



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, FEBRUARY 22, 2022

5:00 p.m. Regular Session

TO BE HELD VIA ZOOM VIDEOCONFERENCE

To Participate via Zoom Videoconferencing,
use the link below:

<https://sonomavalleyhospital-org.zoom.us/j/93270771849?pwd=VizsUTROdE0ralRkZnhKcGRtUTF1dz09&from=addon>

Meeting ID: 932 7077 1849

Passcode: 582460

One tap mobile

+16692192599, 94673368760# US

+16699009128, 94673368760# US

Dial by your location

+1 669 900 9128

Find your local number: <https://sonomavalleyhospital-org.zoom.us/u/abVQJo0niY>

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact District Clerk Jenny Fontes at Jfontes@sonomavalleyhospital.org or (707) 935.5005 at least 48 hours prior to the meeting.</p>		
AGENDA ITEM	RECOMMENDATION	
<p>MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
<p>1. CALL TO ORDER/ANNOUNCEMENTS a. INTRODUCTION OF BEN ARMFIELD (CFO)</p>	Hennelly	
<p>2. PUBLIC COMMENT SECTION <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></p>	Boerum	
<p>3. CONSENT CALENDAR a. Finance Committee Minutes 01.25.22</p>	Boerum	Action
<p>4. BRIDGE LOAN RESOLUTION 364</p>	Dungan	Action
<p>5. LINE OF CREDIT RENEWAL</p>	Dungan	Action
<p>6. REVIEW FY 2023 BUDGET ASSUMPTIONS</p>	Dungan	Inform

7. REVENUE ANALYSIS/PROFITABILITY a. Report of sub-committee	<i>Boerum</i>	Inform
8. FINANCIAL REPORT FOR MONTH END JANUARY 2022	<i>Dungan</i>	Inform
9. ODC UPDATE	<i>Hennelly</i>	Inform
10. 2022 STRATEGIC INITIATIVES DISCUSSION	<i>Hennelly</i>	Inform
11. ADJOURN	<i>Boerum</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JANUARY 25, 2022
Via Zoom Teleconference**

Present	Not Present	Staff	Public	
Bill Boerum via Zoom Joshua Rymer via Zoom Subhash Mishra MD via Zoom Bruce Flynn via Zoom Peter Hohorst via Zoom Wendy Lee via Zoom Carl Gerlach via Zoom Catherine Donahue via Zoom		Jenny Fontes via Zoom Sarah Dungan via Zoom John Hennelly via Zoom		
AGENDA ITEM		DISCUSSION	ACTIONS	FOLLOW-UP
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
1. CALL TO ORDER/ANNOUNCEMENTS		<i>Boerum</i>		
		Called to order at 5:00 p.m.		
2. PUBLIC COMMENT SECTION		<i>Boerum</i>		
		None		
3. CONSENT CALENDAR (ACTION)		<i>Boerum</i>		
a. Finance Committee Minutes 12.28.21			MOTION: by Grandy to approve with revisions, 2 nd by Flynn. All in favor.	

4. ODC CONTRACT UPDATE	<i>Hennelly</i>		
	<p>Mr. Hennelly reviewed the ODC Contract Design Selection Review Phase 2 Memo. After reviewing the ODC project with Earl Consulting, it was determined that personnel matters, preparation, contract design, and accountability issues were the reason for the project's failure. Earl Consulting recommended retaining Vertan because of their institutional knowledge. GMH and SKA architects are submitting contracts for phase 1. The estimate for CT scan completion is July 4, 2022. Ms. Dungan will review the CARES Act to determine if funds can assist with project. The Foundation may fund an in-house Construction Project Manager to supervise this project and other projects at the hospital.</p>		
5. PRECONSTRUCTION CONTRACT	<i>Hennelly</i>		
	Will be reviewed at the Board Meeting on 02.03.22		
6. FISCAL YTD BUDGET REVIEW	<i>Dungan</i>		
	<p>Ms. Dungan gave an overview of the Fiscal YTD Budget Review. This discussion was about revisiting the budget in January 2022 to determine if there is a need to adjust the budget. There are noticeable differences in revenue, expenses, purchase services and changes because of the Rate Range IGT. The Board suggested keeping the budget as is.</p>		
7. 3-YEAR INCOME STATEMENT & CASH PROJECTION	<i>Dungan</i>		
	Ms. Dungan reviewed the 3-year income		

	<p>statement & Cash Projection spreadsheet. Volume assumptions were determined, including increases in the CT Volume, a 10% increase in the last 6 months of 2023 to Outpatient Volumes, and a 15% increase in the full year of 2024. MRI volumes were not determined for 2023 because of the project delay. A 15% increase in Outpatient referral volumes in 2024. Salary and wages were increased by 5% and employee benefits were increased by <i>about</i> 5% each year. Supplies were increased by 5%. Operating margin continues to see a loss. A twelve-month IGT is expected in 2023 and 2024.</p> <p>Mr. Rymer suggested using market data and cost accounting data to help the committee to understand revenue opportunity in relation to geography and what the economics are for with some of the opportunities over time. This will help to understand where to build within the UCSF relationship and adjacent to UCSF. Growth needs to be in both areas. Mr. Boerum suggested forming a subcommittee to discuss revenue enhancements.</p>		
<p>8. REVIEW 2ND QUARTER FY 2022 CAPITAL SPENDING</p>	<p><i>Dungan</i></p>		
	<p>Ms. Dungan reviewed the Projected Cash Forecast FY 22-24. She included EPIC payments, over budget payments for ODC, and the 2M loan to help cover the ODC to maintain cash at 50 days for 2023/2024. Capital Spending was reviewed. The Foundation covered reformer bundle for Outpatient PT, a new monitor was purchased for Medical Imaging, Wound Care CIP was closed, IT received a new Network Storage Server, and a new EHR CIP was closed. Fluoroscopy Equipment loan was paid off in Dec 2021, and the last payment on the CEC loan phase 1 will</p>		

	be made in June 2022.		
9. DECEMBER NET AR REVIEW	<i>Dungan</i>		
	Ms. Dungan reviewed the Net AR Review; she said we have made a significant catch up during the year. The Auditors will also be doing a mid-year AR review in March. They will be looking at cash collections for February and March of 2022. The ZBA (Zero Balance Analysis) determines all AR accounts that have gone to zero. Patient types and payer codes are valued for the analyses.		
10. FINANCIAL REPORT FOR MONTH END DECEMBER	<i>Dungan</i>		
	Ms. Dungan reported the hospital observation days are higher because they were rolled over from November 2021. Days cash on hand were 46.3, A/R 46.7, A/P days 44.9 vs. 49.6. Operating revenue at 5.85M, EBDA of 9.7% and YTD EBDA at 2.5%.		
11. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 6:45 p.m.		

RESOLUTION 364 OF SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING
EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT,
PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM

Nondesignated Public Hospital Bridge Loan Program

WHEREAS, Sonoma Valley Health Care District (the “Borrower”) is a nondesignated public hospital as defined in Welfare and Institutions Code Section 14165.55, subdivision (1), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25; and

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$308,000.00** from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender’s Nondesignated Public Hospital Bridge Loan Program; and

WHEREAS, the Borrower intends to use the funds solely to fund its working capital needs to support its operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Nondesignated Public Hospital Bridge Loan Program.

Section 2. John Hennelly, President and Chief Executive Officer is an “Authorized Officer” and is hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer(s) deem(s) necessary or advisable in order to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed **\$308,000.00**, shall not bear interest, and shall mature 24 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The {Each} Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form that includes the redirection of up to 20% of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the “Note”) as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer(s) is (are) hereby authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Date of Adoption: _____

SECRETARY'S CERTIFICATE

I, _____, Secretary of SONOMA VALLEY HEALTH CARE DISTRICT, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of SONOMA VALLEY HEALTH CARE DISTRICT duly and regularly held at the regular meeting place thereof on the ____ day of _____, 20__, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Secretary

Date: _____

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Loan and Security Agreement

This Loan and Security Agreement (“Agreement”) is entered into between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (“Lender” or “Authority”), authorized by the California Health Facilities Financing Authority Act (the “Act”), having its principal place of business at 915 Capitol Mall, Room 435, Sacramento, California 95814, and **BORROWER NAME**, a nondesignated public hospital (“Borrower”) as defined in the Nondesignated Public Hospital Bridge Loan Program guidelines, having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE**.

RECITALS

A. The Borrower has applied to the Authority for a loan from the Nondesignated Public Hospital Bridge Loan Program to fund its Working Capital needs to support its operations.

B. Borrower is a nondesignated public hospital as defined in Welfare and Institutions Code 14165.55, subdivision (l), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25.

C. The Authority has determined that the Borrower’s Application meets eligibility requirements of the hereinafter defined Guidelines.

D. Borrower has requested that Lender lend Borrower certain funds from the Authority’s Nondesignated Public Hospital Bridge Loan Program’s fund balance for the following purpose: To fund its Working Capital needs to support its operations (the “Purpose”).

E. Lender is willing to lend Borrower such funds subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Waiver of Sovereign Immunity

The Borrower hereby waives any immunity it may have from lawsuits and other legal proceedings brought under this Agreement or in connection therewith that are brought by the Authority in the California Superior Court for the County of Sacramento and all courts to which appeals therefrom are available, and enforcement of any judgment of such court in any court of competent jurisdiction, to enforce the terms of this Agreement, and to

enforce and execute any order, judgment or ruling resulting therefrom against any assets or revenues of the Borrower.

If, and only if, a dispute arises between the parties over a matter for which the Borrower has provided a waiver of immunity under this Agreement (the “Dispute”), and the California Superior Court for the County of Sacramento cannot or is unwilling to hear the Dispute, then either party may request binding arbitration of the Dispute. To initiate binding arbitration of a Dispute, a party shall notify the other party in writing. The Dispute shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and subject to California law concerning arbitration, and judgment on the award rendered by the arbitrator may be entered in any court pursuant to California law concerning arbitration. One arbitrator shall preside and shall be selected by the American Arbitration Association. The arbitration shall take place in Sacramento, California. The arbitrator shall render an award within forty-five days from the conclusion of the arbitration. In the event of arbitration, the prevailing party shall be entitled to all of its costs, including reasonable attorneys’ fees, from the nonprevailing party.

ARTICLE I – DEFINITIONS

Section 1.1- CHECKWRITE means a reimbursement for Medi-Cal covered services, due to the Borrower from the California Department of Health Care Services (“DHCS”), for a particular payment period.

Section 1.2- GUIDELINES means the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by the Authority, as may be amended from time to time.

Section 1.3- LIEN means the securitization of the Loan, including but not limited to the Authority’s intercept of the Borrower’s Medi-Cal reimbursements.

Section 1.4- LOAN DOCUMENTS means this Agreement, the Promissory Note, the agreement referenced in Section 3, and the Borrower’s Application, including all exhibits to such documents.

Section 1.5- WORKING CAPITAL means those costs as defined in Government Code Section 15432, subdivision (h) and are the costs eligible for reimbursement to the Borrower from the Loan amount approved by the Authority.

