



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING AGENDA
Tuesday, August 26, 2014, 5:00 p.m.**

**Location: Schantz Conference Room
Sonoma Valley Hospital – 347 Andrieux Street, Sonoma CA 95476**

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Glago</i>	
2. PUBLIC COMMENT SECTION At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.	<i>Glago</i>	
3. CONSENT CALENDAR: a. FC Meeting Minutes, 07.29.14 b. Revision to Board Minutes from 8.7.14	<i>Glago</i>	Action
4. JULY 2014 FINANCIALS	<i>Jensen</i>	Inform
5. CASH FLOW FORECAST AND LONG TERM DEBT	<i>Jensen</i>	Inform
6. FOLLOW-UP TO CAPITAL REQUEST FOR FIRE ALARM (contingent upon cash flow forecast)	<i>Nevins</i>	Action
7. WEST COUNTY HAND AND PHYSICAL THERAPY PROPOSAL FOR SERVICES (to be distributed at or before FC meeting, 8.26.14)	<i>Donaldson</i>	Action
8. ADJOURN Next meeting September 23, 2014	<i>Glago</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, July 29, 2014
Schantz Conference Room**

Voting Members Present	Members Absent/Excused	Staff/ Public/Other	Staff Excused/Absent
Dick Fogg Phil Woodward Peter Hohorst Sharon Nevins Steve Barclay Stephen Berezin S. Mishra, MD Mary Smith	Shari Glago Keith Chamberlin, MD	Kelly Mather Sam McCandless Jeannette Tarver Ken Jensen Gigi Betta	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Fogg</i>		
	5:02 PM Ken Jensen, Interim CFO was introduced.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 6.24.14	Mr. Barclay reminded the Committee that at the meeting on 6.24.14 he requested a debt capacity analysis. Mr. Woodward reminded the Committee that the Cash Flow statement is still outstanding. It was confirmed that Napa State will not send their inpatients to SVH in future but the cut-off date for this is unknown.	MOTION by Hohorst to approve Minutes and 2 nd by Barclay. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
4. SVH FOUNDATION AUDIT RESULTS	<i>Nevins</i>	Inform	
	Ms. Nevins presented the independent auditor's report for the year ended 12/31/13 and took questions from the Committee. The Finance Committee recommends to the Board that there be an annual audit of the SVH Foundation paid for with Foundation funds and/or outside donations.		
5. CAPITAL REQUEST FOR FIRE ALARM	<i>Drummond</i>	Action	
	Ms. Drummond recommended replacement of the 30 year old fire and smoke detecting devices. She also gave some background, the financial impact and the project scope. This request for the fire alarm was approved as part of the Capital Budget FY15 presented at the 6.24.14 meeting and <u>contingent upon receiving cash flow statements</u> . Cash flow statements have been promised by the next FC meeting. The funding for this replacement is still to be determined. *MOTION: The source of funding is contingent upon cash flow statements promised to the FC at next meeting on 8.26.14; however, preliminary works can be started up to a maximum of \$20,000.	MOTION by Hohorst* to approve and 2 nd by Smith. All in favor.	
6. REVISED FC CHARTER	<i>Fogg/Hohorst</i>	Action	
	Mr. Hohorst reviewed the proposed changes to the FC Charter and it was approved by all.	MOTION by Nevins to approve and 2 nd by Woodward. All in favor.	
7. JUNE 2014 FINANCIALS	<i>Jensen</i>	Inform	
	Mr. Jensen presented the overall financial results for June 2014. He distributed a summary on Accounts Payable and talked about the plan to reduce A/P moving forward. Essentially, if the Hospital breaks-even every month in terms of cash and realizes its cash initiatives, the January goal of \$2,289K will be attained. Ms. Nevins added that it would be helpful to develop a schedule that compares expenses and revenues side by side on a monthly basis (once the Accounting Department has caught-up). Mr. Jensen will make some minor changes to financial statement formats to make them easier to read. Mr. Barclay asks that Hospital operations be separate from the SVH Foundation. The PDH physical therapy services agreement is still under review and a report to the FC and Board will be given once negotiations have		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	concluded. The newspaper article announcing that an agreement had been reached was premature.		
8. CASH FLOW FORECAST	<i>Jensen</i>	Inform	
	See Item #7.		
9. CAPITAL ASSETS FY14	<i>Mather/Tarver</i>	Inform	
	Ms. Mather presented the 2014 Financial Overview including updates on the Operational Improvement Plan, current FTEs, the A/P plan, parcel tax collection, the cost accounting system, CEC and Celtic loans, Patient Financial Services and RAC. Ms. Tarver presented the FY14 Capital Spending report and answered questions from the Committee.		
10. ADJOURN	<i>Fogg</i>		
	Ms. Nevins summarized events that took place at the SVH Foundation retreat on 6.25.14 and summarized their fundraising strategic plan for the next year. Mr. Jensen announced that an audit will take place in the Business Offices beginning the week of August 11. Meeting adjourned at 6:15PM. The next meeting is on August 26, 2014		



SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, August 7, 2014, 2014
Community Meeting Room, 177 1st St W, Sonoma

Committee Members Present	Committee Members Absent/Excused	Admin Staff /Public/Other	
Sharon Nevins Peter Hohorst Jane Hirsch Bill Boerum Kevin Carruth		Kelly Mather Mark Kobe Kevin Coss Allan Sendaydiego Paula Davis Celia Kruse de la Rosa Paul Amara, MD Lynn McKissok	Gigi Betta Leslie Lovejoy Ken Jensen Selma Blanus Dawn Kuwahara Bob Kenney Dr. Smith Don Frances

