		1,018,619		1,204,476		1,046,253		1,155,545		1,145,357		1,107,855
Benefits		202,156		295,778		201,504		187,555		220,322		182,144		217,302		280,625		225,724
Other Salary & Benefit Expense		15,516		18,099		51,397		20,714		23,529		26,588		27,471		25,451		23,074
Supplies		150,093		200,445		222,769		176,388		190,184		233,486		214,955		227,530		209,516
Contract Services		725,597		979,527		928,460		790,039		1,026,962		982,668		938,058		972,593		1,015,466
Professional Fees		209,863		182,456		185,130		180,990		189,507		190,653		190,026		215,418		179,686
Leases/Rentals		4,185		6,381		5,886		5,651		5,853		6,713		7,784		8,921		4,207
Utilities		44,982		43,010		47,256		38,409		39,661		42,718		43,988		52,043		53,964
Repairs / Maintenance		34,800		60,071		60,707		53,872		61,190		68,191		42,146		82,291		56,893
Insurance		154,946		154,450		154,932		156,326		155,314		157,503		155,474		122,239		157,370
Other Operating Expenses		29,289		32,619		73,995		22,979		26,173		63,845		32,520		66,421		64,866
Total Operating Expenses	\$0	\$2,716,069		\$3,063,507		\$3,084,672		\$2,651,542		\$3,163,171		\$2,973,480		\$3,025,023		\$3,230,725		\$3,140,266
EBITDA	\$0	\$106,396		\$7,069,490		\$3,383,491		\$1,345,456		\$2,764,430		\$69,093		\$96,051		\$716,544		\$15,846
EBITDA Margin	#DIV/0!	4%	70%	52%	52%	-103%	47%	-2%	-3%	-15%	18%	-1%						
Non - Operating Expenses																		
Depreciation and Amortization		\$256,277		\$239,228		\$259,395		\$229,645		\$253,101		\$300,372		\$322,842		\$289,146		\$291,737
Interest		76,215		75,816		75,872		76,532		75,982		76,037		76,844		73,607		73,648
Tax/Other		55,341		57,875		54,279		29,535		80,667		73,376		41,458		69,313		53,675
Total Non Operating Expenses	\$0	\$387,833		\$372,919		\$389,548		\$335,711		\$409,751		\$449,785		\$441,144		\$404,884		\$419,060
NET INCOME (LOSS)	\$0	\$281,438		\$6,696,571		\$2,993,945		\$1,681,168		\$2,354,680		\$518,878		\$537,195		\$311,660		\$434,906
Net Income Margin	#DIV/0!	(10%)	65%	46%	46%	(129%)	40%	(18%)	(18%)	(30%)	8%	(15%)	(15%)	(14%)				

