



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
REGULAR MEETING AGENDA
Tuesday, July 29, 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>Fogg</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.		
3. CONSENT CALENDAR: a. FC Meeting Minutes, 06.24.14	<i>Fogg</i>	Action
4. FOUNDATION AUDIT RESULTS	<i>Blanusa</i>	Inform
5. CAPITAL REQUEST FOR FIRE ALARM	<i>Drummond</i>	Action
6. REVISED FC CHARTER	<i>Fogg/Hohorst</i>	Action
7. JUNE 2014 FINANCIALS	<i>Jensen</i>	Inform
8. CASH FLOW FORECAST	<i>Jensen</i>	Inform
9. CAPITAL ASSETS FY 2014	<i>Tarver</i>	Inform
10. ADJOURN Next meeting August 26, 2014	<i>Fogg</i>	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
Tuesday, June 24, 2014
Schantz Conference Room**

Voting Members Present		Staff/ Public/Other	Excused/Absent
1. Dick Fogg aye 2. Phil Woodward aye 3. Peter Hohorst aye 4. Sharon Nevins aye 5. Shari Glago aye 6. Steve Barclay aye 7. Stephen Berezin aye 8. S. Mishra, MD aye (by phone)		David Cox Kelly Mather Gigi Betta Sam McCandless	Bernadette Jensen Jeannette Tarver Mary Smith Keith Chamberlin, MD

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>		
	5:00 PM It was announced that the Board of Directors approved the Fiscal 2015 Operating Budget without amendments.		
2. PUBLIC COMMENT SECTION	<i>Fogg</i>		
	None.		
3. CONSENT CALENDAR	<i>Fogg</i>	Action	
A. FC Minutes 5.27.14	Mr. Woodward noted that the items he requested in the Minutes from 5.27.14 have not yet been received by the Committee. Although the items requested are not the highest priority at present, they are important and will be submitted to the Committee when time permits. Mr. Barclay recommended using a search firm to find prospective CFO	MOTION by Hohorst to approve Minutes and 2nd by Woodward. All in favor.	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	candidates and Mr. Woodard recommended using a firm called <i>CFO To Go</i> .		
SVH FOUNDATION AUDIT REPORT			
	Note: the SVH Foundation Audit Report was taken off of the Agenda. The report is not yet finalized and is put forward to a future meeting.		
4. PHASE I HOSPITAL CONSTRUCTION CLOSE OUT	<i>Coss</i>	Inform/Action	
	Mr. Coss presented the Phase 1 Hospital Project Summary for June 2014 including major project accomplishments and challenges and a budget update.		
5. CAPITAL BUDGET PLAN	<i>Mather</i>	Inform/Action	
	<p>Ms. Mather presented the FY15 Capital Budget and the 5-Year Plan Hospital Infrastructure and Building Development.</p> <p>The Finance Committee recommends that the Board approve the FY15 Capital Budget (and not the 5-year Infrastructure Plan at this time) pending the cash flow statement and a Q&A session at the next FC meeting on July 22, 2014.</p> <p><u>Roll call vote:</u> Dick Fogg -aye Phil Woodward -aye Peter Hohorst -aye Sharon Nevins -aye Shari Glago -aye Steve Barclay -aye Stephen Berezin -aye S. Mishra, MD (by phone) -aye</p>	MOTION to recommend approval of Capital Budget by Barclay and 2 nd by Glago. All in favor.	
6. MAY 2014 FINANCIALS	<i>Cox</i>	Inform	
	<p>Mr. Cox presented the financial statements ending May 31, 2014 touching on overall results, patient volumes, payer mix, operating revenues and expenses and cash collections.</p> <p>Mr. Cox announced that in the near term the Hospital will receive cash payments from the IGT (\$1.2 M) and LIHP (\$1.3M) programs.</p> <p>Mr. Cox announced that \$1 million remains in the LOC. The Committee remembered that a debt capacity analysis was requested in the past but never received. Mr. Barclay requests that a debt capacity analysis be done in the near future.</p> <p>Lastly, Mr. Cox announced that Napa State Hospital is rethinking their contractual relationship with SVH.</p>		
7. CASH FLOW FORECAST	<i>Cox</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	Mr. Cox presented the Statement of Cash Flows, Statement of Revenue and Expenses and the Balance Sheet for FY2014.		
8. IGT AND PROMISSORY NOTE	<i>Cox</i>	Action	
	The Hospital has approached a donor for a short term loan of \$1.1 million in order to receive a net benefit of \$824,200 in September 2014.	MOTION by Barclay to approve loan and 2nd by Glago. All in favor.	
9. NET REVENUE ANALYSIS	<i>Cox</i>	Inform	
	Mr. Cox explained the step by step net revenue analysis.		
10. ADJOURN	<i>Fogg</i>		
	6:40 PM		

4.

SVH FOUNDATION AUDIT RESULTS

SONOMA VALLEY HOSPITAL FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2013



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sonoma Valley Hospital Foundation
Sonoma, California

We have audited the accompanying financial statements of Sonoma Valley Hospital Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

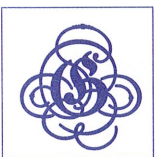
Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design auditor procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



GORANSON AND ASSOCIATES, INC.

446 BEAVER STREET, SANTA ROSA, CA 95404 ♦ PHONE: 707/542-1256 FAX: 707/575-0609 ♦ WWW.GORANSONCPA.COM

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sonoma Valley Hospital Foundation as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

goranson and Associates, Inc.

June 16, 2014

Santa Rosa, California



SONOMA VALLEY HOSPITAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

Current assets:

Cash and cash equivalents	\$ 318,275
Accounts receivable	10,000
Pledges receivable-current portion	998,632
Total current assets	<u>1,326,907</u>

Long term assets:

Pledges receivable (net of \$35,588 present value discount)	<u>2,358,694</u>
Total assets	<u><u>\$ 3,685,601</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	<u>\$ 13,775</u>
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Net Assets:

Temporarily restricted	3,654,251
Unrestricted	<u>17,575</u>
Total net assets	<u>3,671,826</u>
Total liabilities and net assets	<u><u>\$ 3,685,601</u></u>

The accompanying notes are an integral part of these financial statements

SONOMA VALLEY HOSPITAL FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	2013 Total
SUPPORT AND REVENUE:			
Contributions and donations	\$ 214,706	\$ 4,720,258	\$ 4,934,964
In-kind support	308,232		308,232
Events, net of \$13,728 expense	45,357	-	45,357
Investment income	2,835	-	2,835
Released from restriction	5,182,677	(5,182,677)	-
Total support and revenue	<u>5,753,807</u>	<u>(462,419)</u>	<u>5,291,388</u>
EXPENSES:			
Program expenses	5,808,345		5,808,345
Management and general	5,367		5,367
Total expenses	<u>5,813,712</u>		<u>5,813,712</u>
CHANGE IN NET ASSETS	(59,905)	(462,419)	(522,324)
NET ASSETS, beginning	<u>77,480</u>	<u>4,116,670</u>	<u>4,194,150</u>
NET ASSETS, ENDING	<u><u>\$ 17,575</u></u>	<u><u>\$ 3,654,251</u></u>	<u><u>\$ 3,671,826</u></u>

