



SVHCD FINANCE COMMITTEE

AGENDA

TUESDAY, February 28, 2023

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/98432022495?pwd=KzBvYjZlQnFHZWdBOUVJYUZFNTRQZz09>

Meeting ID: 984 3202 2495

Passcode: 712258

One tap mobile

+16699009128,,98432022495#

Dial by your location

++1 669 219 2599 or 1 669 900 9128

Find your local number: <https://sonomavalleyhospital-org.zoom.us/j/98432022495?pwd=KzBvYjZlQnFHZWdBOUVJYUZFNTRQZz09>

| <p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Interim District Clerk Stacey Finn at sfinn@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</p> | <i>Boerum</i> | |
| <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> | <i>Boerum</i> | |
| <p>3. CONSENT CALENDAR a. Finance Committee Minutes 01.24.23</p> | <i>Boerum</i> | Action |
| <p>4. CHFFA HELP II LOAN DOCUMENTS</p> | <i>Armfield</i> | Action |
| <p>5. PARCEL TAX ADVANCE</p> | <i>Armfield</i> | Action |
| <p>6. COMMITTEE MEETING VENUE AND TIME</p> | <i>Boerum</i> | Action |

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| 7. STRATEGIC PLANNING PARTICIPATION | <i>Boerum</i> | Inform |
| 8. COMMITTEE VACANCY UPDATE | <i>Boerum</i> | Inform |
| 9. FY 2024 BUDGET ASSUMPTIONS | <i>Armfield</i> | Action |
| 10. ODC UPDATE | <i>Drummond/ Hennelly</i> | Inform |
| 11. EPIC UPDATE | <i>Hennelly</i> | Inform |
| 12. UCSF AFFILIATION UPDATE | <i>Hennelly</i> | Inform |
| 13. FINANCIAL REPORT FOR MONTH END DECEMBER 2022: a. Review Q2 FY 2023 Capital Spending b. December 2022 Net A/R Review | <i>Armfield</i> | Inform |
| 14. ADJOURN | <i>Boerum</i> | |



SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, JANUARY 24, 2023
Via Zoom Teleconference

| Present | Not Present/Excused | Staff | Public | |
|--|--|---|--|-----------|
| Wendy Lee Myatt via Zoom Art Grandy via Zoom Carl Gerlach via Zoom Subhash Mishra, MD, via Zoom Catherine Donahue via Zoom Peter Hohorst via Zoom | Bill Boerum | John Hennelly, CEO, via Zoom Ben Armfield, CFO, via Zoom Kimberly Drummond, Chief of Support Services, via Zoom Dawn Kuwahara, RN, BSN, Chief Ancillary Officer, via Zoom Jessica Winkler, DNP, RN, NEA-BC, CCRN-K, CNO, via Zoom | Judith Bjorndal, MD Dennis Bloch Bob Crane Peter Fitzgerald Graham Smith | |
| 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 5:06 p.m. Ms. Lee Myatt chaired the meeting. | | | |
| 2. PUBLIC COMMENT SECTION | <i>Boerum</i> | | | |
| | None | | | |
| 3. CONSENT CALENDAR | <i>Boerum</i> | | Action | |
| a. Finance Committee Minutes 12.20.22 | | | MOTION: by Hohorst to approve, 2 nd by Grandy. All in favor. | |
| 4. ADDITION TO WORK PLAN – CREDIT LINE REVIEW | <i>Boerum</i> | | Action | |
| | Mr. Armfield said the line of credit matures at the end of January 2024. Mr. Boerum requested that review of the line of credit be added to the work plan for June. Mr. Bloch (who has | | MOTION: by Donahue to approve, 2 nd by | |

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| | banking experience and is considering joining the Committee) suggested the CFO ask the bank to submit a proposal. Mr. Armfield agreed that was a good plan. | Grandy. All in favor. | |
| 5. STRATEGIC PLAN DEVELOPMENT PARTICIPATION | <i>Boerum</i> | Inform | |
| | Mr. Grandy thought Mr. Boerum's memo was a good starting point and needs to include a financial plan with cash flow and debt management. Mr. Armfield agreed with that suggestion and indicated the methodology in the memo should be applied to each initiative. He also said there had been updates to the initiatives. Mr. Hohorst asked whether the bridge loans would be forgiven. Mr. Armfield said that is still up in the air at this time. If not forgiven they are due within 24 months of being provided to the hospital. | | |
| 6. ODC UPDATE | <i>Hennelly</i> | Inform | |
| | Ms. Drummond reported the electrical study has been completed and SVH is digesting the recommendations. The hydronics study is almost complete. Regarding the temporary MRI, which does not meet the \$1 million cost limit, legal counsel suggests the installation be design-build and that proposals be submitted. The attorney will develop a Board resolution for approval. It is a very limited market of vendors. The permanent MRI does meet the \$1 million cost limit. Neighborhood outreach is in planning and the architect is developing their submission to City planning for March. The Outpatient Diagnostic Center is in two parts – CT will close first when it is on emergency power and the CT suite is repurposed. | | |
| 7. EPIC UPDATE | <i>Hennelly</i> | Inform | |
| | Mr. Hennelly reported the Epic installation continues to go extraordinarily well and management is receiving lots of good feedback. As far as billings and collections, there is more work still to do. The lab interface is expected to be available in March. | | |
| 8. UCSF AFFILIATION UPDATE | <i>Hennelly</i> | Inform | |
| | Mr. Hennelly indicated the only significant update continues to be specialist recruitment, although nothing has been finalized. | | |

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| <p>9. FINANCIAL REPORT FOR MONTH END DECEMBER 2022</p> <p>a. Financial Report for December 31, 2022 b. Fiscal YTD Budget Review</p> | <p><i>Armfield</i></p> | <p>Inform</p> | |
| | <p>December 2022 marked the first month of Epic go-live with a lot of additional work. December was a favorable month compared to budget and did bring increased volumes which contributed to a good month in net revenue. Gross revenue was 10% over budget which is significant since it was the first month charges were posted in the Epic system. Expenses ran over due to staff training and increases in overtime. Mr. Armfield said a reduction in cash collections is anticipated in January and February due to Epic, and he expected to catch up in March and through the end of the fiscal year. Payments for Epic and ODC led to increased operating expenses in Dec.</p> <p>Mr. Grandy asked about cash going in and out in February. Mr. Armfield said that SVH may have the option of obtaining parcel tax funds in February, and he is in contact with partner organizations regarding the timing of other funds going in and out. He expected to hear more later this week.</p> <p>Ms. Lee Myatt thanked everyone for suggestions on managing cash flows during February.</p> | | |
| <p>10. ADJOURN</p> | <p><i>Boerum</i></p> | | |
| | <p>Meeting adjourned at 5:55 p.m.</p> | | |



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: February 28, 2023
Subject: **CHFFA HELP II Loan Program Approval**

Recommendation:

Recommend to the SVHCD Finance Committee that they recommend to the Board of Directors that they approve both the resolution and executable agreement that would formalize a \$2,000,000 loan between the Sonoma Valley Health Care District and California Health Facilities Financing Authority (CHFFA).

Background:

CHFFA's Help II Loan Program has been around since 1995, helping small and rural hospitals obtain adequate financing to meet their capital needs. We identified this loan as a favorable source of non-hospital funds to help supplement the funding of the Epic EMR project, due to the low fixed interest rate of 2%.

We applied for a \$2,000,000 equipment loan in the fall. That loan was approved by the CHFFA Board of Directors on January 26, 2023.

Help II Loan Details:

- Loan Amount - \$2,000,000
- Interest Rate – 2% fixed over life of loan
- Amortization – 5 Years
- Administration Fee - \$25,000 (or 2% of total loan) payable to CHFFA upon execution

Attachments:

- CHFFA Help II Loan Program Overview
- CHFFA / Sonoma Valley Health Care District Loan and Security Agreement
- CHFFA / Sonoma Valley Health Care District Promissory Note
- CHFFA / Sonoma Valley Health Care District Board Resolution



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II) OVERVIEW

LOW FIXED INTEREST RATE

LOANS FOR
CALIFORNIA'S NON-PROFIT
SMALL AND RURAL
HEALTH FACILITIES

915 Capitol Mall, Suite 435
Sacramento, California 95814
Phone: (916) 653-2799

Website: www.treasurer.ca.gov/chffa

The California Health Facilities Financing Authority (Authority) recognizes the difficulty small and rural health facilities have in obtaining adequate financing for their capital needs. In 1995, the Authority launched the HELP II Loan Program to assist health facilities in expanding and improving services to the people of California by providing direct low cost loans.