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
1. CALL TO ORDER	<i>Nevins</i>		
	6:00PM		
2. PUBLIC COMMENT ON CLOSED SESSION	<i>Nevins</i>		
3. CONSENT CALENDAR	<i>Nevins</i>	Action	
A. Regular Board Minutes 6.5.14, 7.3.14 B. FC Minutes 6.24.14 C. QC Minutes 6.25.14 D. Revised Charters: FC , GC E. MEC Credentialing Report, 7.23.14	Mr. Hohorst requested that the FC Charter (item 3D) be moved to item 13 under Governance Committee Report so it can be reviewed prior to approval.	MOTION: by Hohorst to approve A,C,D,E and 2 nd by Hirsch. All in favor.	
4. RESOLUTION 323 REQUESTING PARCEL TAX FUND TRANSFER	<i>Nevins</i>	Action	
		MOTION: by Carruth to approve and 2 nd by Hohorst. Roll call vote: 5 ayes. All in favor.	
5. OB RECOMMENDATION	<i>Kobe</i>	Action	
	Mr. Kobe recommended keeping the OB service line open. Hospital management believe they can		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	<p>maintain an annual loss of \$250K or less (a minimum of 12 births per month are required to meet this goal) inclusive of DSH funding. The OB will be closely monitoring over the next year. Since there will be no change to the OB service line, a vote by the Board is not necessary.</p> <p>Mr. Carruth noted for the record that the SVH Board has never taken a policy stand on the OB and that the Hospital set the metrics.</p> <p>Mr. Boerum pointed out discrepancies between last month's OB analysis and this month's analysis. He requested more detailed service line P&Ls that include pay rate analysis of the six full time employees.</p> <p>Anna Pier, La Luz Board Chair thanked everyone for their decision to keep the OB open. She suggested that the Hospital consider offering birth classes in Spanish in an effort to increase the census.</p> <p>Rosemarie Pedranzini expressed her displeasure with the Hospital's handling of the OB issue.</p> <p>Kathleen Robbiano SVH birth center employee, expressed her gratitude with the decision to keep the birth center open. She requested that the Hospital consider a dedicated OB manager to increase both service line strength and outreach.</p>		
6. SURGICAL SERVICES UPDATE	<i>A.Sendaydiego</i>	Inform	
	<p>Mr. Sendaydiego introduced himself and gave a short bio before giving an update on the surgical services at SVH.</p> <p>Ms. Hirsch suggested that a piece about the patient's responsibility for personal hygiene prior to surgery be added to the Surgery Wellness brochure.</p>		
7. SVHF FUNDRAISING STRATEGIC PLAN SUMMARY	<i>Blanusa</i>	Inform	
	Ms. Blanusa presented the SVHF fundraising goals for the remainder of the calendar year. The two areas of focus going forward will be on fundraising (goal of \$500K by end of calendar year) and continued efforts to support the Capital Campaign and outstanding pledges.		
8. SENIOR WELLNESS UPDATE	<i>Kuwahara</i>	Inform	
	Ms. Kuwahara talked about the Senior Wellness gym closure and emphasized that there are many		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	<p>programs and services <i>still</i> offered to the senior community: the Aches & Pains educational presentations and the group balance, nutrition and gentle yoga classes. In addition, SVH collaborates with Vintage House and Parkpoint Health Club to provide no cost/low cost alternative programs. Ms. Nevins feels that senior wellness programs are important to the Community and heart patients and would like to continue to address the senior wellness issue and alternative programs.</p> <p>Rosemarie Pedrenzini talked about her experience with the former cardiac rehab program at SVH and how important Senior Wellness is to the heart patients in the community.</p> <p>Mr. Hohorst emphasized that with cut backs in Medicare reimbursement and significant reduction in revenue, SVH cannot be all things to all people. The most important thing is that the Hospital is in a financial position to remain open.</p> <p>Mr. Boerum suggests that next year's Strategic Plan include the cohort of seniors including demographics.</p> <p>While Mr. Carruth advocates improving Hospital services, he stresses there is a limit to what the Hospital can offer. With the Senior Wellness closure, there is a relatively <i>clean</i> alternative at Parkpoint, (with exception of limited handicap parking).</p>		
9. APPOINTMENT OF CEO EVALUATION COMMITTEE	<i>Nevins</i>	Inform	
	<p>Ms. Nevins appointed Ms. Hirsch and Mr. Hohorst as the CEO Evaluation/Advisory Committee. A date for a Special Board meeting will be announced sometime this month. The documentation tools from last year will be brought forward and will not be changed. Therefore, a Board motion and vote is not necessary for this item.</p> <p>Mr. Boerum will send a memo to Mr. Hohorst and Ms. Hirsch regarding SCHD online evaluation tools.</p>		
10. FINANCIAL REPORT FOR JUNE 2014	<i>Jensen</i>	Inform	
	<p>Mr. Jensen introduced himself and gave a short bio before presenting the financials for June 2014. Mr. Boerum requested again that Outpatient and ER</p>		

AGENDA ITEM	DISCUSSION	ACTION	FOLLOW-UP
	be separate line items. Mr. Jensen agreed that this makes good sense and plans to make this format change in time.		
11. ADMINISTRATIVE REPORT FOR JULY 2014	<i>Mather</i>	Inform	
	Ms. Mather presented the Administrative Report and Dashboard for July 2014.		
12. PREVIEW OF HEALING HOSPITAL MODEL	<i>Mather</i>	Inform	
	Ms. Mather shared the Healing Hospital strategy and flyer and announced that the Healing Hospital Showcase event will be on September 22 and 23, 2014. The SVH Board is encouraged to attend.		
13. OFFICER & COMMITTEE REPORTS A. Board Chair Report i. SVHF Audit Report ii. Omission from 7.3.14 Minutes B. Governance Committee i. Revised AC Charter ii. Revised FC Charter (moved from Consent Calendar)	<p>A.i. The 2013 SVHF Audit was presented to the FC Independent auditors declared it a <i>clean report</i> with only minor issues. Mr. Boerum recommends an audit on an annual basis.</p> <p>A.ii. A Motion was inadvertently omitted from the Board Minutes on 7.3.14. The Board re-opened the Consent Calendar and added a motion to approve the Capital Budget presented on 7.3.14. It is not known who made the Motion and who made the 2nd. This Motion was approved by majority of 3:2.</p> <p>B.i. Correction: AC Board cover letter in Agenda Package should read, <i>Audit Committee</i>. Proposed revisions to the Audit Committee Charter were reviewed and agreed upon; no action will be taken until the next meeting.</p> <p>B.ii. The FC Charter was moved from the Consent Calendar above and revisions were discussed and agreed upon.</p>	<p>Inform</p> <p>MOTION to approve Capital Budget from 7.3.14. Roll call vote: 3 ayes and 2 abstained.</p> <p>MOTION by Hohorst to approve FC Charter and 2nd by Carruth. All in favor.</p>	<p>Bring forward to 9.4.14 Consent Calendar.</p>
14. ADJOURN	<i>Nevins</i> Meeting adjourned at 7:50PM Next Regular Board meeting is September 4, 2014.		

4.

JULY 2014 FINANCIALS



Healing Here at Home

To: SVH Finance Committee
From: Ken Jensen, Interim CFO
Date: August 26, 2014
Subject: Financial Report for the Month Ending July 31, 2014

Overall Results for July 2014

SVH has a net loss before the restricted contributions of (\$59,620) on a budgeted net income of \$36,672 for an unfavorable difference of (\$96,292). Total net patient service revenue was over budget by \$157,199. Risk contract revenue is under budget by (\$38,546) due to Napa State inpatient volume. This brings the total operating revenue to \$4,337,185 or \$120,074 over budget. Expenses were \$4,625,885 on a budget of \$4,407,205 or (\$218,680) over budget. The EBIDA prior to the restricted donations and GO Bond activity for the month was \$293,074 or 6.8%.

Patient Volumes - July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	105	98	7	100
Acute Patient Days	335	365	-30	338
SNF Patient Days	651	526	125	457
Home Care Visits	1,146	906	240	760
OP Gross Revenue	\$10,879	\$10,137	\$742	\$10,071
Surgical Cases	135	135	0	135

Overall Payer Mix – July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	44.9%	49.3%	-4.4%	44.9%	49.3%	-4.4%
Medi-Cal	18.8%	11.2%	7.6%	18.8%	11.2%	7.6%
Self Pay	3.1%	3.4%	-0.3%	3.1%	3.4%	-0.3%
Commercial	21.3%	25.3%	-4.0%	21.3%	25.3%	-4.0%
Managed MC	5.1%	4.4%	0.7%	5.1%	4.4%	0.7%
Workers Comp	3.3%	3.4%	-0.1%	3.3%	3.4%	-0.1%
Capitated	3.5%	3.0%	0.5%	3.5%	3.0%	0.5%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for June were \$4.3 million on a budget of \$4.2 million or \$120,074 over budget.