The accompanying notes are an integral part of these financial statements

SONOMA VALLEY HOSPITAL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program	Management & General	Total
Grants to hospital	\$ 5,313,317		\$ 5,313,317
Personnel costs	166,613		166,613
Professional services	112,351		112,351
Taxes and fees	-	\$ 3,093	3,093
Program expenses	2,018	-	2,018
Supplies	10,384	-	10,384
Outside services	14,532	-	14,532
Uncollectible pledges	178,575	-	178,575
Other operating expenses	10,555	2,274	12,829
	<u>\$ 5,808,345</u>	<u>\$ 5,367</u>	<u>\$ 5,813,712</u>
Total expenses	<u>\$ 5,808,345</u>	<u>\$ 5,367</u>	<u>\$ 5,813,712</u>

The accompanying notes are an integral part of these financial statements

SONOMA VALLEY HOSPITAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (522,324)
(Increase) decrease in:	
Accounts receivable	41,271
Pledges receivable	759,344
Increase (decrease) in:	
Accounts payable	(50,324)
Net cash provided by operating activities	<u>227,967</u>
 NET INCREASE IN CASH	 227,967
 CASH, beginning of year	 <u>90,308</u>
 CASH, end of year	 <u><u>\$ 318,275</u></u>

The accompanying notes are an integral part of these financial statements

SONOMA VALLEY HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 ORGANIZATION

Sonoma Valley Hospital Foundation (the Foundation) is a not-for-profit 501(c)(3) corporation dedicated to bringing health and wellbeing to the residents of Sonoma Valley through philanthropic and volunteer support for Sonoma Valley Hospital. Your contributions assist the hospital in its mission to maintain, improve and restore the health of everyone in our community.

Since its founding in 1982, the SVH Foundation has raised more than \$7 million from individual donors, charitable foundations and corporations to enhance medical services, equipment and programs, and to help cover the hospital's cost of caring for patients who could otherwise not afford to pay.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Foundation reports information regarding its financial position and activities on an accrual basis according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of the Foundation to meet the stipulations or that become unrestricted at the date specified by the donor.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be retained and invested permanently by the Foundation to use all or part of the investment return on these net assets for specified or unspecified purposes.

Net assets released from restriction – Temporarily restricted net assets are “released” to unrestricted net assets when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies – Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If temporary restrictions are fulfilled in the same time period the revenue or support is received, the Foundation reports the revenue or support as unrestricted. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless restricted by explicit donor stipulation or by law.

SONOMA VALLEY HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents - Cash equivalents consist primarily of money market accounts and other investments with an original maturity of 90 days or less.

Income Taxes - The Foundation is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701d. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined the Foundation is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Management of the Foundation considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Foundation's status as a not-for-profit entity. Management believes the Foundation met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore no provision for income taxes has been provided in these financial statements. The Foundation's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activity. Accordingly, certain costs have been allocated among the programs and supporting services.

Promises to Give - The Foundation has promises to give resulting from a capital campaign. Current promises to give are those due within twelve months. Long-term promises to give are those due within thirteen to sixty months. An allowance for uncollectible accounts has been provided for in the amounts of \$178,575 as of December 31, 2013, respectively. Accounts are written off when determined to be uncollectible, generally when six months past due.

SONOMA VALLEY HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services and Items – Many volunteers have contributed hours during 2013 to the Foundation's program services during the year; however these donated services are not reflected in the financial statements since they do not require specialized services. Items paid for by the Sonoma Valley Hospital are reflected in the financial statements and explained in Note 4.

NOTE 3 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are comprised of the following at December 31, 2013:

Capital Campaign funds	\$ 3,571,488
Emergency Department funds	57,179
Women's Health and Wellness funds	52,685
Other program funds	<u>6,486</u>
	\$ <u>3,687,838</u>

NOTE 4 IN-KIND EXPENSES

Sonoma Valley Hospital paid for the following expenses:

Personnel costs	\$ 166,613
Professional services	104,327
Outside services	14,532
Supplies	10,383
Other operating costs	<u>12,377</u>
Total	\$ <u>308,232</u>

NOTE 5 RELATED PARTY TRANSACTIONS

The Sonoma Valley Hospital contributes payroll for employees and operating expenses for the Foundation. Also, the hospital is the primary recipient of the grants that the Foundation gives.

SONOMA VALLEY HOSPITAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 6 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 16, 2014, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to December 31, 2013 that would have a material impact on the Foundation's results of operations or financial position.

5.

CAPITAL REQUEST FOR FIRE ALARM



Meeting Date: July 29, 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

6.

REVISED FC CHARTER



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 1 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

Purpose:

This charter (the “Charter”) sets forth the duties and responsibilities and governs the operations of the Finance Committee (the “Committee”) of the Board of Directors (the “Board”) of Sonoma Valley Healthcare District (the “District”), a nonprofit corporation organized and existing under the California Law.

The Finance Committee’s purpose is to assist the Board in its oversight of the District’s financial affairs, including District’s financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the District. The Finance Committee is the body which **makes recommendations recommends** to the District Board on all financial decisions.

Policy:

Duties and Responsibilities

The Committee’s primary duties and responsibilities are as follows:

- A. Review Monthly Financial Operating Performance
 1. Review the District’s monthly financial operating performance. The committee will review the monthly financial statements, including but not limited to the Statement of Revenues and Expenses, Balance Sheet and Statement of Cash Flows, prepared by management. The committee will also review other financial indicators as warranted.
 2. Review management’s plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The committee will make recommendations to the Board when necessary.
- B. Budgets
 1. Review and recommend to the Board for approval an annual operating budget for the District.
 2. Review management’s budget assumptions including volume, growth, inflation and other budget assumptions.
 3. Review and recommend to the Board for approval an annual capital expenditures budget for



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 2 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

the District. If deemed appropriate by the Committee, review and recommend to the Board for approval projected capital expenditures budgets for one or more succeeding years.

C. Debt, Financing and Refinancing

1. Evaluate and monitor the District's long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.
2. Evaluate and recommend to the Board for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks, and underwriters retained or compensated by the District in connection with any financing or refinancing.
3. Review and recommend to the Board all guarantees or other obligations for the indebtedness of any third party.

D. Insurance

1. Review on an annual basis all insurance coverage's, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

E. Investment Policies

1. Review and recommend to the Board the District's cash management and cash investment policies, utilizing the advice of financial consultants as the Committee deems necessary or desirable.
2. Review and recommend to the Board the District's investment policies relating to assets of any employee benefit plans maintained and controlled by the District, utilizing the advice of financial consultants as the Committee deems necessary or desirable.