Section 1.6 – DOCUMENT DATE means the date of this Agreement, which is the date Lender signs this Agreement.

Section 1.7- Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Guidelines.

2. The Loan Repayment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees to make a zero percent (0%) interest rate loan in the aggregate principal amount of **LOAN AMOUNT SPELLED OUT (\$0.00)** (the “Loan”) to Borrower. The Loan proceeds shall be disbursed to Borrower upon the satisfaction of all of the conditions precedent set forth in Sections 3, 4 and 5 of this Agreement. It is the intent of the Borrower and the Lender to

create a line of credit agreement between the Borrower and the Lender whereby the Borrower may borrow up to **LOAN AMOUNT SPELLED OUT (\$0.00)** from Lender.

(b) Borrower's obligation to repay the Loan shall be evidenced by a promissory note executed by Borrower (the "Note"), payable to the order of the Lender, in which Borrower agrees to repay the principal sum of the Loan no later than 24 months from the date of this Agreement ("Due Date"). Borrower shall have the right at any time to prepay the Note in whole or in part without premium or penalty.

(c) All payments and prepayments of principal shall, at the option of Lender, be applied first to any fees and costs owing, and after all such fees and penalties have been paid any remainder shall be applied to reduction of the principal balance.

3. Security Agreement.

To induce Lender to make the Loan, to secure Borrower's performance under this Agreement, and to ensure punctual payment of amount due under this Agreement and the Note, the Borrower hereby grants a security interest to Lender and to its successors, and assigns, for so long as Borrower has any obligations to Lender under this Agreement, and for the security and benefit of the Lender, in 20% of the Borrower's respective Medi-Cal checkwrite payments (all such rights being the "Collateral").

Borrower agrees to execute a written agreement substantially in the form set forth in Exhibit A attached hereto and incorporated herein by reference, which authorizes DHCS to redirect Borrower's checkwrite payments to the Lender, if the Loan amount is not repaid in full within 24 months of the date of this Agreement, until such time as the Loan to the Borrower made by Lender (including any fees and other loan related costs as may arise) is paid in full. By execution of the attached agreement, Borrower agrees to assign 20% of its respective Medi-Cal checkwrite payments to the Lender until the Lender notifies DHCS that the loan has been satisfied.

4. Representations and Warranties.

To induce Lender to make the Loan under this Agreement, Borrower hereby represents and warrants to Lender that as of the date hereof and, where relevant, until the Note is paid in full and all obligations under this Agreement are performed in full, that:

(a) Borrower is duly organized under applicable law, is qualified to do business and in good standing in each jurisdiction where required, and has complied with all laws necessary to conduct its business as presently conducted;

(b) Borrower has authority, and has completed all proceedings and obtained all approvals and consents necessary, to execute and deliver all documents authorizing this Loan, including, without limitation, all the Loan Documents, and the transactions contemplated by these Loan Documents;

(c) the execution, delivery and performance of the Loan Documents will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower except for, if applicable, (i) certain liens created by the Loan Documents evidencing this Loan and (ii) other liens in favor of Lender;

(d) this Agreement, the Note, the agreement referenced in Section 3 and all of the other Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(e) Borrower represents, except as previously disclosed to Lender, and warrants there is no financing statement, security agreement or any other document covering any required Collateral, or any part thereof, on file, recorded or in effect in any public office;

(f) except as previously disclosed to Lender in writing, there is no action, suit or proceeding, pending or threatened against Borrower which might adversely affect Borrower in any material respect;

(g) Borrower does not have any delinquent tax obligations, and all tax returns required of Borrower have been filed; and

(h) all proceeds of this Loan will be used by the Borrower solely for the Purpose as described in the Recitals and as has been approved by Lender.

5. Conditions Precedent.

Lender shall have no obligation to make the Loan under this Agreement until Lender is satisfied that all of the following conditions have been satisfied:

(a) as of the date of this Agreement, there shall exist no Event of Default, as defined in Section 7, and no event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

(b) Borrower shall have delivered to Lender a duly executed Agreement, Note, and all other requested Loan Documents;

(c) Borrower shall have delivered to Lender a resolution of the Borrower's Board of Directors duly authorizing the execution, delivery and performance by it of each of the Loan Documents as well as ratification of the submitted application; and

(d) Borrower shall have delivered any other documents reasonably required by Lender in connection with carrying out the purposes of this Agreement, including all documents specified in Sections 2, 3, 4 and 5.

6. Covenants.

From the date of this Agreement until the Note is paid in full and all obligations under this Agreement are performed, Borrower agrees that:

(a) at all times during this Agreement, Borrower shall accurately maintain, in accordance with generally accepted accounting principles, all books of account, records and documents of every kind in which all matters relating to this Loan, including, without limitation, all income, expenditures, assets, and liabilities;

(b) Borrower shall at all times maintain its corporate existence and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights, licenses, and franchises;

(c) Borrower shall not, without the prior written notification to Lender, change its name or place of business, merge, affiliate, or consolidate with any company or enterprise, or otherwise substantially change its corporate structure or the general character of its business as it is presently conducted;

(e) Borrower shall do all acts that may be necessary to maintain, preserve and protect any required Collateral;

(f) Borrower shall not use or permit any required Collateral to be used unlawfully or in violation of any provision of this Agreement, or any applicable statute, regulation, ordinance or any policy of insurance covering the Collateral;

(g) Borrower shall execute and deliver any financing statement, assignment or other writing deemed necessary or appropriate by Lender to perfect, maintain and protect its security interest under this Agreement;

(i) Borrower shall pay all taxes, assessments, and related obligations when such taxes, assessments and obligations are due and payable;

(j) Borrower shall not create, incur, assume or suffer to exist any further assignment, encumbrance, or lien upon any required Collateral without the prior written consent of Lender;

(k) Borrower shall pay all costs, fees and expenses incurred by Lender in connection with this Agreement;

(l) Borrower may not assign the Agreement or Note to any person or entity, and the Agreement or Note may not be assumed by any person or entity without the prior written consent of Lender;

(m) Borrower shall promptly notify Lender in writing of the occurrence of any event which might materially adversely affect Borrower or which constitutes, or upon notice or passage of time or both, would constitute an Event of Default; and

(n) Borrower shall pay to Lender a fee equal to one percent (1.00%) of the loan amount as a reduction in disbursement of loan proceeds to Borrower.

7. Events of Default.

A default exists, upon the occurrence and during the continuance of any of the following events (“Events of Default”):

(a) failure by Borrower to pay any principal or any other amount payable hereunder or under the Note when due in accordance with the terms of the Agreement or the Note;

(b) any representation or warranty made by Borrower in this Agreement or in any other Loan Document or financial or other statement furnished at any time under or in connection herewith or therewith shall prove to have been incorrect, false or misleading in any material respect on or as of the date when made or deemed to have been made or prior to the date when all obligations of this Agreement have been fully satisfied;

(c) failure of Borrower to fully and completely perform any obligation (except for the obligation set forth in Section 2(b) of this Agreement), covenant or agreement set forth in this Agreement or in the other Loan Documents or any agreement as may be required by Sections 3,4 and 5 herein and the failure to cure the default may, in the sole discretion of the Lender, not constitute an Event of Default unless (i) Borrower fails to commence steps to cure the failure within the fifteen (15) day period or (ii) Borrower fails to cure the failure within thirty (30) days after the date of the failure;

(d) (i) Borrower shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets, (ii) a custodian, receiver, trustee or liquidator shall have been appointed with or without the consent of Borrower, (iii) Borrower shall generally not be paying its debts as they become due, has made a general assignment for the benefit of creditors, has filed a voluntary petition in bankruptcy, or has filed a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, (iv) Borrower shall have filed an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding, or taken any corporate action for the purpose of effecting the filing of such an answer, (v) a petition in bankruptcy shall have been filed against Borrower and shall not have been dismissed for a period of thirty (30) consecutive days, (vi) an order for relief shall have been entered under the Federal Bankruptcy Code against Borrower, (vii) an order, judgment or decree shall have been entered, without the application, approval or consent of Borrower, by any court of competent jurisdiction approving a petition seeking reorganization of Borrower or appointing a receiver, trustee, custodian or liquidator of Borrower or a substantial part of its assets, and the order, judgment or decree shall have continued unstayed and in effect for any period of forty-five (45) consecutive days, (viii) Borrower shall have suspended the transaction of its usual business, or (ix) Borrower shall have ceased to be authorized by the laws of this State to operate a health facility, as defined by the Act; and

(e) if the Loan amount due under this Agreement is not paid in full within twenty-four (24) months from the date of this Agreement, then at the option and upon the declaration of Lender, all amounts owed to Lender under this Agreement and the Note shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, become immediately due and payable, and Lender may immediately, and without expiration of any period of grace, enforce payment of all amounts owed to Lender under this Agreement and the Note and exercise any and all other remedies granted to it at law, in equity or otherwise, for the enforcement of realization of the security interests provided in this Agreement. In addition, Lender shall be entitled to recover from Borrower all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in exercising any remedies under this Agreement.

No delay in accelerating the maturity of any obligation contained in this Agreement or in taking any other action with respect to any Event of Default shall affect the rights of Lender later to take such action with respect thereto, and no waiver as to a prior occasion shall affect rights as to any other Event of Default. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing under this Agreement, and agrees that its liability on this Agreement shall not be affected by any release of or change in any security for the payment of sums due under this Agreement.

If Borrower fails to pay its one-time installment of principal due under this Agreement by the Due Date of the one-time installment, Borrower shall pay Lender twenty percent (20%) of its respective Medi-Cal checkwrite payments due for the purpose of the handling of a delinquent payment. Borrower and Lender agree that the method of repayment represents a reasonable means of collection considering all of the circumstances existing on the date of this Agreement.

Acceptance by the Lender or holder of the Note of any installment after any default under this Agreement shall not operate to extend the time of payment of any amount then remaining unpaid or constitute a waiver of any of the other rights of the Lender or holder under the Note or this Agreement.

8. Security Agreement.

This Agreement shall constitute a security agreement with respect to any required Collateral.

9. Miscellaneous.

(a) Borrower hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Lender, Authority members, officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly,

indirectly, wholly or partially arising from or in connection with any act or omission of Borrower, its employees or agents, in applying for or accepting the Loan, or in expending or applying the funds furnished pursuant to this Agreement. This section shall survive the termination of this Agreement.

(b) The terms of this Agreement may be revised or modified only with the prior written consent of both parties.

(c) The descriptive headings in this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions of this Agreement.

(d) Any provision of this Agreement that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Agreement.

(e) This Agreement is intended by the parties to be the final expression of their agreement with respect to the terms included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement.

(f) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

(g) All notices given under this Agreement shall be in writing and shall be hand-delivered or mailed by registered or certified mail, postage prepaid and shall be sent to the parties' respective addresses first written above or any other address as a party may have specified in writing.

(h) Borrower waives trial by jury in any litigation arising out of or relating to this Agreement in which a holder of the Note is an adverse party and further waives the right to interpose any defense, set-off, or counterclaim of any nature or description.