Net Patient Revenue is over budget by \$157,199 or 4%, due to the following:

- Overall inpatient volume was over budget by 7 discharges, but had a payer mix with higher MediCal and less Medicare and Commercial.
- Outpatient and Emergency Room was slightly under budget in volume, but had higher Medicare patients and higher commercial insured patients.
- Skilled Nursing Home volume was over budget by 125 days.
- Home Care was over budget by 240 visits.
- Bad Debt was favorable to budget by \$93,884, due to bad debts being over reserved therefore the Hospital will reduce bad debt reserve by \$80,000 per month for FY 2015.

Expenses

July's expenses were \$4.6 million on a budget of \$4.4million or over budget by (\$218,680). The following is a summary of the operating expense variances for the month of July:

- Total productivity FTE's were over budget at 268 on a budget of 257, or (\$115,163) over budget. Registry was over budget by (\$48,584) due to Surgery (\$13,836), Obstetrics (14,251) being over budget. Imaging was over budget, but was offset by a reduction in salaries. Salaries also were over budget by (\$66,579), due to Skilled Nursing and Home Care for their increase in volume (\$73,825). Surgery had two employees out on disability and replaced them with registry, which required a 13 week contract. The registry contract is up 9/9/14. Surgery was also cross training their employees to cover each other for vacations or absences. Lab was also over in salaries and management is working with both departments to manage salary expenses.
- Supplies are over budget by (\$63,818), due to Surgery being over by (\$72,433). This was due to PO issues with in Surgery and the issue has been addressed and Surgery is working with management.
- Depreciation is over budget by (\$37,183) due to addition of the capitalized leased equipment from Celtic that was not included in the budget. Going forward monthly depreciation will be \$291k approximately and will be over budget by approximately \$19k.
- Utilities are over budget by (\$20,960) due to utilities being over budget by \$15,880.
- Interest Expense is under budget \$42,366 due to the line of credit not being fully drawn on.

Cash Collections on Patient Receivables:

For the month of July the cash collection goal was \$3,304,280 the Hospital collected \$3,861,786 or over the goal by \$557,506. The overage over goal is due to the back log of June coding from the McKesson Intelligent Coding which was caught up in July. The cash collection goal is based upon net hospital revenue from 60 days ago. Days of cash on hand are 14 days at July 31, 2014.



Sonoma Valley Hospital Sonoma Valley Health Care District July 2014 Financial Report

**Finance Committee
August 26, 2014**

July's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	105	98	7	100
Acute Patient Days	335	365	-30	226
SNF Patient Days	651	526	125	457
Home Health Care Visits	1,146	906	240	760
Outpatient Gross Revenue (in thousands)	\$10,525	\$9,859	\$666	\$9,839
Surgical Cases	135	135	0	135

Summary Statement of Revenues and Expenses Month of July 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,337,185	\$ 4,217,111	\$ 120,074	3%	\$ 4,196,467
2Total Operating Expenses	\$ 4,625,885	\$ 4,407,205	\$ (218,680)	-5%	\$ 4,440,670
3Operating Margin	\$ (288,700)	\$ (190,094)	\$ (98,606)	-52%	\$ (244,203)
4NonOperating Rev/Exp	\$ 229,080	\$ 226,766	\$ 2,314	1%	\$ 191,101
5Net Income before Rest.Cont. & GO Bond	\$ (59,620)	\$ 36,672	\$ (96,292)	-263%	\$ (53,102)
6Restricted Contribution	\$ 50,864	\$ 86,250	\$ (35,386)	-41%	\$ 122,329
Net Income with Restricted 7Contributions	\$ (8,756)	\$ 122,922	\$ (131,678)	-107%	\$ 69,227
8Total GO Bond Rev/Exp	\$ (28,962)	\$ 9,972	\$ (38,934)	-390%	\$ 115,315
9Net Income with GO Bond	\$ (37,718)	\$ 132,894	\$ (170,612)	-128%	\$ 184,543
10EBIDA before Restricted Contributions	\$ 293,074	\$ 394,549	\$ (101,475)		\$ 235,739
11EBIDA before Restricted Cont. %	7%	9%	-3%		6%

Summary Statement of Revenues and Expenses Year to Date July 31, 2014 (1 month)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,337,185	\$ 4,217,111	\$ 120,074	3%	\$ 4,196,467
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10EBIDA before Restricted Contributions	\$ 293,074	\$ 394,549	\$ (101,475)		\$ 235,739
11EBIDA before Restricted Cont. %	7%	9%	-3%		6%

July's Operating Revenues

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
REVENUE					
NET PATIENT REVENUE					
1 Acute Inpatient	\$ 1,386,135	\$ 1,476,964	\$ (90,829)	-6%	\$ 1,303,750
2 Skilled Nursing Facility	\$ 376,061	\$ 292,024	\$ 84,037	29%	\$ 258,071
3 Outpatient and Emergency	\$ 2,114,121	\$ 2,056,329	\$ 57,792	3%	\$ 2,287,084
4 HomeCare	\$ 241,090	\$ 217,358	\$ 23,732	11%	\$ 204,899
5 Community Benefit (Charity)	\$ (36,000)	\$ (24,583)	\$ (11,417)	-46%	\$ (10,000)
6 Bad Debt Expense	\$ (70,000)	\$ (163,884)	\$ 93,884	57%	\$ (200,000)
7 Prior Period Adjustment	\$ -	\$ -	\$ -	100%	\$ -
8 TOTAL NET PATIENT REVENUE	\$ 4,011,407	\$ 3,854,208	\$ 157,199	4%	\$ 3,843,804
RISK CONTRACTS					
9 Capitation Revenue	\$ 174,782	\$ 170,135	\$ 4,647	3%	\$ 171,847
10 Napa State Hospital Revenue	\$ 74,924	\$ 118,117	\$ (43,193)	-37%	\$ 52,700
11 TOTAL RISK CONTRACTS	\$ 249,706	\$ 288,252	\$ (38,546)	-13%	\$ 224,547
12 OTHER OP. REVENUE	\$ 76,072	\$ 74,651	\$ 1,421	2%	\$ 128,115
13 TOTAL HOSPITAL NET REVENUE	\$ 4,337,185	\$ 4,217,111	\$ 120,074	3%	\$ 4,196,467

Revenue Variances

- Total Operating Revenue over budget by \$120,074
- Overall inpatient volume was over budget by 7 discharges, but had a payer mix with higher MediCal and less Medicare and Commercial.
- Outpatient and Emergency Room was slightly under budget in volume, but had higher Medicare patients and higher commercial insured patients.
- Skilled Nursing Home volume was over budget by 125 days.
- Home Care was over budget by 240 visits.
- Bad Debt was favorable to budget by \$93,884, due to bad debts being over reserved therefore the Hospital will reduce bad debt reserve by \$80,000 per month for FY 2015.