F. General

1. Review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for the District. Review annually the District's significant commercial and investment bank relationships.
2. Perform any other duties and responsibilities as the Board may deem necessary, advisable



SUBJECT: Finance Committee Charter

POLICY #

DEPARTMENT: Board of Directors

PAGE 3 OF 4

EFFECTIVE: 4/5/12

APPROVED BY: Board of Directors

REVISED: 3.26.13

or appropriate for the Committee to perform.

3. Perform such other duties and responsibilities as the Committee deems appropriate to carry out its purpose as provided in this Charter.
4. Meet on a monthly basis preceding the Board meeting concerning the District's financial affairs. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.
5. The Finance Committee will be invited to attend the presentation by the District's independent auditors.
6. The Finance Committee shall review the Charter annually after the close of the fiscal year, or more often if required. If revisions are needed, they will be taken to the Board for action.
7. The Finance Committee shall report to the District Board on the status of its prior fiscal year's work plan accomplishments by after the completion of the Financial Statement Audit.



SUBJECT: Finance Committee Charter	POLICY #
	PAGE 4 OF 4
DEPARTMENT: Board of Directors	EFFECTIVE: 4/5/12
APPROVED BY: Board of Directors	REVISED: <u>3.26.13</u>

Organization

The Committee's membership, the chairperson, the call and conduct of Committee meetings, the preparation of Committee minutes, and the Committee's other activities shall be appointed, conducted and accomplished in accordance with applicable provisions of the Bylaws and the Corporate Governance Principles adopted by the Board. The committee's membership is subject to the Approval of the District Board. The membership shall include the following:

1. Two (2) Board Members, one being the Treasurer
2. Six (6) District Citizens
3. At least one (1) member of the Medical Staff
4. District's Chief Executive Officer (non-voting)
5. District's Chief Financial Officer (non-voting)

All District Citizen members of the committee must be stakeholders of the District. The District Board has defined stakeholder for the purpose of committee membership as:

- Living some or all of the time in the District, or
- Maintaining a place of business in the District, or
- Being an accredited member of the Hospital's Medical Staff

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also recommend to the Board any amendments to this Charter deemed necessary or desirable by the Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make the report.

Resources and Authority of the Committee

The Finance Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the responsibility to recommend to select, retain, terminate, and approve the engagement and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

Amendment

This Charter shall not be amended except upon approval by the Board.
| Adopted by the Board on April 5, 2012.

7.

JUNE 2014 FINANCIALS



To: SVH Finance Committee
From: Ken Jensen, Interim CFO
Date: July 29, 2014
Subject: Financial Report for the Month Ending June 30, 2014

Overall Results for June 2014

SVH has net income before the restricted contributions of \$374,580 on a budgeted net loss of (\$23,317) for a favorable difference of \$397,897. Total net patient service revenue was over budget by \$508,723. Due to the 2012-2013 IGT revenue of \$1,047,415. Risk contract revenue is under budget by (\$43,517) due to Napa State volume. Other operating revenue is under budget by (\$56,512) due to the receipt of the Electronic Health Record Phase 1 money in January. Phase 2 of the Electronic Health Record money is being accrued at \$64,369 per month with an anticipated receipt of the money in January 2015. This brings the total operating revenue to \$4,919,195 or \$408,694 over budget. Expenses were \$4,853,925 on a budget of \$4,713,188 or (\$140,737) over budget. The EBIDA prior to the restricted donations for the month was \$778,201 or 15.8%.

Patient Volumes - June

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	91	90	1	87
Acute Patient Days	362	413	-51	323
SNF Patient Days	613	622	-9	470
Home Care Visits	992	1,300	-308	990
OP Gross Revenue	\$10,111	\$9,334	\$777	\$8,353
Surgical Cases	121	128	-7	116

Overall Payer Mix - June

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	48.2%	49.1%	-0.9%	50.5%	49.4%	1.1%
Medi-Cal	14.7%	10.8%	3.9%	13.5%	10.7%	2.8%
Self Pay	4.0%	3.8%	0.2%	2.9%	3.8%	-0.9%
Commercial	23.5%	29.3%	-5.8%	23.0%	29.1%	-6.1%
Managed MC	4.7%	2.8%	1.9%	4.5%	2.8%	1.7%
Workers Comp	2.0%	1.4%	0.6%	3.1%	1.5%	1.6%
Capitated	2.9%	2.8%	0.1%	2.5%	2.7 %	-0.2%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for June were \$4.9 million on a budget of \$4.5 million or \$408,694 under budget.

Net Patient Revenue is over budget by \$508,723 or 13%, due to the following:

- The 2012-2013 IGT of \$1,047,415 being recorded.
- Overall inpatient volume was under budget by 1 discharge and had a poor case mix.
- Outpatient was over budget in volume and had higher Medicare patients and lower commercial insured patients.
- Skilled Nursing Home volume was under budget by 9 days.
- Home Care was under budget by 308 visits.
- Charity Care was favorable to budget by \$147,742.

Expenses

June's expenses were \$4.9 million on a budget of \$4.7million or over budget by (\$140,737). The following is a summary of the operating expense variances for the month of June:

- Total productivity FTE's were under budget at 266 on a budget of 286, or \$16,907 under budget. Registry was over budget by (\$74,797) due to Surgery and Obstetrics over budget. For a net overage of (\$57,890).
- Medical and Prof Fees are under budget by \$113,395, \$26,630 is due to Prima support and \$72,557 for Napa State physician fees true up for the year. Other Professional Fees is under budget by \$81,958 due to the cancellation of numerous contracts.
- Supplies are under budget by \$106,441, due to all departments limiting their spending on supplies and from the year-end inventory counts.
- Depreciation is over budget by (\$34,708) due to addition of the capitalized leased equipment from Celtic.
- Interest Expense is over budget (\$87,059) due to the addition of the Celtic lease of (\$36,547).
- Other Expense is over budget (\$221,688) due to the fee of \$223,197 for the 2012-2013 IGT.

Cash Collections on Patient Receivables:

For the month of June the cash collection goal was \$3,364,915 the Hospital collected \$3,037,813 or under the goal by (\$327,101). Year to date the Hospital patient collections goal was \$39,260,886 and had collection of \$40,064,400 or \$803,514 over the goal. The overage over goal will also be offset with over payments from insurance of approximately \$434,570. Year to date the Hospital is over goal by \$368,944. The cash collection goal is based upon net hospital revenue from 60 days ago. Days of cash on hand are 7 days at June 30, 2014. Note: The decrease in cash collections for June was due to the implementation of the McKesson Intelligent Coding used by the ER.

Year to Date Activity:

For fiscal year 2014 our net loss prior to restricted contributions and GO Bond activity is currently (\$1,048,390) or (\$400,727) worse than budget. This is due to the over estimated revenue budget and higher than expected reductions in inpatient volumes.