Eligibility



General Requirements

- ◆ Must qualify as a health facility under the Authority's enabling legislation (see examples of health facilities, page 5).
- ◆ Must be one of the following:
 - A health facility with no more than \$40 million in annual gross revenues, as shown on most recent audited financials (district hospitals are exempt from this requirement).
 - Located in a rural Medical Service Study Area as defined by the California Healthcare Workforce Policy Commission (no maximum annual gross revenue).
 - A district hospital (no maximum annual gross revenue).
- ◆ Must be a non-profit 501(c)(3) organization or a public health facility (e.g. district hospital).
- ◆ Must have been in existence for at least three years performing the same type(s) of services.
- ◆ Must demonstrate evidence of fiscal soundness and the ability to meet the terms of the loan.

Uses of Funds



Loan proceeds up to \$2,000,000 per borrower may be used for eligible uses as listed below.

Eligible Uses:

- ◆ Purchase, construction, renovation, or remodeling of real property.
- ◆ Purchase equipment and furnishings.
- ◆ Perform feasibility studies, site tests, and surveys associated with real property.
- ◆ Pay permit fees, architectural fees, and other pre-construction costs.



Ineligible Uses:

- ◆ Appraisal fees
- ◆ Title fees
- ◆ Financial advisor fees
- ◆ Authority loan fees

Loan proceeds up to \$1,000,000 may be used to refinance existing debt. The existing debt must qualify as an eligible use under the HELP II Loan Program.

- ◆ Refinance existing debt, but only when a single obligation is paid in full.

Loan Information

Terms

- ◆ 2% fixed interest rate for property acquisition, construction, renovation, and equipment.
- ◆ 3% fixed interest rate for loan refinancing.
- ◆ Loan amounts of \$25,000 to \$2,000,000.
- ◆ Repayment Period:
 - Maximum of 20 years for property acquisition, construction, and renovation.
 - Maximum of 15 years for loan refinancing.
 - Maximum of 5 years for equipment.
- ◆ Maximum loan-to-value ratio of 95%.
 - Borrowers must contribute a minimum of 5% toward project costs, either in the form of cash or project expenditures. For refinancing transactions, the 5% may come from equity in the property.
- ◆ Pre-approval is now available for property acquisition. Resolutions are valid for six months and closing is conditional based on all standard loan terms being met.
- ◆ Required collateral:
 - Real estate and/or equipment
 - Revenue pledge
- ◆ Fully amortized loans.
- ◆ No prepayment penalties.
- ◆ Loans can be funded approximately 60 days from the date of application.

Standard Covenants

Applicants receiving loans must:

- ◆ Submit audited annual financial statements, and if requested by the Authority, quarterly unaudited financial statements and budgets.
- ◆ Maintain adequate property and business insurance.
- ◆ Notify the Authority of any significant changes in corporate existence prior to the occurrence (i.e. merger, consolidation, structure or name change).

Fees & Charges



- ◆ \$50 non-refundable application fee.
- ◆ Once approved, there is a one-time fee payable at closing equal to 1.25% of the loan amount. This one-time fee is used to defray loan administration and closing costs.
- ◆ Title and escrow fees may be required for transactions involving real estate.
- ◆ There are no ongoing program fees.

GENERAL INFORMATION

- ◆ Applications are accepted on a continual basis. Applications are due by the 20th of each month in order to be considered at the next month's Authority Board meeting (meetings are generally held the last Thursday of the month). Visit our website at www.treasurer.ca.gov/chffa for the list of meeting dates.
- ◆ Applicants are required to attend the meeting to present their proposals and answer questions from members of the Authority Board.
- ◆ The Authority staff may require a site visit to evaluate the Project and the Applicant's operations.
- ◆ HELP II Loan borrowers must comply with California's prevailing wage law under Labor Code section 1720, et seq. for public works projects. The Authority recommends consulting legal counsel.

Health Facilities Defined



To be eligible for financing, an Applicant must have non-profit status **and** qualify as a health facility under the Authority's enabling statute – Section 15432(d) of the Government Code. With few exceptions, a facility must be licensed by the State of California. If an Applicant is unsure about eligibility, please contact the Authority.

Examples of qualifying health facilities include, but are not limited to:

- General Acute Care Hospitals
- Adult Day Health Centers
- Alcoholism Recovery Facilities ⁽¹⁾
- Chemical Dependency Facilities
- Child Day Care Facilities ⁽²⁾
- Community Clinics
- Community Mental Health Facilities Center ⁽³⁾
- Community Work-Activity Program (Accredited)⁽⁴⁾
- Residential Facility for Persons with Developmental Disabilities
- Multilevel Care Facilities⁽⁵⁾
- Acute Psychiatric facilities
- Public Health Centers (e.g. District Hospital)
- Rehabilitation Facilities
- Skilled Nursing / Intermediate Care Facilities

(1) Services must include residential care that provides a 24-hour stay.

(2) Must be operated in conjunction with a licensed health facility.

(3) State license is not required; however program must be certified by the State of California, Department of Health Care Services.

(4) Includes sheltered workshops.

(5) Arrangement where a Residential Facility for the Elderly operates in conjunction with a Skilled Nursing Facility, Intermediate Care Facility, or a General Acute Care Hospital.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Healthcare Expansion Loan Program II (HELP II)

Loan and Security Agreement

This Loan and Security Agreement (“Agreement”) is dated as of **February 1, 2023**, and is entered into between the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, a public instrumentality of the State of California (“Lender”), 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 **Sonoma Valley Health Care District**, a local health care district (“Borrower”), having its principal place of business at **347 Andrieux Street, Sonoma, California 95476**.

RECITALS

A. Borrower is a **local health care district duly organized pursuant to the Local Health Care District Law (Health And Safety Code section 32000 et seq) and operates a health facility which provides medical services to local consumers** and is a participating health institution pursuant to the Act.

B. Borrower has requested that Lender lend Borrower certain funds from HELP II for the following purpose: **To purchase equipment/information technology (IT) to replace an electronic health record (EHR) system** (the “Project” pursuant to the Act).

C. 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 as a local health care district from lawsuits and other legal proceedings brought under this Agreement or in connection therewith that are brought by the Lender 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.

2. The Loan Disbursement and Repayment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees to make a loan in the aggregate principal amount of **Two Million Dollars and No Cents (\$2,000,000.00)** (the “Loan”) to Borrower. The Loan shall be disbursed to Borrower upon the satisfaction of all of the conditions precedent set forth in Section 5 of this Agreement. If the Loan is for a construction project, Lender may disburse Loan proceeds incrementally upon Borrower’s provision of construction contracts, local permits, documentation substantiating the expenditure of Loan funds as approved by the Lender, and construction progress reports (including but not limited to reports and statements required in Sections 6(d)(ii) and 6(d)(iii) of this Agreement) as Lender may require. Borrower shall submit all documentation and a Request for Disbursement, which is incorporated herein and attached hereto as Exhibit E, for each disbursement request for a construction project.

(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 Lender, in which Borrower agrees to repay the principal sum of the Loan together with interest thereon at the rate of two percent (2.0%) per annum (the “Interest Rate”) from **March 1, 2023** and thereafter until **March 15, 2028** (the “Maturity Date”), or until payment of such principal sum shall be discharged (the “Loan Repayments”). Interest shall be computed on the basis of a year consisting of three hundred sixty-five (365) days or, in case of a leap year, three hundred sixty-six (366) days. The principal and interest under this Agreement shall be due and payable in equal monthly installments, on or before the **fifteenth** day of each month (“the Due Date”), commencing **April 15, 2023**, as required on the attached amortization schedule which is incorporated herein and attached hereto as Exhibit D. In addition, in the event the Loan closed prior to **March 1, 2023**, Borrower shall pay to Lender interest, at the Interest Rate, on the principal amount of the Loan, from the date the Loan closes through **February 28, 2023**. 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 and interest shall, at the option of Lender, be applied first to any fees and costs owing, second to the payment of accrued interest and to any late payment penalties, and after all such fees, interest and penalties have been paid any remainder shall be applied to reduction of the principal balance.

