



# SVHCD FINANCE COMMITTEE

## AGENDA

**TUESDAY, August 25, 2020**

**5:00 p.m. Regular Session**

### TO BE HELD VIA ZOOM VIDEOCONFERENCE

To Participate Via Zoom Videoconferencing,  
use the link below:

<https://zoom.us/j/94169255683?pwd=OG54L2U2ODFRYmM2NmNiODNocEJwZz09>

and Enter the **Meeting ID: 941 6925 5683**

**Password: 653391**

To Participate via Telephone only (no video), dial:

**1-669-900-9128 or 1-669-219-2599**

and Enter the **Meeting ID: 941 6925 5683**

**Password: 653391**

| In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Vivian Woodall at <a href="mailto:vwoodall@sonomavalleyhospital.org">vwoodall@sonomavalleyhospital.org</a> or (707) 935.5005 at least 48 hours prior to the meeting.   |                                     |
|---|-------------------------------------|
| AGENDA ITEM   | RECOMMENDATION                      |
| <b>MISSION STATEMENT</b><br><i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>   |                                     |
| <b>1. CALL TO ORDER/ANNOUNCEMENTS</b>   | <i>Nevins</i>                       |
| <b>2. PUBLIC COMMENT SECTION</b><br><i>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 Board 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 Board consideration.</i> | <i>Nevins</i>                       |
| <b>3. CONSENT CALENDAR</b><br>a. Finance Committee Minutes 07.28.20   | <i>Nevins</i> Inform/Action         |
| <b>4. OUTPATIENT DIAGNOSTIC CENTER UPDATE</b>   | <i>Mather/<br/>Sarmiento</i> Inform |
| <b>5. OUTPATIENT DIAGNOSTIC CENTER CASH SHORTFALL</b>   | <i>Jensen/Pier</i> Action           |
| <b>6. ADMINISTRATIVE REPORT AUGUST 2020</b>   | <i>Mather</i> Inform                |
| <b>7. FINANCIAL REPORT MONTH ENDED JULY 31, 2020</b>  | <i>Jensen</i> Inform                |
| <b>8. FY 2020 AUDIT UPDATE</b>  | <i>Jensen</i> Inform                |
| <b>9. ADJOURN</b>   | <i>Nevins</i>                       |



**SVHCD**  
**FINANCE COMMITTEE MEETING**  
**MINUTES**  
**TUESDAY, JULY 28, 2019**  
**Via Zoom Teleconference**

| Present  |   | Staff  | Public                                   |  |           |
|--|---|--|--|--|-----------|
| Sharon Nevins via Zoom<br>Joshua Rymer via Zoom<br>Peter Hohorst via Zoom  | Art Grandy via Zoom<br>Bruce Flynn via Zoom<br>Susan Porth via Zoom | Kelly Mather, CEO via Zoom<br>Ken Jensen, CFO, via Zoom<br>Sarah Dungan, Controller, via Zoom<br>Dawn Kuwahara, via Zoom   | Luis Sarmiento, Vertran Assoc., via Zoom |  |           |
| AGENDA ITEM  |   | DISCUSSION   |  | ACTIONS  | FOLLOW-UP |
| MISSION & VISION STATEMENT<br><i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i> |   |  |  |  |           |
| 1. CALL TO ORDER/ANNOUNCEMENTS   |   | Nevins   |  |  |           |
|  |   | Called to order at 5:12 pm   |  |  |           |
| 2. PUBLIC COMMENT SECTION  |   | Nevins   |  |  |           |
|  |   | None   |  |  |           |
| 3. CONSENT CALENDAR  |   | Nevins   |  |  |           |
|  |   | The minutes of 06.23.20 were reviewed.   |  | MOTION: by Flynn to approve, 2 <sup>nd</sup> by Grandy. Vote taken by roll call with 5 ayes. All in favor. |           |
| 4. OUTPATIENT DIAGNOSTIC CENTER UPDATE   |   | Mather/Sarmiento   |  |  |           |
|  |   | Ms. Mather and Mr. Sarmiento gave a brief report on the Outpatient Diagnostic Center. The CT project is now expected to go live in October. Both the new and old CTs will need to be run simultaneously until approval is granted by CDPH. |  |  |           |
| 5. APPROVAL OF OUTPATIENT DIAGNOSTIC CENTER PROJECT #3 - MRI   |   | Mather   |  |  |           |
|  |   | Regarding the MRI project, draft costs were higher than budgeted, partially due to a scarcity of bidders   |  | The Committee voted to support the MRI Project   |           |

|   |  |  |  |
|---|--|--|--|
|   | <p>and partially due to redesign requests by OSHPD. The MRI project is expected to be completed in summer 2021.</p> <p>Ms. Mather asked the Committee to support the full cost of the MRI project. This project request is \$9.3 million, with contingency at \$913,000, and will go to the Board in August. \$750,000 was removed from building four cardiology rooms (which will not be done at this time) and added to MRI contingency instead.</p>   | moving forward to the Board. Vote taken by roll call with 6 ayes. All in favor.      |  |
| <b>6. FOUNDATION GUARANTEE</b>                                      | <i>Jensen</i>  |  |  |
|   | No action was taken on this item.  |  |  |
| <b>7. APPROVAL OF UNISON ENERGY AGREEMENT FOR ALTERNATIVE POWER</b> | <i>Jensen</i>  |  |  |
|   | Mr. Jensen reported on the changes to the agreement and review by the Hospital's attorneys. After some discussion the Committee agreed to a cap of 2.5% escalation per year and a 20-year agreement.   | The Committee recommended that the Agreement move forward to the Board with changes. |  |
| <b>8. ADMINISTRATIVE REPORT JULY 2020</b>                           | <i>Mather</i>  |  |  |
|   | Ms. Mather reported that the Hospital had increased its COVID testing and should have onsite testing available by the end of August. All symptomatic patients, all with MD orders, all ER patients, and any staff as needed are being tested. The Hospital is also moving forward with the new brand strategy.   |  |  |
| <b>9. FINANCIAL REPORT MONTH ENDED JUNE 30, 2020</b>                | <i>Jensen</i>  |  |  |
|   | Mr. Jensen reviewed the payer mix for the month of June 2020. Cash collections for June were over goal by \$917,597; year-to-date collections were under goal by \$776,552. Days' cash were 81, A/R days were 49.1, A/P were 2.8 million, and A/P days were 40.7. Total operating revenue for June was \$3.4 million or (\$418,394) under budget. Operating expenses were \$4.5 million or (\$137,984) over budget primarily due to employee benefits. The operating margin was (\$1.1 million) or (\$556,378) |  |  |

|  |   |  |  |
|--|---|--|--|
|  | <p>over budget. Net income for the month was (\$190,227) or (\$298,724) below budget. EBDA was (8.9%) vs. budget of 0.1%.</p> <p>He also reviewed the cash forecast and said he saw no need at this time to draw on the parcel tax.</p>   |  |  |
| <b>10. REVIEW PRE-AUDITED FY 2020 FINANCIAL REPORT</b> | <i>Jensen</i>   |  |  |
|  | <p>For the fiscal year ended June 30, 2020, total operating revenue was \$48 million or (\$2 million) below budget. Operating expenses were nearly on budget at \$54.2 million, and the operating margin was (\$6.1 million) or (\$2 million) under budget. After all activity, net income for the year was \$9.4 million or \$4.5 million over budget.</p> <p>Mr. Jensen indicated the Hospital is subject to an audit or certification that losses were incurred during COVID-19 approximating the \$5.6 million CARES funding received, and there will be a note in the financial statements to that effect.</p> |  |  |
| <b>11. REVIEW 4TH QUARTER CAPITAL SPENDING</b>         | <i>Jensen</i>   |  |  |
|  | Ms. Dungan reviewed the 4 <sup>th</sup> quarter capital spending report.  |  |  |
| <b>12. REVIEW OF HOW RATES ARE NEGOTIATED</b>          | <i>Jensen</i>   |  |  |
|  | <p>Mr. Jensen said the SVH has little leverage in setting rates because it is so small. Most commercial contracts have a 6% aggregate price increase. Outpatient charges have been increased more than inpatient. The Hospital has different rates for outpatients vs. inpatients and tries to keep within the 75<sup>th</sup> percentile of market. SVH tries not to go below 40% reimbursement; however, with Medicare and Medi-Cal it can go down to 23%.</p>  |  |  |
| <b>13. ADJOURN</b>                                     | <i>Nevins</i>   |  |  |
|  | Meeting adjourned at 6:29 p.m.  |  |  |