Cash Projection – Sources and Uses:



Beginning Balance			\$1,193,602
Sources:			
	Patient Cash	\$3,540,866	
	Contracts	\$387,266	
	Miscellaneous	\$195,132	
	Sub Total		\$4,123,264
	Available Cash		\$5,316,866
Uses:			
	Accounts Payable	\$2,125,324	
	Payroll	\$1,996,916	
	Other	\$1,025	
	IGT		
	Sub Total		\$4,123,265
Month End Balance			\$1,193,601

Future Anticipated Funds – Sources/(Uses):

August 15, 2014	LIHP	\$1,300,000
August 31, 2014	MGH, Prima and Sodexo Payments	(\$1,300,000)
September 15, 2014	IGT Money (Net)	\$824,218
September 30, 2014	Pay Outstanding AP	(\$824,218)
December 15, 2014	E H R Phase 2	\$704,000
December 31, 2014	E H R Outstanding Payables	(\$704,000)
Unknown	IGT Funding (Net)	\$400,000
Unknown	RAC	?

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

**Finance Committee
July 29, 2014**

June's Patient Volumes

	Actual	Budget	Variance	Prior Year
Acute Discharges	91	90	1	87
Acute Patient Days	362	413	-51	323
SNF Patient Days	613	622	-9	470
Home Health Care Visits	992	1,300	-308	990
Outpatient Gross Revenue (in thousands)	\$10,111	\$9,334	\$777	\$8,353
Surgical Cases	121	128	-7	116

Summary Statement of Revenues and Expenses Month of June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 4,919,195	\$ 4,510,501	\$ 408,694	9%	\$ 3,905,311
2Total Operating Expenses	\$ 4,853,925	\$ 4,713,188	\$ (140,737)	-3%	\$ 4,693,845
3Operating Margin	\$ 65,270	\$ (202,687)	\$ 267,957	132%	\$ (788,534)
4NonOperating Rev/Exp	\$ 309,310	\$ 179,370	\$ 129,940	72%	\$ 356,527
5Net Income before Rest.Cont. & GO Bond	\$ 374,580	\$ (23,317)	\$ 397,897	-1706%	\$ (432,007)
6Restricted Contribution	\$ -	\$ 675,871	\$ (675,871)	-100%	\$ 68,958
Net Income with Restricted 7Contributions	\$ 374,580	\$ 652,554	\$ (277,974)	-43%	\$ (363,049)
8Total GO Bond Rev/Exp	\$ 192,913	\$ (16,646)	\$ 209,559	-1259%	\$ 109,857
9Net Income with GO Bond	\$ 567,493	\$ 635,908	\$ (68,415)	-11%	\$ (253,192)
10EBIDA before Restricted Contributions	\$ 778,201	\$ 258,537	\$ 519,664		\$ (61,455)
11EBIDA before Restricted Cont. %	16%	6%	10%		-2%

Summary Statement of Revenues and Expenses Year to Date June 30, 2014 (12 months)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1Total Operating Revenue	\$ 51,142,342	\$ 53,151,608	\$ (2,009,266)	-4%	\$ 48,512,624
2Total Operating Expenses	\$ 54,872,996	\$ 56,123,740	\$ 1,250,744	2%	\$ 53,105,362
3Operating Margin	\$ (3,730,654)	\$ (2,972,132)	\$ (758,522)	-26%	\$ (4,592,738)
4NonOperating Rev/Exp	\$ 2,682,264	\$ 2,324,469	\$ 357,795	15%	\$ 4,189,874
5Net Income before Rest.Cont. & GO Bond	\$ (1,048,390)	\$ (647,663)	\$ (400,727)	62%	\$ (402,864)
6Restricted Contribution	\$ 3,331,307	\$ 2,183,757	\$ 1,147,550	53%	\$ 370,893
Net Income with Restricted					
7Contributions	\$ 2,282,917	\$ 1,536,094	\$ 746,823	49%	\$ (31,971)
8Total GO Bond Rev/Exp	\$ 1,178,610	\$ 960,235	\$ 218,375	23%	\$ 1,468,973
9Net Income with GO Bond	\$ 3,461,527	\$ 2,496,329	\$ 965,198	39%	\$ 1,437,002
10EBIDA before Restricted Contributions	\$ 1,708,707	\$ 2,652,785	\$ (944,078)		\$ 2,100,734
11EBIDA before Restricted Cont. %	3%	5%	-2%		4%

June'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	\$ 2,294,082	\$ 1,810,379	\$ 483,703	27%	\$ 1,145,139
2 Skilled Nursing Facility	\$ 327,039	\$ 411,977	\$ (84,938)	-21%	\$ 282,643
3 Outpatient and Emergency	\$ 2,031,673	\$ 1,950,610	\$ 81,063	4%	\$ 2,032,481
4 HomeCare	\$ 193,944	\$ 280,354	\$ (86,410)	-31%	\$ 228,538
5 Community Benefit (Charity)	\$ (34,000)	\$ (181,742)	\$ 147,742	81%	\$ (10,000)
6 Bad Debt Expense	\$ (250,000)	\$ (217,563)	\$ (32,437)	-15%	\$ (226,255)
7 Prior Period Adjustment	\$ -	\$ -	\$ -	100%	\$ -
8 TOTAL NET PATIENT REVENUE	\$ 4,562,738	\$ 4,054,015	\$ 508,723	13%	\$ 3,452,546
RISK CONTRACTS					
9 Capitation Revenue	\$ 169,618	\$ 164,178	\$ 5,440	3%	\$ 171,352
10 Napa State Hospital Revenue	\$ 108,782	\$ 157,739	\$ (48,957)	-31%	\$ 197,413
11 TOTAL RISK CONTRACTS	\$ 278,400	\$ 321,917	\$ (43,517)	-14%	\$ 368,765
12 OTHER OP. REVENUE	\$ 78,057	\$ 134,569	\$ (56,512)	-42%	\$ 227,076
13 TOTAL HOSPITAL NET REVENUE	\$ 4,919,195	\$ 4,510,501	\$ 408,694	9%	\$ 4,048,387

Revenue Variances

- Total Operating Revenue over budget by \$408,694
 - 2012-2013 IGT funds of \$1,047,415
 - Overall inpatient volume was over budget by 1 discharge and had a poor case mix.
 - Skilled Nursing Home volume was under budget by 9 days
 - Outpatient was over budget in volume, but had higher Medicare patients and lower commercial insured patients.
 - Home Care volume was under budget by 308 visits.
 - Charity Care was favorable to budget by \$147,742.
 - Bad Debt was unfavorable to budget by (\$32,437).