(i) Lender and Borrower hereby agree that the laws of the State of California apply to this Agreement. Any legal action or proceedings brought to enforce or interpret the terms of this Agreement shall be initiated and maintained in the courts of the State of California and or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in day and year first hereinabove written.

LENDER: **CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY**, a public
instrumentality of the State of California

By: _____

Name: **Frank Moore**

Title: **Executive Director**

Date: _____

BORROWER: **BORROWER NAME**,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____

EXHIBIT A

AUTHORIZATION TO CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
REDIRECTION OF MEDI-CAL WARRANTS TO
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

1. NAME OF BORROWER (MEDI-CAL PROVIDER)		2. MEDI-CAL PROVIDER NUMBER	
BORROWER NAME			
3. MAIN CONTACT PERSON NAME		4. TELEPHONE NUMBER	
5. ADDRESS CITY STATE ZIP			
6. LOAN AMOUNT NOT TO EXCEED			
LOAN AMOUNT SPELLED OUT (\$0.00)			

Borrower hereby assigns all of its rights to 20% of its respective Medi-Cal checkwrite payments, along with any and all underlying right to reimbursement as may currently exist, to the California Health Facilities Financing Authority (CHFFA) if the Loan amount is not repaid in full within 24 months of the date of this Agreement, as part of the re-payment requirements of the Nondesignated Public Hospital Bridge Loan Program approved by CHFFA Resolution No. 2021-04 on October 28, 2021.

This assignment shall be in place until CHFFA has notified the Department of Health Care Services (DHCS) that the loan has been paid in full, whereupon the right to full future reimbursements shall revert to the Borrower.

Borrower receives Medi-Cal reimbursement via (check appropriate box):

- Paper warrants
- Electronic funds transfer (EFT)

If an EFT recipient, Borrower acknowledges and agrees to the following requirements:

Borrower shall complete an EFT cancellation form (see attached), which shall be submitted to DHCS. This form must be submitted to DHCS at least one week in advance of the applicable State Controller's Office (SCO) checkwrite issuance date.

Borrower acknowledges that after DHCS receives notice from CHFFA that Borrower's loan is paid in full, the Medi-Cal reimbursement to Borrower will be by paper warrants until such time as the Borrower reapplies for EFT and that application is effective.

Borrower assumes the responsibility of updating its address on file with DHCS and submitting to DHCS any necessary address correction using the Medi-Cal Supplemental Changes form (Form 6209).

BORROWER: **BORROWER NAME**, a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

EFT	Electronic Fund Transfer Authorization	<u>Department of Health Care Services – Medi-Cal:</u> This authorization remains in full force and effect until the California Medicaid Program/Title XIX receives written notification from the provider of its termination, or until the California Medicaid Program/Title XIX or appointing authority deems it necessary to terminate the agreement.
-----	--	---

Directions: An original pre-imprinted voided check for checking accounts, or an original bank letter for savings accounts, must be submitted with this form. The provider name, routing number and account number on either of those documents must match what is entered on this form. Photocopied documents will not be accepted. Use blue ink for signatures, including notary.

Section A

Please Print or Type

1. Name of Provider (must match name on bank account and name registered with Medi-Cal)	2. NPI OR Legacy Number (one EFT form per number)
3. Name of Main Contact Person	4. Telephone Number
5. Provider Address	City State Zip
6. Last 4 Digits of Provider Social Security Number or Complete Federal Tax ID Number (must match number registered with Medi-Cal)	

Section B

1. Bank Routing Number	2. Bank Account Number (including leading zeroes)	3. Type of Account Checking Savings
4. Bank Name		
5. Bank Address	City	State Zip

Section C (Check the appropriate box)

I hereby authorize the California Medicaid Program/Title XIX to initiate credit entries to my bank account as indicated above, and the depository named above to credit the same to such account. For changes to existing accounts, do not close an existing account until the first payment has been deposited into the new account.

I hereby CANCEL my EFT authorization.

I understand that by signing this form, payments issued will be from Federal and State funds, and that any falsification or concealment of a material fact may be prosecuted under Federal and State laws.

Provider Signature
Date
(Blue ink only. Must be owner or corporate officer.)

Form Must Be Notarized

Mail This Form To:
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 PO Box 13029
 Sacramento, CA 95813-4029

Express Mail Only
 California MMIS Fiscal Intermediary
 Attn: EFT Unit
 820 Stillwater Road
 West Sacramento, CA 95605

Privacy Statement (Civil Code Section 1798 et seq.): The information requested on this form is required by the Department of Health Care Services for purposes of identification and document processing. Furnishing the information requested on this form is mandatory. Failure to provide the mandatory information may result in your request being delayed or not processed.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Nondesignated Public Hospital Bridge Loan Program

Promissory Note (“Note”)

\$0.00

BORROWER NAME, a nondesignated public hospital having its principal place of business at **BUSINESS ADDRESS, CITY, CA ZIP CODE** (“Borrower”), for value received, hereby promises to pay to the order of CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (the “Lender” or “Holder”), at its office located at 915 Capitol Mall, Room 435, Sacramento, California 95814, or at such other place as the Holder may from time to time designate in writing, in lawful money of the United States of America, the principal sum of **LOAN AMOUNT SPELLED OUT (\$0.00)** or so much thereof as may be advanced to or for the benefit of the Borrower by the Lender in Lender’s sole and absolute discretion, until payment of such principal sum shall be discharged in no event later than 24 months from the date as more particularly provided for in that certain Loan and Security Agreement between Borrower and the Lender, dated as of the date thereof (the “Agreement”). It is the intent of the Borrower and Lender to create a line of credit agreement between Borrower and Lender whereby Borrower may borrow up to **\$000,000.00** from Lender provided, however, that Lender has no obligation to lend Borrower any amounts hereunder and the decision to lend such money lies in the sole discretion of Lender.

All payments on this Note shall, at the option of Holder, be applied first to any fees and costs owing and any remainder shall be applied to a reduction of the principal balance.

The Borrower shall be in default of this Note on the occurrence of any of the events set forth in the Agreement executed simultaneously herewith, including but not limited to the following: (i) the Borrower shall fail to meet its obligation to make the required principal payment hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the Borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Upon default of this Note, Lender may declare the entire amount due and owing hereunder to be immediately due and payable. Lender may also use all remedies in law and in equity to enforce and collect the amount owed under this Note. The remedies of the Holder, as provided in the Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. No act of omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and

then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to a subsequent event.

Borrower hereby waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration and maturity, protest or notice of protest and non-payment, bringing of suit and diligence in taking any action to collect any sums owing hereunder, and agrees that its liability on this Note shall not be affected by any release of or change in any security for the payment of this Note.

Borrower shall have the right to prepay this Note in whole or in part at any time without penalty or premium.

Any provision of this Note or corresponding Agreement, that is illegal, invalid or unenforceable, shall be ineffective to the extent of such illegality, invalidity or unenforceability without rendering illegal, invalid or unenforceable the remaining provisions of this Note.

Borrower agrees that the laws of the State apply to this Note. Any legal action or proceedings brought to enforce or interpret the terms of this Note shall be initiated and maintained in the courts of the State of California or the United States in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

BORROWER NAME,
a nondesignated public hospital

By: _____
(Authorized Officer)

Name: **AUTHORIZED OFFICER NAME**

Title: **TITLE OF AUTHORIZED OFFICER**

Date: _____



MUFG Union Bank, N.A.
Northern California Commercial Banking
350 California St., 19th Floor
San Francisco, CA 94104

AMENDMENT LETTER

January 25, 2022

Sonoma Valley Health Care District
Attn: John Hennelly, CEO
347 Andrieux Street
Sonoma, CA 95476

Obligor #8480434846

Re: Sixth Amendment And Waiver ("Amendment") to the Amended and Restated Loan Agreement dated April 8, 2014 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Agreement"; as amended by this Amendment, the "Agreement").

Dear Mr. Hennelly:

MUFG Union Bank, N.A. ("Bank") and Sonoma Valley Health Care District ("Borrower") desire to amend the Existing Agreement. Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the Agreement.

In consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to the Existing Agreement.

- (a) Section 1.1.1 of the Existing Agreement is hereby amended in its entirety to read as follows:

1.1.1 The Revolving Loan. Bank will loan to Borrower an amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) outstanding in the aggregate at any one time (the "Revolving Loan"). The proceeds of the Revolving Loan shall be used for Borrower's general working capital purposes. Borrower may borrow, repay and reborrow all or part of the Revolving Loan in accordance with the terms of the Revolving Note (defined below). All borrowings of the Revolving Loan must be made before January 31, 2024, at which time all unpaid principal and interest of the Revolving Loan shall be due and payable. The Revolving Loan shall be evidenced by Bank's standard form of commercial promissory note (the "Revolving Note"). Bank shall enter each amount borrowed and repaid in Bank's records and such entries shall be deemed correct. Omission of Bank to make any such entries shall not discharge Borrower of its obligation to repay in full with interest all amounts borrowed.

As of the date of this Agreement, the principal amount outstanding under Borrower's revolving loan with Bank evidenced by the promissory note dated March 30, 2020 ("Old Note") shall be deemed the initial principal amount outstanding under the Revolving Loan, and the Old Note is hereby cancelled and superseded by the Revolving Note."

“1.1.1 (a) The Standby L/C Sublimit. As a sublimit under the Revolving Loan, Bank shall issue, for the account of Borrower, one or more irrevocable standby letters of credit (individually, a “Standby L/C”). The aggregate amount available to be drawn under all Standby L/Cs and the aggregate amount of unpaid reimbursement obligations under drawn Standby L/Cs shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) and shall reduce, dollar for dollar, the maximum amount available under the Revolving Loan. All Standby L/Cs shall be drawn on terms and conditions acceptable to Bank and shall be governed by the terms of (and Borrower agrees to execute) Bank’s standard form of standby letter of credit application and reimbursement agreement. No Standby L/C shall expire more than three hundred sixty five (365) days from the date of its issuance, and in no event later than January 31, 2025.”

- (b) Section 3.6 of the Existing Agreement is hereby amended in its entirety to read as follows:

“3.6 Compliance with Laws. Borrower is in compliance with all applicable laws, rules, ordinances or regulations which materially affect the operations or financial condition of Borrower. Notwithstanding the foregoing sentence, laws, rules, ordinances or regulations pertaining to (A) economic and trade sanctions administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, (B) anti-money laundering laws, including the Bank Secrecy Act, as amended and supplemented by Title III of the USA Patriot Act, and (C) anti-corruption and anti-bribery laws including the U.S. Foreign Corrupt Practices Act shall be deemed to materially affect the operations or financial condition of Borrower.”

- (c) Section 3 of the Existing Agreement is hereby amended to adding Section 3.14 to read as follows:

“3.14 Sanctions. Borrower is not a person (or owned or controlled by a person) listed on the Specially Designated Nationals and Blocked Persons or the Consolidated Sanctions lists maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control, and Borrower has no dealings with, either directly or indirectly, comprehensively-sanctioned jurisdictions.”