Sonoma Valley Hospital  
Speed Report

Open Projects Under: Outpatient Diagnostic Center

CIP: 1258.0050 & 1258.0795 Through: 07/31/2020 - Status and Finance Impacts Updated Through 08/19/2020

| Status / Issues   |  |
|---|--|
| Key<br><div>Complete, No Issue, Likely Risk, Budget or Schedule at Risk</div>   |  |
| Project #0 - ODC: Study Scope Complete  |  |
|   |  |
| Project #0 - Master Planning: Study Scope Complete  |  |
| After Several Master Facility Planning meetings, the following was determined to be the best path forward:  |  |
| Enhance diagnostic services to remain viable to population: replace aging CT, locate a 3T MRI inside the hospital, improve revenue streams through Cardiology and Orthopedics on site.  |  |
| Provide more patient amenities, centralize scheduling, and upgrade technology to remain competitive.  |  |
| Leverage UCSF affiliation to provide the framework needed to thrive in Sonoma.  |  |
| The Board and CEO to continue to dialogue about future steps to meet 2030 seismic requirements.   |  |
| Project #0 - Decommissioning: Study Scope Complete  |  |
| The study of the Central and East Wings to determine the feasibility of decommissioning these wings yielded the following:  |  |
| Cost of scope required for decommissioning exceeds any benefit to the hospital.   |  |
| The scopes of work would include building a stand-by kitchen in the west wing, removal of the SNF from the east wing, having to relocate medical records to the West Wing, and building structural and fire separations between the West Wing and the Central Wing.   |  |
| Project #1 - CT   |  |
| Relocation of Existing MEP Utilities. Utilities Were Obstructed and Could Not Be Verified During Pre-Construction. ACO Identified Work as Material Altering. Work Captured Within ACD005, ACD006, ASI005, and ASI006. Review and approval of these documents resulted in a two week delay rather than two months.   |  |
| Postponement of Crane Pick from 6/27/20 to 7/11/20 at SVH's request due to Patient Admissions into the Medical Surge Unit on 6/28/20 Resulted in an Additional Two Week Delay.  |  |
| Wait Area Available for Staff Hub Relocation - Updated to 10/2020 (Final Date to be Dictated by CDPH Sign-Off)  |  |
| CT Go Live - Updated to Mid 10/2020 (Final Date to be Dictated by CDPH Sign-off)  |  |
| CT Phase 2 Start (Staff Hub, Old CT) - Updated to 11/2020.  |  |
| Old CT Demo Start - Projected to be 11/2020   |  |
| Substantial Completion CT Project - Phase 2 - 2/2021  |  |
| Shelter in Place (SIP) Orders by Bay Area Counties Have Resulted in Field Work Stoppage Through 5/3/2020; However, Select Construction Activities Resumed in April in Patient Areas Left Unoccupied due to SIP Order.   |  |
| Project #2 - Cardio   |  |
| Project #3 - MRI  |  |
| Backcheck 1 Comments Received Week of 6/22/2020.  |  |
| GMP Proposal Draft - Received 6/1/2020  |  |
| Draft Costs Were Higher Than Budget and Resulted From Inadequate Bid Coverage Due to COVID-19 Impacts to Construction Sector (Subcontractor Offices Were Closed for Business or Insufficiently Staffed to Bid) and an Increase to Radio Frequency (RF) Shielding Costs. Potential Exists for Value Engineering (VE) Savings and Re-bidding of Select Scopes Following the Next Round of OSHPD Backcheck Comments. |  |
| Due to Delays in Receiving OSHPD's Backcheck Comment, Re-bid and Updated GMP Pricing at Risk of Being Completed in Time for the August 2020 Board Submission Deadline.  |  |
| OSHPD comments related to Radio Frequency (RF) Shielding resulted in the redesign of the system. Redesign impacted backcheck response resubmittal by two weeks. As part of the impact, the RF shielding designs were made deferred approval items.  |  |
| Response to Backcheck Submitted to OSHPD - 7/31/2020  |  |
| OSHPD Plan Approval - 9/2020  |  |
| Construction Start - MRI Area - 9/2020  |  |
| Construction Start - Roof - Q1/2021   |  |
| Substantial Completion - MRI - Summer 2021  |  |
| MRI Go Live - Fall 2021   |  |
| Project #4 - UCSF Clinic: Test Fit Complete   |  |

| Finances / Budget  |                       |               |               |              |               |  |
|--|-----------------------|---------------|---------------|--------------|---------------|--|
| Description  | Board Approved Budget | Committed     | Spent to Date | Exposure     | Forecast      |  |
| Project #0   |                       |               |               |              |               |  |
| ODC Preparation  | \$ 655,689            | \$ 655,689    | \$ 655,689    | \$ -         | \$ 655,689    |  |
| Master Facility Planning   | \$ 127,812            | \$ 127,812    | \$ 127,812    | \$ -         | \$ 127,812    |  |
| Decommissioning Study  | \$ 125,622            | \$ 125,622    | \$ 125,622    | \$ -         | \$ 125,622    |  |
| Total  | \$ 909,123            | \$ 909,123    | \$ 909,123    | \$ -         | \$ 909,123    |  |
| Project #1   |                       |               |               |              |               |  |
| CT, Waiting, Imaging Refurb  | \$ 9,367,000          | \$ 7,399,269  | \$ 2,496,767  | \$ -         | \$ 7,361,572  |  |
| CT Contingency   | Included Above        | \$ 254,667    | \$ -          | \$ 392,333   | \$ 647,000    |  |
| IT/Other   | Included Above        | \$ 1,027,939  | \$ 702,930    | \$ 330,489   | \$ 1,358,428  |  |
| Total  | \$ 9,367,000          | \$ 8,681,874  | \$ 3,199,697  | \$ 722,823   | \$ 9,367,000  |  |
| Project #2   |                       |               |               |              |               |  |
| Cardiology Equipment   | \$ 330,000            | \$ 316,688    | \$ 301,948    | \$ 13,312    | \$ 330,000    |  |
| Project #3   |                       |               |               |              |               |  |
| MRI  | \$ 9,354,699          | \$ 824,335    | \$ 740,441    | \$ 7,533,977 | \$ 8,358,312  |  |
| MRI Contingency  | Included Above        | \$ -          | \$ -          | \$ 913,637   | \$ 913,637    |  |
| Add Alternate: Cardiology Rooms  | Included Above        | \$ 47,534     | \$ -          | \$ 35,216    | \$ 82,750     |  |
| Total  | \$ 9,354,699          | \$ 871,870    | \$ 740,441    | \$ 8,482,829 | \$ 9,354,699  |  |
| Project #4   |                       |               |               |              |               |  |
| UCSF Clinic  | \$ 8,386              | \$ 8,386      | \$ 8,386      | \$ -         | \$ 8,386      |  |
| Total  | \$ 19,969,207         | \$ 10,787,940 | \$ 5,159,594  | \$ 9,218,964 | \$ 19,969,207 |  |
| 3D Mammo   | \$ 505,762            | \$ 566,524    | \$ 566,524    | \$ -         | \$ 566,524    |  |
| Campaign Expenses  | \$ -                  | \$ 464,269    | \$ 464,269    | \$ -         | \$ 464,269    |  |
| Other  | \$ -                  | \$ -          | \$ -          | \$ -         | \$ -          |  |
| Subtotal   | \$ 20,474,969         | \$ 11,818,733 | \$ 6,190,387  | \$ 9,218,964 | \$ 21,000,000 |  |
| Budget Notes   |                       |               |               |              |               |  |
| 1.) 3-D Mammography Equipment was purchased by the Foundation.   |                       |               |               |              |               |  |
| 2.) Forecast Includes Amendment 21 to Dome Construction for Pre-Construction Services for Cardio Rooms.  |                       |               |               |              |               |  |
| 3.) Forecast Includes Amendment 3 to Dome Construction for CT Construction. Amendment 1, 2 and 3 Drew from the Project Contingency. Withdraws reflected under CT Contingency Commitments. Note: CT Contingency Forecast reflect the exhaustion of the project contingency at completion. |                       |               |               |              |               |  |
| 4.) Forecast Includes Draft MRI GMP Overages Resulting from Lacking Subcontractor Bid Coverage and RF Shielding.   |                       |               |               |              |               |  |
| 5.) Uncommitted funds for Proj. #2 Cardio amount to \$13,312. This amount will be spent; therefore, total project cost will amount to \$330K.  |                       |               |               |              |               |  |
| 6.) Project #0 ODC and 3D Mammo were reconciled again. The value of Project #0 ODC was augmented by \$140 and the 3D Mammo project was augmented by \$9,815. The added costs were deducted from Proj. #3 MRI.  |                       |               |               |              |               |  |
| Cash Flow/ Cost Projections  |                       |               |               |              |               |  |
| Money Raised vs. Project Expenses  |                       |               |               |              |               |  |
| <div>Money Raised</div> <div>Total Project Expenses</div> <div>Cash on Hand Plus Line of Credit</div> <div>Activation of Credit Line</div> <div>Exhaustion of Cash on Hand &amp; Credit Line</div>   |                       |               |               |              |               |  |
| NOTE: \$21M raised as of July 2020. Due to availability of funds raised, a line of credit must be activated in April 2021.   |                       |               |               |              |               |  |
| Projected Q3/2020 Costs: \$9,200,660 - Q4/2020 Costs: \$4,822,765 - Q1/2021 Costs: \$1,800,194 - Q2/2021 Costs: \$3,951,445 - Q3/2021 Costs: \$1,211,588 - Q4/2021 Costs: \$13,348   |                       |               |               |              |               |  |

|  |   |
|--|---|
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SONOMA VALLEY HOSPITAL  
COST PROJECTIONS and FUNDING SUMMARY  
FISCAL YEAR 7/2020 THROUGH 6/2021  
DESIGN, PRECONSTRUCTION AND CONSTRUCTION  
As Reported 8/19/2020

