

## Exhibit 6

Draft of October 17, 2019

### Sonoma Valley Health Care District Statements of Net Position June 30, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,651,697	\$ 2,342,737
Patient accounts receivable, net of allowance for doubtful accounts of \$1,185,345 and \$1,210,338 in 2019 and 2018, respectively	5,856,145	6,464,621
Estimated third-party payor settlements	445,220	892,336
Property tax receivable	7,004,881	7,060,250
Other receivables	409,427	613,939
Pledge receivables	135,521	-
Inventories	901,652	852,688
Prepaid expenses and other current assets	1,116,921	785,383
Total current assets	21,521,464	19,011,954
Capital assets, net	50,868,937	52,220,907
Noncurrent investments		
Restricted for debt service	5,016,479	4,437,878
Total noncurrent investments	5,016,479	4,437,878
Total assets	\$ 77,406,880	\$ 75,670,739
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,510,167	\$ 5,628,545
Accrued payroll and related liabilities	3,150,043	3,634,422
Deferred tax revenue	6,904,781	6,853,235
Line of credit	6,723,734	6,973,734
Bonds payable, current portion	1,631,000	1,529,000
Capital lease obligations, current portion	344,477	950,690
Notes payable, current portion	2,419,733	2,350,366
Total current liabilities	27,683,935	27,919,992
Long-term liabilities		
Accrued workers' compensation liability	650,000	663,000
Bonds payable, net of current portion	28,269,000	29,900,000
Capital lease obligations, net of current portion	279,128	611,726
Notes payable, net of current portion	445,532	735,189
Total long-term liabilities	29,643,660	31,909,915
Total liabilities	57,327,595	59,829,907
Net position		
Net investment in capital assets	10,756,333	9,170,202
Restricted		
For debt service	5,016,479	4,437,878
Expendable for capital assets	2,337,205	650,620
Total restricted	7,353,684	5,088,498
Unrestricted	1,969,268	1,582,132
Total net position	20,079,285	15,840,832
Total liabilities and net position	\$ 77,406,880	\$ 75,670,739

The accompanying notes are an integral part of these financial statements.

Draft at October 17, 2019

Sonoma Valley Health Care District  
 Statements of Revenues, Expenses and Change in Net Position  
 For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
Net patient service revenue	\$ 57,553,690	\$ 54,439,085
Capitation revenue	755,801	1,358,418
Total operating revenues	<u>58,309,491</u>	<u>55,797,503</u>
Operating expenses		
Salaries and wages	26,834,013	29,992,860
Employee benefits	6,104,110	6,551,231
Purchased services	4,867,261	4,398,195
Professional fees, medical	6,669,310	5,809,116
Professional fees, non-medical	658,575	580,667
Supplies	6,898,410	6,356,090
Facilities and equipment	668,684	740,668
Utilities	1,171,603	1,189,990
Insurance	441,380	371,824
Depreciation and amortization	3,392,233	3,424,202
Other expenses	3,439,339	2,407,797
Total operating expenses	<u>61,144,918</u>	<u>61,822,640</u>
Loss from operations	<u>(2,835,427)</u>	<u>(6,025,137)</u>
Nonoperating income (expenses)		
General obligation bond tax assessment revenues	3,273,235	3,164,434
Parcel tax assessment revenues	3,781,005	3,791,051
General obligation bond interest	(1,217,171)	(1,275,052)
Interest expense	(657,499)	(564,546)
Contributions to Prima Medical Foundation	(452,439)	(681,200)
Investment income	99,989	71,390
Other income (expense), net	251,540	(8,066)
Total nonoperating income, net	<u>5,078,660</u>	<u>4,498,011</u>
Capital contributions	<u>1,995,220</u>	<u>1,227,291</u>
Change in net position	4,238,453	(299,835)
Net position, beginning of year	<u>15,840,832</u>	<u>16,140,667</u>
Net position, end of year	<u>\$ 20,079,285</u>	<u>\$ 15,840,832</u>

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Sonoma Valley Health Care District  
Statements of Cash Flows  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash received from patients and third-parties	\$ 59,548,957	\$ 56,725,907
Cash payments to contractors, vendors and suppliers	(24,288,394)	(22,044,966)
Cash payments to employees and benefit programs	<u>(33,435,502)</u>	<u>(36,951,240)</u>
Net cash provided by (used in) operating activities	<u>1,825,061</u>	<u>(2,270,299)</u>
Cash flows from noncapital financing activities		
Noncapital grants, contributions and other	136,657	(66,673)
Contribution to Prima Medical Foundation	(452,439)	(681,200)
Other deferred revenue	-	200,000
District tax revenues	<u>3,887,917</u>	<u>3,736,307</u>
Net cash provided by noncapital financing activities	<u>3,572,135</u>	<u>3,188,434</u>
Cash flows from capital and related financing activities		
Net purchase of capital assets	(2,124,590)	(2,372,123)
Principal payments on note payable	(375,636)	(337,410)
Principal payments on capital lease obligations	(938,811)	(636,026)
Payment on line of credit	(250,000)	-
Principal payments on bond payable	(1,529,000)	(1,433,000)
Interest paid on long-term debt	(1,899,718)	(1,862,054)
Proceeds on note payable	155,346	-
Tax revenue related to general obligation bonds	3,273,238	3,164,438
Capital grants and gifts	<u>1,995,220</u>	<u>1,227,291</u>
Net cash used in capital financing activities	<u>(1,693,951)</u>	<u>(2,248,884)</u>
Cash flows from investing activities		
Purchases of investments	(578,601)	(471,847)
Proceeds from sales of capital assets	84,327	(11,049)
Interest received from investments	<u>99,989</u>	<u>71,390</u>
Net cash used in investing activities	<u>(394,285)</u>	<u>(411,506)</u>
Net increase (decrease) in cash and cash equivalents	3,308,960	(1,742,255)
Cash and cash equivalents, beginning of year	<u>2,342,737</u>	<u>4,084,992</u>
Cash and cash equivalents, end of year	<u>\$ 5,651,697</u>	<u>\$ 2,342,737</u>

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Sonoma Valley Health Care District  
Statements of Cash Flows  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of loss from operations to net cash used in operating activities		
Loss from operations	\$ (2,835,427)	\$ (6,025,137)
Adjustments to reconcile loss from operations to net cash provided by (used in) operating activities		
Depreciation and amortization	3,392,233	3,424,202
Allowance for doubtful accounts	1,980,000	1,900,000
Changes in operating assets and liabilities		
Patient accounts receivable, net	(1,187,650)	(563,331)
Estimated third-party payor settlements	447,116	(435,142)
Accounts payable and accrued expenses	409,291	(613,260)
Other assets and liabilities	<u>(380,502)</u>	<u>42,369</u>
Net cash provided by (used in) operating activities	<u>1,825,061</u>	<u>(2,270,299)</u>

Supplemental schedule of noncash investing and financing activities

Acquisition of capital assets financed with long-term debt	\$	-	\$	410,810
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