July's Operating Expense

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
OPERATING EXPENSES					
1 Salary and Wages and Agency	\$ 2,031,898	\$ 1,916,735	\$ (115,163)	-6%	\$ 1,954,807
2 Employee Benefits	\$ 763,125	\$ 768,867	\$ 5,742	1%	\$ 744,838
3 Total People Cost	\$ 2,795,023	\$ 2,685,602	\$ (109,421)	-4%	\$ 2,699,645
4 Medical and Prof Fees (excl'd Agency)	\$ 338,993	\$ 324,986	\$ (14,007)	-4%	\$ 474,238
5 Supplies	\$ 550,982	\$ 487,164	\$ (63,818)	-13%	\$ 512,096
6 Purchased Services	\$ 313,931	\$ 300,623	\$ (13,308)	-4%	\$ 337,618
7 Depreciation	\$ 309,381	\$ 272,198	\$ (37,183)	-14%	\$ 166,512
8 Utilities	\$ 101,527	\$ 80,567	\$ (20,960)	-26%	\$ 84,114
9 Insurance	\$ 19,255	\$ 20,000	\$ 745	4%	\$ 18,888
10 Interest	\$ 43,313	\$ 85,679	\$ 42,366	49%	\$ 23,813
11 Other	\$ 153,480	\$ 150,386	\$ (3,094)	-2%	\$ 123,746
12 TOTAL OPERATING EXPENSE	\$ 4,625,885	\$ 4,407,205	\$ (218,680)	-5%	\$ 4,440,670

Expense Variances

Total operating expenses were over budget by (\$218,680)

- Total productivity FTE's were over budget at 268, or (\$115,163) over budget. Registry was over budget by (\$48,584) due to Surgery and Obstetrics. Salaries are over budget by (\$66,579) due to volume in Home Health Care and Skilled Nursing. Surgery and Lab were also over budget and is working with Management to control spending.
- Supplies are over budget by (\$63,818), due to Surgery being over by (\$72,433). This was due to PO issues with in Surgery and the issue has been addressed and Surgery is working with management.
- Depreciation is over budget by (\$37,183) due to addition of the capitalized leased equipment from Celtic that was not included in the budget.
- Utilities are over budget by (\$20,960) due to utilities being over budget by \$15,880.
- Interest Expense is over budget by (\$87,059), due to the addition of the Celtic lease of (\$36,547).

July's Non-Operating Items

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 11,017	\$ 933	\$ 10,084	1081%	\$ 4,267
2 Donations	\$ 7,063	\$ 10,000	\$ (2,937)	0%	\$ 1,000
3 Professional Center / Phys Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (39,000)	\$ (34,167)	\$ (4,833)	0%	\$ (51,666)
5 Tax Assessment Revenue-Parcel Tax	\$ 250,000	\$ 250,000	\$ -	0%	\$ 237,500
6 NON-OPERATING REV/EXP	\$ 229,080	\$ 226,766	\$ 2,314	1%	\$ 191,101
7Capital Campaign Contribution	\$ 50,864	\$ 86,250	\$ (35,386)	-41%	\$ 122,329
8Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
9 Tax Assessment Revenue - GO Bond	\$ 154,014	\$ 150,241	\$ 3,773	3%	\$ 152,326
10 GO Bond Interest	\$ (182,976)	\$ (140,269)	\$ (42,707)	30%	\$ (37,010)
11TOTAL NON-OPERATING REV/EXP	\$ 250,982	\$ 322,988	\$ (72,006)	-22%	\$ 428,745

**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended July, 2014

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 07/31/14	Budget 07/31/14	Favorable (Unfavorable) Variance	Actual 07/31/14	Budget 07/31/14	Favorable (Unfavorable) Variance	Prior Year 07/31/13
Inpatient Utilization							
Discharges							
1 Acute	90	84	6	90	84	6	77
2 ICU	15	14	1	15	14	1	23
3 Total Discharges	105	98	7	105	98	7	100
4 Newborn	16	11	5	16	11	5	15
5 Total Discharges inc. Newborns	121	109	12	121	109	12	115
Patient Days:							
6 Acute	233	268	(35)	233	268	(35)	226
7 ICU	97	97	0	97	97	0	112
8 Total Patient Days	330	365	(35)	330	365	(35)	338
9 Newborn	35	21	14	35	21	14	28
10 Total Patient Days inc. Newborns	365	386	(21)	365	386	(21)	366
Average Length of Stay:							
11 Acute	2.6	3.2	(0.6)	2.6	3.2	(0.6)	2.9
12 ICU	6.5	6.9	(0.5)	6.5	6.9	(0.5)	4.9
13 Avg. Length of Stay	3.1	3.7	(0.6)	3.1	3.7	(0.6)	3.4
14 Newborn ALOS	2.2	1.9	0.3	2.2	1.9	(0.3)	1.9
Average Daily Census:							
15 Acute	7.5	8.6	(1.1)	7.5	8.6	(1.1)	7.3
16 ICU	3.1	3.1	0.0	3.1	3.1	0.0	3.6
17 Avg. Daily Census	10.6	11.8	(1.1)	10.6	11.8	(1.1)	10.9
18 Newborn	1.1	0.7	0.4	1.1	0.7	0.4	0.9
Long Term Care:							
19 SNF Patient Days	526	526	(0)	526	526	(0)	457
20 SNF Discharges	31	24	7	31	24	7	21
21 Average Daily Census	17.0	17.0	(0.0)	17.0	17.0	(0.0)	14.7
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	889	781	108	889	781	108	750
Outpatient Statistics:							
23 Total Outpatients Visits	4,656	4,165	491	4,656	4,165	491	4,209
24 IP Surgeries	26	33	(7)	26	33	(7)	33
25 OP Surgeries	109	102	7	109	102	7	102
26 Special Procedures	42	40	2	42	40	2	40
27 Home Health Visits	1,146	906	240	1,146	906	240	760
28 Adjusted Discharges	337	287	50	337	287	50	296
29 Adjusted Patient Days	2,124	2,099	25	2,124	2,099	25	1,945
30 Adj. Avg. Daily Census	68.5	67.7	0.8	68.5	67.7	0.8	62.8
31 Case Mix Index -Medicare	1.5637	1.4000	0.164	1.5637	1.4000	0.164	1.5399
32 Case Mix Index - All payers	1.5507	1.4000	0.151	1.5507	1.4000	0.151	1.4241
Labor Statistics							
33 FTE's - Worked	268	257	(10.3)	268	257	(10.3)	279
34 FTE's - Paid	309	292	(17.3)	309	292	(17.3)	315
35 Average Hourly Rate	37.17	37.14	(0.03)	37.17	37.14	(0.03)	35.14
36 Manhours / Adj. Pat Day	25.7	24.6	(1.1)	25.7	24.6	(1.1)	28.6
37 Manhours / Adj. Discharge	162.0	179.7	17.7	162.0	179.7	17.7	187.9
38 Benefits % of Salaries	24.2%	24.3%	0.1%	24.2%	24.3%	0.1%	23.4%
Non-Labor Statistics							
39 Supply Expense % Revenue	3%	3%	0%	3%	0	0%	3%
40 Supply Exp. / Adj. Discharge	1,633	1,696	63	1,633	1,696	63	1,729.50
41 Total Expense / Adj. Discharge	14,250	15,831	1,581	14,250	15,831	1,581	15,297
Other Indicators							
42 Days Cash - Operating Funds	14.4						
43 Days in Net AR	47.1	50.0	(2.9)	47.1	50.0	(2.9)	55.0
44 Collections % of Net Revenue	117%						
45 Days in Accounts Payable	74.4	60.0	14.4	74.4	60.0	14.4	54.0
46 % Net revenue to Gross revenue	23.4%	23.5%	-0.1%	23.4%	23.5%	-0.1%	23.9%
47 % Net AR to Gross AR	23.3%			23.3%			26.5%