Sierra Vista Hospital
TWELVE MONTH INCOME STATEMENT
May 31, 2025

Description	Month Ending 5/31/2025	Month Ending 4/30/2025	Month Ending 3/31/2025	Month Ending 2/28/2025	Month Ending 1/31/2025	Month Ending 12/31/2024	Month Ending 11/30/2024	Month Ending 10/31/2024	Month Ending 9/30/2024	Month Ending 8/31/2024	Month Ending 7/31/2024	Month Ending 6/30/2024
Revenues												
Gross Patient Revenue	\$ 5,061,742	\$ 6,302,516	\$ 7,115,100	\$ 2,573,340	\$ 5,654,494	\$ 5,742,437	\$ 5,958,328	\$ 6,068,566	\$ 6,407,535	\$ 6,117,139	\$ 6,396,968	\$ 5,741,886
Revenue Deductions												
Contractual Allowances	2,566,661	2,666,669	3,075,801	1,186,560	2,510,927	2,669,871	2,988,783	3,264,731	2,678,727	3,000,044	3,321,360	2,877,694
Bad Debt	262,403	788,464	347,485	179,350	167,288	375,313	287,808	223,750	162,199	280,439	263,774	311,734
Other Deductions	169,178	165,157	292,440	416,416	550,883	252,625	256,637	209,944	545,447	293,346	142,724	90,773
Total Revenue Deductions	\$ 2,998,242	\$ 3,620,289	\$ 3,715,726	\$ 1,782,327	\$ 3,229,098	\$ 3,297,809	\$ 3,533,228	\$ 3,698,426	\$ 3,386,374	\$ 3,573,829	\$ 3,727,858	\$ 3,280,201
Other Patient Revenue	3,827	0	2	0	0	1,375	3,775	8,266	7,635	2,046	5,006	27,727
Net Patient Revenue	\$ 2,067,327	\$ 2,682,227	\$ 3,399,377	\$ 791,014	\$ 2,425,396	\$ 2,446,002	\$ 2,428,875	\$ 2,378,406	\$ 3,028,796	\$ 2,545,356	\$ 2,674,116	\$ 2,489,412
Gross to Net %	41%	43%	48%	31%	43%	43%	41%	39%	47%	42%	42%	43%
Other Operating Revenue	353,270	7,120,736	2,556,854	161,004	3,040,185	145,900	203,291	158,806	290,006	323,844	257,755	251,514
Non-Operating Revenue	401,868	330,034	511,933	354,068	442,020	312,485	296,805	328,569	628,466	214,579	192,549	277,759
Total Operating Revenue	\$ 2,822,465	\$ 10,132,997	\$ 6,468,163	\$ 1,306,085	\$ 5,907,601	\$ 2,904,387	\$ 2,928,971	\$ 2,865,781	\$ 3,947,269	\$ 3,083,779	\$ 3,124,420	\$ 3,018,685
Expenses												
Salaries & Benefits	1,362,315	1,404,547	1,405,535	1,226,887	1,448,327	1,254,985	1,400,071	1,437,569	1,451,433	1,357,932	1,400,193	1,302,813
Salaries	1,144,644	1,090,671	1,152,634	1,018,619	1,204,476	1,046,253	1,155,545	1,267,403	1,145,357	1,107,855	1,158,045	1,067,723
Benefits	202,156	295,778	201,504	187,555	220,322	182,144	217,302	142,695	280,625	225,724	219,074	206,427
Other Salary & Benefit Expense	15,516	18,099	51,397	20,714	23,529	26,588	27,224	27,471	25,451	24,353	23,074	28,664
Supplies	150,093	200,445	222,769	176,388	190,184	233,486	214,955	207,928	227,530	199,109	209,516	223,579
Contract Services	725,597	979,527	928,460	790,039	1,026,962	982,668	938,058	1,142,022	972,593	1,033,438	1,015,466	1,102,394
Professional Fees	209,863	182,456	185,130	180,990	189,507	190,653	190,026	194,776	215,418	204,868	179,686	183,410
Leases/Rentals	4,185	6,381	5,886	5,651	5,853	6,713	7,784	9,220	8,921	6,349	4,207	7,302
Utilities	44,982	43,010	47,256	38,409	39,661	42,718	43,988	34,600	52,043	55,040	53,964	56,931
Repairs / Maintenance	34,800	60,071	60,707	53,872	61,190	68,191	42,146	82,291	81,281	57,161	56,893	93,457
Insurance	154,946	154,450	154,932	156,326	155,314	157,503	155,474	122,239	155,084	157,370	155,474	87,741
Other Operating Expenses	29,289	32,619	73,995	22,979	26,173	36,561	32,520	63,845	66,421	34,847	64,866	33,054
Total Operating Expenses	\$2,716,069	\$3,063,507	\$3,084,672	\$2,651,542	\$3,143,171	\$2,973,480	\$3,025,023	\$3,294,489	\$3,230,725	\$3,106,113	\$3,140,266	\$3,090,681
EBITDA	\$106,396	\$7,069,490	\$3,383,491	\$1,345,456	\$2,764,430	(\$69,093)	(\$96,051)	(\$428,708)	\$716,544	(\$22,335)	(\$15,846)	(\$71,996)
EBITDA Margin	4%	70%	52%	-103%	47%	-2%	-3%	-15%	18%	-1%	-1%	-2.4%
Non - Operating Expenses												
Depreciation and Amortization	256,277	239,228	259,395	229,645	253,101	300,372	322,842	296,811	289,146	302,821	291,737	286,862
Interest	76,215	75,816	75,872	76,532	75,982	76,037	76,844	73,587	73,607	74,527	73,648	73,667
Tax/Other	55,341	57,875	54,279	29,535	80,667	73,376	41,458	58,524	42,130	69,313	55,675	59,099
Total Non Operating Expenses	\$387,833	\$372,919	\$389,546	\$335,711	\$409,751	\$449,785	\$441,144	\$428,922	\$404,884	\$446,662	\$419,060	\$419,629
NET INCOME (LOSS)	(\$281,438)	\$6,696,571	\$2,993,945	(\$1,681,168)	\$2,354,680	(\$518,878)	(\$537,195)	(\$857,630)	\$311,660	(\$468,997)	(\$434,906)	(\$491,624)
Net Income Margin	(10%)	66%	46%	(129%)	40%	(18%)	(18%)	(30%)	8%	(15%)	(14%)	(16.3%)