- (d) Section 4 of the Existing Agreement is hereby amended by adding Section 4.13 to read as follows:

“4.13 Borrower shall at all times comply with, or cause to be complied with, including through the use of proceeds of the Loan, (i) all laws, statutes, rules, regulations, orders and directions of any governmental authority having jurisdiction over Borrower or Borrower’s business including, without limitation, laws, statutes, rules, regulations, orders and directions of any governmental authority pertaining to (A) economic and trade sanctions administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, (B) anti-money laundering laws, including the Bank Secrecy Act, as amended and supplemented by Title III of the USA Patriot Act, and (C) anti-corruption and anti-bribery laws including the U.S. Foreign Corrupt Practices Act; and (ii) all material agreements to which Borrower is a party.”

- (e) Section 5.2 of the Existing Agreement is hereby amended in its entirety to read as follows:

“5.2 Borrowings. Borrower will not sell, discount or otherwise transfer any account receivable or any note, draft or other evidence of indebtedness, except to Bank or except to a financial institution at face value for deposit or collection purposes only, and without any fees other than the financial institution’s normal fees for such services. Borrower will not borrow any money, become contingently liable to borrow money, or enter any agreement to directly or indirectly obtain money, except (i) pursuant to agreements with Bank and (ii) unsecured indebtedness owing to the California Health Facilities Financing Authority’s Nondesignated Public Hospital Bridge Loan Program; provided that (a) such indebtedness does not exceed \$1,000,000.00 in the aggregate at any time, and (b) no default or Event of Default has occurred, is continuing or would immediately result therefrom.”

- (f) Section 7.7 of the Existing Agreement is hereby amended in its entirety to read as follows:

“7.7 USA Patriot Act Notice. Bank is subject to federal laws to help the government fight money laundering and terrorist financing that require Bank to obtain, verify, record, and retain information that identifies Borrower, any guarantor and, when applicable, Borrower’s Beneficial Owners. Under federal law, Beneficial Owners for these purposes means any individual or entity holding 25% or more of the direct or indirect equity ownership of Borrower, as well as any individual or entity with significant responsibility to control, manage or direct Borrower (e.g., CEO, CFO, COO, President or similar). This information includes the name, address, date of birth, and other information that will allow Bank to identify Borrower, any guarantor and Borrower’s Beneficial Owners. At any time, Bank may require this information of Borrower, any guarantor and Borrower’s Beneficial Owners (and such other persons or entities as are required by law, regulation or Bank’s then applicable “know your customer” requirements). By signing this document, Borrower agrees to promptly provide and consents to Bank obtaining, if necessary, from third parties, any and all information reasonably necessary to identify Borrower, any guarantor and Borrower’s Beneficial Owners. It shall be an event of default if Borrower fails to provide the information requested by Bank pursuant to this provision within thirty (30) days of such request. ”

Except as specifically amended hereby, the Agreement shall remain in full force and effect and is hereby ratified and confirmed. This Amendment shall not constitute or deemed to be a waiver of any existing or future default or breach of a condition to covenant unless specified herein.

On and as of the date hereof, each reference in the Existing Agreement to “this Agreement,” “hereof,” “hereunder,” “herein” and “hereby” and each other similar reference, and each reference in any other loan document to “the Loan Agreement,” “thereof,” “thereunder,” “therein” or “thereby” or any other similar reference to the Existing Agreement shall refer to the Agreement. This Amendment constitutes a loan document.

This Amendment does not extinguish the obligations for the payment of money outstanding under the Existing Agreement or discharge or release the obligations or the liens or priority of any mortgage, pledge, security agreement or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Agreement, the other loan documents or instruments securing the same, which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith.

This Amendment shall become effective when the Bank shall have received the acknowledgment copy of the Amendment executed by the Borrower and the following executed documents:

- (i) Commercial Promissory Note (Base Rate);
- (ii) Authorization to Disburse;
- (iii) Authorization to Obtain Credit;

This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

This Amendment is governed by, and is to be construed in accordance with, the laws of the State of California. Each provision of this Amendment is severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any specific provision.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

Very truly yours,
MUFG UNION BANK, N.A.

By: _____
Name: Lindsay Dwyer
Title: Senior Vice President

Agreed to and Accepted:

SONOMA VALLEY HEALTH CARE DISTRICT

By: _____
Name: John Hennelly
Title: CEO



COMMERCIAL PROMISSORY NOTE
(BASE RATE)

Debtor Name Sonoma Valley Health Care District, a California non-profit corporation		
Debtor Address 347 Andrieux Street Sonoma, CA 95476-6811	Office 70061	Loan Number 848-043-484-6
	Maturity Date January 31, 2024	Amount \$ 5,500,000.00

Date January 25, 2022

\$5,500,000.00

FOR VALUE RECEIVED, on January 31, 2024, the undersigned ("Debtor") promises to pay to the order of MUFG Union Bank, N.A. ("Bank"), as indicated below, the principal sum of Five Million Five Hundred Thousand and 00/100ths Dollars (\$5,500,000.00), or so much thereof as is disbursed, together with interest on the balance of such principal from time to time outstanding, at the per annum rate or rates and at the times set forth below. Any letter of credit issued and outstanding in connection with this note shall result in reduction of the amount available to Debtor.

1. INTEREST PAYMENTS. Debtor shall pay interest on the last day of each month commencing February 28, 2022. Should interest not be paid when due, it shall become part of the principal and bear interest as herein provided. All computations of interest under this note shall be made on the basis of a year of 360 days, for actual days elapsed. Whenever any payment required hereunder falls due on a day other than a Business Day, such payment shall be made on the first succeeding Business Day.

a. BASE INTEREST RATE. At Debtor's option, amounts outstanding hereunder in minimum amounts of \$150,000 shall bear interest at a rate, based on an index selected by Debtor, which is 2.50 % per annum in excess of Term SOFR for the Interest Period selected by Debtor, to the extent that the length of such Interest Period is acceptable to Bank. Notwithstanding the foregoing, if an Interest Rate Hedge is outstanding, then Debtor shall be deemed to have selected Term SOFR with an Interest Period selected by Debtor.

No Base Interest Rate may be changed, altered or otherwise modified until the expiration of the Interest Period selected by Debtor. The exercise of interest rate options by Debtor shall be as recorded in Bank's records, which records shall be prima facie evidence of the amount borrowed under either interest option and the interest rate; provided, however, that failure of Bank to make any such notation in its records shall not discharge Debtor from its obligations to repay in full with interest all amounts borrowed. In no event shall any Interest Period extend beyond the maturity date of this note.

To exercise this option, Debtor may, from time to time with respect to principal outstanding on which a Base Interest Rate is not accruing, and on the expiration of any Interest Period with respect to principal outstanding on which a Base Interest Rate has been accruing, select an index offered by Bank for a Base Interest Rate Loan and an Interest Period by telephoning an authorized lending officer of Bank located at the banking office identified below prior to 10:00 a.m., Pacific time, on any Business Day and advising that officer of the selected index, the Interest Period and the Origination Date selected which Origination Date, for a Base Interest Rate Loan based on Term SOFR, shall follow the date of such selection by three (3) USGSBDs.

Bank will mail a written confirmation of the terms of the selection to Debtor promptly after the selection is made. Failure to send such confirmation shall not affect Bank's rights to collect interest at the rate selected. If, on the date of the selection, the index selected is unavailable for any reason, the selection shall be void. Bank reserves the right to fund the principal from any source of funds notwithstanding any Base Interest Rate selected by Debtor.

b. VARIABLE INTEREST RATE. All principal outstanding hereunder which is not bearing interest at a Base Interest Rate shall bear interest at the Reference Rate, which rate shall vary as and when the Reference Rate changes.

Subject to the provisions set forth in Exhibit A, if any interest rate defined in this note ceases to be available from Bank for any reason, then said interest rate shall be replaced by the rate (together with any spread adjustment, if applicable) selected by Bank in its sole discretion (the "Replacement Rate").

Subject to the provisions set forth in Exhibit A, notwithstanding anything contained in this note, if Bank determines that adequate and reasonable means do not exist for ascertaining SOFR or Term SOFR or Term SOFR does not adequately and fairly reflect the cost to Bank of funding a loan, then Bank shall give Debtor notice thereof, and Bank shall be under no obligation to maintain the relevant loan as a Term SOFR based loan, and the relevant loan shall be continued bearing interest at the Replacement Rate (plus any applicable margin or spread as set forth in this note) and payable at the end of each calendar month or as otherwise may be agreed by Bank and Debtor. Bank will have the right to make any changes ("Term SOFR Conforming Changes") to the note that Bank decides may be appropriate to reflect the use and administration of Term SOFR by Bank from time to time and any amendments implementing such Term SOFR Conforming Changes will become effective without any further action or consent of Debtor.

The provisions set forth in Exhibit A attached hereto are made a part hereof and shall apply to this note.

At any time prior to the maturity date of this note, subject to the provisions of paragraph 4 below, Debtor may borrow, repay and reborrow hereunder so long as the total outstanding at any one time does not exceed the principal amount of this note.

Debtor shall pay all amounts due under this note in lawful money of the United States at Bank's P.O. Box 30115, Los Angeles, CA 90030-0115 Office, or such other office as may be designated by Bank, from time to time.

2. LATE PAYMENTS. If any payment required by the terms of this note shall remain unpaid ten days after same is due, at the option of Bank, Debtor shall pay a fee of \$100 to Bank.

3. INTEREST RATE FOLLOWING DEFAULT. In the event of default, at the option of Bank, and, to the extent permitted by law, interest shall be payable on the outstanding principal under this note at a per annum rate equal to five percent (5%) in excess of the interest rate specified in paragraph 1.b, above, calculated from the date of default until all amounts payable under this note are paid in full.