3. Security Interest.

To induce Lender to make the Loan, and to secure Borrower’s performance under this Agreement and punctual payment of all amounts 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 Lender, in all of Borrower’s right to and interest in Borrower’s gross revenues (all such rights being the “Collateral”). Borrower hereby covenants and agrees to execute such California UCC-1 Financing Statement in the form approved by Lender as is necessary to perfect Lender’s security interest in the Collateral.

If equipment is required as security to induce Lender to make the Loan, and to secure Borrower's performance under this Agreement and punctual payment of all amounts due under this Agreement and the Note, the Borrower then hereby grants a security interest, with power of sale, 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 Lender, in all of Borrower's right, title and interest in and to any and all equipment purchased by Borrower in whole or in part with the proceeds of the Loan and all additions, replacements, substitutions, and exceptions thereto and any property which Borrower may receive on account of such equipment and all cash and noncash proceeds of the foregoing (all such properties and rights being the "Collateral"). Borrower hereby covenants and agrees to execute a California UCC-1 Financing Statement in the form approved by Lender as is necessary to perfect Lender's security interest in the Collateral immediately upon Borrower's acquisition of any Collateral.

For the purposes of this Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto.

If property, as that term is defined in the Deed of Trust, is purchased with loan proceeds and is required as Collateral, Borrower hereby covenants and agrees to execute the Deed of Trust in a form acceptable to the Lender to perfect Lender's security interest in the Collateral.

A description of the real property where the Collateral is located is attached hereto as Exhibit A and made a part hereof. Any real property, equipment or gross revenues required as Collateral is more particularly described in Exhibit B, attached hereto and made a part hereof. Any existing encumbrances on the Collateral are more particularly described in Exhibit C, attached hereto and made a part hereof, and those liens and encumbrances shown as exceptions to the title insurance policy delivered in connection with this Loan.

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 law necessary to conduct its business as a health facility as defined in the Act;

(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, this Agreement, the Note, the UCC-1 Financing Statement and the Deed of Trust, if applicable, (all such documents are sometimes hereafter collectively referred to as 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) the Loan Documents constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(e) Borrower represents and warrants there is no Deed of Trust, 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 other than those encumbrances disclosed in Exhibit C, and those liens and encumbrances shown as exceptions to the title insurance policy delivered in connection with this Loan;

(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 Project as described in the Recitals and as has been approved by Lender, and the Loan shall not exceed 95% of the appraised value or purchase price, whichever is less.

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 met:

(a) as of the date of this Agreement, there shall exist no Event of Default, as defined in Section 7 of this Agreement, 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, together with certified copies of its charter documents;

(d) if equipment purchases are part of the Loan, Lender shall have approved a list of all equipment that Borrower plans, as of the date of this Agreement, to purchase with the proceeds of the Loan; and

(e) Borrower shall have delivered any other documents reasonably required by Lender in connection with carrying out the purposes of this Agreement.

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) prior to the purchase with the proceeds of the Loan of any equipment different from or in addition to that approved under Section 5(d) of this Agreement, Borrower shall obtain the written approval of Lender of the modified list of the equipment;

(b) Borrower shall apply all proceeds of this Loan dedicated to the Project, in accordance with the provisions of Section 4(h) of this Agreement, within six (6) months of the date of this Agreement for non construction projects and within one (1) year of initial disbursement of the Loan for construction projects, or as otherwise agreed to in writing by the Lender;

(c) If Loan proceeds are used for a construction project, Borrower shall establish a separate account to deposit the Loan funds and shall maintain this account solely for purposes of payment of construction project expenditures.

(d) Borrower shall provide periodic reports and financial information to Lender in the manner set forth below:

(i) as soon as available, but in any event **no later than one hundred fifty (150) days after the end of each fiscal year of Borrower, a copy of Borrower's audited consolidated financial statements** prepared by a Certified Public Accountant and consisting of, at a minimum, a balance sheet, statement of income and expenses, and a cash flow statement;

(ii) where Loan proceeds are used for a construction project, Borrower shall provide monthly progress reports, due on the 1st of every month, describing progress of the construction, including estimated time of completion, unanticipated issues, use of Loan proceeds to date and any other information relevant to the construction project;

(iii) where Loan proceeds are used for a construction project, Borrower shall provide monthly account statements (from the bank where all Loan proceeds are deposited pursuant to Section 6(c) of this Agreement) to Lender showing all deposits and withdrawals therefrom until such time as the construction project has been completed. Upon completion of the construction project, Borrower shall certify in writing to the Lender that the project is complete which certification shall include a description of the results of the construction project;

(iv) upon request by Lender, as soon as available, but in any event prior to the start of each fiscal year of Borrower, a copy of Borrower's budget for the following year;

(v) upon request by Lender, quarterly or monthly financial reports of Borrower consisting of a statement of income and expenses certified by an appropriate officer of Borrower as fairly presenting the financial position of Borrower at the end of such period; and

(vi) as soon as available, copies of any communications between Borrower and any governmental entity including, but not limited to, Department of Health Care Access and Information or Department of Health Care Services concerning beneficial occupancy, license certification, or reimbursement.

(e) upon reasonable notice from Lender, Borrower shall allow visits by representatives or agents of Lender to observe any required Collateral and Borrower's operations, to review Borrower's financial records and corporate records, and to discuss Borrower's operations with Borrower's staff or governing board;

(f) 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;

(g) Borrower shall at all times maintain its local health care district 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;

(h) 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;

(i) Borrower shall at all times carry adequate insurance (which insurance also covers any required Collateral) with responsible companies in such amounts and against such risks as is customarily carried by similar businesses in the same general industry. The insurance shall name Lender as additional insured and loss payee, and the insurance shall provide that any notice of nonpayment of premium thereunder shall be sent both to Lender and Borrower, that the insurance shall not be subject to cancellation without thirty (30) days prior written notice to Lender, and that Lender may pay any defaulted premiums on behalf of Borrower in which case the insurance shall remain in full force and effect;

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

(k) 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;

(l) 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 and the priority thereof, including, without limitation, a UCC-1 Financing Statement and a Deed of Trust, if applicable;

(m) Borrower shall keep any required Collateral in good condition and repair;

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

(o) **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;**

(p) Borrower shall not create, incur, assume or suffer to exist any additional debt from the date of Loan approval without prior written consent of Lender;

(q) Borrower shall maintain a debt service coverage ratio of at least 1.0x;

(r) Borrower shall pay all costs, fees and expenses incurred by Lender in connection with this Agreement, including, without limitation, all costs of recording and filing a UCC-1 Financing Statement and the Deed of Trust and, if required, appropriate title and escrow fees;

(s) 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;

(t) 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

(u) simultaneously with the receipt of the proceeds of the Loan, Borrower shall pay to Lender a fee equal to one and one quarter percent (1.25%) of the loan amount, or **\$25,000.00**.

7. Events of Default.

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 interest or any other amount payable hereunder or under the Note, as required on the attached amortization schedule at Exhibit D, when due in accordance with the terms of the Agreement or the Note, and the failure remains uncured for a period of ten (10) days;

(b) failure by Borrower to fully and completely perform the covenant set forth in Section 6(b) of this Agreement;

(c) 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 is 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;

(d) failure of Borrower to fully and completely perform any obligation (except for the obligation set forth in Section 2(b) of this Agreement), covenant (except for the covenant set forth in Section 6(b) of this Agreement) or agreement set forth in this Agreement or in any other Loan Document and the failure remains uncured for a period of thirty (30) days; provided, however, if the default is incapable of cure within the thirty (30) day period, 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 thirty (30) day period or (ii) Borrower fails to cure the failure within ninety (90) days after the date of the failure;

(e) (i) Borrower 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 is appointed with or without the consent of Borrower, (iii) Borrower is not 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 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 is filed against Borrower and has not been dismissed for a period of thirty (30) consecutive days, (vi) an order for relief is entered under the Federal Bankruptcy Code against Borrower, (vii) an order, judgment or decree is 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 is continued unstayed and in effect for any period of forty-five (45) consecutive days, (viii) Borrower suspended the transaction of its usual business, or (ix) Borrower is ceased to be authorized by the laws of this State to operate a health facility, as defined by the Act;

(f) any required Collateral for this Loan is lost, stolen, substantially damaged, or destroyed, and insurance proceeds are not available to reimburse Lender for the loss, theft, damage, or destruction, or the Collateral unreasonably depreciates in value;

(g) if any amount due under this Agreement is not paid in full within thirty (30) days of the date when due or if any other Event of Default occurs, 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 any monthly installment of interest and/or principal due under this Agreement within ten (10) days of the Due Date of the monthly installment, Borrower shall pay Lender, in addition to the monthly installment, a default amount equal to five percent (5%) of the monthly installment then due for the purpose of defraying the expenses incident to the handling of the delinquent payments. Borrower and Lender agree that the late charge represents a reasonable sum considering all of the circumstances existing on the date of this Agreement and represents a fair and reasonable estimate of the cost that will be sustained by Lender due to the failure of Borrower to make timely payments. The parties further agree that proof of actual damages would be costly or inconvenient. The late charge shall be paid without prejudice to the right of the Lender to collect any other amounts required to be paid or to declare a default under this Agreement or the Loan Documents or from exercising any of the other rights and remedies of Lender.