Sierra Vista Hospital
BALANCE SHEET
May 31, 2025

May 31, 2025 (Unaudited)	DESCRIPTION	June 30, 2024
	Assets	
	Current Assets	
\$ 11,893,785	Cash and Liquid Capital	\$ 5,740,889
\$ 139,319	US Bank Clearing	\$ 115,051
\$ 12,033,104	Total Cash	\$ 5,855,939
\$ 13,126,950	Accounts Receivable - Gross	\$ 14,714,146
\$ 9,481,745	Contractual Allowance	\$ 9,435,272
\$ 3,645,205	Total Accounts Receivable, Net of Allowance	\$ 5,278,874
\$ 5,190,757	Other Receivables	\$ 1,083,401
\$ 459,447	Inventory	\$ 383,474
\$ 268,330	Prepaid Expense	\$ 68,738
\$ 21,596,843	Total Current Assets	\$ 12,670,426
	Long Term Assets	
\$ 59,946,251	Fixed Assets	\$ 59,087,815
\$ 23,191,779	Accumulated Depreciation	\$ 20,148,771
\$ -	Construction in Progress	\$ -
\$ 36,754,472	Total Fixed Assets, Net of Depreciation	\$ 38,939,044
\$ 36,754,472	Total Long Term Assets	\$ 38,939,044
\$ 3,230,753	New Hospital Loan	\$ 1,942,930
\$ 61,582,068	Total Assets	\$ 53,552,400
	Liabilities & Equity	
	Current Liabilities	
\$ 722,900	Account Payable	\$ 1,632,554
\$ 1,389,433	Interest Payable	\$ 543,556
\$ 55,249	Accrued Taxes	\$ 59,574
\$ 733,952	Accrued Payroll and Related	\$ 570,609
\$ 325,000	Cost Report Settlement	\$ (487,000)
\$ 3,226,533	Total Current Liabilities	\$ 2,319,294
	Long term Liabilities	
\$ 28,616,885	Long Term Notes Payable	\$ 28,660,502
\$ 28,616,885	Total Long Term Liabilities	\$ 28,660,502
\$ 79,020	Unapplied Liabilities	\$ 667,868
\$ 401,680	Capital Equipment Lease	\$ 223,431
\$ 32,324,118	Total Liabilities	\$ 31,871,095
\$ 21,681,305	Retained Earnings	\$ 25,108,277
\$ 7,576,645	Net Income	\$ (3,426,971)
\$ 61,582,068	Total Liabilities and Equity	\$ 53,552,400

