

**SAN JOAQUIN COUNTY CLINICS PUBLIC BENEFIT CORPORATION FINANCE MEETING AGENDA**  
**10100 Trinity Parkway, Suite 100, Stockton, CA 95219**  
**October 28, 2025, 4:30 P.M.**

**Committee Members:** Rick Ledo, Samantha Monks

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*Note: Livestreaming for the public is listening and monitor only. Remote presenters will only be granted access during their presentation time to the Board. \*Full link available by accessing the agenda at [www.sjhealth.org](http://www.sjhealth.org)*

Persons who require disability-related accommodation to participate in this meeting, please contact San Joaquin Health Centers at (209) 953-3711 at least 48 hours prior to the scheduled meeting time.

**1. COMMENCEMENT OF MEETING/ROLL CALL**

**2. PUBLIC COMMENT**

The public is welcome to address the Board during this time on matters within the Board's jurisdiction. Members of the public are encouraged to complete a Public Comment form, which can be found near the entry of the Board Room. Speakers are limited to three minutes and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called at the discretion of the Chair.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Section 54950 et seq.), no deliberation, discussion or action may be taken by the Board on items not listed on the agenda. Members of the Board may but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information

**3. CONSENT CALENDAR**

3.1 Approve Minutes of Finance Meeting August 26, 2025

**4. ACTION ITEMS**

4.1 Finance Reports – August & September 2025  
***Board to consider and take possible action***

**9. CALENDAR**

9.1 Board meeting November 18, 2025, at 4:30pm

**9. ADJOURNMENT**

## Minutes of August 26, 2025

### San Joaquin Health Centers Board of Directors – Finance Committee

**Board Members Present:** Brian Heck; Rick Ledo (Finance); Samantha Monks (Finance Chair)

**Board Members Excused Absent:** None

**Board Members Unexcused Absent:** None

**SJHC Staff:** Michael Allen (Board Clerk); Rachna Sharma

**Guests:** Brandi Hopkins

AGENDA ITEM	ATTACHMENTS	ACTION
<b>1. <u>Call to Order (Samantha Monks)</u></b> The meeting was called to order at 4:37 p.m. by Samantha Monks. A quorum was established for today's meeting.	No attachments	No action required
<b>2. <u>Approval of Minutes from 5/27/2025 (Samantha Monks)</u></b> The minutes from May 27, 2025 were approved unanimously.	Finance Committee Minutes 2025-05-27	Rick motioned to accept the minutes from the Finance meeting on 5/27/2025 and Samantha seconded; motion was approved unanimously
<b><u>Presentation of Financials (Rachna Sharma)</u></b> The financials for May were presented. Budgeted visits were 14,424 against actual visits of 9,638 with an unfavorable variance of 4,786. Budgeted net income for the current period was \$280,029 against a loss of \$184,736 for an unfavorable variance of \$464,765. YTD budgeted net income was \$300,470 against the actual income of \$4,024,393 for a favorable variance of \$3,723,923. Balance sheet for May 2025 shows total liabilities and net assets of \$53,579,834.  The financials for June were presented. Budgeted visits were 14,424 against actual visits of 9,833 with an unfavorable variance of 4,591. Budgeted net income for the current period was \$328,090 against actual \$1,289,539 for an unfavorable variance of \$961,449. YTD budgeted net income was \$628,560 against the actual income of \$5,313,932 for a favorable variance of \$4,685,372. Balance sheet for June 2025 shows total liabilities and net assets of \$53,502,017.  The financials for July were presented. Billable visits for July are unfavorable to budget by 528 visits mainly related to visits included in the FY26 budget pertaining to vacant positions not filled yet. Recruitment efforts are ongoing for additional providers to fill the vacant positions. Net Patient Service Revenues for July are unfavorable to budget by \$180,909 primarily due to lower billable visits. July financials reflect an estimated PPS liability accrual of \$25,000.  Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$2,280,922. Also, July financials include Capitation Revenue for \$458,063 and 340B Pharmacy program revenue for \$226,263. Grant Revenues include ARPA grant revenues for \$77,949. July financials include estimated Hedis Gap Closure incentive revenues accrued for \$79,000 for July 2025 health care services.	CFO Presentation – 2025-05; CFO Presentation – 2025-06; CFO Presentation – 2025-07; Finance Narrative – 2025-07	Rick motioned to advance the Finance Report to the full board and Samantha seconded; motion was approved unanimously