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 in Sacramento, California, but Lender may waive venue in Sacramento County in its sole discretion.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed and delivered as of the date listed above.

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

By: _____
Name: **Carolyn Aboubechara**
Title: **Executive Director**

BORROWER: **Sonoma Valley Health Care District**, a local health care district

By: _____
(Authorized Officer)
Name: **John Hennelly**
Title: **President and Chief Executive Officer**

EXHIBIT A

Description of the Real Property Where Equipment is to be Located

Commonly known as: 347 Andrieux Street, Sonoma, California 95476

EXHIBIT B

Description of Collateral

EQUIPMENT

Itemize below any equipment purchased with loan proceeds:

See Attached

**Sonoma Valley Hospital
Epic Equipment Cost Schedule**

| Vendor | Description | Part Number | Actual Count | Cost Total |
|------------------------|--|------------------------|--------------------|---------------------|
| Community Technologies | Epic EHR Software + Implementation | | 1 | \$ 2,908,000 |
| Dell | 23.8" monitor 1920x1200 Full HD (1080p) | U2419M | 90 | \$ 22,523 |
| IT MGMT | Optiplex 5090 SFF, Core i5-10505, 256GB SATA Class20 SSD, 8GB RAM, Win10Pro, Int. Graphics, NOTE: Includes x4 24 in monitors | Optiplex 5090 SFF | 4 | \$ 4,177 |
| IT MGMT | Fujitsu fi-8170 Bundle document scanner with 3 years Advanced Exchange Service | fi-8170 | 10 | \$ 14,055 |
| IT MGMT | Honeywell Bar Code Scanner Mounting Bracket | 300001501 | 3 | \$ 103 |
| IT MGMT | Zebra Patient Label Printer | ZD41H22-D01E00EZ | 17 | \$ 7,631 |
| IT MGMT | Zebra Pharmacy Label Printer | ZT41142-T01A000Z | 1 | \$ 1,687 |
| IT MGMT | Zebra Armband Label Printer | ZD510-HC | 5 | \$ 2,545 |
| Amazon | Topaz e-signature pad | T-LBK462-BSB-R | 5 | \$ 1,115 |
| Amazon | Small web camera for patient registration photos | 960-000694 | 15 | \$ 297 |
| IT MGMT | Honeywell wireless barcode scanner | 1952HHD-5USB-A-N | 3 | \$ 2,938 |
| IT MGMT | APC Smart-UPS 1500VA | UPS 1500VA | 1 | \$ 675 |
| Amazon | HP LaserJet Pro M404dn | HP LaserJet Pro M404dn | 1 | \$ 330 |
| IT MGMT | Zebra ZQ 610 Wireless Printer | ZQ61-AUFA000-00 | 5 | \$ 4,477 |
| IT MGMT | Zebra Power Adapter | P1065668-008 | 5 | \$ 462 |
| Granite | Apple iPhone SE | | 5 | \$ 2,395 |
| IT MGMT | Honeywell Captuvo SL42h Enterprise Sled | SL42-076302-H-K | 5 | \$ 5,103 |
| Staples | USB Charging Station | B2B162 | 1 | \$ 290 |
| | | | GRAND TOTAL | \$ 2,978,801 |

EXHIBIT B, Description of Collateral
(Continued)

GROSS REVENUES

All gross revenues described as follows:

All revenues, income, receipts and money received by or on behalf of the Borrower, including (a) gross revenues derived from its operation and possession of the health facility, as defined by the California Health Facilities Financing Authority Act; (b) gifts, grants, bequests, donations, endowments and contributions, exclusive of any gifts, grants, bequest, donations, endowments and contributions to the extent specifically restricted by the donor to particular purpose inconsistent with payment of the Loan and Security Agreement; (c) proceeds with respect to or related to the health facility, as defined by the California Health Facilities Financing Authority Act derived from (i) condemnation proceeds, (ii) securities and other investments, (iii) inventory and other tangible and intangible property, (iv) insurance proceeds, (v) contract rights and other rights and assets now or hereafter owned by the Borrower; (d) accounts receivable including, but not limited to, any amounts receivable from third party payors such as Medicare and Medicaid, unless otherwise prohibited by law; and (e) rentals received from the lease of office space in the health facility, as defined by the California Health Facilities Financing Authority Act.

REAL PROPERTY

Real property described in Exhibit A and [*list any other real property for collateral*].

EXHIBIT C

Description of Encumbrances

With the exception of those liens and encumbrances shown on the Title Insurance policy delivered in connection with this loan describe any other Deed of Trust, financing statement, security agreement or any other document covering any Collateral of this financing, or any part thereof, on file, recorded or in effect in any public office (See Section 4(e) of Loan and Security Agreement):