June'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	\$ 2,123,468	\$ 2,065,578	\$ (57,890)	-3%	\$ 2,019,841
2 Employee Benefits	\$ 740,487	\$ 759,968	\$ 19,481	3%	\$ 695,461
3 Total People Cost	\$ 2,863,955	\$ 2,825,546	\$ (38,409)	-1%	\$ 2,715,302
4 Medical and Prof Fees (excl'd Agency)	\$ 255,384	\$ 368,779	\$ 113,395	31%	\$ 513,995
5 Supplies	\$ 401,264	\$ 507,705	\$ 106,441	21%	\$ 493,285
6 Purchased Services	\$ 458,824	\$ 435,117	\$ (23,707)	-5%	\$ 505,796
7 Depreciation	\$ 311,850	\$ 277,142	\$ (34,708)	-13%	\$ 172,043
8 Utilities	\$ 87,176	\$ 132,359	\$ 45,183	34%	\$ 85,768
9 Insurance	\$ 18,887	\$ 18,702	\$ (185)	-1%	\$ 29,044
10 Interest	\$ 91,771	\$ 4,712	\$ (87,059)	-1848%	\$ 58,641
11 Other	\$ 364,814	\$ 143,126	\$ (221,688)	-155%	\$ 119,971
12TOTAL OPERATING EXPENSE	\$ 4,853,925	\$ 4,713,188	\$ (140,737)	-3%	\$ 4,693,845

Expense Variances

Total operating expenses were over budget by (\$140,737)

- Total productivity FTE's were under budget at 266, or \$16,907 under budget, but Registry was over budget by (\$74,797) due to Surgery and Obstetrics for a net overage of (\$57,890).
- Medical and Professional Fees were under budget by \$113,395, \$26,630 is due to Prima support and \$72,557 for Napa State physician fees true up for the year. Other Professional Fees is under budget by \$81,958 due to the cancellation of numerous contracts.
- Supplies were under budget by \$106,441, due to cost savings in all departments and year-end inventory counts.
- Depreciation is over budget by (\$34,708), due to addition of the capitalized leased equipment from Celtic.
- Interest Expense is over budget by (\$87,059), due to the addition of the Celtic lease of (\$36,547).
- Other Expense is over budget by (\$221,688), due to the fee for the IGT of \$223,197.

June's Non-Operating Items

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
NON OPERATING					
1Miscellaneous Revenue	\$ 32,092	\$ 4,166	\$ 27,926	670%	\$ 20,266
2 Donations	\$ -	\$ 3,334	\$ (3,334)	0%	\$ 127,443
3 Professional Center / Phys Recruitment	\$ -	\$ -	\$ -	0%	\$ -
4 Physician Practice Support - Prima	\$ (39,000)	\$ (65,630)	\$ 26,630	0%	\$ (65,630)
5 Tax Assessment Revenue-Parcel Tax	\$ 316,218	\$ 237,500	\$ 78,718	33%	\$ 274,448
6 NON-OPERATING REV/EXP	\$ 309,310	\$ 179,370	\$ 129,940	72%	\$ 356,527
7Capital Campaign Contribution	\$ -	\$ 675,871	\$ (675,871)	-100%	\$ 68,958
8Restricted Foundation Contribution	\$ -	\$ -	\$ -	0%	\$ -
9 Tax Assessment Revenue - GO Bond	\$ 300,021	\$ 153,584	\$ 146,437	95%	\$ 139,868
10 GO Bond Interest	\$ (107,108)	\$ (170,230)	\$ 63,122	-37%	\$ (30,011)
11TOTAL NON-OPERATING REV/EXP	\$ 502,223	\$ 838,595	\$ (336,372)	-40%	\$ 535,342

June's Accounts Payable

1	Balance at 6/30/14	\$6,174k	82 Days
2	Aug. 1 st – Rec'v LIHP Funds, pay MGH, Prima and Sodexo	(\$1,300k)	(17 Days)
3	Aug 15 th , ATT Lease	(\$57k)	(.7 Days)
4	September IGT, reduce A/P	(\$824k)	(11 Days)
5	January, E H R phase 2, pay E H R	(\$704k)	(9 Days)
6	Unknown, Add't IGT, reduce A/P	<u>(\$400k)</u>	<u>(5 Days)</u>
7	A/P at January 2015	\$2,889k	39.3 Days
8	If cash initiatives are not realized	\$1,800	
9	Possible A/P if initiatives are not realized	\$4,689k	62.5 Days

**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended June, 2014

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 06/30/14	Budget 06/30/14	Favorable (Unfavorable) Variance	Actual 06/30/14	Budget 06/30/14	Favorable (Unfavorable) Variance	Prior Year 06/30/13
Inpatient Utilization							
Discharges							
1 Acute	79	70	9	968	1,152	(184)	1,245
2 ICU	12	20	(8)	200	246	(46)	121
3 Total Discharges	91	90	1	1,168	1,398	(230)	1,366
4 Newborn	11	14	(3)	151	163	(12)	154
5 Total Discharges inc. Newborns	102	104	(2)	1,319	1,561	(242)	1,520
Patient Days:							
6 Acute	275	293	(18)	3,161	3,748	(587)	3,930
7 ICU	87	120	(33)	1,180	1,460	(280)	1,038
8 Total Patient Days	362	413	(51)	4,341	5,208	(867)	4,968
9 Newborn	23	31	(8)	289	359	(70)	337
10 Total Patient Days inc. Newborns	385	444	(59)	4,630	5,567	(937)	5,305
Average Length of Stay:							
11 Acute	3.5	4.2	(0.7)	3.3	3.3	0.0	3.2
12 ICU	7.3	6.0	1.3	5.9	5.9	(0.0)	8.6
13 Avg. Length of Stay	4.0	4.6	(0.6)	3.7	3.7	(0.0)	3.6
14 Newborn ALOS	2.1	2.2	(0.1)	1.9	2.2	0.3	2.2
Average Daily Census:							
15 Acute	9.2	9.8	(0.6)	8.7	10.3	(1.6)	10.8
16 ICU	2.9	4.0	(1.1)	3.2	4.0	(0.8)	2.8
17 Avg. Daily Census	12.1	13.8	(1.7)	11.9	14.3	(2.4)	13.6
18 Newborn	0.8	1.0	(0.3)	0.8	1.0	(0.2)	0.9
Long Term Care:							
19 SNF Patient Days	613	622	(9)	7,564	7,755	(191)	7,624
20 SNF Discharges	26	25	1	348	411	(63)	387
21 Average Daily Census	20.4	20.7	(0)	20.7	21.2	(1)	20.9
Other Utilization Statistics							
Emergency Room Statistics							
22 Total ER Visits	867	875	(8)	9,280	9,751	(471)	9,395
Outpatient Statistics:							
23 Total Outpatients Visits	4,553	4,124	429	51,978	50,404	1,574	47,977
24 IP Surgeries	28	41	(13)	390	465	(75)	425
25 OP Surgeries	93	87	6	1,203	1,108	95	1,092
26 Special Procedures	34	48	(14)	415	403	12	427
27 Home Health Visits	992	1,300	(308)	11,399	12,575	(1,176)	12,070
28 Adjusted Discharges	292	250	42	3,515	3,898	(383)	3,820
29 Adjusted Patient Days	2,434	2,240	194	27,600	27,929	(329)	27,438
30 Adj. Avg. Daily Census	81.1	74.7	6.5	75.6	76.5	(0.9)	75.2
31 Case Mix Index - Medicare	-	1.4000	(1.400)	1.4799	1.4000	0.080	1.4951
32 Case Mix Index - All payers	-	1.4000	(1.400)	1.4034	1.4000	0.003	1.4720
Labor Statistics							
33 FTE's - Worked	266	286	20.4	279	283	4.1	283
34 FTE's - Paid	303	322	19.0	312	318	5.9	319
35 Average Hourly Rate	40.98	36.76	(4.22)	37.38	36.24	(1.15)	35.77
36 Manhours / Adj. Pat Day	21.3	24.6	3.3	23.5	23.7	0.2	24.2
37 Manhours / Adj. Discharge	177.4	220.3	42.9	184.5	169.5	(15.0)	173.9
38 Benefits % of Salaries	22.1%	22.8%	0.8%	22.4%	23.1%	0.7%	23.0%
Non-Labor Statistics							
39 Supply Expense % Revenue	2%	3%	1%	3%	3%	0%	3%
40 Supply Exp. / Adj. Discharge	1,373.60	2,031.23	658	1,676.17	1,555.33	(121)	1,611.81
41 Total Expense / Adj. Discharge	17,116.01	12,633.39	(4,483)	16,011.28	14,828.23	(1,183)	14,203.22
Other Indicators							
42 Days Cash - Operating Funds	7.6						
43 Days in Net AR	47.9	50.0	(2.1)	51.8	50.0	1.8	59.2
44 Collections % of Net Revenue	90%			136%			
45 Days in Accounts Payable	81.3	60.0	21.3	81.3	60.0	21.3	-
46 % Net revenue to Gross revenue	28.7%	25.2%	3.5%	24.5%	25.3%	-0.7%	23.9%
47 % Net AR to Gross AR	22.5%			22.5%			26.0%