4. PREPAYMENT.

a. Amounts outstanding under this note bearing interest at a rate based on the Reference Rate may be prepaid in whole or in part at any time, without penalty or premium. Debtor may prepay amounts outstanding under this note bearing interest at a Base Interest Rate in whole or in part provided Debtor has given Bank not less than five (5) Business Days prior written notice of Debtor's intention to make such prepayment and pays to Bank the prepayment fee due as a result. The prepayment fee shall also be paid, if Bank, for any other reason, including acceleration or foreclosure, receives all or any portion of principal bearing interest at a Base Interest Rate prior to its scheduled payment date. The prepayment fee shall be an amount equal to the present value of the product of: (i) the difference (but not less than zero) between (a) the Base Interest Rate applicable to the principal amount which is being prepaid, and (b) the return which Bank could obtain if it used the amount of such prepayment of principal to purchase at bid price regularly quoted securities issued by the United States having a maturity date most closely coinciding with the relevant Base Rate Maturity Date and such securities were held by Bank until the relevant Base Rate Maturity Date ("Yield Rate"); (ii) a fraction, the numerator of which is the number of days in the period between the date of prepayment and the relevant Base Rate Maturity Date and the denominator of which is 360; and (iii) the amount of the principal so prepaid (except in the event that principal payments are required and have been made as scheduled under the terms of the Base Interest Rate Loan being prepaid, then an amount equal to the lesser of (A) the amount prepaid or (B) 50% of the sum of (1) the amount prepaid and (2) the amount of principal scheduled under the terms of the Base Interest Rate Loan being prepaid to be outstanding at the relevant Base Rate Maturity Date). Present value under this note is

determined by discounting the above product to present value using the Yield Rate as the annual discount factor.

b. In no event shall Bank be obligated to make any payment or refund to Debtor, nor shall Debtor be entitled to any setoff or other claim against Bank, should the return which Bank could obtain under this prepayment formula exceed the interest that Bank would have received if no prepayment had occurred. All prepayments shall include payment of accrued interest on the principal amount so prepaid and shall be applied to payment of interest before application to principal. A determination by Bank as to the prepayment fee amount, if any, shall be conclusive.

c. Bank shall provide Debtor a statement of the amount payable on account of prepayment. Debtor acknowledges that (i) Bank establishes a Base Interest Rate upon the understanding that it will apply to the Base Interest Rate Loan for the entire Interest Period, and (ii) Bank would not lend to Debtor without Debtor's express agreement to pay Bank the prepayment fee described above.

d. If Debtor has entered into an Interest Rate Hedge, Debtor acknowledges and agrees that (i) Bank (or its affiliate) has the right, but not the obligation, under the Swap Documents (defined below) governing such Interest Rate Hedge, to compel an early termination, in full or in part, of such Interest Rate Hedge as a result of any unscheduled prepayment under this note, (ii) any such early termination may result in payment obligations (which may be substantial in amount) being owed by Debtor to Bank (or any affiliate of Bank) as early termination, close-out or settlement amounts, which amounts shall be determined in accordance with the Swap Documents governing such Interest Rate Hedge and shall be in addition to any prepayment fee and other charges specified herein, and (iii) if such full or partial early termination of the Interest Rate Hedge results in an amount owing by Bank or its affiliate to Debtor, then Bank may in its discretion apply such amount to prepayment of principal hereunder, together with accrued interest on such principal and any resulting prepayment fee. Debtor further acknowledges and agrees that neither Bank nor any of its affiliates is under any obligation to enter into Interest Rate Hedges with Debtor and that such Interest Rate Hedges will be governed by documentation separate from this note.

DEBTOR INITIALS HERE: _____

5. DEFAULT AND ACCELERATION OF TIME FOR PAYMENT. Default shall include, but not be limited to, any of the following: (a) the failure of Debtor to make any payment required under this note when due; (b) any breach, misrepresentation or other default by Debtor, any guarantor, co-maker, endorser, or any person or entity other than Debtor providing security for this note (hereinafter individually and collectively referred to as the "Obligor") under any security agreement, guaranty or other agreement between Bank and any Obligor, together with and including any document or agreement evidencing or governing any Interest Rate Hedge, or any other swap, option, forward or similar transaction entered into between Debtor and Bank or any affiliate of Bank ("Swap Document"); (c) the insolvency of any Obligor or the failure of any Obligor generally to pay such Obligor's debts as such debts become due; (d) the commencement as to any Obligor of any voluntary or involuntary proceeding under any laws relating to bankruptcy, insolvency, reorganization, arrangement, debt adjustment or debtor relief; (e) the assignment by any Obligor for the benefit of such Obligor's creditors; (f) the appointment, or commencement of any proceeding for the appointment of a receiver, trustee, custodian or similar official for all or substantially all of any Obligor's property; (g) the commencement of any proceeding for the dissolution or liquidation of any Obligor; (h) the termination of existence or death of any Obligor; (i) the revocation of any guaranty or subordination agreement given in connection with this note; (j) the failure of any Obligor to comply with any order, judgement, injunction, decree, writ or demand of any court or other public authority; (k) the filing or recording against any Obligor, or the property of any Obligor, of any notice of levy, notice to withhold, or other legal process for taxes other than property taxes; (l) the default by any Obligor personally liable for amounts owed hereunder on any obligation concerning the borrowing of money; (m) the issuance against any Obligor, or the property of any Obligor, of any writ of attachment, execution, or other judicial lien; or (n) the deterioration of the financial condition of any Obligor which results in Bank deeming itself, in good faith, insecure. Upon the occurrence of any such default, Bank, in its discretion, may cease to advance funds hereunder and may declare all obligations under this note immediately due and payable; however, upon the occurrence of an event of default under d, e, f, or g, all principal and interest hereunder shall automatically become immediately due and payable.

6. ADDITIONAL AGREEMENTS OF DEBTOR. If any amounts owing under this note are not paid when due, Debtor promises to pay all costs and expenses, including reasonable attorneys' fees, (including the allocated costs of Bank's in-house counsel and legal staff) incurred by Bank in the negotiation, documentation and modification of this note and all related documents and in the collection or enforcement of any amount outstanding hereunder. Debtor and any Obligor, for the maximum period of time and the full extent permitted by law, (a) waive diligence, presentment, demand, notice of nonpayment, protest, notice of protest, and notice of every kind; (b) waive the right to assert the defense of any statute of limitations to any debt or obligation hereunder; and (c) consent to renewals and extensions of time for the payment of any amounts due under this note. If this note is signed by more than one party, the term "Debtor" includes each of the undersigned and any successors in interest thereof; all of whose liability shall be joint and several. Any married person who signs this note agrees that recourse may be had against the separate property of that person for any obligations hereunder. The receipt of any check or other item of payment by Bank, at its option, shall not be considered a payment on account until such check or other item of payment is honored when presented for payment at the drawee bank. Bank may delay the credit of such payment based upon Bank's schedule of funds availability, and interest under this note shall accrue until the funds are deemed collected. In any action brought under or arising out of this note, Debtor and any Obligor, including their successors and assigns, hereby consent to the jurisdiction of any competent court within the State of California, as provided in any alternative dispute resolution agreement executed between Debtor and Bank, and consent to service of process by any means authorized by said state's law. The term "Bank" includes, without limitation, any holder of this note. This note shall be construed in accordance with and governed by the laws of the State of California. This note hereby incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between Debtor and Bank, other than any such provision contained in a Swap Document.

7. DEFINITIONS. As used herein, the following terms shall have the meanings respectively set forth below (and any capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms on Exhibit A):

"Base Interest Rate" means a rate of interest based on Term SOFR.

"Base Interest Rate Loan" means amounts outstanding under this note that bear interest at a Base Interest Rate.

"Base Rate Maturity Date" means the last day of the Interest Period with respect to principal outstanding under a Base Interest Rate Loan.

"Business Day" means a day on which Bank is open for business for the funding of corporate loans.

"Floor" means a per annum rate of interest equal to 0 %.

"Interest Period" means with respect to funds bearing interest at a rate based on Term SOFR, any 1, 2 or 3 months; provided, that any such tenor shall not be available to the extent that Bank has deemed such tenor to be unavailable, undeterminable, non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Finance Benchmark. In determining an Interest Period, a month means a period that starts on one Business Day in a month and ends on and includes the day preceding the numerically corresponding day in the next month. For any month in which there is no such numerically corresponding day, then as to that month, such day shall be deemed to be the last calendar day of such month. Any Interest Period which would otherwise end on a non-Business Day shall end on the next succeeding Business Day unless that day falls in a new calendar month, in which event such Interest Period shall end on the next preceding Business Day.

"Interest Rate Hedge" means any interest rate swap, forward swap or swaption, or interest rate cap or collar transaction now or hereafter entered into between Debtor and Bank or any affiliate of Bank for purposes of hedging or mitigating, fully or partially, interest rate risk under this note.

"Origination Date" means the first day of the Interest Period.

"Reference Rate" means the rate announced by Bank from time to time at its corporate headquarters as

its Reference Rate. The Reference Rate is an index rate determined by Bank from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate of interest or index nor necessarily the lowest rate of interest charged by Bank at any given time.

“**SOFR**” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**Term SOFR**” means the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Term SOFR Determination Day**”) that is two (2) USGSBDs prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that (x) if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding USGSBD for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding USGSBD is not more than three (3) USGSBDs prior to such Term SOFR Determination Day and (y) if Term SOFR determined as provided above (including pursuant to clause (x) of this proviso) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Bank in its reasonable discretion).

“**Term SOFR Determination Day**” shall have the meaning ascribed to such term in the definition of “Term SOFR”.

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**USGSBD**” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

8. COUNTERPARTS/ELECTRONIC SIGNATURES. This document may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words “execution,” “signed,” “signature,” and words of like import in this document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

DEBTOR:

Sonoma Valley Health Care District, a California non-profit corporation

By: _____
John Hennelly, CEO

Exhibit A

BENCHMARK REPLACEMENT SETTING

The following provisions of this Exhibit A (this “Exhibit”) shall be effective notwithstanding anything to the contrary in the note to which this Exhibit is attached (the “Note”) or in any other document related to the Note (and any Swap Document shall be deemed not to be a document related to the Note for purposes of this Exhibit). Capitalized terms used in this Exhibit A and not otherwise defined herein shall have the meanings ascribed to such terms in the Note.

(a) **BENCHMARK REPLACEMENT.** Upon the occurrence of a Benchmark Transition Event, Bank may amend this Note to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after Bank has posted such proposed amendment to Debtor. Bank will have the right to make any changes (“Benchmark Replacement Conforming Changes”) to the Note that Bank decides may be appropriate to reflect the adoption and implementation of any such Benchmark Replacement and to permit the administration thereof by Bank from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Debtor.

(b) **STANDARDS.** Any determination, decision or election that may be made by Bank pursuant to this Exhibit, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Bank’s sole discretion and without consent from Debtor. Bank does not warrant or accept responsibility for, and shall not have any liability to Debtor under the Note or otherwise for, any loss, damage or claim arising from or relating to (i) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referenced in the definition thereof or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, (ii) the effect or implementation of any Benchmark Replacement Conforming Changes or Term SOFR Conforming Changes or (iii) any mismatch between the Benchmark or the Benchmark Replacement and any of Debtor’s other financing instruments (including those that are intended as hedges).

(c) **CERTAIN DEFINED TERMS.** As used in this Exhibit:

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period pursuant to the Note or (b) otherwise, any payment period for interest calculated with reference to such Benchmark that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date.

“**Benchmark**” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to this Exhibit.

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Bank as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment; provided that, in each case, if such Benchmark Replacement as so determined would be less than zero or such other floor as set forth in the Note, such Benchmark Replacement will be deemed to be zero or such other floor as set forth in the Note for the purposes of the Note and the other loan documents related thereto.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank.

“Benchmark Transition Event” means, with respect to the then-current Benchmark, a public statement or publication of information: (a) by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, (b) by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or such Available Tenors, or (c) by or on behalf of the administrator of such Benchmark or by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark are, not, or as a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.



MUFG Union Bank, N.A.
Commercial Loan Documentation
P.O. Box 30115
Los Angeles, CA 90030-0115

February 15, 2022

Sonoma Valley Health Care District ("Borrower")
347 Andrieux Street
Sonoma, CA 95476-6811

RE: 8480434846/0080000000 ("Loan")

Dear Borrower:

This letter is being sent to confirm that MUFG Union Bank, N.A. ("Bank") has agreed to extend the maturity date of the Loan granted to Borrower in the original or maximum principal amount of \$5,500,000.00 pursuant to those certain documents applicable to the Loan, as amended (the "Agreement").