|   | Through: | Jul '20       | Aug '20       | Sep '20       | Oct '20       | Nov '20       | Dec '20       | Jan '21       | Feb '21       | Mar '21       | Apr '21       | May '21       | Jun '21       |
|---|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Campaign</b>                               |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Fundraising Goal:                             |          | \$ 21,000,000 | \$ 21,000,000 |               |               |               |               |               |               |               |               |               |               |
| Total Confirmed Pledges:                      |          | \$ 18,909,424 | \$ 19,309,424 |               |               |               |               |               |               |               |               |               |               |
| Total Verbal Pledges:                         |          | \$ -          | \$ -          |               |               |               |               |               |               |               |               |               |               |
| Total Cash Gifts Collected:                   |          | \$ 1,688,007  | \$ 1,688,007  |               |               |               |               |               |               |               |               |               |               |
| Unrestricted Funds Available for Use:         |          | \$ 402,569    | \$ 2,569      |               |               |               |               |               |               |               |               |               |               |
| Total Committed:                              |          | \$ 21,000,000 | \$ 21,000,000 |               |               |               |               |               |               |               |               |               |               |
|   |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Total Pledge Payments Collected:              |          | \$ 11,467,201 | \$ 11,867,201 |               |               |               |               |               |               |               |               |               |               |
| Total Cash Gifts Collected:                   |          | \$ 1,688,007  | \$ 1,688,007  |               |               |               |               |               |               |               |               |               |               |
| Total Pledges & Cash Due*:                    |          | \$ 13,155,208 | \$ 13,722,791 | \$ 13,734,541 | \$ 14,338,875 | \$ 14,341,375 | \$ 17,295,911 | \$ 17,307,057 | \$ 17,313,057 | \$ 17,722,057 | \$ 17,797,803 | \$ 17,861,303 | \$ 17,957,803 |
| *Includes (\$8,580) in Uncollectible Pledges. |          |               |               |               |               |               |               |               |               |               |               |               |               |
|   |          |               |               |               |               |               |               |               |               |               |               |               |               |
| <b>Project</b>                                |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Total Approved Funding:                       |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Total Spent**:                                |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Total Projected Costs:                        |          | \$ 6,190,637  | \$ 7,399,343  | \$ 9,200,660  | \$ 11,852,356 | \$ 13,239,832 | \$ 14,023,425 | \$ 14,690,806 | \$ 15,267,866 | \$ 15,823,619 | \$ 16,450,219 | \$ 19,240,749 | \$ 19,775,064 |
| **Includes \$464,269 in Campaign Expenses.    |          |               |               |               |               |               |               |               |               |               |               |               |               |
|   |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Total Projected Cash In Hand:                 |          | \$ 7,290,137  | \$ 6,649,014  | \$ 4,859,447  | \$ 2,812,085  | \$ 1,427,108  | \$ 3,598,052  | \$ 2,941,816  | \$ 2,370,756  | \$ 2,224,003  | \$ 1,673,149  | \$ -          | \$ -          |
| Credit Line Req.                              |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Available Line of Credit:                     |          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 4,000,000  | \$ 2,946,119  | \$ 2,508,304  |
| Total   |          | \$ 7,290,137  | \$ 6,649,014  | \$ 4,859,447  | \$ 2,812,085  | \$ 1,427,108  | \$ 3,598,052  | \$ 2,941,816  | \$ 2,370,756  | \$ 2,224,003  | \$ 5,673,149  | \$ 2,946,119  | \$ 2,508,304  |
|   |          | Jul '20       | Aug '20       | Sep '20       | Oct '20       | Nov '20       | Dec '20       | Jan '21       | Feb '21       | Mar '21       | Apr '21       | May '21       | Jun '21       |
| <b>Funds</b>                                  |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Pledge Payments                               |          | \$ 532,852    | \$ 567,583    | \$ 11,750     | \$ 604,333    | \$ 2,500      | \$ 2,954,536  | \$ 11,146     | \$ 6,000      | \$ 409,000    | \$ 75,746     | \$ 63,500     | \$ 96,500     |
| <b>Expenses</b>                               |          |               |               |               |               |               |               |               |               |               |               |               |               |
| Proj. #0 - ODC Preparation                    |          | \$ 655,689    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Proj. #0 - Master Facility Planning           |          | \$ 127,812    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Proj. #0 - Decommissioning Study              |          | \$ 125,622    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Proj. #1 CT, Waiting, Imaging Refurb          |          | \$ 2,496,767  | \$ 1,009,918  | \$ 1,101,099  | \$ 2,026,229  | \$ 888,426    | \$ 312,456    | \$ 172,470    | \$ 1,207      | \$ -          | \$ -          | \$ -          | \$ -          |
| IT/Other                                      |          | \$ 703,180    | \$ 87,839     | \$ 104,461    | \$ 188,362    | \$ 81,195     | \$ 33,280     | \$ 7,056      | \$ 63,998     | \$ 2,500      | \$ 32,348     | \$ 32,973     | \$ 17,986     |
| Proj. #2 Cardiology Equipment                 |          | \$ 301,948    | \$ 14,174     | \$ 13,878     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Proj. #3 MRI                                  |          | \$ 740,441    | \$ 74,775     | \$ 549,879    | \$ 408,356    | \$ 417,856    | \$ 437,856    | \$ 487,856    | \$ 511,856    | \$ 553,253    | \$ 594,253    | \$ 2,757,557  | \$ 516,329    |
| Cardio Rooms                                  |          | \$ -          | \$ 22,000     | \$ 32,000     | \$ 28,750     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Proj. #4 UCSF Clinic                          |          | \$ 8,386      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| 3D Mammo                                      |          | \$ 566,524    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Campaign Expenses                             |          | \$ 464,269    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Other   |          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Total   |          | \$ 6,190,637  | \$ 1,208,706  | \$ 1,801,317  | \$ 2,651,696  | \$ 1,387,477  | \$ 783,592    | \$ 667,381    | \$ 577,061    | \$ 555,753    | \$ 626,601    | \$ 2,790,530  | \$ 534,315    |

SONOMA VALLEY HOSPITAL  
COST PROJECTIONS and FUNDING SUMMARY  
FISCAL YEAR 7/2021 THROUGH 2024 & BEYOND  
DESIGN, PRECONSTRUCTION AND CONSTRUCTION  
As Reported 8/19/2020

|  | Through:   | Jul '21    | Aug '21    | Sep '21    | Oct '21  | Nov '21    | Dec '21      | Dec '22    | Dec '23       | 2024 & Beyond | Adjustment 1 | Adjustment 2                  | Total |           |
|--|------------|------------|------------|------------|----------|------------|--------------|------------|---------------|---------------|--------------|-------------------------------|-------|-----------|
| Campaign   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Fundraising Goal:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Confirmed Pledges:   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Verbal Pledges:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Cash Gifts Collected:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Unrestricted Funds Available for Use:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Committed:   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
|  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Pledge Payments Collected:   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Cash Gifts Collected:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Pledges & Cash Due*: \$ 17,993,136 \$ 18,005,636 \$ 18,042,136 \$ 18,646,469 \$ 18,648,969 \$ 18,942,969 \$ 20,109,117 \$ 20,887,351 \$ 20,988,851 \$ 20,980,271 \$ 21,000,000 \$ 21,000,000           |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| *Includes (\$8,580) in Uncollectible Pledges.  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
|  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Project  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Approved Funding:  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Spent**:   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Projected Costs: \$ 20,266,977 \$ 20,686,441 \$ 20,986,652 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 \$ 21,000,000 |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| **Includes \$464,269 in Campaign Expenses.   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
|  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Total Projected Cash In Hand: \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
|  |            |            |            |            |          |            |              |            |               |               |              | Additional Funds Required By: |       | 4/30/2021 |
| Available Line of Credit:  |            |            |            |            |          |            |              |            |               |               |              | Funds Exhausted By:           |       |           |
| Total \$ 2,051,725 \$ 1,644,760 \$ 1,381,050 \$ 1,972,035 \$ 1,974,535 \$ 2,268,535  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
|  | Jul '21    | Aug '21    | Sep '21    | Oct '21    | Nov '21  | Dec '21    | Dec '22      | Dec '23    | 2024 & Beyond | Uncollectible | Adjustments  | Total                         |       |           |
| Funds  |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Pledge Payments  | \$ 35,333  | \$ 12,500  | \$ 36,500  | \$ 604,333 | \$ 2,500 | \$ 294,000 | \$ 1,166,147 | \$ 778,235 | \$ 101,500    | \$ (8,580)    | \$ 19,729    | \$ 8,377,644                  |       |           |
| Expenses   |            |            |            |            |          |            |              |            |               |               |              |                               |       |           |
| Proj. #0 - ODC Preparation   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 655,689                    |       |           |
| Proj. #0 - Master Facility Planning  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 127,812                    |       |           |
| Proj. #0 - Decommissioning Study   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 125,622                    |       |           |
| Proj. #1 CT, Waiting, Imaging Refurb   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 8,008,572                  |       |           |
| IT/Other   | \$ 2,160   | \$ 1,090   | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 1,358,428                  |       |           |
| Proj. #2 Cardiology Equipment  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 330,000                    |       |           |
| Proj. #3 MRI   | \$ 489,753 | \$ 418,375 | \$ 300,211 | \$ 13,348  | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 9,271,949                  |       |           |
| Cardio Rooms   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 82,750                     |       |           |
| Proj. #4 UCSF Clinic   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 8,386                      |       |           |
| 3D Mammo   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 566,524                    |       |           |
| Campaign Expenses  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 464,269                    |       |           |
| Other  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ -                          |       |           |
| Total  | \$ 491,913 | \$ 419,465 | \$ 300,211 | \$ 13,348  | \$ -     | \$ -       | \$ -         | \$ -       | \$ -          | \$ -          | \$ -         | \$ 21,000,000                 |       |           |



**To:** SVHCD Finance Committee  
**Meeting Date:** August 25, 2020  
**Prepared by:** Ken Jensen, CFO  
**Agenda Item Title:** Outpatient Diagnostic Center Cash Shortfall

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**Management Recommendation:**

Management proposes that the Finance Committee recommend to the Board of Directors to restrict \$1 million for the purpose of funding a projected cash flow shortfall at the end of the Outpatient Diagnostic Center project completion.

**Proposal:**

That the Finance Committee recommend to the Board of Directors to restrict \$1 million for the purpose of funding any cash flow shortfalls to fund the approved Outpatient Diagnostic Center. The Board of Directors may, after restricting this cash, release the restriction for other purposes as it deems necessary. This commitment will end once all pledges and other funding sources made through the Foundation have been fulfilled.

**Background:**

The Foundation and the CEO have completed their efforts to raise commitments to fund the approved Outpatient Diagnostic Center at Sonoma Valley Hospital. The \$21 million of commitments have been in the form of cash payments and pledges. The pledges have been scheduled over the life of the project and it has been determined that approximately \$1 million in pledges will still be due at the end of the project when construction payments will be due. This shortfall in cash flow will require reimbursable funding until all of the pledges have been collected and distributed.





**To:** SVHCD Board of Directors  
**From:** Kelly Mather  
**Date:** 7/31/2020  
**Subject:** Administrative Report

## Summary

We ended Fiscal Year 2020 on a very good note, despite managing under the pandemic. The inpatient volumes have been higher than usual in July and we are definitely experiencing the increase in demand due to COVID 19. Staff are doing a great job, especially the team who has stepped up to offer testing to our patients. The announcement of my decision to take a new role seemed to go well and I feel blessed to have had the opportunity to serve at SVH.