EXHIBIT D
Amortization Schedule

See Attached

HELP II Loan Program

Page 1 of 2

Loan Amortization - Two Percent (2%) Fixed Interest Rate

Sonoma Valley Health Care District

Version: February 2023

| Date | Payment Number | Payment Amount | Principal | Interest | Principal Balance |
|-------------------------------------|----------------|-------------------|-------------------|------------------|---------------------|
| Opening Balance | | | | | 2,000,000.00 |
| Year Ending 12/31/2023 | | | | | |
| 4/15/2023 | 1 | 35,055.52 | 31,722.19 | 3,333.33 | 1,968,277.81 |
| 5/15/2023 | 2 | 35,055.52 | 31,775.06 | 3,280.46 | 1,936,502.75 |
| 6/15/2023 | 3 | 35,055.52 | 31,828.02 | 3,227.50 | 1,904,674.73 |
| 7/15/2023 | 4 | 35,055.52 | 31,881.06 | 3,174.46 | 1,872,793.67 |
| 8/15/2023 | 5 | 35,055.52 | 31,934.20 | 3,121.32 | 1,840,859.47 |
| 9/15/2023 | 6 | 35,055.52 | 31,987.42 | 3,068.10 | 1,808,872.05 |
| 10/15/2023 | 7 | 35,055.52 | 32,040.73 | 3,014.79 | 1,776,831.32 |
| 11/15/2023 | 8 | 35,055.52 | 32,094.13 | 2,961.39 | 1,744,737.19 |
| 12/15/2023 | 9 | 35,055.52 | 32,147.62 | 2,907.90 | 1,712,589.57 |
| Total Year Ending 12/31/2023 | | 315,499.68 | 287,410.43 | 28,089.25 | 1,712,589.57 |
| Year Ending 12/31/2024 | | | | | |
| 1/15/2024 | 10 | 35,055.52 | 32,201.20 | 2,854.32 | 1,680,388.37 |
| 2/15/2024 | 11 | 35,055.52 | 32,254.87 | 2,800.65 | 1,648,133.50 |
| 3/15/2024 | 12 | 35,055.52 | 32,308.63 | 2,746.89 | 1,615,824.87 |
| 4/15/2024 | 13 | 35,055.52 | 32,362.48 | 2,693.04 | 1,583,462.39 |
| 5/15/2024 | 14 | 35,055.52 | 32,416.42 | 2,639.10 | 1,551,045.97 |
| 6/15/2024 | 15 | 35,055.52 | 32,470.44 | 2,585.08 | 1,518,575.53 |
| 7/15/2024 | 16 | 35,055.52 | 32,524.56 | 2,530.96 | 1,486,050.97 |
| 8/15/2024 | 17 | 35,055.52 | 32,578.77 | 2,476.75 | 1,453,472.20 |
| 9/15/2024 | 18 | 35,055.52 | 32,633.07 | 2,422.45 | 1,420,839.13 |
| 10/15/2024 | 19 | 35,055.52 | 32,687.45 | 2,368.07 | 1,388,151.68 |
| 11/15/2024 | 20 | 35,055.52 | 32,741.93 | 2,313.59 | 1,355,409.75 |
| 12/15/2024 | 21 | 35,055.52 | 32,796.50 | 2,259.02 | 1,322,613.25 |
| Total Year Ending 12/31/2024 | | 420,666.24 | 389,976.32 | 30,689.92 | 1,322,613.25 |
| Year Ending 12/31/2025 | | | | | |
| 1/15/2025 | 22 | 35,055.52 | 32,851.16 | 2,204.36 | 1,289,762.09 |
| 2/15/2025 | 23 | 35,055.52 | 32,905.92 | 2,149.60 | 1,256,856.17 |
| 3/15/2025 | 24 | 35,055.52 | 32,960.76 | 2,094.76 | 1,223,895.41 |
| 4/15/2025 | 25 | 35,055.52 | 33,015.69 | 2,039.83 | 1,190,879.72 |
| 5/15/2025 | 26 | 35,055.52 | 33,070.72 | 1,984.80 | 1,157,809.00 |
| 6/15/2025 | 27 | 35,055.52 | 33,125.84 | 1,929.68 | 1,124,683.16 |
| 7/15/2025 | 28 | 35,055.52 | 33,181.05 | 1,874.47 | 1,091,502.11 |
| 8/15/2025 | 29 | 35,055.52 | 33,236.35 | 1,819.17 | 1,058,265.76 |
| 9/15/2025 | 30 | 35,055.52 | 33,291.74 | 1,763.78 | 1,024,974.02 |
| 10/15/2025 | 31 | 35,055.52 | 33,347.23 | 1,708.29 | 991,626.79 |
| 11/15/2025 | 32 | 35,055.52 | 33,402.81 | 1,652.71 | 958,223.98 |
| 12/15/2025 | 33 | 35,055.52 | 33,458.48 | 1,597.04 | 924,765.50 |
| Total Year Ending 12/31/2025 | | 420,666.24 | 397,847.75 | 22,818.49 | 924,765.50 |

HELP II Loan Program

Page 2 of 2

Loan Amortization - Two Percent (2%) Fixed Interest Rate

Sonoma Valley Health Care District

Version: February 2023

| Date | Payment Number | Payment Amount | Principal | Interest | Principal Balance |
|-------------------------------------|----------------|---------------------|---------------------|-------------------|-------------------|
| Year Ending 12/31/2026 | | | | | |
| 1/15/2026 | 34 | 35,055.52 | 33,514.24 | 1,541.28 | 891,251.26 |
| 2/15/2026 | 35 | 35,055.52 | 33,570.10 | 1,485.42 | 857,681.16 |
| 3/15/2026 | 36 | 35,055.52 | 33,626.05 | 1,429.47 | 824,055.11 |
| 4/15/2026 | 37 | 35,055.52 | 33,682.09 | 1,373.43 | 790,373.02 |
| 5/15/2026 | 38 | 35,055.52 | 33,738.23 | 1,317.29 | 756,634.79 |
| 6/15/2026 | 39 | 35,055.52 | 33,794.46 | 1,261.06 | 722,840.33 |
| 7/15/2026 | 40 | 35,055.52 | 33,850.79 | 1,204.73 | 688,989.54 |
| 8/15/2026 | 41 | 35,055.52 | 33,907.20 | 1,148.32 | 655,082.34 |
| 9/15/2026 | 42 | 35,055.52 | 33,963.72 | 1,091.80 | 621,118.62 |
| 10/15/2026 | 43 | 35,055.52 | 34,020.32 | 1,035.20 | 587,098.30 |
| 11/15/2026 | 44 | 35,055.52 | 34,077.02 | 978.50 | 553,021.28 |
| 12/15/2026 | 45 | 35,055.52 | 34,133.82 | 921.70 | 518,887.46 |
| Total Year Ending 12/31/2026 | | 420,666.24 | 405,878.04 | 14,788.20 | 518,887.46 |
| Year Ending 12/31/2027 | | | | | |
| 1/15/2027 | 46 | 35,055.52 | 34,190.71 | 864.81 | 484,696.75 |
| 2/15/2027 | 47 | 35,055.52 | 34,247.69 | 807.83 | 450,449.06 |
| 3/15/2027 | 48 | 35,055.52 | 34,304.77 | 750.75 | 416,144.29 |
| 4/15/2027 | 49 | 35,055.52 | 34,361.95 | 693.57 | 381,782.34 |
| 5/15/2027 | 50 | 35,055.52 | 34,419.22 | 636.30 | 347,363.12 |
| 6/15/2027 | 51 | 35,055.52 | 34,476.58 | 578.94 | 312,886.54 |
| 7/15/2027 | 52 | 35,055.52 | 34,534.04 | 521.48 | 278,352.50 |
| 8/15/2027 | 53 | 35,055.52 | 34,591.60 | 463.92 | 243,760.90 |
| 9/15/2027 | 54 | 35,055.52 | 34,649.25 | 406.27 | 209,111.65 |
| 10/15/2027 | 55 | 35,055.52 | 34,707.00 | 348.52 | 174,404.65 |
| 11/15/2027 | 56 | 35,055.52 | 34,764.85 | 290.67 | 139,639.80 |
| 12/15/2027 | 57 | 35,055.52 | 34,822.79 | 232.73 | 104,817.01 |
| Total Year Ending 12/31/2027 | | 420,666.24 | 414,070.45 | 6,595.79 | 104,817.01 |
| Year Ending 12/31/2028 | | | | | |
| 1/15/2028 | 58 | 35,055.52 | 34,880.82 | 174.70 | 69,936.19 |
| 2/15/2028 | 59 | 35,055.52 | 34,938.96 | 116.56 | 34,997.23 |
| 3/15/2028 | 60 | 35,055.56 | 34,997.23 | 58.33 | 0.00 |
| Total Year Ending 12/31/2028 | | 105,166.60 | 104,817.01 | 349.59 | 0.00 |
| Grand Total | | 2,103,331.24 | 2,000,000.00 | 103,331.24 | 0.00 |

EXHIBIT E
Request for Disbursement
and
Progress Billing Example

See Attached

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**Healthcare Expansion Loan Program II (HELP II)****Promissory Note****\$2,000,000****February 1, 2023**

Sonoma Valley Health Care District, a local health care district having its principal place of business at **347 Andrieux Street, Sonoma, California 95476** (“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” and “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 **Two Million Dollars and No Cents (\$2,000,000.00)** or so much thereof as may be advanced, together with interest thereon from and after **March 1, 2023** and until **March 15, 2028** (the “Maturity Date”), or until payment of such principal sum shall be discharged, in amounts and at the rates of interest provided for in that certain Loan and Security Agreement between Borrower and the Lender, dated as of the date hereof (the “Agreement”).

All payments on this Note shall, at the option of Holder, be applied first to any fees and costs owing, second to the payment of accrued interest and any late payment penalties, and any remainder shall be applied to a reduction of the principal balance. All interest shall be computed on the basis of a year consisting of three hundred sixty-five (365) days or in the case of a leap year, three hundred sixty-six (366) days.

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, UCC-1 Financing Statement or Deed of Trust 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 of California 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.