<p>Other Revenue includes revenues accrued for \$49,149 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for \$254,768 has been reflected on the financials, which is favorable compared to budget by \$22,630 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total Operating Revenue is unfavorable to budget by \$130,241 primarily due to lower billable visits in July.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$1,388,206 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY26 are based on 100% employment.</p> <p>Other operating expenses exhibit an unfavorable variance of \$87,844 largely due to an unfavorable variance for \$131,725 for Professional Fees, Supplies, Interest, Dues, Repairs, Travel, and Insurance expenses offset by a favorable variance of \$43,881 reflected in the Purchased Services, Depreciation, Office, Telephone, Advertising, Utilities, Rent, and Miscellaneous expense categories. An estimated accrual for the Purchased Services is recorded for July based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$1,300,362.</p> <p>Unaudited, as presented, Net Income of \$1,116,207 for July represents a favorable variance of \$1,170,121 as compared to budgeted Net Loss of \$53,914. Net Income is favorable mainly due to the actual salaries and benefits expenses related to vacant positions that have not been filled yet and are included in FY26 budgeted expenses.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 20.8% against a goal of &gt;3%, Bottom Line Margin at 20.8% against a goal of &gt;3%, Days Cash on Hand at 256 against a goal of &gt;45 days, Days in Net Patient Receivables at 32 against a goal of &lt;60 days, and Personnel-Related Expenses at 64% against a goal of &lt;70%.</p>		
<p><b>3. Adjournment (Samantha Monks)</b> There being no further topics for discussion, Samantha adjourned the meeting at 5:29 p.m.</p>	No attachments	No action required



# **SAN JOAQUIN HEALTH CENTERS FINANCE PRESENTATION AUGUST 2025 FINANCIAL STATEMENTS**

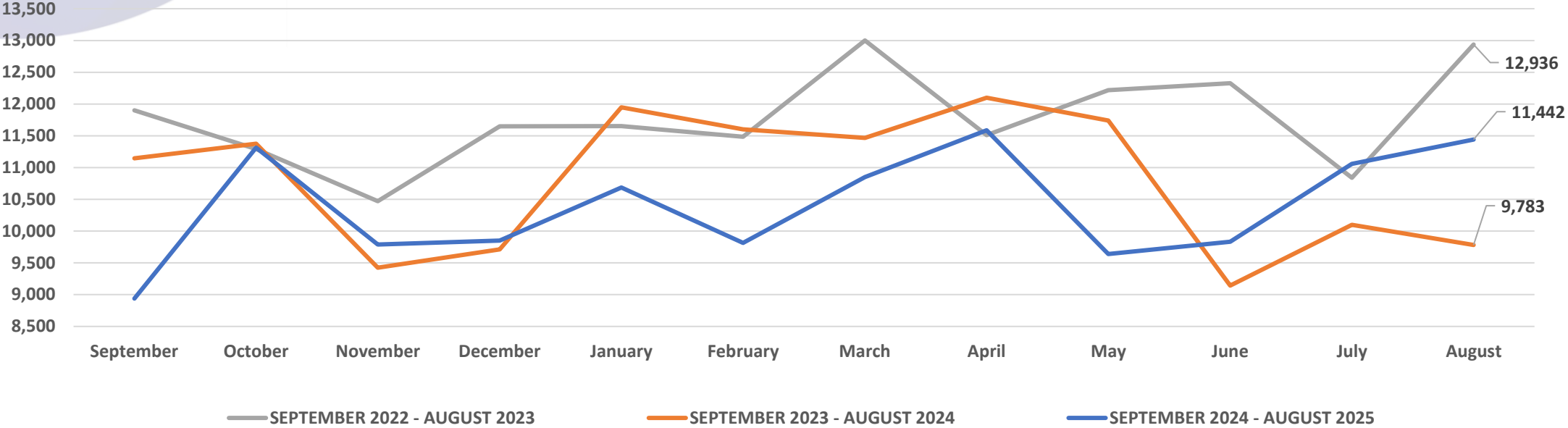
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Rachna Sharma

Controller

Presentation Date: 9/30/2025

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	77.82%
Medicare	12.02%
Medi-Cal	6.05%
Commercial	3.17%
Self-Pay	0.94%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,058	11,586	(528)
Aug-25	11,442	11,062	380
Total	22,500	22,648	(148)