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of June 30, 2014

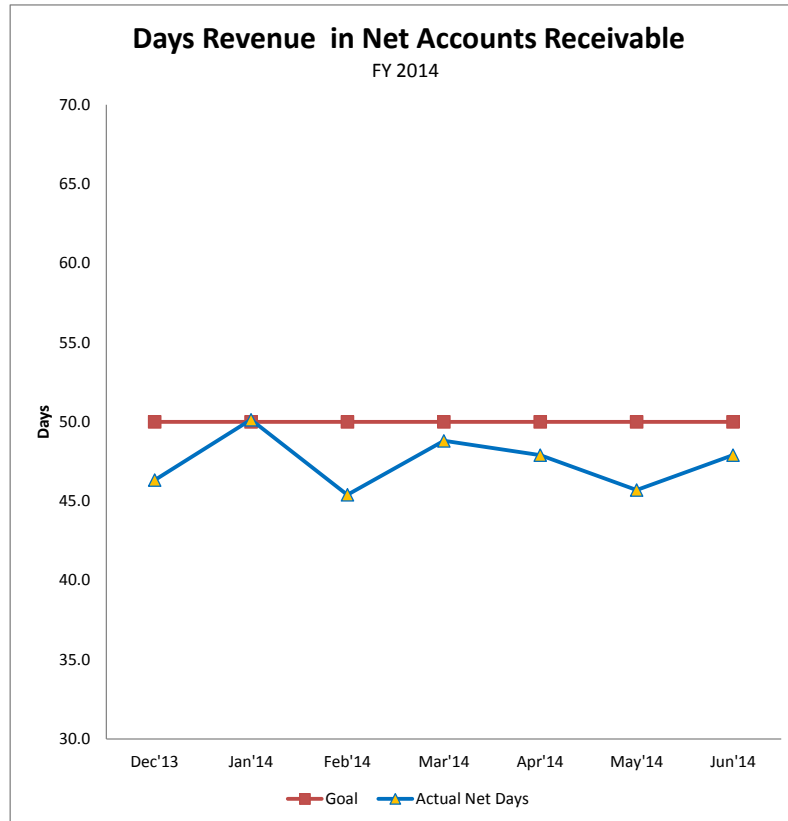
	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,126,337	\$ 1,193,602	\$ 2,138,402
2 Trustee Funds	1,637,914	762,010	1,263,697
3 Net Patient Receivables	7,998,223	7,676,562	7,997,822
4 Allow Uncollect Accts	(1,965,414)	(1,730,081)	(1,471,800)
5 Net A/R	6,032,809	5,946,481	6,526,022
6 Other Accts/Notes Rec	7,742,248	2,203,382	7,714,711
7 3rd Party Receivables, Net	2,972,553	1,826,981	379,554
8 Due Frm Restrict Funds	-	-	-
9 Inventory	760,222	744,475	794,634
10 Prepaid Expenses	1,097,626	1,112,787	1,074,412
11 Total Current Assets	\$ 21,369,709	\$ 13,789,718	\$ 19,891,432
12 Board Designated Assets	\$ -	\$ 5,402	\$ 186,468
13 Property, Plant & Equip, Net	56,350,250	53,128,909	10,674,452
14 Hospital Renewal Program	-	-	31,801,877
15 Unexpended Hospital Renewal Funds	-	-	4,024,455
16 Investments	-	-	-
17 Specific Funds	1,234,949	895,807	3,430,426
18 Other Assets	477,458	426,365	271,813
19 Total Assets	\$ 79,432,366	\$ 68,246,201	\$ 70,280,923
Liabilities & Fund Balances			
Current Liabilities:			
20 Accounts Payable	\$ 6,174,668	\$ 4,324,358	\$ 7,011,505
21 Accrued Compensation	3,432,397	3,292,553	3,184,943
22 Interest Payable	520,286	570,681	714,262
23 Accrued Expenses	1,847,598	1,336,798	957,397
24 Advances From 3rd Parties	317,105	322,652	1,689,354
25 Deferred Tax Revenue	5,849,985	537,521	4,825,602
26 Current Maturities-LTD	1,510,435	911,931	795,004
27 Other Liabilities	4,675,182	4,697,662	2,424,868
28 Total Current Liabilities	\$ 24,327,656	\$ 15,994,156	\$ 21,602,935
29 Long Term Debt, net current portion	\$ 40,783,715	\$ 38,497,996	\$ 37,820,460
Fund Balances:			
31 Unrestricted	\$ 13,145,208	\$ 12,578,262	\$ 6,772,012
32 Restricted	1,175,787	1,175,787	4,085,516
33 Total Fund Balances	\$ 14,320,995	\$ 13,754,049	\$ 10,857,528
34 Total Liabilities & Fund Balances	\$ 79,432,366	\$ 68,246,201	\$ 70,280,923