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended July 31, 2014
As of July 31, 2014

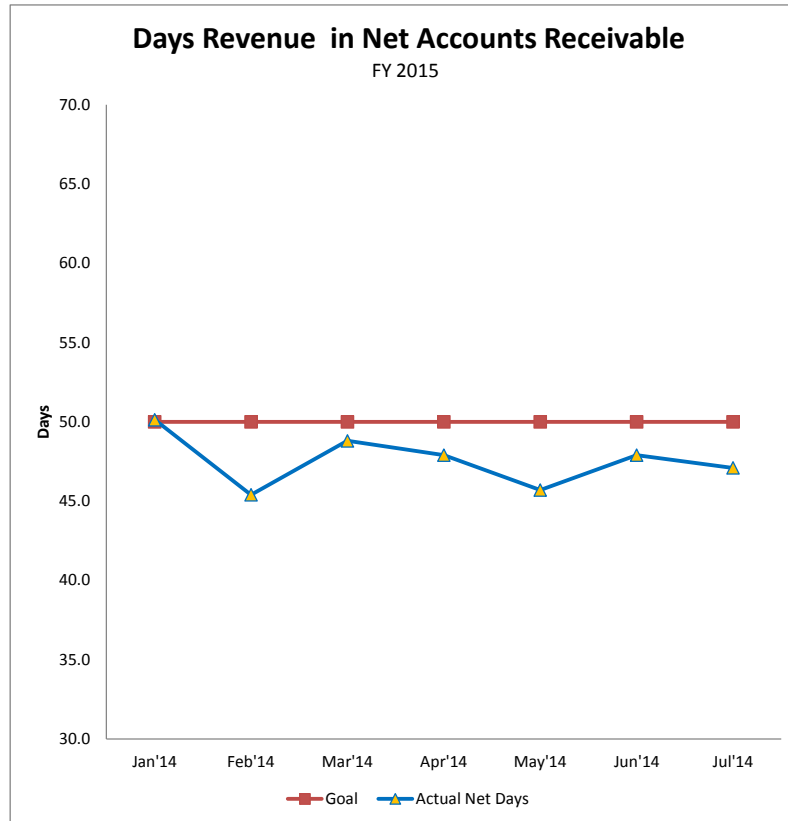
	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 2,083,036	\$ 1,626,337	\$ 1,103,756
2 Trustee Funds	1,753,339	1,637,914	1,263,697
3 Net Patient Receivables	7,629,045	7,998,223	8,382,656
4 Allow Uncollect Accts	(1,616,783)	(1,965,414)	(1,568,133)
5 Net A/R	6,012,262	6,032,809	6,814,523
6 Other Accts/Notes Rec	7,529,258	7,742,248	7,487,988
7 3rd Party Receivables, Net	3,084,687	2,972,553	511,173
8 Due Frm Restrict Funds	-	-	-
9 Inventory	768,566	760,222	755,936
10 Prepaid Expenses	868,871	1,097,626	1,185,586
11 Total Current Assets	\$ 22,100,019	\$ 21,869,709	\$ 19,122,659
12 Board Designated Assets	\$ -	\$ -	\$ 5,381
13 Property, Plant & Equip, Net	56,059,484	56,350,250	11,082,243
14 Hospital Renewal Program	-	-	31,801,877
15 Unexpended Hospital Renewal Funds	-	-	4,024,455
16 Investments	-	-	-
17 Specific Funds	1,464,113	1,234,949	3,070,459
18 Other Assets	475,376	477,458	270,175
19 Total Assets	\$ 80,098,992	\$ 79,932,366	\$ 69,377,249
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 5,586,333	\$ 6,174,668	\$ 5,724,431
21 Accrued Compensation	3,594,685	3,432,397	3,352,211
22 Interest Payable	701,045	520,286	857,115
23 Accrued Expenses	2,717,342	1,847,598	1,421,063
24 Advances From 3rd Parties	484,665	317,105	1,573,699
25 Deferred Tax Revenue	5,447,569	5,849,985	4,435,776
26 Current Maturities-LTD	1,580,933	1,510,435	850,707
27 Other Liabilities	5,175,182	5,175,182	2,424,891
28 Total Current Liabilities	\$ 25,287,754	\$ 24,827,656	\$ 20,639,894
29 Long Term Debt, net current portion	\$ 40,525,240	\$ 40,783,715	\$ 37,692,868
Fund Balances:			
31 Unrestricted	\$ 13,059,347	\$ 13,145,208	\$ 3,949,556
32 Restricted	1,226,651	1,175,787	7,094,914
33 Total Fund Balances	\$ 14,285,998	\$ 14,320,995	\$ 11,044,470
34 Total Liabilities & Fund Balances	\$ 80,098,992	\$ 79,932,366	\$ 69,377,233