## Update from FY 2020 Strategic Plan:

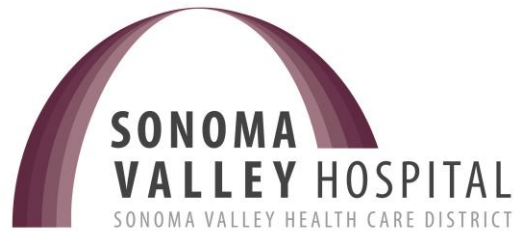
| Strategic Priorities   | Update  |
|--|---|
| Exceed Community Expectations especially in Emergency Services | <ul style="list-style-type: none"> <li>➤ We have a new Director of Emergency Services and this will go a long way in providing resources to the nursing team and increasing teamwork in the ER.</li> <li>➤ As the pandemic continues all services are available, and we have enough PPE for the staff. The Emergency volumes have been steady.</li> <li>➤ The new Brand strategy is underway with a focus more on our compassionate staff than our buildings.</li> </ul>  |
| Create UCSF Health Outpatient Center                           | <ul style="list-style-type: none"> <li>➤ The CT (Project 1) will be complete this fall and we have closed out Projects 0, 2 and 4. The MRI (Project 3) costs were a bit higher than expected but we are asking the Board for approval of this project in August.</li> <li>➤ We have completed the Capital Campaign and have raised \$21 million needed to bring in the advanced imaging state-of-the-art technology. The MRI should be complete next summer. We probably will not have the funds to move Cardiology next to the ODC.</li> <li>➤ We held our quarterly strategy meeting with UCSF today. Their Affiliates Network structure is almost in place. Due the many opportunities and requests for UCSF services and physicians, they have a consultant assessing what is best for Sonoma and the North Bay in a more global way.</li> <li>➤ We are working with MarinHealth (UCSF affiliate) directly on the Gastroenterology solution.</li> </ul> |
| Become a 5 Star Hospital                                       | <ul style="list-style-type: none"> <li>➤ The new approach to patient and staff satisfaction called "Human Experience" action plan is underway. This will take 12 – 18 months to hard wire.</li> <li>➤ Our strategy to improve staff TRUST through "Values in Action" by recognizing staff based on the values, increasing rounding and feedback loops and improving recruitment, selection and on-boarding is already improving the culture.</li> <li>➤ With the pandemic, we find a need for more rewards and fun for staff. Our first Wellness Wednesday was a success.</li> </ul>  |
| Provide Access to Excellent Physicians                         | <ul style="list-style-type: none"> <li>➤ We have two excellent candidates for the PCP position starting in 2021.</li> <li>➤ As UCSF takes a fresh look at a system wide approach for placing physicians, Sonoma will continue to focus on telehealth options for all specialists.</li> <li>➤ The accreditation survey for Bariatrics will not happen until 2021.</li> </ul>   |
| Healthy Hospital   | <ul style="list-style-type: none"> <li>➤ The Incident Command team is doing an excellent job, especially with communication and teamwork.</li> </ul>  |

## JUNE 2020

|                                 |                     |              | National Benchmark |
|---------------------------------|---------------------|--------------|--------------------|
| Patient Experience              | Current Performance | FY 2020 Goal |                    |
| Would Recommend Hospital        | 80%                 | > 70 percent | 50th percentile    |
| Inpatient Q Review Rating       | 4.77                | 4.5          | 3.8                |
| Outpatient Services             | 4.82                | 4.5          | 3.8                |
| Emergency Department            | 4.6                 | 4.5          | 3.8                |
| Quality & Safety                | YTD Performance     | FY 2020 Goal | Benchmark          |
| Central Line Infection          | 0                   | <1           | <.51               |
| Catheter Infection              | 0                   | <1           | <1.04              |
| Surgery Site Infection – Colon  | 1                   | <1           | N/A                |
| Surgery Site Infection – Joint  | 0                   | <1.5%        | N/A                |
| MRSA Bacteremia                 | 0                   | <.13         | <.13               |
| C. Difficile                    | 1                   | 3.5          | 2.7/10,000 pt days |
| Patient Safety Indicator        | .76                 | <1           | <1                 |
| Heart Failure Mortality Rate    | 11.7%               | 12%          | 12.9%              |
| Pneumonia Mortality Rate        | 17.5%               | 20%          | 15.6%              |
| Stroke Mortality Rate           | 15.1%               | 15%          | 13.8%              |
| Sepsis Mortality Rate           | 7.3%                | <18%         | 25%                |
| 30 Day All- Cause Readmissions  | 14.1%               | < 15.3 %     | < 15%              |
| Serious Safety Events           | 1                   | 0            | 0                  |
| Falls                           | 2                   | < 2.3        | 2.3                |
| Pressure Ulcers                 | 4.5                 | <3.7         | 3.7                |
| Injuries to Staff               | 12                  | < 10         | 17                 |
| Adverse Drug Events with Harm   | 0                   | 0            | 0                  |
| Reportable HIPAA Privacy Events | 0                   | 0            | 0                  |
| Case Mix Index                  |                     | 1.4          | 1.3                |
| Hospital Star Rating            | 4                   | 4            | 3                  |
| Staff Satisfaction              | Performance         | FY 2020 Goal | Benchmark          |
| Staff Pulse Survey              | 4.05 out of 5       | >3.8         | 75%                |
| Turnover                        | 8.2%/8.2%           | < 15%        | < 20%              |
| Financial Stability             | YTD Performance     | FY 2020 Goal | Benchmark          |
| EBDA                            | 17%                 | 3%           | 3%                 |
| Paid FTE's                      | 225                 | <235         | n/a                |
| Days Cash on Hand               | 81                  | 20           | 30                 |
| Days in Accounts Receivable     | 49                  | 45           | 50                 |
| Length of Stay                  | 3.7                 | 3.85         | 4.03               |
| Funds raised by SVHF            | \$21 million        | \$21 million | \$1 million        |
| Strategic Growth                |                     | FY 2020 Goal | FY 2019            |
| Inpatient Discharges            | 862                 | 900          | 984                |
| Outpatient Visits               | 47,802              | 55,000       | 54,596             |
| Emergency Visits                | 9784                | 10,000       | 10,181             |
| Surgeries + Special Procedures  | 2226                | 3000         | 2950               |
| Community Benefit Hours         | 1332                | 1000         | 1222               |

Note: Colors demonstrate comparison to National Benchmark

[illegible]



*Healing Here at Home*

**To:** SVH Finance Committee  
**From:** Ken Jensen, CFO and Sarah Dungan, Controller  
**Date:** August 25, 2020  
**Subject:** Financial Report for the Month Ending July 31, 2020

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During the month of July the hospital experienced higher than budgeted volumes in inpatient, outpatient and emergency services. July's actual loss of (\$856,873) from operations was \$521,538 favorable to the budgeted loss of (\$1,378,411). After accounting for all other activity; the net gain for July was \$418,116 vs. the budgeted net loss of (\$584,327) with a monthly EBDA of -8.0% vs. a budgeted -27.4%.

**Gross patient revenue** for July was \$21,848,427; \$5,174,670 over budget. Inpatient gross revenue was over budget by \$1,501,852. Inpatient days were over budget by 102 days and inpatient surgeries were at budget at 17 cases. Outpatient revenue was over budget by \$2,184,128. Outpatient visits were over budgeted expectations by 639 visits, outpatient surgeries were at budget at 98 cases, and special procedures were under budget by (19) cases. The Emergency Room gross revenue was over budget by \$1,488,690 with ER visits over budgeted expectations by 49 visits.

**Deductions from revenue** were unfavorable to budgeted expectations by (\$4,529,353) due primarily to gross revenue being over budget.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$693,891.

**Operating Expenses** of \$4,437,829 were unfavorable to budget by (\$172,353). Salaries and wages and agency fees were over budget by (\$115,371) primarily in nursing and clinical departments due to the higher than budgeted volumes and the higher acuity of inpatients. Supplies were over budget in July by (\$95,054) primarily due to surgical implants (\$80,072).

After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for July was (\$544,796) vs. a budgeted net loss of (\$1,058,836). The hospital received \$782,578 in restricted contributions from the Sonoma Valley Hospital Foundation in July for the Outpatient Diagnostic Center construction costs. The total net income for July after all activity was \$418,116 vs. a budgeted net loss of (\$584,327).

EBIDA for the month of July was -8.0% vs. the budgeted -27.4%.