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

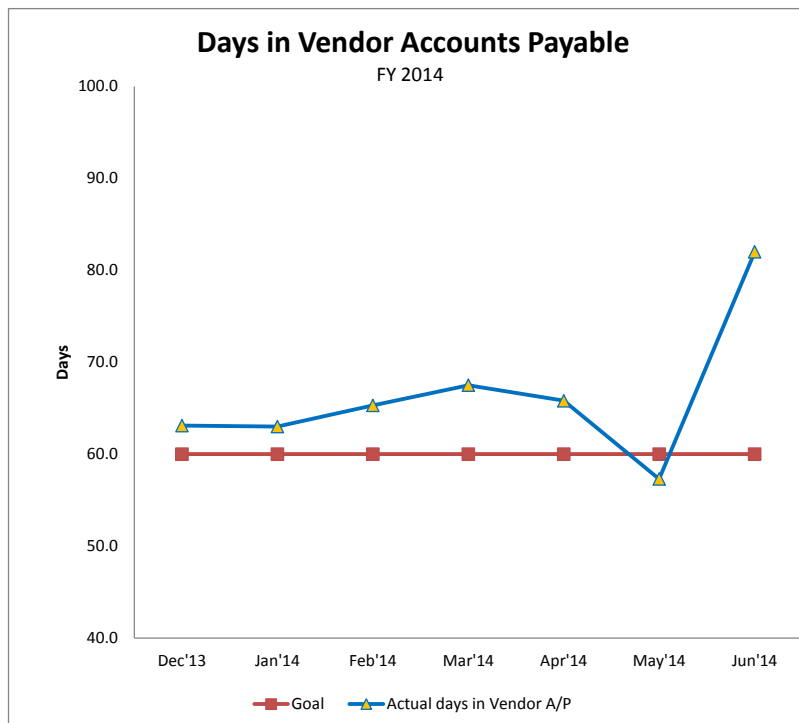
		Month				Year-To-Date				YTD	
		This Year		Variance		This Year		Variance		Prior Year	
		Actual	Budget	\$	%	Actual	Budget	\$	%		
Volume Information											
1	Acute Discharges	91	90	1	1%	1,169	1,398	(229)	-16%		1,366
2	SNF Days	613	622	(9)	-1%	7,564	7,755	(191)	-2%		7,624
3	Home Care Visits	992	1,300	(308)	-24%	11,401	12,575	(1,174)	-9%		12,070
4	Gross O/P Revenue (000's)	10,111	9,334	776	8%	\$ 115,392	\$ 109,278	6,114	6%	\$	102,624
Financial Results											
Gross Patient Revenue											
5	Inpatient	\$ 4,609,725	\$ 5,864,485	(1,254,760)	-21%	\$ 59,360,911	\$ 67,898,254	(8,537,343)	-13%	\$	61,939,766
6	Outpatient & Emergency	9,816,742	8,973,330	843,412	9%	111,903,503	105,839,874	6,063,629	6%		99,124,148
7	SNF	2,145,096	2,152,658	(7,562)	0%	28,164,374	26,752,449	1,411,925	5%		25,104,020
8	Home Care	293,900	360,891	(66,991)	-19%	3,488,560	3,438,563	49,997	1%		3,499,514
9	Total Gross Patient Revenue	\$ 16,865,463	\$ 17,351,364	(485,901)	-3%	\$ 202,917,347	\$ 203,929,140	(1,011,793)	0%	\$	189,667,448
Deductions from Revenue											
10	Contractual Discounts	\$ (12,018,725)	\$ (12,898,044)	879,319	7%	\$ (155,923,736)	\$ (151,710,255)	(4,213,481)	-3%	\$	(140,905,162)
11	Bad Debt	(250,000)	(217,563)	(32,437)	-15%	(2,458,255)	(2,556,999)	98,744	4%		(2,901,255)
12	Charity Care Provision	(34,000)	(181,742)	147,742	81%	(269,250)	(1,988,110)	1,718,860	86%		(2,040,451)
13	Prior Period Adjustments	-	-	-	0%	2,107,929	-	2,107,929	0%		(836,022)
14	Total Deductions from Revenue	\$ (12,302,725)	\$ (13,297,349)	994,624	-7%	\$ (156,543,312)	\$ (156,255,364)	(287,948)	0%	\$	(146,682,890)
15	Net Patient Service Revenue	\$ 4,562,738	\$ 4,054,015	508,723	13%	\$ 46,374,035	\$ 47,673,776	(1,299,741)	-3%	\$	42,984,558
16	Risk contract revenue	\$ 278,400	\$ 321,917	(43,517)	-14%	\$ 3,398,449	\$ 3,863,004	(464,555)	-12%	\$	3,825,992
17	Net Hospital Revenue	\$ 4,841,138	\$ 4,375,932	465,206	11%	\$ 49,772,484	\$ 51,536,780	(1,764,296)	-3%	\$	46,810,550
18	Other Op Rev & Electronic Health Records	\$ 78,057	\$ 134,569	(56,512)	42%	\$ 1,369,858	\$ 1,614,828	(244,970)	-15%	\$	1,702,074
19	Total Operating Revenue	\$ 4,919,195	\$ 4,510,501	408,694	9%	\$ 51,142,342	\$ 53,151,608	(2,009,266)	-4%	\$	48,512,624
Operating Expenses											
20	Salary and Wages and Agency Fees	\$ 2,123,468	\$ 2,065,578	(57,890)	-3%	\$ 24,236,612	\$ 24,569,269	332,657	1%	\$	23,757,873
21	Employee Benefits	740,487	759,968	19,481	3%	8,816,215	9,186,233	370,018	4%		8,774,661
22	Total People Cost	\$ 2,863,955	\$ 2,825,546	(38,409)	-1%	\$ 33,052,827	\$ 33,755,502	702,675	2%	\$	32,532,534
23	Med and Prof Fees (excl Agency)	\$ 255,384	\$ 368,779	113,395	31%	\$ 4,984,119	\$ 4,630,338	(353,781)	-8%	\$	4,581,763
24	Supplies	401,264	507,705	106,441	21%	5,891,198	6,062,011	170,813	3%		6,156,740
25	Purchased Services	458,824	435,117	(23,707)	-5%	4,838,144	5,225,259	387,115	7%		5,083,928
26	Depreciation	311,850	277,142	(34,708)	-13%	2,339,876	2,837,064	497,188	18%		2,132,705
27	Utilities	87,176	132,359	45,183	34%	961,882	1,288,253	326,371	25%		899,734
28	Insurance	18,887	18,702	(185)	-1%	226,650	224,390	(2,260)	-1%		243,607
29	Interest	91,771	4,712	(87,059)	-1848%	417,221	463,384	46,163	10%		361,512
30	Other	364,814	143,126	(221,688)	-155%	2,161,079	1,637,539	(523,540)	-32%		1,112,839
31	Operating expenses	\$ 4,853,925	\$ 4,713,188	(140,737)	-3%	\$ 54,872,996	\$ 56,123,740	1,250,744	2%	\$	53,105,362
32	Operating Margin	\$ 65,270	\$ (202,687)	267,957	132%	\$ (3,730,654)	\$ (2,972,132)	(758,522)	-26%	\$	(4,592,738)
Non Operating Rev and Expense											
33	Miscellaneous Revenue	\$ 32,092	\$ 4,166	27,926	670%	\$ (120,775)	\$ 50,001	(170,776)	*	\$	107,417
34	Donations	-	3,334	(3,334)	-100%	444,099	212,028	232,071	*		1,902,031
35	Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%		-
36	Physician Practice Support-Prima	(39,000)	(65,630)	26,630	-41%	(604,413)	(787,560)	183,147	-23%		(787,560)
37	Parcel Tax Assessment Rev	316,218	237,500	78,718	33%	2,963,353	2,850,000	113,353	4%		2,967,986
38	Total Non-Operating Rev/Exp	\$ 309,310	\$ 179,370	129,940	72%	\$ 2,682,264	\$ 2,324,469	357,795	15%	\$	4,189,874
39	Net Income / (Loss) prior to Restricted Contributions	\$ 374,580	\$ (23,317)	397,897	-1706%	\$ (1,048,390)	\$ (647,663)	(400,727)	62%	\$	(402,864)
40	Capital Campaign Contribution	\$ -	\$ 675,871	(675,871)	-100%	\$ 3,331,307	\$ 2,183,757	1,147,550	53%	\$	370,893
41	Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$	-
42	Net Income / (Loss) w/ Restricted Contributions	\$ 374,580	\$ 652,554	(277,974)	-43%	\$ 2,282,917	\$ 1,536,094	746,823	49%	\$	(31,971)
43	GO Bond Tax Assessment Rev	300,021	153,584	146,437	95%	1,975,604	1,843,008	132,596	7%		1,829,105
44	GO Bond Interest	(107,108)	(170,230)	63,122	-37%	(796,994)	(882,773)	85,779	-10%		(360,132)
45	Net Income/(Loss) w GO Bond Activity	\$ 567,493	\$ 635,908	(68,415)	11%	\$ 3,461,527	\$ 2,496,329	965,198	-39%	\$	1,437,002