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 2014

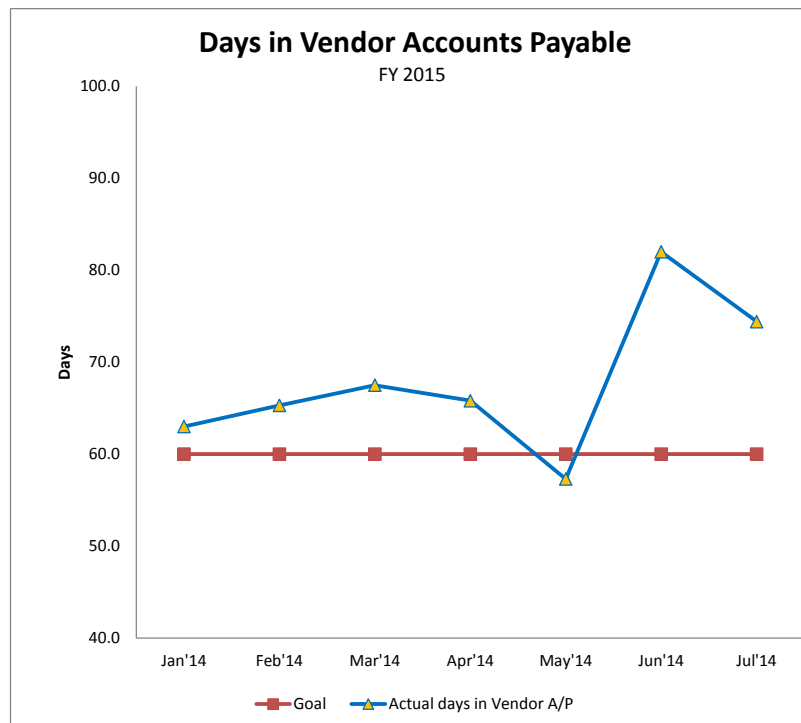
		Month				Year-To-Date				YTD
		This Year		Variance		This Year		Variance		
		Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information										Prior Year
1	Acute Discharges	105	98	7	7%	105	98	7	7%	100
2	SNF Days	651	526	125	24%	651	526	125	24%	457
3	Home Care Visits	1,146	906	240	26%	1,146	906	240	26%	760
4	Gross O/P Revenue (000's)	10,879	10,137	742	7%	\$ 10,879	\$ 10,137	742	7%	\$ 10,071
Financial Results										
Gross Patient Revenue										
5	Inpatient	\$ 4,865,266	\$ 5,434,997	(569,731)	-10%	\$ 4,865,266	\$ 5,434,997	(569,731)	-10%	\$ 5,156,972
6	Outpatient	6,424,729	6,500,983	(76,254)	-1%	6,424,729	6,500,983	(76,254)	-1%	6,272,555
7	Emergency	4,100,448	3,358,036	742,412	22%	4,100,448	3,358,036	742,412	22%	3,566,716
8	SNF	2,479,118	2,039,596	439,522	22%	2,479,118	2,039,596	439,522	22%	1,802,466
9	Home Care	354,005	278,323	75,682	27%	354,005	278,323	75,682	27%	231,484
10	Total Gross Patient Revenue	\$ 18,223,566	\$ 17,611,935	611,631	3%	\$ 18,223,566	\$ 17,611,935	611,631	3%	\$ 17,030,192
Deductions from Revenue										
11	Contractual Discounts	\$ (14,106,159)	\$ (13,569,260)	(536,899)	-4%	\$ (14,106,159)	\$ (13,569,260)	(536,899)	-4%	\$ (12,976,387)
12	Bad Debt	(70,000)	(163,884)	93,884	57%	(70,000)	(163,884)	93,884	57%	(200,000)
13	Charity Care Provision	(36,000)	(24,583)	(11,417)	-46%	(36,000)	(24,583)	(11,417)	-46%	(10,000)
14	Prior Period Adjustments	-	-	-	0%	-	-	-	0%	-
15	Total Deductions from Revenue	\$ (14,212,159)	\$ (13,757,727)	(454,432)	3%	\$ (14,212,159)	\$ (13,757,727)	(454,432)	3%	\$ (13,186,387)
16	Net Patient Service Revenue	\$ 4,011,407	\$ 3,854,208	157,199	4%	\$ 4,011,407	\$ 3,854,208	157,199	4%	\$ 3,843,805
17	Risk contract revenue	\$ 249,706	\$ 288,252	(38,546)	-13%	\$ 249,706	\$ 288,252	(38,546)	-13%	\$ 224,547
18	Net Hospital Revenue	\$ 4,261,113	\$ 4,142,460	118,653	3%	\$ 4,261,113	\$ 4,142,460	118,653	3%	\$ 4,068,352
19	Other Op Rev & Electronic Health Records	\$ 76,072	\$ 74,651	1,421	-2%	\$ 76,072	\$ 74,651	1,421	2%	\$ 128,114
20	Total Operating Revenue	\$ 4,337,185	\$ 4,217,111	120,074	3%	\$ 4,337,185	\$ 4,217,111	120,074	3%	\$ 4,196,467
Operating Expenses										
21	Salary and Wages and Agency Fees	\$ 2,031,898	\$ 1,916,735	(115,163)	-6%	\$ 2,031,898	\$ 1,916,735	(115,163)	-6%	\$ 1,954,807
22	Employee Benefits	763,125	768,867	5,742	1%	763,125	768,867	5,742	1%	744,838
23	Total People Cost	\$ 2,795,023	\$ 2,685,602	(109,421)	-4%	\$ 2,795,023	\$ 2,685,602	(109,421)	-4%	\$ 2,699,645
24	Med and Prof Fees (excl'd Agency)	\$ 338,993	\$ 324,986	(14,007)	-4%	\$ 338,993	\$ 324,986	(14,007)	-4%	\$ 422,572
25	Supplies	550,982	487,164	(63,818)	-13%	550,982	487,164	(63,818)	-13%	512,096
26	Purchased Services	313,931	300,623	(13,308)	-4%	313,931	300,623	(13,308)	-4%	389,284
27	Depreciation	309,381	272,198	(37,183)	-14%	309,381	272,198	(37,183)	-14%	166,512
28	Utilities	101,527	80,567	(20,960)	-26%	101,527	80,567	(20,960)	-26%	84,114
29	Insurance	19,255	20,000	745	4%	19,255	20,000	745	4%	18,888
30	Interest	43,313	85,679	42,366	49%	43,313	85,679	42,366	49%	23,813
31	Other	153,480	150,386	(3,094)	-2%	153,480	150,386	(3,094)	-2%	123,746
32	Operating expenses	\$ 4,625,885	\$ 4,407,205	(218,680)	-5%	\$ 4,625,885	\$ 4,407,205	(218,680)	-5%	\$ 4,440,670
33	Operating Margin	\$ (288,700)	\$ (190,094)	(98,606)	-52%	\$ (288,700)	\$ (190,094)	(98,606)	-52%	\$ (244,203)
Non Operating Rev and Expense										
34	Miscellaneous Revenue	\$ 11,017	\$ 933	10,084	1081%	\$ 11,017	\$ 933	10,084	*	\$ 4,267
35	Donations	7,063	10,000	(2,937)	-29%	7,063	10,000	(2,937)	29%	1,000
36	Physician Practice Support-Prima	(39,000)	(34,167)	(4,833)	14%	(39,000)	(34,167)	(4,833)	14%	(51,666)
37	Parcel Tax Assessment Rev	250,000	250,000	-	0%	250,000	250,000	-	0%	237,500
38	Total Non-Operating Rev/Exp	\$ 229,080	\$ 226,766	2,314	1%	\$ 229,080	\$ 226,766	2,314	1%	\$ 191,101
39	Net Income / (Loss) prior to Restricted Contributions	\$ (59,620)	\$ 36,672	(96,292)	-263%	\$ (59,620)	\$ 36,672	(96,292)	-263%	\$ (53,102)
40	Capital Campaign Contribution	\$ 50,864	\$ 86,250	(35,386)	-41%	\$ 50,864	\$ 86,250	(35,386)	-41%	\$ 122,329
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ -
42	Net Income / (Loss) w/ Restricted Contributions	\$ (8,756)	\$ 122,922	(131,678)	-107%	\$ (8,756)	\$ 122,922	(131,678)	-107%	\$ 69,227
43	GO Bond Tax Assessment Rev	154,014	150,241	3,773	3%	154,014	150,241	3,773	3%	152,326
44	GO Bond Interest	(182,976)	(140,269)	(42,707)	30%	(182,976)	(140,269)	(42,707)	30%	(37,010)
45	Net Income/(Loss) w GO Bond Activity	\$ (37,718)	\$ 132,894	(170,612)	128%	\$ (37,718)	\$ 132,894	(170,612)	128%	\$ 184,543