#### Patient Volumes – July

|                    | ACTUAL   | BUDGET   | VARIANCE | PRIOR YEAR |
|--------------------|----------|----------|----------|------------|
| Acute Discharges   | 75       | 59       | 16       | 72         |
| Acute Patient Days | 324      | 222      | 102      | 269        |
| Observation Days   | 20       | 0        | 20       | 11         |
| OP Gross Revenue   | \$15,573 | \$11,900 | \$3,673  | \$16,096   |
| Surgical Cases     | 115      | 116      | -1       | 156        |

#### Gross Revenue Overall Payer Mix – July

|                   | ACTUAL | BUDGET | VARIANCE | YTD ACTUAL | YTD BUDGET | VARIANCE |
|-------------------|--------|--------|----------|------------|------------|----------|
| Medicare          | 40.4%  | 42.2%  | -1.8%    | 40.4%      | 42.2%      | -1.8%    |
| Medicare Mgd Care | 15.2%  | 13.3%  | 1.9%     | 15.2%      | 13.3%      | 1.9%     |
| Medi-Cal          | 19.6%  | 17.7%  | 1.9%     | 19.6%      | 17.7%      | 1.9%     |
| Self Pay          | 3.4%   | 1.9%   | 1.5%     | 3.4%       | 1.9%       | 1.5%     |
| Commercial        | 18.9%  | 21.4%  | -2.5%    | 18.9%      | 21.4%      | -2.5%    |
| Workers Comp      | 2.4%   | 2.6%   | -0.2%    | 2.4%       | 2.6%       | -0.2%    |
| Capitated         | 0.1%   | 0.9%   | -0.8%    | 0.1%       | 0.9%       | -0.8%    |
| Total             | 100.0% | 100.0% |          | 100.0%     | 100.0%     |          |

#### Cash Activity for July:

For the month of July the cash collection goal was \$2,248,039 and the Hospital collected \$3,395,945 or over the goal by \$1,147,906.

|                             | CURRENT MONTH | PRIOR MONTH | VARIANCE   | PRIOR YEAR  |
|-----------------------------|---------------|-------------|------------|-------------|
| Days of Cash on Hand - Avg. | 73.0          | 81.0        | -8.0       | 48.2        |
| Accounts Receivable Days    | 40.4          | 49.1        | -8.7       | 41.8        |
| Accounts Payable            | \$2,298,513   | \$2,817,952 | -\$519,439 | \$3,528,128 |
| Accounts Payable Days       | 34.6          | 40.7        | -7.2       | 53.2        |

#### ATTACHMENTS:

- Attachment A is the Payer Mix Analysis which includes the projected collection percentage by payer.
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment E is the Variance Analysis
- Attachment F is the Cash Projection



**Sonoma Valley Hospital**  
**Payer Mix for the month of July 31, 2020**

ATTACHMENT A

YTD

| <b>Gross Revenue:</b>         | <b>Actual</b>     | <b>Budget</b>     | <b>Variance</b>  | <b>% Variance</b> |
|-------------------------------|-------------------|-------------------|------------------|-------------------|
| Medicare                      | 8,814,218         | 7,017,423         | 1,796,795        | 25.6%             |
| Medicare Managed Care         | 3,317,818         | 2,212,539         | 1,105,279        | 50.0%             |
| Medi-Cal                      | 4,278,323         | 2,959,441         | 1,318,882        | 44.6%             |
| Self Pay                      | 743,619           | 312,655           | 430,964          | 137.8%            |
| Commercial & Other Government | 4,166,892         | 3,734,477         | 432,415          | 11.6%             |
| Worker's Comp.                | 527,557           | 437,222           | 90,335           | 20.7%             |
| <b>Total</b>                  | <b>21,848,427</b> | <b>16,673,757</b> | <b>5,174,670</b> |                   |

| <b>Actual</b>     | <b>Budget</b>     | <b>Variance</b>  | <b>% Variance</b> |
|-------------------|-------------------|------------------|-------------------|
| 8,814,218         | 7,017,423         | 1,796,795        | 25.6%             |
| 3,317,818         | 2,212,539         | 1,105,279        | 50.0%             |
| 4,278,323         | 2,959,441         | 1,318,882        | 44.6%             |
| 743,619           | 312,655           | 430,964          | 137.8%            |
| 4,166,892         | 3,734,477         | 432,415          | 11.6%             |
| 527,557           | 437,222           | 90,335           | 20.7%             |
| <b>21,848,427</b> | <b>16,673,757</b> | <b>5,174,670</b> |                   |

| <b>Net Revenue:</b>           | <b>Actual</b>    | <b>Budget</b>    | <b>Variance</b> | <b>% Variance</b> |
|-------------------------------|------------------|------------------|-----------------|-------------------|
| Medicare                      | 1,035,304        | 863,844          | 171,460         | 19.8%             |
| Medicare Managed Care         | 352,899          | 243,822          | 109,077         | 44.7%             |
| Medi-Cal                      | 453,904          | 318,140          | 135,764         | 42.7%             |
| Self Pay                      | 337,291          | 130,002          | 207,289         | 159.5%            |
| Commercial & Other Government | 1,177,869        | 1,167,322        | 10,547          | 0.9%              |
| Worker's Comp.                | 94,034           | 82,854           | 11,180          | 13.5%             |
| Prior Period Adj/IGT          | -                | -                | 0               | *                 |
| <b>Total</b>                  | <b>3,451,301</b> | <b>2,805,984</b> | <b>645,317</b>  | <b>23.0%</b>      |

| <b>Actual</b>    | <b>Budget</b>    | <b>Variance</b> | <b>% Variance</b> |
|------------------|------------------|-----------------|-------------------|
| 1,035,304        | 863,844          | 171,460         | 19.8%             |
| 352,899          | 243,822          | 109,077         | 44.7%             |
| 453,904          | 318,140          | 135,764         | 42.7%             |
| 337,291          | 130,002          | 207,289         | 159.5%            |
| 1,177,869        | 1,167,322        | 10,547          | 0.9%              |
| 94,034           | 82,854           | 11,180          | 13.5%             |
| -                | -                | 0               | *                 |
| <b>3,451,301</b> | <b>2,805,984</b> | <b>645,317</b>  | <b>23.0%</b>      |

| <b>Percent of Net Revenue:</b> | <b>Actual</b> | <b>Budget</b> | <b>Variance</b> | <b>% Variance</b> |
|--------------------------------|---------------|---------------|-----------------|-------------------|
| Medicare                       | 30.0%         | 30.8%         | -0.8%           | -2.6%             |
| Medicare Managed Care          | 10.2%         | 8.7%          | 1.5%            | 17.2%             |
| Medi-Cal                       | 13.2%         | 11.3%         | 1.9%            | 16.8%             |
| Self Pay                       | 9.8%          | 4.6%          | 5.2%            | 113.0%            |
| Commercial & Other Government  | 34.1%         | 41.6%         | -7.5%           | -18.0%            |
| Worker's Comp.                 | 2.7%          | 3.0%          | -0.3%           | -10.0%            |
| Prior Period Adj/IGT           | 0.0%          | 0.0%          | 0.0%            | *                 |
| <b>Total</b>                   | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b>     | <b>0.0%</b>       |

| <b>Actual</b> | <b>Budget</b> | <b>Variance</b> | <b>% Variance</b> |
|---------------|---------------|-----------------|-------------------|
| 30.0%         | 30.8%         | -0.9%           | -2.9%             |
| 10.2%         | 8.7%          | 1.5%            | 17.2%             |
| 13.2%         | 11.3%         | 1.9%            | 16.8%             |
| 9.8%          | 4.6%          | 5.2%            | 113.0%            |
| 34.1%         | 41.6%         | -7.5%           | -18.0%            |
| 2.7%          | 3.0%          | -0.3%           | -10.0%            |
| 0.0%          | 0.0%          | 0.0%            | *                 |
| <b>100.0%</b> | <b>100.0%</b> | <b>-0.1%</b>    | <b>-0.1%</b>      |

| <b>Projected Collection Percentage:</b> | <b>Actual</b> | <b>Budget</b> | <b>Variance</b> | <b>% Variance</b> |
|---|---------------|---------------|-----------------|-------------------|
| Medicare                                | 11.7%         | 12.3%         | -0.6%           | -4.9%             |
| Medicare Managed Care                   | 10.6%         | 11.0%         | -0.4%           | -3.6%             |
| Medi-Cal                                | 10.6%         | 10.8%         | -0.2%           | -1.9%             |
| Self Pay                                | 45.4%         | 41.6%         | 3.8%            | 9.1%              |
| Commercial & Other Government           | 28.3%         | 31.3%         | -3.0%           | -9.6%             |
| Worker's Comp.                          | 17.8%         | 19.0%         | -1.2%           | -6.3%             |

| <b>Actual</b> | <b>Budget</b> | <b>Variance</b> | <b>% Variance</b> |
|---------------|---------------|-----------------|-------------------|
| 11.7%         | 12.3%         | -0.6%           | -4.9%             |
| 10.6%         | 11.0%         | -0.4%           | -3.6%             |
| 10.6%         | 10.8%         | -0.2%           | -1.9%             |
| 45.4%         | 41.6%         | 3.8%            | 9.1%              |
| 28.3%         | 31.3%         | -3.0%           | -9.6%             |
| 17.8%         | 19.0%         | -1.2%           | -6.3%             |