The maturity date of the Loan is hereby extended to April 01, 2022 ("New Maturity Date"). The Agreement shall be deemed modified as of the date of this letter to reflect the New Maturity Date.

Each related letter of credit expiration date and/or trade advance date in the Agreement shall be extended to a date which follows the New Maturity Date by the same number of days as the original expiration date and/or maturity date followed the original maturity date.

All other terms and conditions of the Agreement remain in full force and effect, without waiver or modification. This extension is conditioned upon Borrower's continued payment of interest and/or principal as provided in the Agreement, as amended herein.

Each advance request, or Borrower's continued payments of principal or interest, constitutes Borrower's warranty that no event of default as defined in the Agreement and no condition, event or act which, with the giving of notice or the passage of time or both, would constitute such an event of default, shall have occurred and be continuing or shall exist, except as noted herein.

BANK HAS NOT COMMITTED TO ANY OTHER TERMS NOT CONTAINED IN THIS LETTER. ANY FURTHER EXTENSION OR ANY RENEWAL REMAINS IN THE DISCRETION OF BANK.

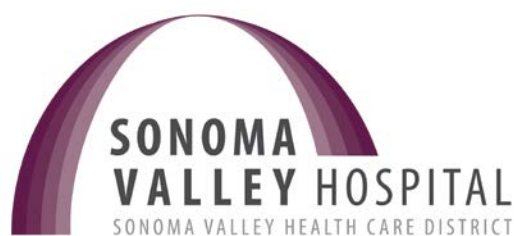
Finally, the extension of the maturity date provided herein does not constitute a waiver by Bank of any rights, remedies, benefits or powers belonging to or accruing to Bank under the terms of the Agreement. Bank expressly reserves, and does not waive, all of its rights under applicable law and any agreements, instruments and documents executed in connection with the Loan, all of which remain in full force and effect.

Borrower and Bank agree that delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image or other electronic means, shall be effective as delivery of an originally executed counterpart, and shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law.

If you have any questions, please call your Account Manager, Lindsay Dwyer, at (415) 705-7308.

Very truly yours,
MUFG UNION BANK, N.A.

By: /s/Diana Madrid
Name: Diana Madrid
Title: Assistant Vice President



Healing Here at Home

To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: February 22, 2022
Subject: Fiscal Year 2023 Budget Assumptions

VOLUME

- Based upon the 7 months from July 2021 to January 2022 annualized.
- CT – 10% increase in OP referral volumes beginning January 2023.
- GI Procedures – Increased OP GI procedures volumes to FY 2019 levels (25%) beginning January 2023.

GROSS REVENUE

- OP gross revenue increased by the volume assumptions above.
- Gross price increase of 6% - this is allowed by most SVH commercial contracts (analysis provided by Para)

CONTRACTUAL ALLOWANCES

- Assume current collection rates and adjust allowance for 6% price increase.
- Payer Mix will be based upon current payer payment percentages.
- Intergovernmental and supplemental payments include the 12-month Rate Range and HQAF IGT as well as Medi-Cal AB915.

WAGES AND BENEFITS

- 2% increase for salaries at January 2023.
- Base wage increases per Human Resources analysis based on current market.
- Add project managers (2) (Epic and ODC/ICU renovations) (Foundation to cover \$100k annually for FY 23 and FY 24 for ODC/ICU project manager).
- Employee benefits will be based upon actual experience and estimates from the providers.

PHYSICIAN FEES & PROFESSIONAL FEES

- Based upon current costs or final contract arrangements.
- UCSF Management fees will be based on current invoices plus the addition of the Chief Financial Officer

SUPPLIES/FOOD

- Based on current volumes
- Plus 2 - 4% increase to reflect inflation.
- Additional increases as needed per department based on increases in CT and GI volumes.

PURCHASED SERVICES

- Purchased Services based on current and projected services by department
- IT costs will include the continuation of the Paragon Allscripts extension which ends February 2023.
- Paragon Allscripts ERP costs beginning March 2023
- Epic monthly fees beginning in December 2022 plus elimination of various IT contracts no longer necessary with Epic.

DEPRECIATION

- Current, plus adjustments for new equipment and building improvements (CT and Epic).

INSURANCE

- Will confirm with insurance agent.

INTEREST

- Current, will adjust for expiring leases/loans and project for any new loans.

UTILITIES

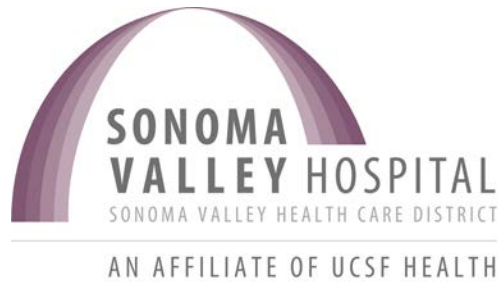
- Current and expected future rates to be reviewed.

OTHER EXPENSES

- Rent/leases- current, will adjust for any new expected leases and remove any expiring.
- All other, no increase
- Will review by department

Notes:

- Administration is currently working on strategic plans involving orthopedic surgeries and cardiology testing. Assumptions based on these plans could be included in the FY 2023 budget and will be discussed in finance committee during the monthly budget review.



To: SVH Finance Committee
From: Sarah Dungan, Controller
Date: February 22, 2022
Subject: Financial Report for the Month Ending January 31, 2022

For the month of January the hospital's actual operating margin of (\$619,762) was (\$80,721) unfavorable to the budgeted operating margin of (\$539,041). After accounting for all other activity; the net loss for January was (\$2,538) vs. the budgeted net income of \$500,193 with a monthly EBDA of -2.3% vs. a budgeted 0.8%.

Gross patient revenue for January was \$24,756,393; \$1,397,690 over budget. Inpatient gross revenue was under budget by (\$594,946). Inpatient days were under budget by (7) days and inpatient surgeries were under budget by (9) cases. Outpatient gross revenue was over budget by \$865,350. Outpatient visits were under budget by (96) visits, outpatient surgeries were over budget by 1 case, and special procedures were over budget by 7 cases. The Emergency Room gross revenue was over budget by \$1,127,286 with ER visits over budgeted expectations by 71 visits.

Deductions from revenue were unfavorable to budgeted expectations by (\$1,314,095) due to higher gross revenue than budgeted. Revenue deductions were offset by the accrual of the Medi-Cal AB915 outpatient supplemental payment to be received by fiscal year-end.

After accounting for all other operating revenue, the **total operating revenue** was favorable to budgeted expectations by \$106,356.

Operating Expenses of \$4,806,087 were unfavorable to budget by (\$187,077). Salaries and wages were under budget by \$143,666 and agency fees are over by (\$141,590). Employee benefits were over by (\$31,127) and paid time off was over by (73,380) due to the PTO liability adjustment from the 2% salary increase. Professional fees were over budget by (\$64,635) due to higher than budgeted UCSF management costs including the new IT director. Supplies are over budget by (\$19,624) in various clinical departments where volumes were higher than budgeted. Other expenses were over budget due to recruitment costs (\$32,354) for a clinical lab scientist.



After accounting for all income and expenses, but not including Restricted Contributions and GO bond activity, the net loss for January was (\$326,198) vs. a budgeted net loss of (\$221,398). The total net loss for January after all activity was (\$2,538) vs. a budgeted net income of \$500,193.

EBDA for the month of January was -2.3% vs. the budgeted 0.8%.

Patient Volumes – January

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	65	84	-19	63
Acute Patient Days	276	283	-7	230
Observation Days	17	0	17	15
OP Gross Revenue	\$18,724	\$16,731	\$1,993	\$13,618
Surgical Cases	112	120	-8	102

Gross Revenue Overall Payer Mix – January

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	38.7%	39.6%	-0.9%	36.9%	39.6%	-2.7%
Medicare Mgd Care	18.3%	15.5%	2.8%	16.9%	15.5%	1.4%
Medi-Cal	19.7%	19.1%	0.6%	16.8%	19.1%	-2.3%
Self Pay	0.8%	1.1%	-0.3%	1.7%	1.1%	0.6%
Commercial	20.1%	21.6%	-1.5%	24.8%	21.6%	3.2%
Workers Comp	2.4%	3.1%	-0.7%	2.9%	3.1%	-0.2%
Total	100.0%	100.0%		100.0%	100.0%	

Cash Activity for January:

For the month of January the cash collection goal was \$3,631,028 and the Hospital collected \$3,607,292 or under the goal by (\$23,736). The year-to-date cash collection goal was \$26,162,317 and the Hospital has collected \$25,687,065 or under goal by (\$475,252).

	CURRENT MONTH	PRIOR MONTH	VARIANCE	PRIOR YEAR
Days of Cash on Hand – Avg.	54.3	46.3	17.7	30.6
Accounts Receivable Days	41.4	41.2	0.2	53.7
Accounts Payable	\$4,248,742	\$3,640,716	\$608,026	\$3,391,691
Accounts Payable Days	52.1	44.9	7.2	47.4

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 January 31, 2022

ATTACHMENT A

	Month				Year-to-Date			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Gross Revenue:								
Medicare	9,596,926	9,279,628	317,298	3.4%	61,910,987	60,361,532	1,549,455	2.6%
Medicare Managed Care	4,519,690	3,608,963	910,727	25.2%	28,463,039	23,463,125	4,999,914	21.3%
Medi-Cal	4,864,453	4,446,556	417,897	9.4%	28,225,662	28,957,680	-732,018	-2.5%
Self Pay	201,045	246,415	-45,370	-18.4%	2,886,711	1,613,797	1,272,914	78.9%
Commercial & Other Government	4,985,468	5,060,177	-74,709	-1.5%	41,918,027	33,012,435	8,905,592	27.0%
Worker's Comp.	588,811	716,964	-128,153	-17.9%	4,938,797	4,678,392	260,405	5.6%
Total	24,756,393	23,358,703	1,397,690		168,343,223	152,086,961	16,256,262	

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Net Revenue:								
Medicare	1,100,767	1,037,877	62,890	6.1%	6,916,340	7,251,147	-334,807	-4.6%
Medicare Managed Care	450,161	416,474	33,687	8.1%	3,014,799	2,682,644	332,155	12.4%
Medi-Cal	479,149	468,222	10,927	2.3%	2,892,720	3,019,244	-126,524	-4.2%
Self Pay	74,769	92,972	-18,203	-19.6%	1,204,231	608,886	595,345	97.8%
Commercial & Other Government	1,442,973	1,519,065	-76,092	-5.0%	11,001,808	9,475,347	1,526,461	16.1%
Worker's Comp.	88,793	132,710	-43,917	-33.1%	829,387	853,526	-24,139	-2.8%
Prior Period Adj/IGT	449,303	335,000	114,303	34.1%	4,498,600	6,835,000	-2,336,400	-34.2%
Total	4,085,915	4,002,320	83,595	2.1%	30,357,885	30,725,794	(367,909)	-1.2%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Percent of Net Revenue:								
Medicare	26.9%	25.9%	1.0%	3.9%	22.8%	23.6%	-0.9%	-3.8%
Medicare Managed Care	11.0%	10.4%	0.6%	5.8%	9.9%	8.7%	1.2%	13.8%
Medi-Cal	11.7%	11.7%	0.0%	0.0%	9.5%	9.8%	-0.3%	-3.1%
Self Pay	1.8%	2.3%	-0.5%	-21.7%	4.0%	2.0%	2.0%	100.0%
Commercial & Other Government	35.4%	38.0%	-2.6%	-6.8%	36.3%	30.9%	5.4%	17.5%
Worker's Comp.	2.2%	3.3%	-1.1%	-33.3%	2.7%	2.8%	-0.1%	-3.6%
Prior Period Adj/IGT	11.0%	8.4%	2.6%	31.0%	14.8%	22.2%	-7.4%	-33.3%
Total	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	-0.1%	-0.1%