Sonoma Valley Health Care District,
a local health care district

By: _____
(Authorized Officer)

Name: **John Hennelly**

Title: **President and Chief Executive Officer**

I hereby certify that the attached is a true and exact copy of Resolution No. HII-342 adopted by the California Health Facilities Financing Authority on January 26, 2023 for Sonoma Valley Health Care District.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

BY 
Carolyn Aboubechara
Executive Director

Date: January 26, 2023

RESOLUTION OF **SONOMA VALLEY HEALTH CARE DISTRICT** AUTHORIZING EXECUTION AND DELIVERY OF A PROMISSORY NOTE, LOAN AND SECURITY AGREEMENT, DEED OF TRUST, IF REQUIRED, UCC-1 FINANCING STATEMENT AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II)

HELP II

WHEREAS, **Sonoma Valley Health Care District** (the “Borrower”) has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$2,000,000.00** from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender's HELP II; and

WHEREAS, the Borrower intends to use the funds for the following project: **To purchase equipment/information technology (IT) to replace an electronic health record (EHR) system;**

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

Section 1. **John Hennelly, President and Chief Executive Officer** (an “Authorized Officer”) 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 deems 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 2. The proposed form of Loan and Security Agreement (the “Agreement”) dated as of **February 1, 2023** which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed **\$2,000,000.00** and the loan shall bear interest at a rate of **2%** per annum until **March 15, 2028** (the “Maturity Date”). The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of Promissory Note (the “Note”) dated as of **February 1, 2023**, as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer is 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 may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Deed of Trust dated as of **February 1, 2023**, if required, granting a lien on certain of the Borrower's property for the benefit of the Lender is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute a Deed of Trust in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of UCC-1 financing statement granting a lien on the Borrower's gross revenues and, if required, granting a lien on certain of the Borrower's equipment for the benefit of the Lender is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the UCC-1 financing statement in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of Environmental Indemnity dated as of **February 1, 2023**, if required, protecting Lender from losses incurred because of Post-Foreclosure Transfer Environmental Losses is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Environmental Indemnity in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Environmental Compliance Certificate dated as of **February 1, 2023** certifying for the benefit of the Lender to the best knowledge of Borrower with regard to any violations of or claims regarding environmental laws or conditions, is approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Environmental Compliance Certificate in substantially said form, with such changes therein as the Authorized Officer 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: _____



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: February 28, 2023
Subject: **FY 2023 Parcel Tax Advance**

Recommendation:

Recommend to the SVHCD Finance Committee that they recommend to the Board of Directors that they approve both the resolution and executable agreement that would allow Sonoma Valley Health Care District to receive an advance on the April 2023 payment of Parcel Tax funds in the amount of \$1,120,000.

Background:

As has been discussed during the last few finance committee meetings, the timing of our IGT funding has been delayed compared to past fiscal years. We made our IGT matching fee payment earlier this month, and while we are estimating to receive over \$4 million in IGT funds this fiscal year, we do not anticipate receiving those funds until April or May. This, combined with some anticipated disruptions on the revenue cycle side caused by the Epic implementation, has presented a timing issue that temporarily disrupts the normal cash flow of the Hospital.

SVHCD management has been in discussions with Sonoma County about the possibility of receiving an advance payment on the April 2023 parcel tax proceeds that is due to the hospital. This advance would allow the hospital to have the necessary cash flow to meet its operational commitments and also create an additional buffer during these next couple months prior to receiving our IGT payment.

For reference, the District also had parcel tax funds advanced during fiscal year 2020 in the amount of \$1,000,000.

Parcel Tax Advance Details:

- SVHCD would be permitted to receive an advance up to 85% of the Parcel Tax revenues outstanding.
- SVHCD management is recommending to receive an advance of \$1,120,000, which is ~80% of the \$1,400,000 of parcel taxes owed to the District.
- The interest rate on the advance would be at an annualized rate of 5.4%.
- The agreement has a maturity date of May 31, 2023. The parcel tax advance would be paid back, in full, as soon as IGT funds are received.

Financial Impact:

The incremental cost for a \$1,120,000 parcel tax advance would solely be the interest expense paid to the County during the life of this agreement. Based on the proposed interest rate and maturity date of this agreement, total interest expense for this advance would be between \$5,000 - \$7,500.

Attachments:

- Sonoma County / Sonoma Valley Health Care District Resolution
- Sonoma County / Sonoma Valley Health Care District Parcel Tax Agreement

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION NO. 372

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,120,000 AND AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER TO ENTER INTO A PARCEL TAX AGREEMENT WITH THE COUNTY OF SONOMA AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR ("ACTTC")

THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT RESOLVES AS FOLLOWS:

WHEREAS, pursuant to Section 53850 *et seq.* of the Government Code of the State of California (the "Government Code") contained in Article 7.6, entitled "Temporary Borrowing," a healthcare district may borrow money by issuing notes (the "Notes") for any purpose for which the health care district is authorized to expend moneys, including but not limited to, current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the district; and

WHEREAS, pursuant to Section 53856 of the Government Code, the District may pledge its parcel tax revenue to the repayment of Notes, which shall be issued as a general obligation of the District, and to the extent not paid from the taxes pledged for the payment thereof, shall be paid with interest thereon from any other moneys of the District lawfully available therefor as required by Section 53857 of the Government Code; and

WHEREAS, the District desires to finance certain obligations incurred by the District in connection with prior operations and ongoing operations; and

WHEREAS, the District has determined that the sum of \$1,120,000 is needed to satisfy payment obligations of the District which the District anticipates will become payable prior to the receipt of anticipated parcel tax revenue, and that it is necessary that said sum be borrowed in anticipation of the receipt of taxes to be received by the District during Fiscal Year 2022-2023; and

WHEREAS, the District finds and determines that it is in the best interest of the District to finance its obligations through the issuance of tax and revenue anticipation notes and has determined to issue Sonoma Valley Health Care District Parcel Tax Revenue Anticipation Note, Series 2023 (the "Series 2023 Note"); and

WHEREAS, the Series 2023 Note shall mature on May 31, 2023, which is consistent with the requirement that repayment be made from available funds that have been received or accrued to the District within the fiscal year in which the Notes are issued, or in a succeeding fiscal year from funds accruing in the fiscal year of issuance; and

WHEREAS, the District wishes to provide authority to staff to enter into a parcel tax agreement with the Sonoma County.

WHEREAS, the purchaser of the Note, The Sonoma County Treasury Pool, through the Sonoma County Auditor-Controller-Treasurer-Tax Collector ("ACTTC"), has requested that the District enter into a Parcel Tax Agreement to ensure payment of the Note.

NOW, THEREFORE, be it known that the Board of Directors of the Sonoma Valley Health Care District resolves as follows:

Section 1. The Series 2023 Note may be issued in order to obtain moneys to carry out the District's purposes. The maximum principal amount of the Series 2023 Note which may be issued hereunder is limited to \$1,120,000.

Section 2. The Series 2023 Note shall be evidenced and issued in the principal amount of \$1,120,000. Registered ownership of the Series 2023 Note will be with the Sonoma County Treasury Pool, as purchaser of the Note, and shall not be transferred thereafter. The Series 2023 Note in the principal amount of \$1,120,000 constitutes a "note" and is being issued pursuant to the provisions of section 53854 of the California Government Code.

Section 3. The Series 2023 Note shall be dated as of March 13, 2023, and interest thereon shall be payable upon maturity. The Series 2023 Note shall mature on May 31, 2023, and shall bear interest at the rate of 5.40 percent per annum. If the District fails to pay the note when due, the ACTTC may retain enough of the parcel tax proceeds to satisfy the principle and interest.

Section 4. The Series 2023 Note shall be substantially in the form set forth in Exhibit A, attached hereto and by this reference incorporated herein.

Section 5. The Board of Directors have reviewed all proceedings heretofore taken relative to the authorization of the Series 2023 Note and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the Series 2023 Note do exist, have happened and have been performed in due time, form and manner as required by applicable law, and the District is now authorized, pursuant to each and every requirement of applicable law to issue the Series 2023 Note.

Section 6. The Series 2023 Note may be redeemed prior to Maturity at any time, without any premium.

Section 7. The District's obligation to pay the principal and interest on the Series 2023 Note shall be an obligation payable from parcel tax revenues and, to the extent parcel tax revenues are insufficient therefor, subject to any existing or future liens or encumbrances thereon, from any other available moneys of the District.

Section 8. The District's President and Chief Executive Officer, or designee, upon the advice of the District's legal counsel or special financial consultants, is hereby authorized to do any and all things and to execute, modify and deliver any and all documents that they may deem necessary in order to effectuate the transactions contemplated by this Resolution and to otherwise carry out the purposes of this Resolution. This authorization includes entering into a Parcel Tax Agreement with the County of Sonoma ACTTC, whereby the District agrees that the Sonoma County Auditor-Controller Treasurer-Tax Collector may retain sufficient proceeds of the April 2023 installment of the District's parcel tax, and, if necessary, from future installments, to satisfy the note, prior to allocating parcel tax proceeds to the District.