Sierra Vista Hospital
BALANCE SHEET by Month
May 31, 2025

	6/30/2025	Month Ending	5/31/2025	Month Ending	4/30/2025	Month Ending	3/31/2025	Month Ending	2/28/2025	Month Ending	1/31/2025	Month Ending	11/30/2024	Month Ending	10/31/2024	Month Ending	9/30/2024	Month Ending	8/31/2024	Month Ending	7/31/2024
Assets																					
Current Assets																					
Cash and Liquid Capital			11,893,785		9,282,560		9,236,045		7,592,326		9,409,738		4,954,013		4,194,582		4,949,497		5,495,903		5,675,326
US Bank Clearing			139,319		127,074		236,328		28,656		109,990		177,285		128,468		151,634		1,142		204,512
Total Cash	\$0		\$12,033,104		\$9,409,634		\$9,472,373		\$7,620,981		\$9,519,728		\$5,131,298		\$4,323,049		\$5,101,131		\$5,496,045		\$5,879,837
Accounts Receivable - Gross			13,126,950		14,554,721		16,887,714		14,942,443		15,777,288		17,200,880		19,176,039		17,003,464		17,117,897		15,259,234
Contractual Allowance			9,481,745		10,458,145		12,890,770		11,699,034		11,915,665		12,575,469		13,418,227		11,930,483		11,605,766		10,335,379
Total Accounts Receivable, Net of Allowance	\$ -		\$ 3,645,205		\$ 4,096,576		\$ 3,996,944		\$ 3,243,409		\$ 3,861,623		\$ 4,625,411		\$ 5,757,812		\$ 5,072,981		\$ 5,512,131		\$ 4,923,855
Other Receivables			5,190,757		8,319,636		1,325,164		786,832		509,239		1,897,314		2,028,169		1,905,913		1,717,825		1,222,873
Inventory			459,447		441,649		424,117		426,849		430,146		421,818		410,419		403,211		410,324		404,177
Prepaid Expense			268,330		435,700		528,849		609,859		169,174		153,050		176,405		210,252		153,237		201,785
Total Current Assets	\$0		\$21,596,843		\$22,703,195		\$15,747,447		\$12,687,930		\$14,489,910		\$12,228,891		\$12,695,855		\$12,693,488		\$13,291,563		\$12,632,228
Long Term Assets																					
Fixed Assets			59,946,251		59,938,545		59,930,183		59,766,766		59,747,946		59,737,235		59,729,446		59,229,034		59,210,151		59,102,953
Accumulated Depreciation			23,191,779		22,935,502		22,687,383		22,427,988		22,198,343		21,945,242		21,644,870		21,322,028		21,035,217		20,736,071
Total Fixed Assets, Net of Depreciation			36,754,472		37,003,043		37,242,800		37,338,779		37,549,603		37,791,993		38,084,576		37,907,007		38,184,934		38,366,882
Total Long Term Assets	\$ -		\$ 36,754,472		\$ 37,003,043		\$ 37,242,800		\$ 37,338,779		\$ 37,549,603		\$ 37,791,993		\$ 38,084,576		\$ 37,907,007		\$ 38,184,934		\$ 38,366,882
New Hospital Loan			3,250,753		3,112,093		2,992,521		2,872,828		2,752,780		2,632,315		2,513,332		2,393,650		2,273,474		2,152,708
Total Assets	\$ -		\$ 61,582,068		\$ 62,818,330		\$ 55,982,769		\$ 52,899,537		\$ 54,792,293		\$ 52,653,198		\$ 53,293,764		\$ 52,994,145		\$ 53,749,970		\$ 53,151,818
Liabilities & Equity																					
Current Liabilities																					
Account Payable			722,900		1,605,399		1,235,442		1,356,906		1,239,322		2,005,482		1,781,211		1,337,841		1,379,901		1,266,339
Interest Payable			1,389,433		1,312,535		1,235,637		1,158,739		1,081,841		1,004,943		928,046		851,148		774,250		697,352
Accrued Taxes			55,249		52,375		51,936		29,890		80,167		73,376		41,458		57,690		42,130		66,532
Accrued Payroll and Related			733,952		996,151		1,048,187		785,087		782,168		749,892		1,192,877		1,148,844		1,089,968		962,087
Cost Report Settlement			325,000		150,000		150,000		150,000		150,000		(487,000)		(487,000)		(487,000)		(487,000)		(487,000)
Total Current Liabilities	\$0		\$3,226,533		\$4,116,461		\$3,721,202		\$3,480,622		\$3,333,499		\$3,346,694		\$3,456,592		\$2,908,522		\$2,799,249		\$2,505,310
Long Term Liabilities																					
Long Term Notes Payable			28,616,885		28,620,850		28,624,815		28,628,780		28,632,746		28,636,711		28,640,676		28,644,641		28,648,606		28,652,571
Total Long Term Liabilities	\$0		\$28,616,885		\$28,620,850		\$28,624,815		\$28,628,780		\$28,632,746		\$28,636,711		\$28,640,676		\$28,644,641		\$28,648,606		\$28,652,571
Unapplied Liabilities			79,020		114,053		358,311		497,651		826,816		1,017,361		1,017,361		1,017,361		1,017,361		1,017,361
Capital Equipment Lease			401,680		427,579		435,624		443,613		469,194		477,073		484,897		192,188		195,690		199,173
Total Liabilities	\$0		\$32,324,118		\$33,276,943		\$33,139,952		\$33,050,666		\$33,262,754		\$33,477,839		\$33,599,526		\$32,762,712		\$32,660,908		\$32,374,416
Retained Earnings			\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305		\$21,681,305
Net Income			\$7,576,645		\$7,858,082		\$1,161,511		(\$1,832,434)		(\$151,267)		(\$2,505,946)		(\$1,987,068)		(\$1,449,873)		(\$592,243)		(\$903,903)
Total Liabilities and Equity	\$0		\$61,582,068		\$62,818,330		\$55,982,769		\$52,899,537		\$54,792,293		\$52,653,198		\$53,293,764		\$52,994,145		\$53,749,970		\$53,151,818

Financial Trends

Net Patient Revenue

\$4,000,000
\$3,500,000
\$3,000,000
\$2,500,000
\$2,000,000
\$1,500,000
\$1,000,000
\$500,000
\$-

Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25

Total Operating Revenue

\$12,000,000
\$10,000,000
\$8,000,000
\$6,000,000
\$4,000,000
\$2,000,000
\$-

Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25

Employed Labor Costs

1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0

Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25

Salaries Benefits

Contract Services

1,200,000
1,000,000
800,000
600,000
400,000
200,000
0

Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25

Total Expenses

\$3,500,000
\$3,000,000
\$2,500,000
\$2,000,000
\$1,500,000
\$1,000,000
\$500,000
\$0

4
4
4
4
4
4
4
5
5
5
5
5

EBITDA

\$8,000,000
\$7,000,000
\$6,000,000
\$5,000,000
\$4,000,000
\$3,000,000
\$2,000,000
\$1,000,000
\$0