**SONOMA VALLEY HOSPITAL**  
**OPERATING INDICATORS**  
**For the Period Ended July 31, 2020**

**ATTACHMENT B**

|    | <b>CURRENT MONTH</b>       |                            |   |                                     | <b>YEAR-TO-DATE</b>        |                            |   | <b>YTD</b>                         |
|----|----------------------------|----------------------------|---|-------------------------------------|----------------------------|----------------------------|---|------------------------------------|
|    | <b>Actual<br/>07/31/20</b> | <b>Budget<br/>07/31/20</b> | <b>Favorable<br/>(Unfavorable)<br/>Variance</b> |                                     | <b>Actual<br/>07/31/20</b> | <b>Budget<br/>07/31/20</b> | <b>Favorable<br/>(Unfavorable)<br/>Variance</b> | <b>Prior<br/>Year<br/>07/31/19</b> |
|    |                            |                            |   | <b>Inpatient Utilization</b>        |                            |                            |   |                                    |
|    |                            |                            |   | <b>Discharges</b>                   |                            |                            |   |                                    |
| 1  | 62                         | 47                         | 15  | Med/Surg                            | 62                         | 47                         | 15  | 56                                 |
| 2  | 13                         | 12                         | 1   | ICU                                 | 13                         | 12                         | 1   | 16                                 |
| 3  | 75                         | 59                         | 16  | Total Discharges                    | 75                         | 59                         | 16  | 72                                 |
|    |                            |                            |   | <b>Patient Days:</b>                |                            |                            |   |                                    |
| 4  | 221                        | 161                        | 60  | Med/Surg                            | 221                        | 161                        | 60  | 187                                |
| 5  | 103                        | 61                         | 42  | ICU                                 | 103                        | 61                         | 42  | 82                                 |
| 6  | 324                        | 222                        | 102   | Total Patient Days                  | 324                        | 222                        | 102   | 269                                |
| 7  | 20                         | -                          | 20  | <b>Observation days</b>             | 20                         | -                          | 20  | 11                                 |
|    |                            |                            |   | <b>Average Length of Stay:</b>      |                            |                            |   |                                    |
| 8  | 3.6                        | 3.4                        | 0.1   | Med/Surg                            | 3.6                        | 3.4                        | 0.1   | 3.3                                |
| 9  | 7.9                        | 5.1                        | 2.8   | ICU                                 | 7.9                        | 5.1                        | 2.8   | 5.1                                |
| 10 | 4.3                        | 3.8                        | 0.6   | Avg. Length of Stay                 | 4.3                        | 3.8                        | 0.6   | 3.7                                |
|    |                            |                            |   | <b>Average Daily Census:</b>        |                            |                            |   |                                    |
| 11 | 7.1                        | 5.2                        | 1.9   | Med/Surg                            | 7.1                        | 5.2                        | 1.9   | 6.0                                |
| 12 | 3.3                        | 2.0                        | 1.4   | ICU                                 | 3.3                        | 2.0                        | 1.4   | 2.6                                |
| 13 | 10.5                       | 7.2                        | 3.3   | Avg. Daily Census                   | 10.5                       | 7.2                        | 3.3   | 8.7                                |
|    |                            |                            |   | <b>Other Utilization Statistics</b> |                            |                            |   |                                    |
|    |                            |                            |   | <b>Emergency Room Statistics</b>    |                            |                            |   |                                    |
| 14 | 735                        | 686                        | 49  | Total ER Visits                     | 735                        | 686                        | 49  | 925                                |
|    |                            |                            |   | <b>Outpatient Statistics:</b>       |                            |                            |   |                                    |
| 15 | 4,124                      | 3,485                      | 639   | Total Outpatients Visits            | 4,124                      | 3,485                      | 639   | 4,098                              |
| 16 | 17                         | 18                         | (1)   | IP Surgeries                        | 17                         | 18                         | (1)   | 27                                 |
| 17 | 98                         | 98                         | -   | OP Surgeries                        | 98                         | 98                         | -   | 131                                |
| 18 | 37                         | 56                         | (19)  | Special Procedures                  | 37                         | 56                         | (19)  | 85                                 |
| 19 | 261                        | 310                        | (49)  | Adjusted Discharges                 | 261                        | 310                        | (49)  | 395                                |
| 20 | 1,127                      | 774                        | 353   | Adjusted Patient Days               | 1,127                      | 774                        | 353   | 1,032                              |
| 21 | 36.3                       | 25.0                       | 11.4  | Adj. Avg. Daily Census              | 36.3                       | 25.0                       | 11.4  | 33.3                               |
| 22 | 1.5505                     | 1.4000                     | 0.151   | Case Mix Index - Medicare           | 1.5505                     | 1.4000                     | 0.151   | 1.4750                             |
| 23 | 1.5070                     | 1.4000                     | 0.107   | Case Mix Index - All payers         | 1.5070                     | 1.4000                     | 0.107   | 1.4926                             |
|    |                            |                            |   | <b>Labor Statistics</b>             |                            |                            |   |                                    |
| 24 | 208                        | 202                        | (6)   | FTE's - Worked                      | 208                        | 202                        | (6.4)   | 201                                |
| 25 | 230                        | 225                        | (4)   | FTE's - Paid                        | 230                        | 225                        | (4.2)   | 226                                |
| 26 | 46.64                      | 44.62                      | (2.02)  | Average Hourly Rate                 | 46.64                      | 44.62                      | (2.02)  | 43.59                              |
| 27 | 6.32                       | 9.03                       | 2.71  | FTE / Adj. Pat Day                  | 6.32                       | 9.03                       | 2.71  | 6.79                               |
| 28 | 36.0                       | 51.4                       | 15.4  | Manhours / Adj. Pat Day             | 36.0                       | 51.4                       | 15.4  | 38.7                               |
| 29 | 155.5                      | 128.3                      | (27.2)  | Manhours / Adj. Discharge           | 155.5                      | 128.3                      | (27.2)  | 101.0                              |
| 30 | 20.0%                      | 23.7%                      | 3.7%  | Benefits % of Salaries              | 20.0%                      | 23.7%                      | 3.7%  | 24.8%                              |
|    |                            |                            |   | <b>Non-Labor Statistics</b>         |                            |                            |   |                                    |
| 31 | 16.8%                      | 17.3%                      | 0.5%  | Supply Expense % Net Revenue        | 16.8%                      | 17.3%                      | 0.5%  | 12.2%                              |
| 32 | 2,226                      | 1,565                      | (661)   | Supply Exp. / Adj. Discharge        | 2,226                      | 1,565                      | (661)   | 1,142                              |
| 33 | 17,381                     | 14,054                     | (3,327)   | Total Expense / Adj. Discharge      | 17,381                     | 14,054                     | (3,327)   | 10,879                             |
|    |                            |                            |   | <b>Other Indicators</b>             |                            |                            |   |                                    |
| 34 | 72.0                       |                            |   | Days Cash - Operating Funds         |                            |                            |   |                                    |
| 35 | 40.4                       | 50.0                       | (9.6)   | Days in Net AR                      | 40.4                       | 50.0                       | (9.6)   | 41.8                               |
| 36 | 152%                       |                            |   | Collections % of Net Revenue        | 152%                       |                            |   | 95.3%                              |
| 37 | 34.6                       | 55.0                       | (20.4)  | Days in Accounts Payable            | 34.6                       | 55.0                       | (20.4)  | 42.1                               |
| 38 | 15.8%                      | 16.9%                      | -1.0%   | % Net revenue to Gross revenue      | 15.8%                      | 16.9%                      | -1.0%   | 17.0%                              |
| 39 | 16.2%                      |                            |   | % Net AR to Gross AR                | 16.2%                      |                            |   | 19.9%                              |

**Sonoma Valley Health Care District**  
**Balance Sheet**  
**As of July 31, 2020**

**ATTACHMENT C**

|  | <u>Current Month</u> | <u>Prior Month</u> | <u>Prior Year</u> |
|--|----------------------|--------------------|-------------------|
| <b>Assets</b>                          |                      |                    |                   |
| Current Assets:                        |                      |                    |                   |
| 1 Cash                                 | \$ 1,469,443         | \$ 1,818,218       | \$ 2,869,461      |
| 2 Cash - Money Market                  | 8,236,372            | 9,236,012          | 3,258,551         |
| 3 Net Patient Receivables              | 4,858,880            | 4,841,200          | 6,779,817         |
| 4 Allow Uncollect Accts                | (932,384)            | (920,518)          | (1,324,701)       |
| 5 Net A/R                              | 3,926,496            | 3,920,682          | 5,455,116         |
| 6 Other Accts/Notes Rec                | 149,027              | 1,142,323          | 50,829            |
| 7 Parcel Tax Receivable                | 3,800,000            | 3,914,617          | 3,800,000         |
| 8 GO Bond Tax Receivable               | 3,309,180            | 3,309,180          | 3,104,782         |
| 9 3rd Party Receivables, Net           | 192,029              | 196,630            | 1,166,589         |
| 10 Inventory                           | 837,989              | 864,337            | 898,870           |
| 11 Prepaid Expenses                    | 1,018,074            | 764,657            | 885,522           |
| 12 Total Current Assets                | \$ 22,938,610        | \$ 25,166,656      | \$ 21,489,720     |
| 13 Property, Plant & Equip, Net        | \$ 50,051,552        | \$ 49,267,901      | \$ 49,553,498     |
| 14 Trustee Funds - GO Bonds            | 5,528,299            | 5,528,299          | 5,016,479         |
| 15 Other Assets                        | -                    | -                  | -                 |
| 16 Total Assets                        | \$ 78,518,461        | \$ 79,962,856      | \$ 76,059,697     |
| <b>Liabilities &amp; Fund Balances</b> |                      |                    |                   |
| Current Liabilities:                   |                      |                    |                   |
| 17 Accounts Payable                    | \$ 2,298,513         | \$ 2,818,987       | \$ 3,528,128      |
| 18 Accrued Compensation                | 3,360,927            | 4,096,086          | 3,609,479         |
| 19 Interest Payable - GO Bonds         | 572,571              | 477,140            | 604,593           |
| 20 Accrued Expenses                    | 1,478,758            | 1,553,810          | 1,383,663         |
| 21 Advances From 3rd Parties           | -                    | -                  | 297,936           |
| 22 Deferred Parcel Tax Revenue         | 3,483,321            | 3,799,988          | 3,483,325         |
| 23 Deferred GO Bond Tax Revenue        | 3,033,420            | 3,309,185          | 2,846,057         |
| 24 Current Maturities-LTD              | 307,231              | 339,750            | 608,272           |
| 25 Line of Credit - Union Bank         | 5,473,734            | 5,473,734          | 5,473,734         |
| 26 Other Liabilities                   | 121,966              | 148,936            | 1,251,386         |
| 27 Total Current Liabilities           | \$ 20,130,441        | \$ 22,017,616      | \$ 23,086,573     |
| 28 Long Term Debt, net current portion | \$ 28,652,966        | \$ 28,628,302      | \$ 30,538,725     |
| Fund Balances:                         |                      |                    |                   |
| 29 Unrestricted                        | \$ 19,657,543        | \$ 20,022,005      | \$ 15,223,446     |
| 30 Restricted                          | 10,077,511           | 9,294,933          | 7,210,953         |
| 31 Total Fund Balances                 | \$ 29,735,054        | \$ 29,316,938      | \$ 22,434,399     |
| 32 Total Liabilities & Fund Balances   | \$ 78,518,461        | \$ 79,962,856      | \$ 76,059,697     |