Section 9. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 9th day of March 2023, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Judith Bjorndal, M.D., Chair
Board of Directors
Sonoma Valley Health Care District

ATTEST:

Wendy Lee Myatt, Secretary
Board of Directors
Sonoma Valley Health Care District

FORM OF NOTE

United States of America
State of California
Sonoma County

**SONOMA VALLEY HEALTH CARE DISTRICT
(Sonoma County, California)
Parcel Tax Revenue Anticipation Note, Series 2023**

| | | |
|-----------------------|-----------------------|--------------------|
| INTEREST RATE: | MATURITY DATE: | DATED DATE: |
| 5.40% | May 31, 2023 | March 13, 2023 |

| | |
|--------------------------|------------------------|
| REGISTERED OWNER: | SONOMA COUNTY TREASURY |
| PRINCIPAL SUM: | \$1,120,000.00 |

FOR VALUE RECEIVED, the Sonoma Valley Health Care District, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (the “District”), hereby acknowledges itself indebted to and promises to pay to the Owner stated above, the Principal Sum stated above in lawful money of the United States of America, on the Maturity Date stated above, or date of earlier redemption as described below, together with interest thereon in like lawful money from the date hereof until payment of such Principal Sum shall be discharged, at the Interest Rate per annum stated above.

It is hereby certified, recited, and declared that this Note is issued pursuant to the provisions of Resolution No. 372 of the Board of Directors of the District duly passed and adopted on March xx, 2023 and pursuant to Section 32130 of the California Health and Safety Code, and that all things, conditions, and acts required to exist, happen, and be performed, exist, have happened, and been performed in regular and due time, form, and manner as required by law, and that the amount of this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California.

The Principal Sum of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other monies which are held or received by the District for the fiscal year 2022-2023 and which are lawfully available for the current expenses and other obligations of the District. Specifically, the Principal Sum of the Note, together with the interest thereon, shall be payable from the proceeds of the District’s special tax on parcels of property within the District authorized at an election held on November 2, 2021 (the “Tax”).

The Note is issued as a fully registered Note, without coupons. The Note is not transferable by its registered owner.

The Note shall be redeemed at any time, without premium, upon receipt by the District of proceeds from the Tax for fiscal year 2022-2023.

If the Note is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

IN WITNESS WHEREOF, SONOMA VALLEY HEALTH CARE DISTRICT has caused this Note to be executed in its name and on its behalf by the manual signature of its Chief Executive Officer and attested by the manual signature of the Secretary of its Board of Directors, all as of the Dated Date stated above.

SONOMA VALLEY HEALTH CARE DISTRICT

By:

John Hennelly
President and Chief Executive Officer
Sonoma Valley Hospital

ATTEST:

Wendy Lee Myatt
Secretary, Board of Directors
Sonoma Valley Health Care District

CLERK'S CERTIFICATE

I, Vivian Woodall, Clerk of the Governing Board of the Sonoma Valley Health Care District of the County of Sonoma, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said District, regularly held at the regular meeting place thereof, on March xx, 2023, of which meeting all the members of said Governing Board had due notice.

I further certify that said resolution has not been amended, modified, or rescinded since the date of its adoption and the same is now in full force and effect.

ATTEST: This _____ day of _____ 2023

Vivian Woodall, Clerk of the Governing Board
of the Sonoma Valley Health Care District
County of Sonoma, State of California

COUNTY TREASURER'S AUTHORIZATION
(Per County of Sonoma Resolution 91-0271)

The attached request for borrowing is in compliance with the requirements of Article XVI, Section 6, of the State Constitution and with Resolution 91-0271 of the County of Sonoma.

Approved By:

Auditor-Controller/Treasurer-Tax Collector County of Sonoma

Date: _____

| | |
|---|-------------|
| Amount to be collected on Property Tax Bill | \$1,400,000 |
| Amount Requested | \$1,120,000 |
| Percent of Property Tax Bill Requested (not to exceed 85% of outstanding property taxes) | 80% |

PARCEL TAX AGREEMENT BY AND BETWEEN
COUNTY OF SONOMA AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR
AND
SONOMA VALLEY HEALTH CARE DISTRICT

THIS PARCEL TAX AGREEMENT ("Agreement"), is entered into by and between the COUNTY OF SONOMA AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR ("ACTTC"), and the SONOMA VALLEY HEALTH CARE DISTRICT ("District")
(collectively referred to as the "Parties" herein).

Recitals

1. On November 2, 2021, voters approved a parcel tax levy on each taxable parcel of land within the District at an annual rate of \$250 per parcel per year for ten years ("Tax").
2. The Sonoma County Auditor-Controller Treasurer-Tax Collector ("ACTTC") is responsible for collecting the Tax at the same time that it collects ad valorem property taxes, and for distributing the Tax proceeds to the District.
3. The ACTTC has agreed to purchase from the District a tax and revenue anticipation note as an investment for the Sonoma County Treasury Pool in the principal amount not to exceed \$1,120,000, with a maturity date of May 31, 2023 ("Note"), as authorized by Government Code§ 53635.2 and Government Code§ 53601(e).
4. The ACTTC has requested that the District enter into this Agreement to ensure payment of the Note.
5. On March xx, 2023 the Board of Directors of the District passed Resolution No. 372, authorizing the issuance of the Note and authorizing the President and Chief Executive Officer to enter into this Agreement.

Agreement

1. The District agrees that the ACTTC may retain sufficient proceeds of the April 2023 installment of the Tax to satisfy the principal of and interest on the Note prior to allocating the Tax proceeds to the District.
2. Should the proceeds of the April 2023 installment of the Tax be insufficient to satisfy the principal of and interest on the Note, the ACTTC may retain all the proceeds of the April 2023 installment of the Tax, and sufficient proceeds from each future installment to satisfy the principal of and interest on the Note.
3. The District shall indemnify and hold harmless, to the extent permitted by law, and without limiting the County's obligations under California law to collect the Tax, the ACTTC, the County of Sonoma and the County's officers and employees ("Indemnified Parties") against any and all losses, claims, damages, or liabilities, joint or several, to which such Indemnified Parties may become subject because of the Treasury Pool's purchase of the Note and ACTTC's retention of Tax proceeds. The District shall also reimburse such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

- 4. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.
- 5. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have each executed this Agreement on _____, 2023

SONOMA COUNTY AUDITOR CONTROLLER
TREASURER TAX COLLECTOR

SONOMA VALLEY HEALTH CARE
DISTRICT, a health care district of the
State of California

Auditor-Controller-Treasurer-
Tax Collector

President and Chief Executive Officer

APPROVED AS TO FORM

APPROVED AS TO FORM

County Counsel

District Counsel

Brown Act Teleconferencing Matrix – Calendar Year 2023

| | Standard Brown Act Teleconferencing <i>Gov. Code § 54953(b)</i> | AB 361 – Declared Emergencies / Social Distancing <i>Gov. Code § 54953(e)</i> | AB 2449 – Individual Emergency / Just Cause <i>Gov. Code § 54953(f)</i> |
|--|---|---|--|
| General Circumstances Necessary to Use Teleconferencing | None. | Meeting is held: <ul style="list-style-type: none"> • During a Governor-proclaimed state of emergency, and state or local officials have imposed or recommended social distancing measures; • During a Governor-proclaimed state of emergency and the meeting is held for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to health or safety of attendees; or • During a Governor-proclaimed state of emergency and the body has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to health or safety of attendees | A legislative body member: <ul style="list-style-type: none"> • Notifies the legislative body of their need to participate remotely for just cause. “Just cause” means: (1) childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation; (2) contagious illness that prevents attending in person; (3) a need related to a physical or mental disability not otherwise accommodated by the agency; or (4) travel while on official business of the legislative body or another state or local agency; or • Requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances <i>and</i> the legislative body takes action to approve the request. An “emergency circumstance” is a physical or family medical emergency that prevents a member from attending in person. |
| Agenda Requirements | <ul style="list-style-type: none"> • Post agendas at all teleconference locations • Identify each teleconference location on the agenda | <ul style="list-style-type: none"> • Identify and include an opportunity for members of the public to attend via a call-in option or an internet-based service option. • Provide notice of how members of the public may access the meeting and offer public comment. | <ul style="list-style-type: none"> • Identify and include an opportunity for all members of the public to attend via a call-in option, via an internet-based service option, and at an in-person location. • Provide notice of how members of the public may access the meeting and offer public comment. |