24
24
24
24
25
25
25
25

	5/31/2025	Notation
Medicare Liability ("Cost Report Settlement" on Balance Sheet)	(150,000)	
Cost Report Bad Debt Write-Off Reserve/General Reserve	(175,000)	
FY25 Cost Report Payable		
Total Liability	(325,000)	



June 12, 2025

Board of Directors
and David Faulkner, Interim CEO
Sierra Vista Hospital
800 East 9th Avenue
Truth or Consequences, New Mexico 87901

We are pleased to confirm our understanding of the services we are to provide Sierra Vista Hospital (the Hospital) for the year ending June 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the Hospital, which comprise the statement of net position as of June 30, 2025, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ending, and the disclosures.

Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Hospital's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Hospital's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- **Management's Discussion and Analysis**

We have also been engaged to report on supplementary information other than RSI that accompanies the Hospital's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

- Schedule of pledged collateral
- Schedule of individual deposits and investment accounts
- Schedule of revenue and expenses — budget to actual

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP) and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, 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 judgement of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee.

Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

With respect to cost reports that may be filed with a third party (such as federal and state regulatory agencies), the auditors have not been engaged to test in any way, or render any form of assurance on, the propriety or allowability of the specific costs to be claimed on, or charges to be in reported in, a cost report. Management is responsible for the accuracy and propriety of all cost reports filed with Medicare, Medicaid, or other third parties.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable amount of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure and appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures — Internal Control

We will obtain an understanding of the entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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 illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures — Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Hospital's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit 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*.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures on the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, including, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information, including information from outside of general and subsidiary ledgers) and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as: records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements, compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies for us of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of the Hospital in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes, financial preparation services, cost report, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Preparation of Cost Reports and Consulting

We will prepare the Hospital's Medicare cost report for the year ending June 30, 2025.

We remind you that you have the final responsibility for the Medicare cost report and, therefore, you should review it carefully before you sign and file it. We make no representation that our services will identify any or all opportunities to maximize reimbursement.

All of the information included in the cost reports is the representation of management. We direct your attention to the fact that management has the responsibility for the proper recording of the transactions in the books of account, for the safeguarding of assets, for the substantial accuracy of the cost report, and for identifying and ensuring the Hospital complies with the laws and regulations applicable to its activities.

We will also provide Medicare and other reimbursement consulting services as requested throughout the year, including but not limited to review of Medicare rate settings and desk-review and audit adjustments. These services will be provided at our standard rates.

You are also responsible for management decisions and functions; for designating a senior management-level individual with suitable skill, knowledge, or experience to oversee the cost report preparation services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Conformance with Section 952 of Public Law 96-499

Section 952 of P.L. 96-499 requires access by the Secretary of Health and Human Services and the U.S. Comptroller General to the books and records of subcontractors of Medicare providers. Absent the allowability of such access, the provider's cost for such services would not be allowable for Medicare reimbursement purposes if the contract value over 12 months is \$10,000 or more. We would grant such access if this law is applicable to our services.

HIPAA Business Associate Agreement

You agree that you are solely responsible for the accuracy, completeness, and reliability of all data and information you provide us for our engagement. You agree to provide any requested information on or before the date we commence performance of the services. To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidances thereunder ("HIPAA"), we shall enter into a HIPAA Business Associate Agreement ("BAA").

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Hospital; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of DZA PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the regulatory agency, cognizant or oversight agency 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 audit documentation will be provided under the supervision of DZA PLLC personnel.

Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Suralink is used solely as a method of exchanging information and is not intended to store your information. At the end of the engagement, DZA PLLC will provide you with a copy (in an agreed-upon format) of deliverables and data related to the engagement from Suralink. For multi-year engagements, this exchange will occur annually.

Upon completion of the engagement, data and other content will either be removed from Suralink or become unavailable to DZA PLLC within a reasonable time frame. For multi-year engagements, completion of the engagement occurs when the deliverables are completed for that year.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a regulatory agency.

We expect to begin our audit in approximately August 2025 and to issue our reports no later than October 2025. Kami Matzek is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as follows:

Audit	\$40,000
Preparation of Medicare cost report	\$12,500

Out-of-pocket travel and shipping costs will be billed at our cost in addition to the above fees.

Travel time will be billed in addition to the above fees at hourly rates ranging from \$80 to \$180 per hour.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2022 peer review report accompanies this letter.