**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended July 31, 2020**

ATTACHMENT D

|    | Month           |                 |             |       |
|----|-----------------|-----------------|-------------|-------|
|    | This Year       |                 | Variance    |       |
|    | Actual          |                 | \$          | %     |
| 1  | 75              | 59              | 16          | 27%   |
| 2  | 324             | 222             | 102         | 46%   |
| 3  | 20              | -               | 20          | 0%    |
| 4  | 15,573          | 11,900          | 3,673       | 31%   |
|    |                 |                 |             |       |
| 5  | \$ 6,275,637    | \$ 4,773,785    | 1,501,852   | 31%   |
| 6  | 9,176,632       | 6,992,504       | 2,184,128   | 31%   |
| 7  | 6,396,158       | 4,907,468       | 1,488,690   | 30%   |
| 8  | \$ 21,848,427   | \$ 16,673,757   | 5,174,670   | 31%   |
|    |                 |                 |             |       |
| 9  | (18,214,126)    | (13,654,665)    | (4,559,461) | -33%  |
| 10 | (150,000)       | (200,000)       | 50,000      | 25%   |
| 11 | (33,000)        | (13,108)        | (19,892)    | -152% |
| 12 | -               | -               | -           |       |
| 13 | \$ (18,397,126) | \$ (13,867,773) | (4,529,353) | 33%   |
|    |                 |                 |             |       |
| 14 | \$ 3,451,301    | \$ 2,805,984    | 645,317     | 23%   |
|    |                 |                 |             |       |
| 15 | \$ 129,655      | \$ 81,081       | 48,574      | 60%   |
| 16 | \$ 3,580,956    | \$ 2,887,065    | 693,891     | 24%   |
|    |                 |                 |             |       |
| 17 | \$ 1,891,655    | \$ 1,776,284    | (115,371)   | -6%   |
| 18 | 638,840         | 659,070         | 20,230      | 3%    |
| 19 | \$ 2,530,495    | \$ 2,435,354    | (95,141)    | -4%   |
| 20 | \$ 413,521      | \$ 416,835      | 3,314       | 1%    |
| 21 | 580,568         | 485,514         | (95,054)    | -20%  |
| 22 | 373,266         | 384,000         | 10,734      | 3%    |
| 23 | 257,919         | 266,953         | 9,034       | 3%    |
| 24 | 118,409         | 108,143         | (10,266)    | -9%   |
| 25 | 47,006          | 42,599          | (4,407)     | -10%  |
| 26 | 16,581          | 23,821          | 7,240       | 30%   |
| 27 | 100,064         | 102,257         | 2,193       | 2%    |
| 28 | -               | -               | -           | *     |
| 29 | \$ 4,437,829    | \$ 4,265,476    | (172,353)   | -4%   |
|    |                 |                 |             |       |
| 30 | \$ (856,873)    | \$ (1,378,411)  | 521,538     | 38%   |

**Volume Information**

Acute Discharges  
Patient Days  
Observation Days  
Gross O/P Revenue (000's)

**Financial Results****Gross Patient Revenue**

Inpatient  
Outpatient  
Emergency

**Total Gross Patient Revenue****Deductions from Revenue**

Contractual Discounts  
Bad Debt  
Charity Care Provision

Prior Period Adj/Government Program Revenue

**Total Deductions from Revenue****Net Patient Service Revenue**

Other Op Rev &amp; Electronic Health Records

**Total Operating Revenue****Operating Expenses**

Salary and Wages and Agency Fees

Employee Benefits

Total People Cost

Med and Prof Fees (excl'd Agency)

Supplies

Purchased Services

Depreciation

Utilities

Insurance

Interest

Other

Matching Fees (Government Programs)

**Operating expenses****Operating Margin**

|  | Year-To- Date   |                 |             |       | YTD             |
|--|-----------------|-----------------|-------------|-------|-----------------|
|  | This Year       |                 | Variance    |       | Prior Year      |
|  | Actual          | Budget          | \$          | %     |                 |
|  | 75              | 59              | 16          | 27%   | 72              |
|  | 324             | 222             | 102         | 46%   | 269             |
|  | 20              | -               | 20          | *     | 11              |
|  | 15,573          | 11,900          | 3,672       | 31%   | \$ 16,077       |
|  |                 |                 |             |       |                 |
|  | \$ 6,275,637    | \$ 4,773,785    | 1,501,852   | 31%   | \$ 5,664,851    |
|  | 9,176,632       | 6,992,504       | 2,184,128   | 31%   | 8,950,057       |
|  | 6,396,158       | 4,907,468       | 1,488,690   | 30%   | 7,171,932       |
|  | \$ 21,848,427   | \$ 16,673,757   | 5,174,670   | 31%   | \$ 21,786,840   |
|  |                 |                 |             |       |                 |
|  | \$ (18,214,126) | \$ (13,654,665) | (4,559,461) | -33%  | \$ (17,888,300) |
|  | (150,000)       | (200,000)       | 50,000      | 25%   | (250,000)       |
|  | (33,000)        | (13,108)        | (19,892)    | -152% | (4,900)         |
|  | -               | -               | -           |       | 56,500          |
|  | \$ (18,397,126) | \$ (13,867,773) | (4,529,353) | 33%   | \$ (18,086,700) |
|  |                 |                 |             |       |                 |
|  | \$ 3,451,301    | \$ 2,805,984    | 645,317     | 23%   | \$ 3,700,140    |
|  |                 |                 |             |       |                 |
|  | \$ 129,655      | \$ 81,081       | 48,574      | 60%   | \$ 45,241       |
|  | \$ 3,580,956    | \$ 2,887,065    | \$ 693,891  | 24%   | \$ 3,745,381    |
|  |                 |                 |             |       |                 |
|  | \$ 1,891,655    | \$ 1,776,284    | (115,371)   | -6%   | \$ 1,740,377    |
|  | 638,840         | 659,070         | 20,230      | 3%    | 691,997         |
|  | \$ 2,530,495    | \$ 2,435,354    | (95,141)    | -4%   | \$ 2,432,374    |
|  | \$ 413,521      | \$ 416,835      | 3,314       | 1%    | \$ 416,717      |
|  | 580,568         | 485,514         | (95,054)    | -20%  | 451,640         |
|  | 373,266         | 384,000         | 10,734      | 3%    | 329,530         |
|  | 257,919         | 266,953         | 9,034       | 3%    | 247,411         |
|  | 118,409         | 108,143         | (10,266)    | -9%   | 107,984         |
|  | 47,006          | 42,599          | (4,407)     | -10%  | 42,476          |
|  | 16,581          | 23,821          | 7,240       | 30%   | 51,849          |
|  | 100,064         | 102,257         | 2,193       | 2%    | 106,498         |
|  | -               | -               | -           | *     | 0               |
|  | \$ 4,437,829    | \$ 4,265,476    | (172,353)   | -4%   | \$ 4,186,479    |
|  |                 |                 |             |       |                 |
|  | \$ (856,873)    | \$ (1,378,411)  | 521,538     | 38%   | \$ (441,098)    |

**Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
Comparative Results  
For the Period Ended July 31, 2020**

ATTACHMENT D

| Month     |    |           |          |             |           | Year-To- Date |   |    |          |  | YTD        |  |
|-----------|----|-----------|----------|-------------|-----------|---------------|---|----|----------|--|------------|--|
| This Year |    |           | Variance |             |           | This Year     |   |    | Variance |  | Prior Year |  |
| Actual    |    |           | \$       |             | %         | Actual        | Budget  | \$ | %        |  |            |  |
| 31        | \$ | (4,590)   | \$       | 2,908       | (7,498)   | -258%         | Non Operating Rev and Expense                         |    |          |  |            |  |
| 32        |    | -         |          | -           | -         | 0%            | Miscellaneous Revenue/(Expenses)                      |    |          |  |            |  |
| 33        |    | -         |          | -           | -         | 0%            | Donations   |    |          |  |            |  |
| 34        |    | 316,667   |          | 316,667     | -         | 0%            | Physician Practice Support-Prima                      |    |          |  |            |  |
| 35        |    | -         |          | -           | -         | 0%            | Parcel Tax Assessment Rev                             |    |          |  |            |  |
| 36        | \$ | 312,077   | \$       | 319,575     | (7,498)   | -2%           | Extraordinary Items                                   |    |          |  |            |  |
|           |    |           |          |             |           |               | Total Non-Operating Rev/Exp                           |    |          |  |            |  |
| 37        | \$ | (544,796) | \$       | (1,058,836) | 514,040   | -49%          | Net Income / (Loss) prior to Restricted Contributions |    |          |  |            |  |
| 38        | \$ | -         | \$       | -           | -         | 0%            | Capital Campaign Contribution                         |    |          |  |            |  |
| 39        | \$ | 782,578   | \$       | 294,175     | 488,403   | 0%            | Restricted Foundation Contributions                   |    |          |  |            |  |
| 40        | \$ | 237,782   | \$       | (764,661)   | 1,002,443 | -131%         | Net Income / (Loss) w/ Restricted Contributions       |    |          |  |            |  |
| 41        |    | 180,334   |          | 180,334     | -         | 0%            | GO Bond Activity, Net                                 |    |          |  |            |  |
| 42        | \$ | 418,116   | \$       | (584,327)   | 1,002,443 | -172%         | Net Income/(Loss) w GO Bond Activity                  |    |          |  |            |  |
|           | \$ | (286,877) | \$       | (791,883)   | 505,006   |               | EBDA - Not including Restricted Contributions         |    |          |  |            |  |
|           |    | -8.0%     |          | -27.4%      |           |               |   |    |          |  |            |  |

\* Operating Margin without Depreciation expense:

|    |           |    |             |    |         |     |  |    |           |    |             |    |         |     |
|----|-----------|----|-------------|----|---------|-----|--|----|-----------|----|-------------|----|---------|-----|
| \$ | (856,873) | \$ | (1,378,411) | \$ | 521,538 | 38% | <b>Operating Margin</b>                              | \$ | (856,873) | \$ | (1,378,411) | \$ | 521,538 | 38% |
|    | 257,919   |    | 266,953     |    | 9,034   | 3%  | Add back Depreciation                                |    | 257,919   |    | 266,953     |    | 9,034   | 3%  |
| \$ | (598,954) | \$ | (1,111,458) | \$ | 530,572 | 46% | <b>Operating Margin without Depreciation expense</b> | \$ | (598,954) | \$ | (1,111,458) | \$ | 530,572 | 46% |