# SJ HEALTH INCOME STATEMENT – AUGUST 2025

	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	2,194,798	2,030,005	164,793	4,133,041	4,149,156	(16,116)
Supplemental Revenue	2,280,922	2,280,922	0	4,561,845	4,561,845	0
Capitation Revenue	453,083	458,333	(5,251)	911,146	916,667	(5,521)
Managed Care Incentives	79,000	79,000	0	158,000	158,000	0
Grant Revenue	81,241	41,719	39,523	159,190	83,437	75,753
340B Pharmacy Program	256,470	233,333	23,136	482,733	466,667	16,066
MOU & Other Income	58,027	64,556	(6,529)	361,944	346,694	15,250
Total Operating Revenue	5,403,541	5,187,869	215,672	10,767,898	10,682,466	85,432
Expenditures						
Salaries & Wages	1,840,534	2,374,310	533,775	3,511,246	4,935,817	1,424,571
Employee Benefits	839,788	1,286,076	446,287	1,735,867	2,679,564	943,697
Professional Fees	537,361	541,653	4,291	1,156,177	1,083,305	(72,872)
Purchased Services	241,544	267,577	26,033	505,985	535,154	29,169
Supplies	217,607	160,577	(57,029)	390,134	321,155	(68,979)
Depreciation	53,608	53,608	0	107,215	107,216	0
Interest	1,472	1,219	(253)	2,999	2,438	(562)
Office Expense	1,448	1,667	219	3,025	3,333	309
Dues, Subscription & Fees	132,027	127,119	(4,908)	267,413	254,238	(13,175)
Repairs & Maintenance	65,336	65,525	189	131,180	131,050	(130)
Telephone & Internet	15,407	20,599	5,192	30,902	41,198	10,296
Advertising & Promotions	1,336	5,024	3,687	1,416	10,047	8,631
Travel & Training	46,499	33,162	(13,338)	104,957	66,323	(38,634)
Insurance	41,275	35,120	(6,154)	84,817	70,241	(14,576)
Utilities	120,440	130,577	10,137	241,020	261,154	20,134
Rent	106,518	116,226	9,707	213,552	232,451	18,899
Miscellaneous	32,101	33,864	1,762	54,546	67,727	13,181
Total Expenditures	4,294,302	5,253,900	959,598	8,542,451	10,802,411	2,259,960
Net Income(Loss)	1,109,239	(66,031)	1,175,270	2,225,446	(119,945)	2,345,392

\* Supplemental Revenue includes QIP revenue which represents 42.37% of Total Operating Revenues as of August 2025.

## SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS AUGUST 2025 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

Income Statement Grouping	Current Period	Current Period	Current Period	%	August 2025 - Variance Explanations
	Actual	Budget - Original	Budget Variance - Original	Variance	
Revenues					
Net Patient Service Revenue	2,194,798	2,030,005	164,793	8%	Favorable variance mainly due to visits being higher than budget by 380 in August along with the favorable true up adjustment recorded for July based on actual cash collections.
Grant Revenue	81,241	41,719	39,523	95%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	1,840,534	2,374,310	533,775	22%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Employee Benefits	839,788	1,286,076	446,287	35%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Supplies	217,607	160,577	(57,029)	-36%	Unfavorable variance mainly related to increase in pharmaceutical expenses for the 340B pharmacy program.
Telephone & Internet	15,407	20,599	5,192	25%	Favorable variance mainly related to lower actual expenses than budget for telephone charges.
Advertising & Promotions	1,336	5,024	3,687	73%	Favorable variance mainly related to lower actual marketing activity.
Travel & Training	46,499	33,162	(13,338)	-40%	Unfavorable variance mainly related to higher actual expenses than budget for contracted medical staff and employees' travel expense reimbursements.
Insurance	41,275	35,120	(6,154)	-18%	Unfavorable variance mainly related to higher actual malpractice insurance costs than budget for contracted medical staff.



## SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY26 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

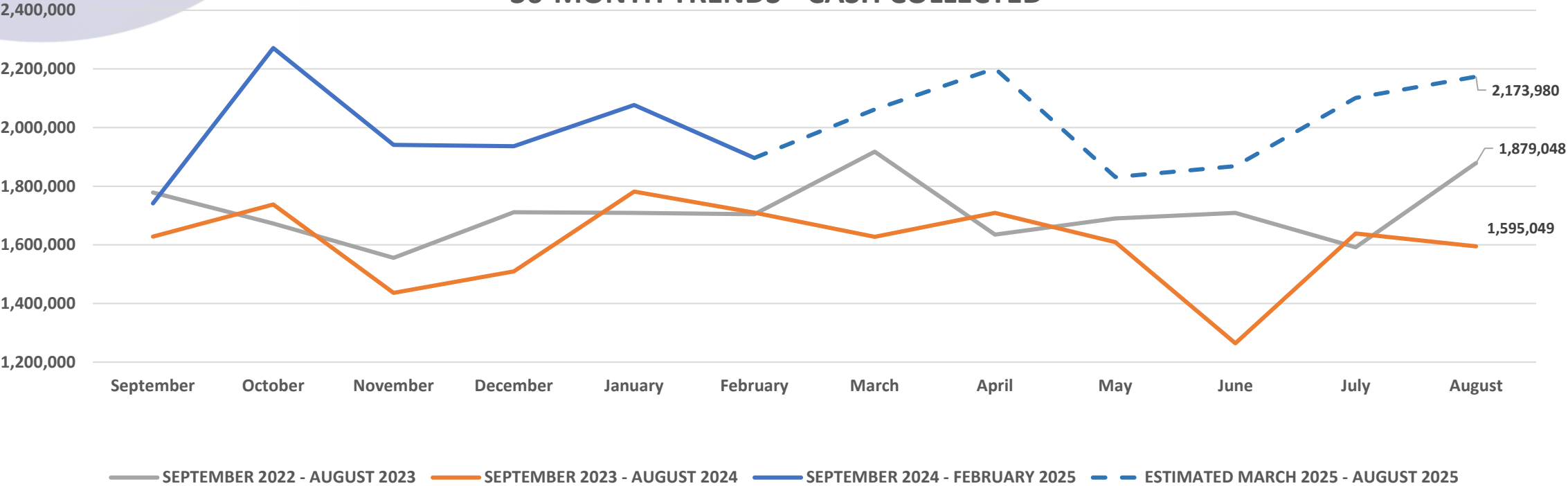
Income Statement Grouping	Current Period				YTD - Variance Explanations
	Current Period Actual	Current Period Budget - Original	Budget Variance - Original	% Variance	
Revenues					
Net Patient Service Revenue	4,133,041	4,149,156	(16,116)	0%	Unfavorable variance mainly due to visits being under budget YTD by 148.
Grant Revenue	159,190	83,437	75,753	91%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	3,511,246	4,935,817	1,424,571	29%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Employee Benefits	1,735,867	2,679,564	943,697	35%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Supplies	390,134	321,155	(68,979)	-21%	Unfavorable variance mainly related to increase in pharmaceutical expenses for the 340B pharmacy program.
Telephone & Internet	30,902	41,198	10,296	25%	Favorable variance mainly related to lower actual expenses than budget for telephone charges
Advertising & Promotions	1,416	10,047	8,631	86%	Favorable variance mainly related to lower actual marketing activity.
Travel & Training	104,957	66,323	(38,634)	-58%	Unfavorable variance mainly related to higher actual expenses than budget for contracted medical staff and employees' travel expense reimbursements.
Insurance	84,817	70,241	(14,576)	-21%	Unfavorable variance mainly related to higher actual malpractice insurance costs than budget for contracted medical staff.
Miscellaneous	54,546	67,727	13,181	19%	Favorable mainly related to lower actual minor equipment and recruiting expenses than budget.



# SJ HEALTH BALANCE SHEET- AUGUST 2025

	<b>FY2025</b>	<b>FY2026</b>	<b>FY2026</b>
	<b>JUNE 30, 2025</b>	<b>JULY 31, 2025</b>	<b>AUGUST 31, 2025</b>
	<b><u>(UNAUDITED)</u></b>		
Assets			
Cash & Cash Equivalents	32,994,295	34,579,015	33,483,615
Accounts Receivable	2,282,608	1,776,082	2,003,884
Property & Equipment	2,323,595	2,277,123	2,223,515
Other Assets	<u>15,901,518</u>	<u>17,873,372</u>	<u>19,833,765</u>
Total Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>
Liabilities			
Accounts Payable	1,607,815	1,500,597	1,192,093
Other Liabilities	<u>5,947,579</u>	<u>7,942,165</u>	<u>8,180,617</u>
Total Liabilities	<u>7,555,394</u>	<u>9,442,762</u>	<u>9,372,710</u>
Net Assets			
Unrestricted Net Assets	38,960,214	44,274,146	44,274,146
Restricted Net Assets	1,672,477	1,672,477	1,672,477
Current YTD Net Income	<u>5,313,932</u>	<u>1,116,207</u>	<u>2,225,446</u>
Total Net Assets	<u>45,946,622</u>	<u>47,062,830</u>	<u>48,172,069</u>
Total Liabilities and Net Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>

36-MONTH TRENDS - CASH COLLECTED



FY26 Collections By Financial Class	%
Medicaid	94.21%
Medicare	4.92%
Commercial	0.75%
Self-Pay	0.12%
Total	100.00%

NOTE: COLLECTIONS FROM MARCH 2025 THROUGH AUGUST 2025 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL TREND. INCREASE IN COLLECTIONS FROM SEPTEMBER 2024 THROUGH AUGUST 2025 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY.

## CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

DATA SUMMARY	CAPITAL LINK TARGET	2023 NATIONAL MEDIAN	2023 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY25 (UNAUDITED)	SJ HEALTH FYTD FY26
<b>FINANCIAL HEALTH</b>					
<b>1 Operating Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	4%	5%	10.1%	<b>20.7%</b>
<b>2 Bottom Line Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	6%	6%	10.1%	<b>20.7%</b>
<b>3 Days Cash on Hand</b>	<b>&gt;60 Days</b>	105	129	259	<b>246</b>
<b>4 Days in Net Patient Receivables</b>	<b>&lt;45 Days</b>	36	39	37	<b>33</b>
<b>5 Personnel-Related Expense (PRE)</b> As a % of Operating Revenue	<b>&lt;70%</b>	69%	72%	72%	<b>64%</b>

# **SJHC BOARD MEMBER KEY FISCAL UNDERSTANDINGS**

- **The historical 26K patient gap between panel size and panel seen represents SJHC's largest potential opportunity for revenue capture.**
- **Opportunity available to maximize the usage of existing exam rooms and adequately staff the provider positions that will help improve visits and revenues.**
- **YTD net income is favorable to budget by \$2.35M.**
- **YTD billable visits are unfavorable to budgeted billable visits by 148.**
- **\$1.7M have been recorded as Restricted Net Assets on the August 2025 financials.**



San Joaquin Health Centers  
Financial Statement Comments

August 2025

**Summary of FQHC Performance: Fiscal Year-to-Date**

Year-to-date (YTD) billable visits as of August are unfavorable to budget by 148 visits mainly related to visits included in the FY26 budget pertaining to vacant positions not filled yet. Recruitment efforts are ongoing for additional providers to fill the vacant positions. Net Patient Service Revenues for August are favorable to budget by \$164,793 primarily due to higher billable visits along with the favorable YTD revenue true up adjustment recorded based on the actual collections. YTD financials reflect an estimated PPS liability accrual of \$50,000. August 2025 financials include Medi-Cal payment for \$139,334 for FY2023 PPS liabilities due to DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$4,561,845. Also, YTD financials include Capitation Revenue for \$911,146 and 340B Pharmacy program revenue for \$482,733. Grant Revenues include ARPA grant revenues for \$159,190. YTD financials include estimated Hedis Gap Closure incentive revenues accrued for \$158,000 for July and August health care services.

Other Revenue includes revenues accrued for \$106,987 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for \$254,830 has been reflected on the financials, which is favorable compared to budget by \$8,136 mainly due to higher cash balance contained within the County Treasury.

Total Operating Revenue is favorable to budget by \$85,432 primarily due to revenues related to grants, 340B pharmacy program and interest income higher than budget.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$2,368,269 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY26 are based on 100% employment.

Other operating expenses exhibit an unfavorable variance of \$108,309 largely due to an unfavorable variance for \$208,928 for Professional Fees, Supplies, Interest, Dues, Repairs, Travel, and Insurance expenses offset by a favorable variance of \$100,619 reflected in the Purchased Services, Office, Telephone, Advertising, Utilities, Rent, and Miscellaneous expense categories. An estimated accrual for the Purchased Services is recorded for July and August based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$2,259,960.

Unaudited, as presented, YTD Net Income of \$2,225,446 represents a favorable variance of \$2,345,392 as compared to budgeted Net Loss of \$119,945. Net Income is favorable mainly due to the actual salaries and benefits expenses related to vacant positions that have not been filled yet and are included in FY26 budgeted expenses.

**Additional Factors Impacting FQHC Fiscal Results**

- Supplemental revenues are estimates based on current performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.
- On SJ Health's balance sheet, deferred grant revenues amount to \$1,672,477 as of August 2025.

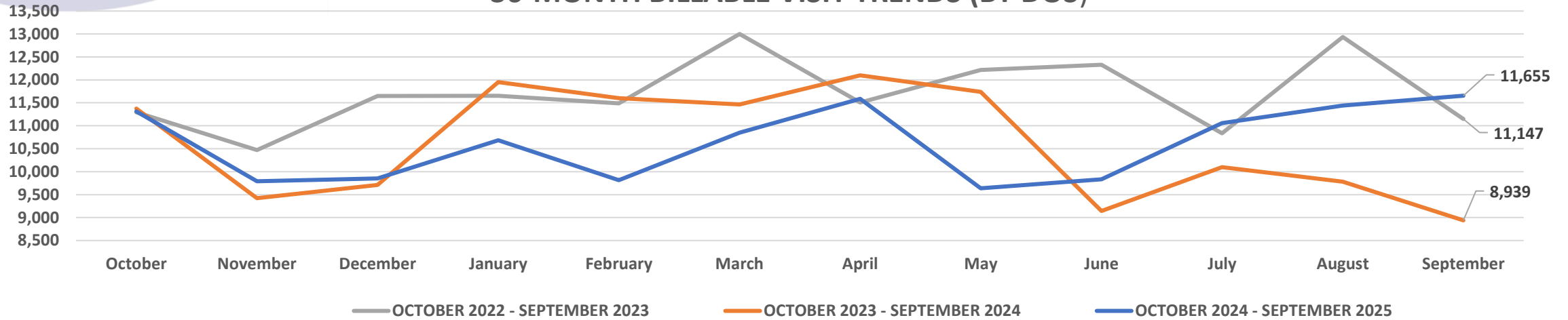
# **SAN JOAQUIN HEALTH CENTERS FINANCE PRESENTATION SEPTEMBER 2025 FINANCIAL STATEMENTS**