	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Projected Collection Percentage:								
Medicare	11.5%	11.2%	0.3%	2.7%	11.2%	12.0%	-0.8%	-6.7%
Medicare Managed Care	10.0%	11.5%	-1.5%	-13.0%	10.6%	11.4%	-0.8%	-7.0%
Medi-Cal	9.9%	10.5%	-0.6%	-5.7%	10.2%	10.4%	-0.2%	-1.9%
Self Pay	37.2%	37.7%	-0.5%	-1.3%	41.7%	37.7%	4.0%	10.6%
Commercial & Other Government	28.9%	30.0%	-1.1%	-3.7%	26.2%	28.7%	-2.5%	-8.7%
Worker's Comp.	15.1%	18.5%	-3.4%	-18.4%	16.8%	18.2%	-1.4%	-7.7%

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended January 31, 2022**

ATTACHMENT B

	<u>CURRENT MONTH</u>				<u>YEAR-TO-DATE</u>			<u>YTD</u>
	<u>Actual</u> <u>01/31/22</u>	<u>Budget</u> <u>01/31/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>		<u>Actual</u> <u>01/31/22</u>	<u>Budget</u> <u>01/31/22</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Variance</u>	<u>Prior</u> <u>Year</u> <u>01/31/21</u>
Inpatient Utilization								
Discharges								
1	48	67	(19)	Med/Surg	331	405	(74)	359
2	17	17	-	ICU	107	105	2	90
3	65	84	(19)	Total Discharges	438	510	(72)	449
Patient Days:								
4	170	186	(16)	Med/Surg	1,211	1,206	5	1,211
5	106	97	9	ICU	617	632	(15)	634
6	276	283	(7)	Total Patient Days	1,828	1,838	(10)	1,845
7	17	-	17	Observation days	167	-	167	138
Average Length of Stay:								
8	3.5	2.8	0.8	Med/Surg	3.7	3.0	0.7	3.4
9	6.2	5.7	0.5	ICU	5.8	6.0	(0.3)	7.0
10	4.2	3.4	0.9	Avg. Length of Stay	4.2	3.6	0.6	4.1
Average Daily Census:								
11	5.5	6.0	(0.5)	Med/Surg	5.6	5.6	0.0	5.6
12	3.4	3.1	0.3	ICU	2.9	2.9	(0.1)	2.9
13	8.9	9.1	(0.2)	Avg. Daily Census	8.5	8.5	(0.0)	8.6
Other Utilization Statistics								
Emergency Room Statistics								
14	723	652	71	Total ER Visits	5,355	4,294	1,061	4,828
Outpatient Statistics:								
15	4,546	4,642	(96)	Total Outpatients Visits	32,300	31,351	949	26,820
16	9	18	(9)	IP Surgeries	71	114	(43)	109
17	103	102	1	OP Surgeries	735	669	66	692
18	51	44	7	Special Procedures	378	291	87	302
19	267	296	(29)	Adjusted Discharges	1,978	1,814	164	1,633
20	1,132	996	136	Adjusted Patient Days	8,232	6,526	1,706	6,666
21	36.5	32.1	4.4	Adj. Avg. Daily Census	38.3	30.4	7.9	31.0
22	1.5254	1.4000	0.125	Case Mix Index - Medicare	1.4078	1.4000	0.008	1.6229
23	1.5037	1.4000	0.104	Case Mix Index - All payers	1.3790	1.4000	(0.021)	1.5107
Labor Statistics								
24	200	212	12	FTE's - Worked	203	207	3.4	205
25	223	234	11	FTE's - Paid	227	228	1.3	227
26	47.90	45.61	(2.29)	Average Hourly Rate	45.87	44.68	(1.19)	46.42
27	6.11	7.30	1.19	FTE / Adj. Pat Day	5.93	7.52	1.59	7.32
28	34.8	41.6	6.8	Manhours / Adj. Pat Day	33.8	42.9	9.1	41.7
29	147.8	140.1	(7.7)	Manhours / Adj. Discharge	140.7	154.2	13.6	170.2
30	26.7%	24.3%	-2.4%	Benefits % of Salaries	24.5%	24.6%	0.1%	21.6%
Non-Labor Statistics								
31	16.0%	14.3%	-1.6%	Supply Expense % Net Revenue	16.4%	12.7%	-3.6%	15.6%
32	2,227	1,941	(286)	Supply Exp. / Adj. Discharge	2,154	2,156	1	2,360
33	18,226	15,906	(2,320)	Total Expense / Adj. Discharge	17,600	18,997	1,397	19,874
Other Indicators								
34	59.7			Days Cash - Operating Funds				
35	41.4	50.0	(8.6)	Days in Net AR	42.2	50.0	(7.8)	51.6
36	100%			Collections % of Net Revenue	98%			94.4%
37	52.1	55.0	(2.9)	Days in Accounts Payable	52.1	55.0	(2.9)	46.8
38	15.0%	17.2%	-2.1%	% Net revenue to Gross revenue	15.5%	20.2%	-4.7%	18.1%
39	14.9%			% Net AR to Gross AR	14.9%			15.8%

Sonoma Valley Health Care District
Balance Sheet
As of January 31, 2022

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 3,205,068	\$ 3,147,129	\$ 2,494,590
2 Cash - Money Market	5,843,923	3,843,684	1,737,760
3 Net Patient Receivables	6,940,346	6,560,757	6,135,924
4 Allow Uncollect Accts	(2,001,175)	(1,804,420)	(817,681)
5 Net A/R	4,939,171	4,756,337	5,318,243
6 Other Accts/Notes Rec	1,950,454	1,973,768	1,258,821
7 Parcel Tax Receivable	1,665,888	1,665,888	1,753,089
8 GO Bond Tax Receivable	1,225,217	2,601,816	1,411,343
9 3rd Party Receivables, Net	1,637,526	3,905,706	2,204,474
10 Inventory	1,043,635	1,036,379	892,737
11 Prepaid Expenses	945,661	739,622	751,562
12 Total Current Assets	\$ 22,456,543	\$ 23,670,329	\$ 17,822,619
13 Property, Plant & Equip, Net	\$ 51,704,726	\$ 51,734,067	\$ 52,781,967
14 Trustee Funds - GO Bonds	5,091,525	3,714,896	5,111,640
15 Designated Funds - Board Approved	1,000,000	1,000,000	1,000,000
16 Total Assets	\$ 80,252,794	\$ 80,119,292	\$ 76,716,226
Liabilities & Fund Balances			
Current Liabilities:			
17 Accounts Payable	\$ 4,248,742	\$ 3,640,716	\$ 3,391,691
18 Accrued Compensation	3,573,156	3,414,761	3,511,478
19 Interest Payable - GO Bonds	263,605	211,709	538,373
20 Accrued Expenses	2,183,118	2,294,936	1,620,609
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	1,583,335	1,900,002	1,583,319
23 Deferred GO Bond Tax Revenue	1,159,061	1,390,873	1,378,830
24 Current Maturities-LTD	348,292	348,292	300,918
25 Line of Credit - Union Bank	5,473,734	5,473,734	5,473,734
26 Other Liabilities	1,586,783	1,595,483	219,146
27 Total Current Liabilities	\$ 20,419,826	\$ 20,270,506	\$ 18,018,098
28 Long Term Debt, net current portion	\$ 25,060,409	\$ 25,073,689	\$ 27,223,657
29 Fund Balances:			
30 Unrestricted	\$ 19,135,119	\$ 19,281,400	\$ 17,081,227
31 Restricted	15,637,440	15,493,697	14,393,244
32 Total Fund Balances	\$ 34,772,559	\$ 34,775,097	\$ 31,474,471
33 Total Liabilities & Fund Balances	\$ 80,252,794	\$ 80,119,292	\$ 76,716,226

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 31, 2022**

ATTACHMENT D

	Month				Year-To-Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual		\$	%	Actual	Budget	\$	%		
	Volume Information									
1	65	84	(19)	-23%	Acute Discharges	438	510	(72)	-14%	449
2	276	283	(7)	-2%	Patient Days	1,828	1,838	(10)	-1%	1,845
3	17	-	17	0%	Observation Days	167	-	167	*	138
4	\$ 18,724	\$ 16,731	\$ 1,993	12%	Gross O/P Revenue (000's)	\$ 130,893	\$ 109,317	\$ 21,576	20%	\$ 99,053
	Financial Results									
	Gross Patient Revenue									
5	\$ 6,032,580	\$ 6,627,526	(594,946)	-9%	Inpatient	\$ 37,450,006	\$ 42,769,692	(5,319,686)	-12%	\$ 37,897,610
6	11,439,679	10,574,329	865,350	8%	Outpatient	79,900,165	69,012,052	10,888,113	16%	59,819,190
7	7,284,134	6,156,848	1,127,286	18%	Emergency	50,993,052	40,305,217	10,687,835	27%	39,455,784
8	\$ 24,756,393	\$ 23,358,703	1,397,690	6%	Total Gross Patient Revenue	\$ 168,343,223	\$ 152,086,961	16,256,262	11%	\$ 137,172,584
	Deductions from Revenue									
9	(20,959,676)	(19,513,812)	(1,445,864)	-7%	Contractual Discounts	\$ (141,025,143)	\$ (126,953,170)	(14,071,973)	-11%	\$ (111,418,006)
10	(150,000)	(150,000)	-	0%	Bad Debt	(1,400,000)	(1,050,000)	(350,000)	-33%	(810,000)
11	(10,105)	(27,571)	17,466	63%	Charity Care Provision	(58,795)	(192,997)	134,202	70%	(193,000)
12	449,303	335,000	114,303	34%	Prior Period Adj/Government Program Revenue	4,498,600	6,835,000	(2,336,400)	-34%	-
13	\$ (20,670,478)	\$ (19,356,383)	(1,314,095)	7%	Total Deductions from Revenue	\$ (137,985,338)	\$ (121,361,167)	(16,624,171)	14%	\$ (112,421,006)
14	\$ 4,085,915	\$ 4,002,320	83,595	2%	Net Patient Service Revenue	\$ 30,357,885	\$ 30,725,794	(367,909)	-1%	\$ 24,751,578
15	\$ 100,410	\$ 77,649	22,761	29%	Other Op Rev & Electronic Health Records	\$ 678,405	\$ 633,543	44,862	7%	\$ 588,202
16	\$ 4,186,325	\$ 4,079,969	106,356	3%	Total Operating Revenue	\$ 31,036,290	\$ 31,359,337	\$ (323,047)	-1%	\$ 25,339,780
	Operating Expenses									
17	\$ 1,886,915	\$ 1,888,991	2,076	0%	Salary and Wages and Agency Fees	\$ 12,761,332	\$ 12,499,493	(261,839)	-2%	\$ 12,908,791
18	814,264	709,757	(104,507)	-15%	Employee Benefits	4,869,880	4,740,607	(129,273)	-3%	4,618,060
19	\$ 2,701,179	\$ 2,598,748	(102,431)	-4%	Total People Cost	\$ 17,631,212	\$ 17,240,100	(391,112)	-2%	\$ 17,526,851
20	\$ 577,705	\$ 513,070	(64,635)	-13%	Med and Prof Fees (excl Agency)	\$ 4,020,351	\$ 3,584,984	(435,367)	-12%	\$ 2,980,434
21	593,608	573,984	(19,624)	-3%	Supplies	4,260,415	3,909,534	(350,881)	-9%	3,855,369
22	397,944	405,938	7,994	2%	Purchased Services	3,002,947	2,781,091	(221,856)	-8%	3,039,761
23	229,637	252,880	23,243	9%	Depreciation	1,659,188	1,770,160	110,972	6%	1,791,560
24	94,007	105,863	11,856	11%	Utilities	869,888	814,368	(55,520)	-7%	856,867
25	57,687	46,909	(10,778)	-23%	Insurance	363,187	328,363	(34,824)	-11%	315,569
26	16,971	17,966	995	6%	Interest	115,335	125,762	10,427	8%	125,765
27	137,349	103,652	(33,697)	-33%	Other	783,388	709,463	(73,925)	-10%	717,400
28	-	-	-	*	Matching Fees (Government Programs)	1,523,042	2,600,000	1,076,958	-41%	620,237
29	\$ 4,806,087	\$ 4,619,010	(187,077)	-4%	Operating expenses	\$ 34,228,953	\$ 33,863,825	(365,128)	-1%	\$ 31,829,813
30	\$ (619,762)	\$ (539,041)	(80,721)	-15%	Operating Margin	\$ (3,192,663)	\$ (2,504,488)	(688,175)	-27%	\$ (6,490,033)