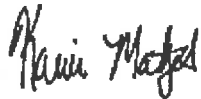
Reporting

We will issue a written report upon completion of our audit of the Hospital's financial statements. Our report will be addressed to management and those charged with governance of the Hospital. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express an opinion or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on 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*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Hospital is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Sierra Vista Hospital and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please print and sign a copy or e-sign and return it to us.

DZA PLLC



Kami Matzek, CPA
Owner

RESPONSE:

This letter correctly sets forth the understanding of Sierra Vista Hospital.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Report on the Firm's System of Quality Control

To the Members of
Dingus, Zarecor & Associates PLLC
and the Peer Review Committee of
the Colorado Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC (the firm) in effect for the year ended November 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC in effect for the year ended November 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Dingus, Zarecor & Associates PLLC has received a peer review rating of *pass*.

KraftCPAs PLLC

KraftCPAs PLLC

May 30, 2023

Authorized Bank Signers-

Permission to remove Don Bates as an authorized signer from Bank of the Southwest accounts ending 4398 and 1829 and adding David Faulkner.



SIERRA VISTA HOSPITAL POLICIES AND PROCEDURES

DEPARTMENT: Nursing
Administration

Original Policy Date: June 30, 2025

SUBJECT: Involuntary Hold

Review: 2026 _____ 2027 _____ 2028 _____

Last Revised:

APPROVED BY:

Manager: Sheila F. Adams, MHA, MSN

SCOPE: This policy applies to all clinical and security staff involved in behavioral health services at Sierra Vista Hospital and Clinics including emergency department personnel, outpatient psychiatric staff, and mental health professionals.

POLICY: This policy ensures compliance with applicable state and federal laws regarding the temporary detainment of individuals for psychiatric evaluation and treatment without their consent when clinically indicated.

PURPOSE: To establish clear procedures for the initiation, documentation, and management of involuntary holds for individuals experiencing acute behavioral health crises who may pose a danger to themselves, others, or are gravely disabled due to a mental health condition.

DEFINITIONS:

1. **Involuntary Hold:** A legal mechanism to detain an individual for psychiatric evaluation or treatment without their consent due to concerns of self-harm, harm to others, or grave disability.
2. **Grave Disability:** A condition in which a person, as a result of a mental disorder, is unable to provide basic personal needs for food, clothing, or shelter.

PROCEDURE:

A. Criteria for Involuntary Hold

1. Exhibits behavior indicating a substantial risk of serious harm to self (e.g., suicidal ideation or attempt).
2. Exhibits behavior indicating a substantial risk of serious harm to others (e.g., threats or acts of violence).
3. Is gravely disabled due to a mental health condition and unable to care for basic needs.

B. Initial Evaluation

1. Any staff member identifying a potential behavioral health crisis must notify a licensed clinician immediately.
2. A mental health professional or physician will perform an evaluation to determine if involuntary criteria are met.

C. Hold Authorization

1. Psychiatrist or other behavioral health nurse practitioner will complete the necessary legal documentation. See appendix A.
2. The patient will be transferred to a facility that will complete the involuntary hold.

SIERRA VISTA HOSPITAL

D. Patient Rights

1. The patient must be informed of the hold, the reason for the detainment, and their legal rights.
2. A copy of the legal form must be given to the patient and placed in their medical record.

E. Notification and Documentation

1. Family, legal guardians, or caregivers should be notified when appropriate and allowed by HIPAA.
2. All actions, assessments, and observations must be thoroughly documented in the patient's medical record.

F. Safety Measures

1. The patient must be continuously monitored in a secure environment that ensures their safety and the safety of others until transferred to an inpatient facility.
2. Security may be involved if the patient poses an immediate threat.

ASSOCIATED POLICY(IES):

Involuntary Hold, Sierra Vista Community Health Center.

REFERENCE(S):

New Mexico Mental Health Treatment Law:

<https://www.nmlegis.gov/Sessions/19%20Regular/bills/house/HB0348.HTML>

SIERRA VISTA HOSPITAL

Appendix A: Involuntary Hold Form Sierra Vista Hospital and Clinics

Date: _____ Time: _____

Patient Name: _____

Patient DOB: _____

Patient MRN: _____

I, _____ hereby certify that the
above patient is:

- ☐ A substantial risk of serious harm to self
- ☐ A substantial risk of serious harm to others
- ☐ Is gravely disabled due to a mental health condition and unable to care for basic needs.

And requires involuntary hospitalization to ensure his/her safety or that of others.

Date this (month) _____ day of _____ year.

Physician's Printed Name

Physician's Signature

Do not release patient without consulting BH provider

PATIENT LABEL

This form is part of the patient's medical record.