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	567,493	3,461,527
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	311,850	2,339,876
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	(86,328)	493,213
(Increase)/Decrease Other receivables and other assets	(6,735,531)	(2,826,181)
(Increase)/Decrease Prepaid expenses	15,161	(23,214)
(Increase)/Decrease in Inventories	(15,747)	34,412
(Decrease)/Increase in Deferred revenues	5,306,917	(347,866)
(Decrease)/Increase in Accounts payable, accrued expenses	2,427,530	2,359,095
Net Cash Provided/(Used) by operating activities	<u>1,791,346</u>	<u>5,490,862</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(3,533,190)	(48,015,674)
Net Purchases of property, plant and equipment - GO Bond Purchases	-	31,801,877
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	(1,209,644)	6,032,183
(Payment)/Refund of Deposits		
Net cash Provided/(Used) by investing activities	<u>(4,742,834)</u>	<u>(10,181,614)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	2,884,223	3,678,686
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>2,884,223</u>	<u>3,678,686</u>
Net increase/(Decrease) in cash and cash equivalents	<u>(67,265)</u>	<u>(1,012,065)</u>
Cash and Equivalents at beginning of period	<u>1,193,602</u>	<u>2,138,402</u>
Cash and Equivalents at June 30, 2014	<u><u>1,126,337</u></u>	<u><u>1,126,337</u></u>



Days in A/R	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14
Actual days in A/R	46.3	50.1	45.4	48.8	47.9	45.7	47.9
Goal	50.0	50.0	50.0	50.0	50.0	50.0	50.0



Days in A/P	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	June'14
Actual days in Vendor A/P	63.1	63.0	65.3	67.5	65.8	57.3	82.0
Goal	60.0	60.0	60.0	60.0	60.0	60.0	60.0

Sonoma Valley Hospital
Statistical Analysis
FY 2014

	ACTUAL	BUDGET	ACTUAL														
	Jun-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	May-13		
Statistics																	
Acute																	
Acute Patient Days			362	413	358	303	407	300	389	402	318	374	405	385	338	323	396
Acute Discharges			91	90	100	94	117	79	91	112	85	91	107	102	100	87	99
SNF Days	613	622	605	674	750	641	754	733	531	606	585	615	457	470	638		
HHA Visits	992	1,300	1,135	1,218	1,106	872	1,040	951	903	941	745	736	760	990	1,140		
Emergency Room Visits	867	875	909	788	769	655	811	751	665	731	795	789	750	716	795		
Gross Outpatient Revenue (000's)	\$10,111	\$9,334	\$10,237	\$9,918	\$9,999	\$8,604	\$9,095	\$8,809	\$9,325	\$10,248	\$9,173	\$9,801	\$10,071	\$8,353	\$9,289		
Equivalent Patient Days	2,433	2,240	2,461	2,415	2,585	2,136	2,375	2,356	2,145	2,342	2,157	2,256	1,945	1,892	2,266		
Births	11	14	16	6	19	14	6	11	14	12	13	11	15	8	15		
Surgical Cases - Inpatient	28	41	32	34	43	26	37	31	26	32	33	35	33	30	42		
Surgical Cases - Outpatient	93	87	110	113	113	95	76	107	109	103	87	95	102	86	105		
Total Surgical Cases	121	128	142	147	156	121	113	138	135	135	120	130	135	116	147		
Medicare Case Mix Index	1.76	1.40	1.47	1.57	1.63	1.77	1.94	1.49	1.76	1.52	1.47	1.64	1.54	1.58	1.62		
Income Statement																	
Net Revenue (000's)			4,563	4,376	3,853	3,957	3,449	3,449	3,737	3,998	3,757	4,459	3,937	4,251	4,068	3,821	3,324
Operating Expenses (000's)			4,854	4,713	4,486	4,600	4,273	4,273	4,553	4,480	4,361	5,022	4,339	4,441	4,413	4,694	4,529
Net Income (000's)			567	636	(240)	(360)	401	(12)	13	412	(57)	990	883	440	185	732	(651)
Productivity																	
Total Operating Expense Per Equivalent Patient Day			\$1,995	\$2,104	\$1,823	\$1,905	\$1,937	\$2,000	\$1,917	\$1,902	\$2,033	\$2,144	\$2,011	\$1,968	\$2,269	\$2,481	\$1,999
Productive FTEs			266	286	276	285	292	266	268	277	288	282	279	286	279	277	282
Non-Productive FTE's	37	36	32	26	26	34	42	38	25	29	41	30	36	40	28		
Total FTEs	303	322	309	311	318	301	310	315	313	312	320	315	315	317	311		
FTEs per Adjusted Occupied Bed	3.74	4.28	3.89	3.86	3.81	3.94	4.05	4.15	4.39	4.12	4.45	4.33	4.25	4.25	4.25		
Balance Sheet																	
Days of Expense In General Operating Cash			7		8	12	8	8	7	7	11	7	8	11	8	7	12
Net Days of Revenue in AR	48		46	48	49	49	54	52	54	48	50	53	50	62	59		