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended July 31, 2014

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	(37,718)	(37,718)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	309,383	309,382
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	20,547	20,547
(Increase)/Decrease Other receivables and other assets	102,938	102,938
(Increase)/Decrease Prepaid expenses	228,755	228,755
(Increase)/Decrease in Inventories	(8,344)	(8,344)
(Decrease)/Increase in Deferred revenues	(234,856)	(234,856)
(Decrease)/Increase in Accounts payable, accrued expenses	627,176	627,176
Net Cash Provided/(Used) by operating activities	<u>1,007,881</u>	<u>1,007,880</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(18,616)	(18,616)
Net Purchases of property, plant and equipment - GO Bond Purchases	-	-
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	(344,589)	(344,589)
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	<u>(363,205)</u>	<u>(363,205)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(187,977)	(187,977)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	<u>(187,977)</u>	<u>(187,977)</u>
Net increase/(Decrease) in cash and cash equivalents	<u>456,699</u>	<u>456,699</u>
Cash and Equivalents at beginning of period	<u>1,626,337</u>	<u>1,626,337</u>
Cash and Equivalents at July 31, 2014	<u><u>2,083,036</u></u>	<u><u>2,083,036</u></u>



Days in A/R	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14
Actual days in A/R	50.1	45.4	48.8	47.9	45.7	47.9	47.1
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14
Actual days in Vendor A/P	63.0	65.3	67.5	65.8	57.3	82.0	74.4
Goal	60.0	60.0	60.0	60.0	60.0	60.0	60.0

Sonoma Valley Hospital
Statistical Analysis
FY 2015

	ACTUAL	BUDGET	ACTUAL												
	Jul-14	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13	Jul-13	Jun-13
Statistics															
Acute															
Acute Patient Days	335	365	362	358	303	407	300	389	402	318	374	405	385	338	323
Acute Discharges	105	98	91	100	94	117	79	91	112	85	91	107	102	100	87
SNF Days	651	526	613	605	674	750	641	754	733	531	606	585	615	457	470
HHA Visits	1,146	906	992	1,135	1,218	1,106	872	1,040	951	903	941	745	736	760	990
Emergency Room Visits	889	781	867	909	788	769	655	811	751	665	731	795	789	750	716
Gross Outpatient Revenue (000's)	\$10,879	\$10,137	\$10,111	\$10,237	\$9,918	\$9,999	\$8,604	\$9,095	\$8,809	\$9,325	\$10,248	\$9,173	\$9,801	\$10,071	\$8,353
Equivalent Patient Days	2,447	2,099	2,433	2,461	2,415	2,585	2,136	2,375	2,356	2,145	2,342	2,157	2,256	1,945	1,892
Births	16	11	11	16	6	19	14	6	11	14	12	13	11	15	8
Surgical Cases - Inpatient	26	33	28	32	34	43	26	37	31	26	32	33	35	33	30
Surgical Cases - Outpatient	109	102	93	110	113	113	95	76	107	109	103	87	95	102	86
Total Surgical Cases	135	135	121	142	147	156	121	113	138	135	135	120	130	135	116
Medicare Case Mix Index	1.56	1.40	1.76	1.47	1.57	1.63	1.77	1.94	1.49	1.76	1.52	1.47	1.64	1.54	1.58
Income Statement															
Net Revenue (000's)	4,261	4,142	4,563	3,853	3,957	3,449	3,449	3,737	3,998	3,757	4,459	3,937	4,251	4,068	3,821
Operating Expenses (000's)	4,626	4,407	4,854	4,486	4,600	4,273	4,273	4,553	4,480	4,361	5,022	4,339	4,441	4,413	4,694
Net Income (000's)			567	(240)	(360)	401	(12)	13	412	(57)	990	883	440	185	732
Productivity															
Total Operating Expense Per Equivalent Patient Day	\$1,890	\$2,100	\$1,995	\$1,823	\$1,905	\$1,937	#DIV/0!	\$1,917	\$1,902	\$2,033	\$2,144	\$2,011	\$1,968	\$2,269	\$2,481
Productive FTEs	268	257	266	276	285	292	266	268	277	288	282	279	286	279	277
Non-Productive FTE's	42	35	37	32	26	26	34	42	38	25	29	41	30	36	40
Total FTEs	309	292	303	309	311	318	301	310	315	313	312	320	315	315	317
FTEs per Adjusted Occupied Bed	3.92	4.31	3.74	3.89	3.86	3.81	3.94	4.05	4.15	4.39	4.12	4.45	4.33	4.25	4.25
Balance Sheet															
Days of Expense In General Operating Cash	14		7	8	12	8	8	7	7	11	7	8	11	8	7
Net Days of Revenue in AR	47		48	46	48	49	49	54	52	54	48	50	53	50	62

5.

CASH FLOWS AND LONG TERM DEBT

Statement of Cash Flow

Fiscal Year 2015

Attached is the month-to month STATEMENT OF CASH FLOWS for fiscal year 2015. At this point, July is actual and the subsequent months are based upon the fiscal year's budget. Please understand that going forward this forecast will change based upon the realities that will occur month-to-month. As assumptions change, the forecasted subsequent months may also change.

- Sources of cash are included on lines 1 through 16.
- Uses of cash are reflected on lines 17 through 24.
- Cash at the end of each period is above the **BOLD** line.
- The information below the **BOLD** line includes restricted receipts and payments.

Again, it should be clearly understood that the numbers will change as we move forward into the fiscal year.

Sonoma Valley Hospital
Statement of Cash Flows
FY 2015

		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Sources		TOTAL												
1	Patient AR	4,172,973	3,672,913	3,844,885	4,099,333	3,712,599	3,948,132	4,286,512	3,813,956	4,205,888	3,890,808	4,188,570	3,827,022	47,663,591
2	Capitation Revenue	174,782	170,135	170,135	170,135	170,135	170,135	170,135	170,135	170,135	170,135	170,135	118,122	1,195,592
3	Napa State	200,000	118,117	118,117	118,117	118,117	118,117	118,117	118,117	118,117	118,117	118,117	170,139	908,702
4	Other Operating Revenue	11,703	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	15,965	107,493
5	Other Non-Operating Revenue	11,017	933	933	933	933	933	933	933	933	933	933	933	16,615
6	Unrestricted Contributions	7,063	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	67,063
7	GO Bond Revenue		150,241	150,241	150,241	150,241	150,241	150,241	150,241	150,241	150,241	150,241	150,235	901,446
8	Line of Credit		500,000											
9	Loan/Lease Proceeds	41,110												
10	Parcel Tax Revenue	78,743	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	1,578,743
Other:														
11	LIHP			1,300,000										1,300,000
12	AT&T Lease		57,000											57,000
13	PG&E		49,542											
14	Electronic Health Record						704,000							
15	IGT			824,000										824,000
16	IGT - Add'l							400,000						400,000
Total Sources		4,697,391	4,994,846	6,684,276	4,814,724	4,427,990	5,367,523	5,401,903	4,529,347	4,921,279	4,606,199	4,903,961	4,542,416	36,388,653
Uses														
17	Operating Expenses	2,709,997	4,490,811	4,320,903	4,483,809	4,362,896	4,497,342	4,679,181	4,367,510	4,689,165	4,478,457	4,643,889	4,438,339	52,162,299
18	Salaries	1,298,774												1,298,774
	Less Depreciation		(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(272,198)	(2,994,178)
19	Add Capital Lease Payments	218,307	130,063	160,680	131,300	131,924	194,305	133,182	133,816	134,453	135,094	135,739	199,446	1,838,309
20	Additional AP		57,000	2,000,000				400,000						2,457,000
21	GO Bond Interest Exp Plus Principal Pmt		140,256	140,256	140,256	140,256	140,256	140,256	140,256	140,256	140,256	140,256	140,256	841,536
22	Capital - Board Approved Spending			202,847			180,850			173,650			148,950	383,697
23	Napa State		100,000	702,360	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,202,360
24	Prima Support	13,614	441,467	34,167	34,167	34,167	34,167	34,167	34,167	34,167	34,167	34,167	34,163	625,916
Total Uses		4,240,692	5,087,399	7,289,015	4,617,334	4,497,045	4,874,722	5,214,588	4,503,551	4,999,493	4,615,776	4,781,853	4,788,956	35,820,795
Net Sources/Uses		456,699	(92,553)	(604,739)	197,390	(69,055)	492,801	187,315	25,796	(78,214)	(9,577)	122,108	(246,540)	
Cash and Equivalents at beginning of period		1,626,337	2,083,036	1,990,483	1,385,744	1,583,134	1,514,079	2,006,880	2,194,195	2,219,991	2,141,777	2,132,200	2,254,308	
Cash and Equivalents at end of period		2,083,036	1,990,483	1,385,744	1,583,134	1,514,079	2,006,880	2,194,195	2,219,991	2,141,777	2,132,200	2,254,308	2,007,768	
Project Funding:														
Cash at beginning of period		1,214,263	396,722	25,304	11,554	497,804	34,762	67,852	-	-	-	-	-	
25	Restricted Contributions	50,864	67,501	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	86,250	980,865
26	Restricted Contributions - Nelson				500,000									500,000
27	Line of Credit Advances		250,000			100,000								350,000
28	Payments on Line of Credit							(154,102)	(86,250)	(86,250)	(86,250)	(86,250)	(86,250)	(585,352)
29	Project Payments	(868,405)	(688,919)	(100,000)	(100,000)	(649,292)	(53,160)							(2,459,776)
Cash at end of period		396,722	25,304	11,554	497,804	34,762	67,852	-	-	-	-	-	-	
Remaining Balance to Complete Project		1,591,371	902,452	802,452	702,452	53,160	-	-	-	-	-	-	-	