F-280-03-031



INVOLUNTARY HOLD FORM SIERRA VISTA HOSPITAL AND CLINICS

Date: _____ Time: _____

Patient Name: _____

Patient DOB: _____

Patient MRN: _____

I, _____ hereby certify that the
above patient is:

- ☐ A substantial risk of serious harm to self
- ☐ A substantial risk of serious harm to others
- ☐ Is gravely disabled due to a mental health condition and unable to care for basic needs.

And requires involuntary hospitalization to ensure his/her safety or that of others.

Date this (month) _____ day of _____ year.

Physician's Printed Name

Physician's Signature

Do not release patient without consulting BH provider

PATIENT LABEL

This form is part of the patient's medical record.



MORTALITY/MORBIDITY
PEER REVIEW

FIN # _____ MR # _____ Provider # _____ Admission Date _____

Date of Death _____ Age _____ Gender _____ Admitting Diagnosis _____

Code Status _____ Final Diagnosis _____ Accepted by OMI (Y/N) _____

Organ Donation Met (Y/N) _____ DOA (Y/N) _____ Autopsy Criteria Met (Y/N) _____

Category I Death (End Stage or Terminal Condition) (Y/N) _____

Category II Death (Possible Complicating Factor) (Y/N) _____

If yes, complete screening criteria

- Main problems clearly defined? (Y/N) _____
- Reasonable diagnostic possibilities? (Y/N) _____
- Sufficient historical data? (Y/N) _____
- Sufficient physician exam? (Y/N) _____
- Appropriate Lab data obtained? (Y/N) _____
- Appropriate x-rays obtained? (Y/N) _____
- Appropriate consultation obtained? (Y/N) _____

Category III Death (Unexpected Death) (Y/N) _____

Case referred to Peer Review Committee (Y/N) _____

If yes, date completed _____

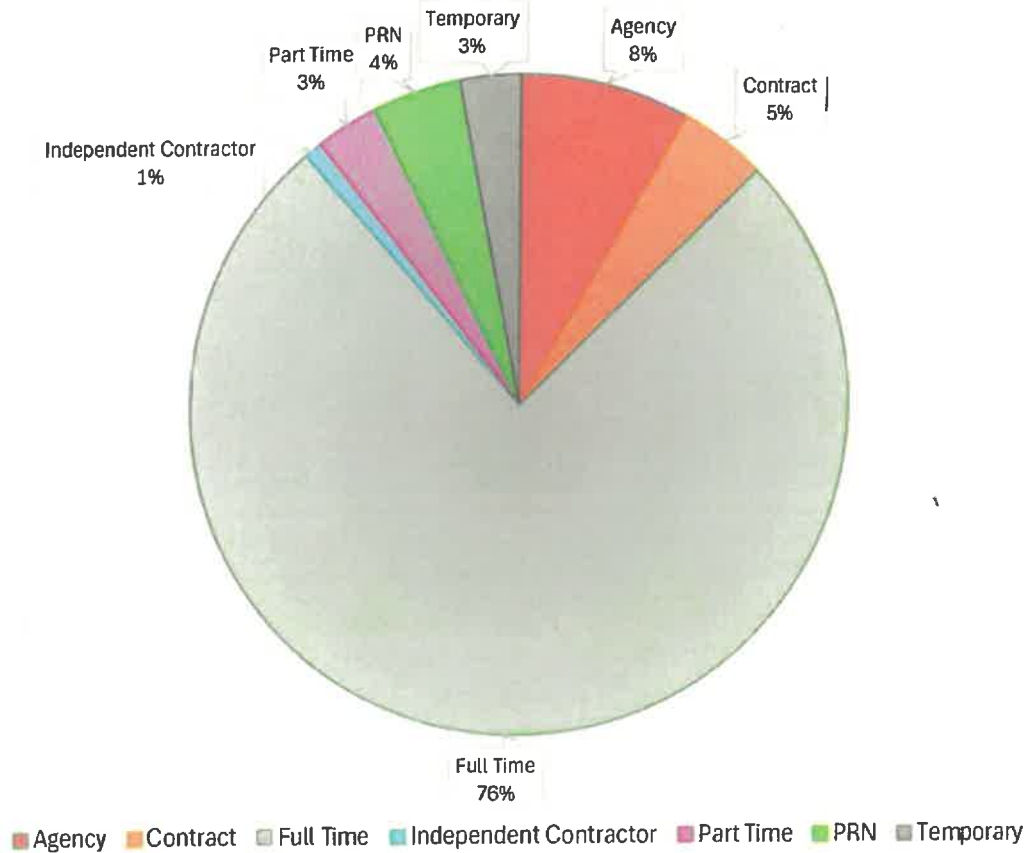
Action taken by the Peer Review Committee (Y/N) _____