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Rachna Sharma  
Controller

Presentation Date: 10/28/2025

### 36-MONTH BILLABLE VISIT TRENDS (BY DOS)



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.25%
Medicare	11.72%
Medi-Cal	6.14%
Commercial	2.87%
Self-Pay	1.02%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,058	11,586	(528)
Aug-25	11,442	11,062	380
Sep-25	11,655	11,052	603
Total	34,155	33,700	455



# SJ HEALTH INCOME STATEMENT – SEPTEMBER 2025

	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	2,280,338	2,028,205	252,133	6,413,379	6,177,362	236,017
Supplemental Revenue	2,280,922	2,280,922	0	6,842,767	6,842,767	0
Capitation Revenue	448,232	458,333	(10,101)	1,359,378	1,375,000	(15,622)
Managed Care Incentives	79,000	79,000	0	237,000	237,000	0
Grant Revenue	74,899	41,719	33,180	234,089	125,156	108,933
340B Pharmacy Program	195,297	233,333	(38,036)	678,030	700,000	(21,970)
MOU & Other Income	57,465	64,556	(7,091)	419,409	411,250	8,159
Total Operating Revenue	5,416,153	5,186,069	230,085	16,184,051	15,868,535	315,516
Expenditures						
Salaries & Wages	1,637,124	2,467,909	830,785	5,148,369	7,403,726	2,255,356
Employee Benefits	849,877	1,339,783	489,906	2,585,744	4,019,347	1,433,603
Professional Fees	623,805	541,653	(82,152)	1,779,982	1,624,958	(155,024)
Purchased Services	251,656	267,577	15,921	757,640	802,731	45,091
Supplies	213,170	160,577	(52,593)	603,305	481,732	(121,572)
Depreciation	53,608	53,608	0	160,823	160,823	0
Interest	1,417	1,219	(198)	4,416	3,656	(760)
Office Expense	1,577	1,667	90	4,602	5,000	399
Dues, Subscription & Fees	136,325	127,119	(9,206)	403,738	381,356	(22,381)
Repairs & Maintenance	66,890	65,525	(1,365)	198,070	196,575	(1,495)
Telephone & Internet	18,153	20,599	2,446	49,056	61,797	12,742
Advertising & Promotions	4,683	5,024	341	6,099	15,071	8,972
Travel & Training	57,937	33,162	(24,775)	162,894	99,485	(63,409)
Insurance	41,820	35,120	(6,699)	126,636	105,361	(21,275)
Utilities	121,251	130,577	9,326	362,271	391,731	29,460
Rent	117,861	116,226	(1,636)	331,414	348,677	17,263
Miscellaneous	60,433	33,864	(26,569)	114,979	101,591	(13,388)
Total Expenditures	4,257,585	5,401,206	1,143,622	12,800,036	16,203,618	3,403,582
Net Income(Loss)	1,158,569	(215,138)	1,373,706	3,384,015	(335,083)	3,719,098

\* Supplemental Revenue includes QIP revenue which represents 42.28% of Total Operating Revenues as of September 2025.

# SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS SEPTEMBER 2025

## (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

	Current Period	Current Period	Current Period	%	
Income Statement Grouping	Actual	Budget - Original	Budget Variance - Original	Variance	September 2025 - Variance Explanations
Revenues					
Net Patient Service Revenue	2,280,338	2,028,205	252,133	12%	Favorable variance mainly due to visits being higher than budget by 603 visits.
Grant Revenue	74,899	41,719	33,180	80%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
340B Pharmacy Program	195,297	233,333	(38,036)	-16%	Unfavorable variance mainly due to actual 340B pharmacy revenue lower than budget.
Expenditures					
Salaries & Wages	1,637,124	2,467,909	830,785	34%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Employee Benefits	849,877	1,339,783	489,906	37%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Professional Fees	623,805	541,653	(82,152)	-15%	Unfavorable variance mainly due to higher than anticipated utilization of contracted medical support staff.
Supplies	213,170	160,577	(52,593)	-33%	Unfavorable variance mainly due to increase in pharmaceutical expenses related to the 340B pharmacy program.
Travel & Training	57,937	33,162	(24,775)	-75%	Unfavorable variance mainly related to higher than anticipated travel expenses for the contracted medical staff along with the unbudgeted transportation cost for the patients.
Insurance	41,820	35,120	(6,699)	-19%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	60,433	33,864	(26,569)	-78%	Unfavorable variance mainly related to higher than anticipated recruiting expenses for Comphealth and Medicorp vendors.