Sonoma Valley Hospital
Maximum Allowable Debt Calculation
June 30, 20140

Net Income	-
Add back:	
Depreciation	2,340
Interest - Leases/Notes	417
	2,757
Debt Service:	
Capital Lease Interest	417
Current Lease Payments (12 months)	1,510
	1,927
MADS Ratio:	1.4

Sonoma Valley Hospital
Current Debt-

	Original Principal	Origination - Fiscal Year	Term - Months	Rate	Monthly Payment	Pay Off Date	Yearly Interest	Source of Payment	Balance 7/31/14		
Electronic Health Records											
Med One - EHR	2,167,667	2011	60	7.54%	49,619	02/29/2016	51,545	Operations	891,641		
Med One - EHR	638,260	2014	60	8.50%	13,207	12/09/2018	45,405	Operations	576,153		
Med One	104,050	2012	51		2,581	03/22/2016	3,449	Operations	47,688		
Med One	59,200	2012	49		1,444	02/22/2016	1,820	Operations	25,431		
Med One	33,141	2013	42	9.59%	932	02/22/2016	1,215	Operations	16,369		
Med One	41,288	2013	40	8.52%	1,200	02/22/2016	1,363	Operations	20,836		
Creekridge Capital	170,390	2012	60	4.60%	3,182	11/30/2016	3,259	Operations	84,358		
Equipment											
Johnson & Johnson Sterlizer	48,593	2010	60	6.90%	960	06/30/2015	419	Operations	10,201		
McKesson - OR Scheduler / Autom	173,926	2011	60		1,739	11/15/2015	3,098	Operations	60,405		
Celtic	2,500,000	2014	60	3.45%	45,423	02/01/2019	68,473	Operations	2,342,683		
Radiology											
GE - MRI Van	1,008,145	2013	84	4.99%	14,295	01/01/2020	39,724	Operations	834,439		
First American Radiology Equipme	652,488	2014	60	4.87%	12,273	10/01/2018	26,037	Operations	580,267		
Total Leases					\$ 146,855		\$ 245,808		\$ 5,490,471	LT Debt	1,580,933
										Current LI	40,525,240
CEC Loan Phase 1	443,774	2012	180	1.00%	3,563	12/22/2023	3,574	Operations	367,139		42,106,173
CEC Loan Phase 2	716,562	2015	180	1.00%	7,796	06/22/2022	7,924	Operations	716,562	Less GO Bonds	(35,532,000)
Total Payments & Debt					\$ 11,359		\$ 11,497		\$ 6,574,172		\$ 6,574,173
								Restricted			
Line of Credit	7,000,000	2013		2.50%	-	01/31/2016	219,000	Donations	\$ 4,973,734		
Operating Leases											
First Financial - E H R	346,607	2014	36		10,040	04/01/2017		Operations			
First Financial - E H R	808,392	2013	36		25,869	09/01/2015		Operations			
					\$ 35,908						

6.

FOLLOW-UP TO CAPITAL REQUEST FOR FIRE ALARM



Meeting Date: August 26, 2014
Prepared by: Kimberly Drummond, Director of Facilities
Agenda Item Title: Capital Request for Fire Alarm

Recommendations:

The Facilities Department is recommending replacement of 30+ year old fire and smoke detecting devices with new addressable devices. Addressable devices will notify the fire alarm panel of the exact location of the device activation. The existing devices currently notify the panel of the zone of activation. This capital request is for the 2nd Floor of the West Wing. Future requests will be made to upgrade the rest of the Hospital, excluding the New Wing which was equipped with addressable devices.

Background:

The Hospital fire alarm system has fire and smoke detection devices such as smoke detector/door closers combos that submit a signal to the fire alarm panel upon activation. These devices have exceeded their useful life span and can no longer be replaced or repaired. The current smoke detector devices are unreliable due to old age and often send false alarms to the panel. These alarms must continually be reset. The door closers are failing and some doors can no longer stay open and get propped open in direct violation of NFPA codes. The multiple false alarms are a disruption to patient care and satisfaction, they dispatch the Fire Department and require Engineering staff call backs when the alarms are activated after-hours. The Hospital has been notified by the Fire Department that we will be charged in the future when these false alarms result in a dispatch.

Consequences of Negative Action/Alternative Actions:

This is a life safety issue. Without the ability to replace the devices as they fail, the system will become non-compliant.

Financial Impact:

\$120,000 for the 2nd Floor of the West Wing. This is based on discussions with the current Fire Alarm Vendor. Cost will be determined based on schematic engineer drawings.

Attachment:

Project Scope

Fire Alarm Expansion Modules & Device Replacement Project Scope

This project requires OSHPD oversight. Engineered plans will be submitted to OSHPD for review, approval and permitting. It is planned to use the existing infrastructure wiring.

The costs for the project will include:

- Electrical Engineered Drawings
- OSHPD Fees
- Inspector of Record
- Equipment – Alarm panel expansion modules, smoke detectors, door closers
- Demolition of the old and Installation of the new equipment
- Testing of system
- Project contingency to address field conditions discovered during installation

This project is subject to the Hospital policy #LD8610-407 – Bidding for Public Works Contract

7.

WEST COUNTY HAND AND PHYSICAL THERAPY PROPOSAL

(to be distributed at or before the FC Meeting on 8.26.14)