**Sonoma Valley Health Care District**  
**Variance Analysis**  
**For the Period Ended July 31, 2020**

**ATTACHMENT E**

| <b>Operating Expenses</b>           | <b>YTD Variance</b> | <b>Month Variance</b> |  |
|-------------------------------------|---------------------|-----------------------|--|
| Salary and Wages and Agency Fees    | (115,371)           | (115,371)             | Salaries and wages and agency fees were over budget by (\$115,371) primarily in nursing and clinical departments due to the higher than budgeted volumes and the higher acuity of inpatients |
| Employee Benefits                   | 20,230              | 20,230                |  |
| <b>Total People Cost</b>            | <b>(95,141)</b>     | <b>(95,141)</b>       |  |
| Med and Prof Fees (excl Agency)     | 3,314               | 3,314                 |  |
| Supplies                            | (95,054)            | (95,054)              | Supplies were over budget in July by (\$95,054) primarily due to surgical implants (\$80,072)  |
| Purchased Services                  | 10,734              | 10,734                |  |
| Depreciation                        | 9,034               | 9,034                 |  |
| Utilities                           | (10,266)            | (10,266)              |  |
| Insurance                           | (4,407)             | (4,407)               |  |
| Interest                            | 7,240               | 7,240                 |  |
| Other                               | 2,193               | 2,193                 |  |
| Matching Fees (Government Programs) | -                   | -                     |  |
| <b>Operating expenses</b>           | <b>(172,353)</b>    | <b>(172,353)</b>      |  |

Sonoma Valley Hospital  
Cash Forecast  
FY 2021

ATTACHMENT F

|   | Actual<br>July     | Forecast<br>Aug    | Forecast<br>Sept | Forecast<br>Oct  | Forecast<br>Nov  | Forecast<br>Dec  | Forecast<br>Jan  | Forecast<br>Feb  | Forecast<br>Mar  | Forecast<br>Apr   | Forecast<br>May   | Forecast<br>Jun   | TOTAL              |
|---|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Hospital Operating Sources</b>             |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| 1 Patient Payments Collected                  | 3,655,695          | 3,042,562          | 3,547,784        | 3,984,991        | 3,868,884        | 3,828,430        | 3,992,041        | 3,859,339        | 4,059,205        | 3,979,608         | 4,041,302         | 4,011,761         | 45,871,602         |
| 2 Other Operating Revenue                     | 38,268             | 81,081             | 81,081           | 81,081           | 81,081           | 81,081           | 81,081           | 81,081           | 81,081           | 81,081            | 81,081            | 81,081            | 930,159            |
| 3 Other Non-Operating Revenue                 | 73,172             | 23,796             | 23,796           | 23,796           | 23,796           | 23,796           | 23,796           | 23,796           | 23,796           | 23,796            | 23,796            | 23,796            | 334,928            |
| 4 Unrestricted Contributions                  | -                  |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | -                  |
| 5 Line of Credit                              |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | -                  |
| <b>Sub-Total Hospital Sources</b>             | <b>3,767,135</b>   | <b>3,147,439</b>   | <b>3,652,661</b> | <b>4,089,868</b> | <b>3,973,761</b> | <b>3,933,307</b> | <b>4,096,918</b> | <b>3,964,216</b> | <b>4,164,082</b> | <b>4,084,485</b>  | <b>4,146,179</b>  | <b>4,116,638</b>  | <b>47,136,689</b>  |
| <b>Hospital Uses of Cash</b>                  |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| 6 Operating Expenses                          | 5,534,264          | 4,001,525          | 4,135,348        | 4,365,825        | 4,276,632        | 4,283,621        | 4,403,115        | 4,222,842        | 4,539,772        | 4,243,227         | 4,422,890         | 4,370,188         | 52,799,249         |
| 7 Add Capital Lease Payments                  | 7,854              |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | 7,854              |
| 8 Additional Liabilities/LOC                  |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | -                  |
| 9 Capital Expenditures                        | 784,428            | 294,175            | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175           | 294,175           | 294,175           | 4,020,353          |
| <b>Total Hospital Uses</b>                    | <b>6,326,547</b>   | <b>4,295,700</b>   | <b>4,429,523</b> | <b>4,660,000</b> | <b>4,570,807</b> | <b>4,577,796</b> | <b>4,697,290</b> | <b>4,517,017</b> | <b>4,833,947</b> | <b>4,537,402</b>  | <b>4,717,065</b>  | <b>4,664,363</b>  | <b>56,827,457</b>  |
| <b>Net Hospital Sources/Uses of Cash</b>      | <b>(2,559,412)</b> | <b>(1,148,261)</b> | <b>(776,862)</b> | <b>(570,132)</b> | <b>(597,046)</b> | <b>(644,489)</b> | <b>(600,372)</b> | <b>(552,801)</b> | <b>(669,865)</b> | <b>(452,917)</b>  | <b>(570,886)</b>  | <b>(547,725)</b>  | <b>(9,690,768)</b> |
| <b>Non-Hospital Sources</b>                   |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| 10 Restricted Cash/Money Market               | 1,000,000          | 1,000,000          |                  |                  |                  |                  |                  |                  | 1,900,000        | (5,000,000)       |                   |                   | (1,100,000)        |
| 11 Restricted Capital Donations               | 784,428            | 294,175            | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175          | 294,175           | 294,175           | 294,175           | 4,020,353          |
| 12 Parcel Tax Revenue                         | 86,141             |                    |                  |                  |                  | 2,100,000        |                  |                  |                  | 1,600,000         |                   |                   | 3,786,141          |
| 13 Other Payments - South Lot/Ins. Claims/HHS | 340,068            |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | 340,068            |
| 14 Other:                                     |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   | -                  |
| 15 IGT  |                    |                    | 108,000          | (163,000)        |                  |                  | 1,100,000        |                  |                  | 4,470,424         |                   | 120,000           | 5,635,424          |
| 16 IGT - AB915                                |                    |                    |                  |                  |                  |                  |                  | 250,000          |                  |                   |                   |                   | 250,000            |
| 17 PRIME PUB3172                              |                    |                    | 270,000          |                  |                  |                  |                  |                  |                  |                   |                   |                   | 270,000            |
| <b>Sub-Total Non-Hospital Sources</b>         | <b>2,210,637</b>   | <b>1,294,175</b>   | <b>672,175</b>   | <b>131,175</b>   | <b>294,175</b>   | <b>2,394,175</b> | <b>1,394,175</b> | <b>544,175</b>   | <b>2,194,175</b> | <b>1,364,599</b>  | <b>294,175</b>    | <b>414,175</b>    | <b>13,201,986</b>  |
| <b>Non-Hospital Uses of Cash</b>              |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| 18 Matching Fees                              |                    | 135,000            |                  |                  |                  |                  | 425,000          |                  | 1,900,000        | 104,217           |                   |                   | 2,564,217          |
| <b>Sub-Total Non-Hospital Uses of Cash</b>    | <b>-</b>           | <b>135,000</b>     | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>425,000</b>   | <b>-</b>         | <b>1,900,000</b> | <b>104,217</b>    | <b>-</b>          | <b>-</b>          | <b>2,564,217</b>   |
| <b>Net Non-Hospital Sources/Uses of Cash</b>  | <b>2,210,637</b>   | <b>1,159,175</b>   | <b>672,175</b>   | <b>131,175</b>   | <b>294,175</b>   | <b>2,394,175</b> | <b>969,175</b>   | <b>544,175</b>   | <b>294,175</b>   | <b>1,260,382</b>  | <b>294,175</b>    | <b>414,175</b>    | <b>10,637,769</b>  |
| <b>Net Sources/Uses</b>                       |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| <b>Net Sources/Uses</b>                       | <b>(348,775)</b>   | <b>10,914</b>      | <b>(104,687)</b> | <b>(438,957)</b> | <b>(302,871)</b> | <b>1,749,686</b> | <b>368,803</b>   | <b>(8,626)</b>   | <b>(375,690)</b> | <b>807,465</b>    | <b>(276,711)</b>  | <b>(133,550)</b>  |                    |
| Operating Cash at beginning of period         | 1,818,218          | 1,469,443          | 1,480,357        | 1,375,670        | 936,713          | 633,842          | 2,383,528        | 2,752,331        | 2,743,705        | 2,368,015         | 3,175,480         | 2,898,769         |                    |
| <b>Operating Cash at End of Period</b>        | <b>1,469,443</b>   | <b>1,480,357</b>   | <b>1,375,670</b> | <b>936,713</b>   | <b>633,842</b>   | <b>2,383,528</b> | <b>2,752,331</b> | <b>2,743,705</b> | <b>2,368,015</b> | <b>3,175,480</b>  | <b>2,898,769</b>  | <b>2,765,219</b>  |                    |
| Money Market Account Balance                  | 8,236,372          | 7,236,372          | 7,236,372        | 7,236,372        | 7,236,372        | 7,236,372        | 7,236,372        | 7,236,372        | 5,336,372        | 10,336,372        | 10,336,372        | 10,336,372        |                    |
| <b>Total Cash at End of Period</b>            | <b>9,705,815</b>   | <b>8,716,729</b>   | <b>8,612,042</b> | <b>8,173,085</b> | <b>7,870,214</b> | <b>9,619,900</b> | <b>9,988,703</b> | <b>9,980,077</b> | <b>7,704,387</b> | <b>13,511,852</b> | <b>13,235,141</b> | <b>13,101,591</b> |                    |
|   |                    |                    |                  |                  |                  |                  |                  |                  |                  |                   |                   |                   |                    |
| <b>Average Days of Cash on Hand</b>           | <b>73.0</b>        | <b>63.2</b>        | <b>62.4</b>      | <b>59.3</b>      | <b>57.1</b>      | <b>69.8</b>      | <b>72.4</b>      | <b>72.4</b>      | <b>55.9</b>      | <b>98.0</b>       | <b>96.0</b>       | <b>95.0</b>       |                    |