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended January 31, 2022**

ATTACHMENT D

	Month					Year-To- Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual		\$	%		Actual	Budget	\$	%		
31	\$ (8,303)	\$ 976	(9,279)	-951%						\$ 35,514	
32	-	-	-	0%	Miscellaneous Revenue/(Expenses)	\$ (68,936)	\$ 6,832	(75,768)	*	498	
33	-	-	-	*	Donations	20,459	-	20,459	0%	0	
34	316,667	316,667	-	0%	Physician Practice Support-Prima	-	-	-	*	2,216,669	
35	(14,800)	-	(14,800)	0%	Parcel Tax Assessment Rev	2,216,669	2,216,669	-	0%	36	
36	\$ 293,564	\$ 317,643	(9,279)	-8%	Extraordinary Items	(61,767)	-	(61,767)	0%	\$ 2,252,717	
					Total Non-Operating Rev/Exp	\$ 2,106,425	\$ 2,223,501	(55,309)	-5%		
37	\$ (326,198)	\$ (221,398)	(104,800)	47%	Net Income / (Loss) prior to Restricted Contributions	\$ (1,086,238)	\$ (280,987)	(743,484)	265%	\$ (4,237,316)	
38	\$ -	\$ -	-	0%	Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
39	\$ 143,743	\$ 523,803	(380,060)	0%	Restricted Foundation Contributions	\$ 419,884	\$ 3,666,621	(3,246,737)	100%	\$ 5,098,311	
40	\$ (182,455)	\$ 302,405	(484,860)	-160%	Net Income / (Loss) w/ Restricted Contributions	\$ (666,354)	\$ 3,385,634	(4,051,988)	-120%	\$ 860,995	
41	179,917	197,788	(17,871)	-9%	GO Bond Activity, Net	1,044,333	1,378,433	(334,100)	-24%	1,296,538	
42	\$ (2,538)	\$ 500,193	(502,731)	-101%	Net Income/(Loss) w GO Bond Activity	\$ 377,979	\$ 4,764,067	(4,386,088)	-92%	\$ 2,157,533	
	\$ (96,561)	\$ 31,482	(128,043)		EBDA - Not including Restricted Contributions	\$ 572,950	\$ 1,489,173	(916,223)		\$ (2,445,756)	
	-2.3%	0.8%				1.8%	4.7%			-9.7%	

* Operating Margin without Depreciation expense:

\$ (619,762)	\$ (539,041)	\$ (80,721)	-15%	Operating Margin	\$ (3,192,663)	\$ (2,504,488)	\$ (688,175)	-27%	\$ (6,490,033)
229,637	252,880	23,243	9%	Add back Depreciation	1,659,188	1,770,160	110,972	6%	1,791,560
\$ (390,125)	\$ (286,161)	\$ (57,478)	-36%	Operating Margin without Depreciation expense	\$ (1,533,475)	\$ (734,328)	\$ (577,203)	-109%	\$ (4,698,473)

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended January 31, 2022**

ATTACHMENT E

Operating Expenses	YTD Variance	Month Variance	
Salary and Wages and Agency Fees	(261,839)	2,076	Salaries and wages are under budget by \$143,666 and agency fees are over by (\$141,590). Agency fees are over budget in ICU, emergency room, surgery, respiratory therapy, radiology, MRI, OP physical therapy and environmental services.
Employee Benefits	(129,273)	(104,507)	Paid time off is over budget by (\$73,380) due to the PTO liability adjustment from the 2% salary increase and employee benefits are over by (\$31,127).
Total People Cost	(391,112)	(102,431)	
Med and Prof Fees (excl Agency)	(435,367)	(64,635)	Professional fees are over budget due to higher than budgeted UCSF management costs including the unbudgeted position of IT director which is offset by a savings in salaries & wages.
Supplies	(350,881)	(19,624)	Supplies are over in various clinical departments due to higher than budgeted volumes.
Purchased Services	(221,856)	7,994	
Depreciation	110,972	23,243	
Utilities	(55,520)	11,856	
Insurance	(34,824)	(10,778)	
Interest	10,427	995	
Other	(73,925)	(33,697)	Other expenses are over budget due to recruiting costs for a clinical lab scientist.
Matching Fees (Government Programs)	1,076,958	-	
Operating expenses	(365,128)	(187,077)	

Sonoma Valley Hospital
Cash Forecast
FY 2022

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,768,614	3,604,012	3,741,094	3,556,171	3,899,456	4,078,858	3,650,080	3,651,994	3,715,092	3,543,740	3,660,679	3,579,175	44,448,966
2 Other Operating Revenue	50,926	33,133	27,360	158,301	168,773	44,417	57,192	80,485	80,485	80,485	80,485	80,485	942,527
3 Other Non-Operating Revenue	10,121	10,229	9,624	10,574	10,823	9,676	11,783	14,516	14,516	14,516	14,516	14,518	145,412
4 Unrestricted Contributions	14,875			6,564	12,201		8,303						41,942
5 Line of Credit													-
Sub-Total Hospital Sources	3,844,535	3,647,375	3,778,079	3,731,610	4,091,253	4,132,951	3,727,358	3,746,995	3,810,093	3,638,741	3,755,680	3,674,178	45,578,847
Hospital Uses of Cash													
6 Operating Expenses	5,686,921	4,339,055	4,171,999	4,009,059	3,881,749	5,466,683	4,329,164	4,594,515	4,280,801	4,184,506	4,256,798	4,216,081	53,417,330
7 Add Capital Lease Payments	116,550	26,560	34,320	20,919	15,355	93,827	13,280	14,502	14,502	14,502	14,502	82,109	460,928
8 Additional Liabilities/LOC													-
9 Capital Expenditures	114,099	104,421	21,501	56,972	29,172	308,751	190,985	2,035,500	445,500	445,500	638,012	638,012	5,028,425
Total Hospital Uses	5,917,571	4,470,037	4,227,821	4,086,949	3,926,275	5,869,260	4,533,429	6,644,517	4,740,803	4,644,508	4,909,312	4,936,202	58,906,684
Net Hospital Sources/Uses of Cash	(2,073,036)	(822,662)	(449,742)	(355,339)	164,978	(1,736,310)	(806,072)	(2,897,522)	(930,710)	(1,005,767)	(1,153,632)	(1,262,024)	(13,327,837)
Non-Hospital Sources													
10 Restricted Cash/Money Market			1,000,000	2,000,000	(1,203,742)		(2,000,000)						(203,742)
11 Restricted Capital Donations	107,079	101,291	27,342	19,084	8,258		146,527	333,000	333,000	333,000	525,512	525,511	2,459,604
12 Parcel Tax Revenue	164,000					2,134,112				1,662,000			3,960,112
13 Other Payments - Ins. Claims/HHS/Grants/Loans					1,203,742	173,982			308,000	462,000	850,000		2,997,724
14 Other:													-
15 IGT			51,360				2,717,483	1,298,801				89,000	4,156,644
16 IGT - AB915			70,338								382,000		452,338
17 QIP					42,180					156,964			199,144
Sub-Total Non-Hospital Sources	271,080	101,291	1,149,040	2,019,084	50,438	2,308,094	864,010	1,631,801	641,000	2,613,964	1,757,512	614,511	14,021,824
Non-Hospital Uses of Cash													
18 Matching Fees		29,494		1,096,301		398,059		78,482			44,500		1,646,836
Sub-Total Non-Hospital Uses of Cash	-	29,494	-	1,096,301	-	398,059	-	78,482	-	-	44,500	-	1,646,836
Net Non-Hospital Sources/Uses of Cash	271,080	71,797	1,149,040	922,783	50,438	1,910,035	864,010	1,553,319	641,000	2,613,964	1,713,012	614,511	12,374,989
Net Sources/Uses	(1,801,956)	(750,865)	699,298	567,444	215,416	173,725	57,939	(1,344,203)	(289,710)	1,608,197	559,380	(647,513)	
Operating Cash at beginning of period	4,044,067	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	1,860,865	1,571,155	3,179,352	3,738,732	
Operating Cash at End of Period	2,242,111	1,491,246	2,190,544	2,757,988	2,973,404	3,147,129	3,205,068	1,860,865	1,571,155	3,179,352	3,738,732	3,091,219	
Money Market Account Balance - Undesignated	5,638,824	5,639,115	4,639,373	2,639,564	3,843,478	3,843,684	5,843,923	5,843,923	5,843,923	6,843,923	6,843,923	6,843,923	
Total Cash at End of Period	7,880,935	7,130,361	6,829,917	5,397,552	6,816,883	6,990,813	9,048,991	7,704,788	7,415,078	10,023,275	10,582,655	9,935,142	
Average Days of Cash on Hand	58.8	52.3	45.5	40.0	36.6	46.3	54.3						
Days of Cash on Hand at End of Month	54.6	50.1	47.3	35.3	45.1	46.0	59.7	52.4	50.4	68.2	72.0	67.6	