Review Provider #

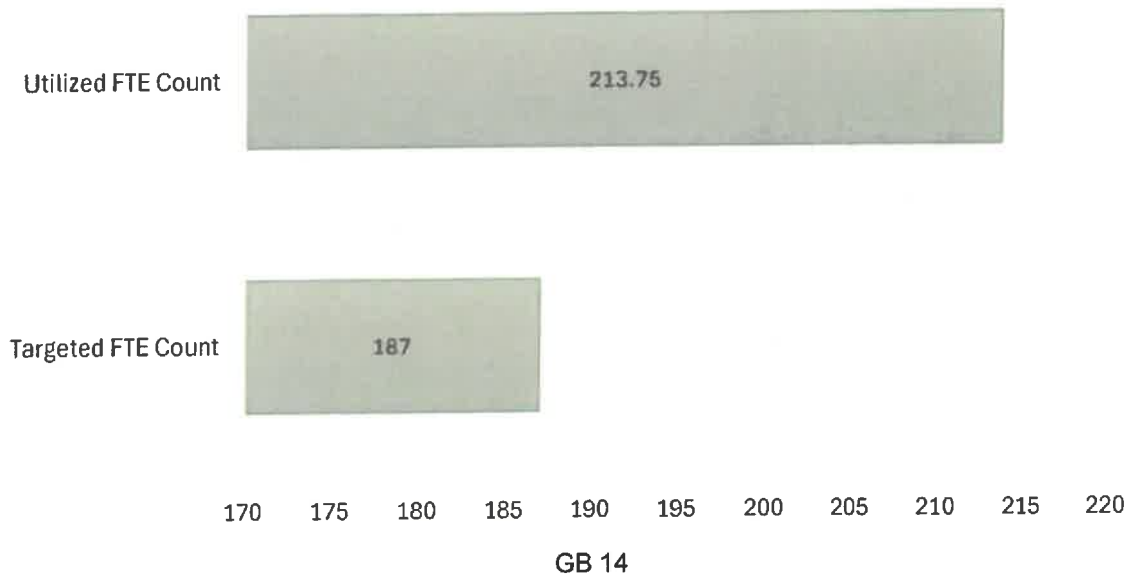
Date

Human Resources

Staffing Matrix By Category



FTE Utilization



Human Resources

Vacancies (As of 6/17/2025)

FTE Count	Title	Status	Department
1	Scheduling Clerk	FT	Business Office
1	Radiology Tech	FT	Imaging Services
1	EMT	FT	Ambulance
1	Echo Cardio Tech	FT	Imaging Services
1	Case Manager, RN	FT	Social Services
1	Medical Staff Coordinator	FT	Administration
1	Physical Therapist	FT	Rehab Services
1	Medical Assistant	FT	Clinic
2	LPN	FT	Clinic
1	Registered Nurse	FT	Clinic
1	CNA/Unit Clerk	FT	Med/Surg
1	LPN	FT	Med/Surg

New Hires (May 2025)

FTE Count	Title	Status	Department
1	CNA/Unit Clerk	FT	Emergency Department
2	CNA/Unit Clerk	AG	Med/ Surg
1	Cook/Aide	PT	Nutritional Services

Turnover (May 2025)

FTE Count	Title	Status	Department	Reason Category
1	ED Tech	AG	Emergency Department	Contract Completion
1	CNA/Unit Clerk	AG	Med/Surg	Contract Completion
1	Echo Cardio Tech	FT	Cardiopulmonary	For Cause
0.25	Registered Nurse	PRN	Emergency Department	PRN Reduction in Force
0.25	Registered Nurse	PRN	Emergency Department	PRN Reduction in Force
0.25	Registered Nurse	PRN	Med/Surg	PRN Reduction in Force
1	CNA/Unit Clerk	AG	Emergency Department	For Cause
1	LPN	AG	Clinic	Contract Completion

Turnover Rate:

6.95%

Based on an average FTE target of 187

CNO Report June 2024

Nursing

We have seven students in the CNA program. The students and the nurses involved with education and training are engaged and focused.

An additional international nurse has completed orientation in the Emergency Department.

Sleep Program

Inhouse sleep studies have incremental increase. Dr. Ralls clinic was scheduled two times this past month to assist in having patients referred to the sleep program evaluated .

Trauma Program

Participated in swift water rescue to have additional persons trained to assist in the event of this type of emergency.

EMS

Multiple EMTs participated in swift water rescue and other types of emergency rescue.

RHC

Kellye Foster is settling in and doing a great job with staff and providers. She and the Behavioral Health providers hosted a very successful lunch and learn. We had 10 employees, and 20 community members attended.

Respectfully submitted,

Sheila F. Adams, MSN, MHA