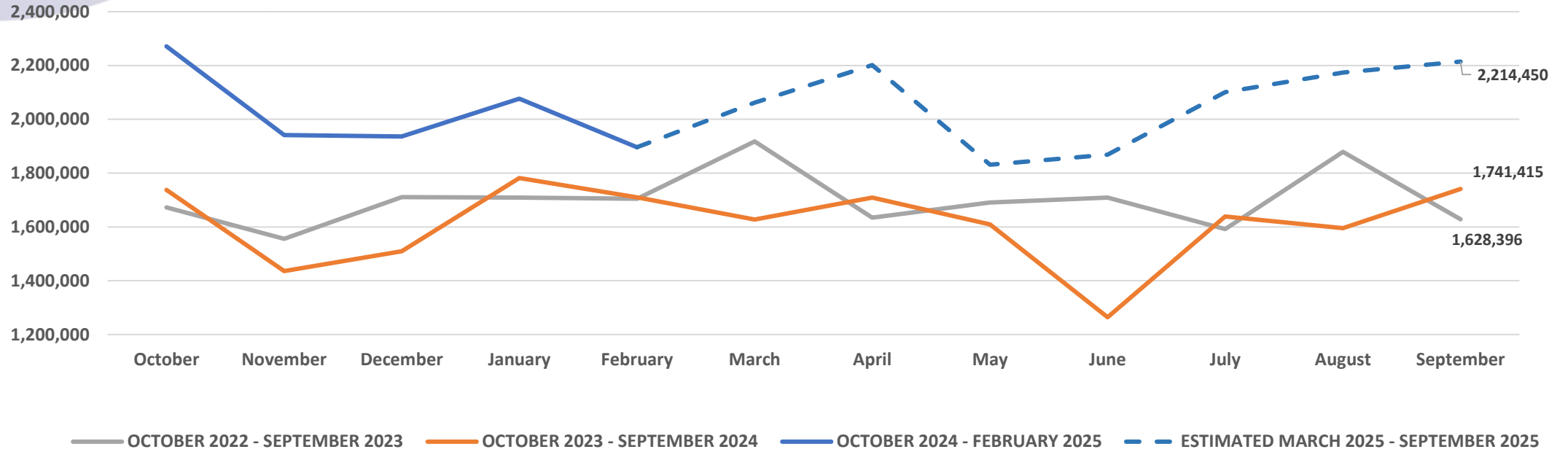
## SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY26 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

Income Statement Grouping	Current Period	Current Period	Current Period	%	YTD - Variance Explanations
	Actual	Budget - Original	Budget Variance - Original	Variance	
Revenues					
Net Patient Service Revenue	6,413,379	6,177,362	236,017	4%	Favorable variance mainly due to visits being higher than budget by 455 visits.
Grant Revenue	234,089	125,156	108,933	87%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	5,148,369	7,403,726	2,255,356	30%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Employee Benefits	2,585,744	4,019,347	1,433,603	36%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Professional Fees	1,779,982	1,624,958	(155,024)	-10%	Unfavorable variance mainly due to higher than anticipated utilization of contracted medical support staff.
Telephone & Internet	49,056	61,797	12,742	21%	Favorable variance mainly related to lower actual expenses than budgeted for telephone charges.
Advertising & Promotions	6,099	15,071	8,972	60%	Favorable variance mainly related to lower actual marketing expenses than budgeted.
Travel & Training	162,894	99,485	(63,409)	-64%	Unfavorable variance mainly related to higher than anticipated travel expenses for the contracted medical staff along with the unbudgeted transportation cost for the patients.
Insurance	126,636	105,361	(21,275)	-20%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	114,979	101,591	(13,388)	-13%	Unfavorable variance mainly related to higher than anticipated recruiting expenses for Comphealth and Medicorp vendors.

# SJ HEALTH BALANCE SHEET- SEPTEMBER 2025

	FY2025			
	JUNE 30, 2025	FY2026	FY2026	FY2026
	(UNAUDITED)	JULY 31, 2025	AUGUST 31, 2025	SEPTEMBER 30, 2025
Assets				
Cash & Cash Equivalents	32,994,295	34,579,015	33,483,615	32,464,668
Accounts Receivable	2,282,608	1,776,082	2,003,884	2,123,851
Property & Equipment	2,323,595	2,277,123	2,223,515	2,169,907
Other Assets	<u>15,901,518</u>	<u>17,873,372</u>	<u>19,833,765</u>	<u>21,608,100</u>
Total Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>	<u>58,366,527</u>
Liabilities				
Accounts Payable	1,607,815	1,500,597	1,192,093	860,296
Other Liabilities	<u>5,947,579</u>	<u>7,942,165</u>	<u>8,180,617</u>	<u>8,175,594</u>
Total Liabilities	<u>7,555,394</u>	<u>9,442,762</u>	<u>9,372,710</u>	<u>9,035,890</u>
Net Assets				
Unrestricted Net Assets	38,960,214	44,274,146	44,274,146	44,274,146
Restricted Net Assets	1,672,477	1,672,477	1,672,477	1,672,477
Current YTD Net Income	<u>5,313,932</u>	<u>1,116,207</u>	<u>2,225,446</u>	<u>3,384,015</u>
Total Net Assets	<u>45,946,622</u>	<u>47,062,830</u>	<u>48,172,069</u>	<u>49,330,638</u>
Total Liabilities and Net Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>	<u>58,366,527</u>

## 36-MONTH TRENDS - CASH COLLECTED



FY26 Collections By Financial Class	%
Medicaid	94.32%
Medicare	4.95%
Commercial	0.42%
Self-Pay	0.31%
Total	100.00%

NOTE: COLLECTIONS FROM MARCH 2025 THROUGH SEPTEMBER 2025 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM OCTOBER 2024 THROUGH SEPTEMBER 2025 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY IN SEPTEMBER 2024.

## CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

DATA SUMMARY	CAPITAL LINK TARGET	2023 NATIONAL MEDIAN	2023 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY25 (UNAUDITED)	SJ HEALTH FYTD FY26
<b>FINANCIAL HEALTH</b>					
<b>1 Operating Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	4%	5%	10.1%	<b>20.9%</b>
<b>2 Bottom Line Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	6%	6%	10.1%	<b>20.9%</b>
<b>3 Days Cash on Hand</b>	<b>&gt;60 Days</b>	105	129	259	<b>236</b>
<b>4 Days in Net Patient Receivables</b>	<b>&lt;45 Days</b>	36	39	37	<b>35</b>
<b>5 Personnel-Related Expense (PRE)</b> As a % of Operating Revenue	<b>&lt;70%</b>	69%	72%	72%	<b>63%</b>

# **SJHC BOARD MEMBER KEY FISCAL UNDERSTANDINGS**

- **The historical 26K patient gap between panel size and panel seen represents SJHC's largest potential opportunity for revenue capture.**
- **Opportunity available to maximize the usage of existing exam rooms and adequately staff the provider positions that will help improve visits and revenues.**
- **YTD net income is favorable to budget by \$3.72M.**
- **YTD billable visits are favorable to budgeted billable visits by 455.**
- **\$1.7M have been recorded as Restricted Net Assets on the September 2025 financials.**



San Joaquin Health Centers  
Financial Statement Comments  
September 2025

**Summary of FQHC Performance: Fiscal Year-to-Date**

Year-to-date (YTD) billable visits as of September are favorable to budget by 455 visits. Net Patient Service Revenues for September are favorable to budget by \$252,133 which is in line with the higher billable visits. YTD financials reflect an estimated PPS liability accrual of \$75,000. YTD financials include Medi-Cal payment for \$139,334 for FY2023 PPS liabilities due to DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$6,842,767. Also, YTD financials include Capitation Revenue for \$1,359,378 and 340B Pharmacy program revenue for \$678,030. Grant Revenues include ARPA grant revenues for \$234,089. YTD financials include estimated Hedis Gap Closure incentive revenues accrued for \$237,000 for July through September health care services.

Other Revenue includes revenues accrued for \$164,289 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for \$254,894 has been reflected on the financials, which is unfavorable compared to budget by \$6,356.

Total Operating Revenue is favorable to budget by \$315,516 primarily due to revenues related to patient services, SJGH Chargebacks per MOU, and grants higher than budget.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$3,688,959 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY26 are based on 100% employment. Recruitment efforts are ongoing to fill the vacant positions.

Other operating expenses exhibit an unfavorable variance of \$285,378 largely due to an unfavorable variance for \$399,304 for Professional Fees, Supplies, Interest, Dues, Repairs, Travel, Insurance and Miscellaneous expenses offset by a favorable variance of \$113,926 reflected in the Purchased Services, Office, Telephone, Advertising, Utilities, and Rent expense categories. An estimated accrual for the Purchased Services is recorded from July through September based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$3,403,582.

Unaudited, as presented, YTD Net Income of \$3,384,015 represents a favorable variance of \$3,719,098 as compared to budgeted Net Loss of \$335,083. Net Income is favorable mainly due to the actual salaries and benefits expenses related to vacant positions that have not been filled yet and are included in FY26 budgeted expenses.

**Additional Factors Impacting FQHC Fiscal Results**

- Supplemental revenues are estimates based on current performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.
- On SJ Health's balance sheet, deferred grant revenues amount to \$1,672,477 as of September 2025.