| | | | |
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| <p>Meeting Format</p> | <p>Members of the public must be able to attend from the primary in-person meeting location stated on the agenda <i>and</i> from each teleconference location, which must be accessible to the public.</p> | <ul style="list-style-type: none"> • Meeting may be fully virtual or hybrid of in-person / virtual. • The agency must provide an opportunity for members of the public to attend via call-in option or internet-based service option. | <ul style="list-style-type: none"> • Meetings <i>must</i> be hybrid, with in-person and virtual options. • The agency must provide an option for the public to attend remotely and hear and see the meeting. This can mean either: (a) two-way audiovisual platform; or (b) a two-way telephonic service and a live webcasting of the meeting. |
| <p>Quorum of Legislative Body Must Participate from . . .</p> | <p>A quorum must participate from locations within the agency’s boundaries. This may include members participating in person at a location within the agency’s boundaries <i>and</i> members teleconferencing from within the agency’s boundaries.</p> | <p>N/A. No requirements about the location from which a quorum of the legislative body must participate.</p> | <p>A quorum must participate from a single physical location clearly identified on the agenda that is open to the public and located within the agency’s boundaries.</p> |

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| <p>Public Comments</p> | <p>Members of the public participating from teleconference locations must have the opportunity to provide public comments from those locations</p> | <ul style="list-style-type: none"> • Must allow opportunity for public comments in real time • May not require advanced submittal of public comments • If the agency provides a specific time during which it will receive public comments, the agency may not close the public comment period or opportunity to register with the online platform until the stated public comment period has elapsed. • If the agency does not include specific times for public comments on agenda items, the agency must allow reasonable time per agenda item for the public to provide public comment, including to register with the online platform or being recognized. | <ul style="list-style-type: none"> • Must allow opportunity for public comments in real time • May not require advanced submittal of public comments |
|-------------------------------|--|---|--|

| | | | |
|---|---|--------------|--|
| <p>Specific Requirements the Teleconferencing Member(s) Must Satisfy</p> | <p>None required by Brown Act. But practical requirements are to:</p> <ul style="list-style-type: none"> • Provide relevant information to the clerk/secretary so the agenda can be prepared and posted within time required by Brown Act • Ensure members of the public participating from the teleconference location can observe the meeting and provide public comment, if desired. | <p>None.</p> | <ul style="list-style-type: none"> • <u>Just Cause Circumstances</u>: The member must provide notice of the need to participate remotely as soon as possible, including the start of a regular meeting. They must also provide a general description of the circumstances of their need to attend remotely. • <u>Emergency Circumstances</u>: The member must provide a general description of the circumstances relating to the need to appear remotely. The general description generally need not exceed 20 words and does not require the member to disclose any medical diagnosis, disability, or confidential medical information. The member must make a request to participate remotely as soon as possible and must make a separate request for each meeting in which they seek to participate remotely. The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place the action on the agenda, the legislative body may take action at the beginning of the meeting without the item being listed on the agenda. • In addition, under all circumstances the member must: <ul style="list-style-type: none"> ○ Participate through both audio <i>and</i> visual technology (cameras on). ○ Publicly disclose, before any actions are taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the |
|---|---|--------------|--|

| | | | |
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| | | | member, and the general nature of the member's relationship with them. |
| Disruption of Broadcasting During the Meeting | No specific rules. | If a disruption prevents the agency from broadcasting the meeting to the public using the call-in option or internet-based service option, or if a disruption within the agency's control prevents the public from providing public comment remotely, the legislative body may not take any actions on agenda items until public access is restored. | If a disruption prevents the agency from broadcasting the meeting to the public using the call-in option or internet-based service option, or if a disruption within the agency's control prevents the public from providing public comment remotely, the legislative body may not take any actions on agenda items until public access is restored. |
| Limitations on Use / Requirements to Continue Use | No limits on the number of times / circumstances where this type of teleconferencing may be used. | For an agency to continue using AB 361 teleconferencing, a state of emergency must remain active <i>or</i> state or local officials must continue imposing or recommending social distancing measures. In addition, the legislative body must, not more than 30 days after teleconferencing for the first time and every 30 days thereafter, make the following findings by majority vote: (1) the legislative body has reconsidered the circumstances of the state of emergency; and (2) either (a) the state of emergency continues to directly impact the ability of the members to meet safely in person; or (b) state or local officials continue to impose or recommend social distancing measures. | <ul style="list-style-type: none"> • A legislative body member may not use the "just cause" provision to participate remotely for more than two meetings in a calendar year. • A legislative body member may not use AB 2449 teleconferencing to participate remotely for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year. |
| Roll Call Votes Required? | Yes. | Yes. | Yes. |
| Expiration Date | None. | January 1, 2024, unless extended by Legislature. | January 1, 2026, unless extended by Legislature. |



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: February 28, 2023
Subject: Fiscal Year 2024 Budget Assumptions

VOLUMES

- Fiscal year 2024 budgeted volumes are based on an annualization of this fiscal year's run-rate - *July 2022 to January 2023*
- **Specific Volume Assumptions of Note:**
- **Physical Therapy** - 10% increase in visit volumes generated due to capacity gained through full complement of hired therapists
- **CT** - 10% increase in OP referral volumes due to continued ramp-up of service post completion of the Phase I ODC project.
- **MRI** - 30% increase in volumes due to temporary MRI trailer becoming operational starting in January 2024.
- **Orthopedics** - 6% increase in orthopedic surgical volumes resulting from additional program resources that will facilitate more effective and efficient throughput
- **Cardiology** - Increase in cardiology volumes (Echos/EKGs) due to bringing service in-house and increased provider engagement

GROSS REVENUE

- Gross revenues driven by budgeted volumes
- Gross price increase of 6% - this is allowed by most SVH commercial contracts (analysis provided by Para)

NET PATIENT REVENUE & CONTRACTUAL ALLOWANCES

- **Collection Rates** - Utilize current year-to-date collection rates by payor as baseline and adjust allowance for 6% price increase.
- **Net Patient Revenue** - 2% increase in net patient revenue due to revenue enhancements gained through Epic conversion
- **Net Patient Revenue Managed Care** - Additional 5% increase in managed care PPO net revenue to account for planned payor contract negotiations
- **Payor Mix** - Will be based upon current run-rate
- **Supplemental Funding** - Intergovernmental and supplemental payments include the 12-month Rate Range and HQAF IGT as well as Medi-Cal AB915

FTEs, WAGES, AND BENEFITS

- **FTEs** - based upon current FY23 run-rate (July 2022 – January 2023) and adjusted by department for projected volume increases.
- **FY24 Considerations:**
 - Realignment and adjustment of departmental staffing due to Epic implementation
- **Wages** - 3% increase in salaries starting in January 2024.

- **Employee Benefits** - Based upon actual experience and estimates from the providers

PHYSICIAN FEES & PROFESSIONAL FEES

- Based upon current costs and executed final contract arrangements
- Increase in Cardiology Call agreement to reflect new scope of the services being provided
- UCSF Management fees will be based on current invoices plus a true-up of positions to 1.0 status (Chief Medical Officer, IT Director)

SUPPLIES/FOOD

- Based on current fiscal year run-rate and adjusted by department for projected volume increases
- Global inflation adjustment of 2 - 4% for supply and food costs
- Additional adjustments as needed per department based on budgeted volume increases

PURCHASED SERVICES

- Purchased services based on current and projected services by department
- IT costs will include the continuation of the Paragon Allscripts ERP through fiscal year 2024
- Adjustment to true-up Epic monthly fees to full year
- Elimination of various IT and other 3rd party agreements that are no longer necessary with Epic

INTEREST

- Based on current run-rate and adjusted for any new or expiring leases and/or loans
 - CHFFA Help II Loan – new for FY24
- *FY24 Considerations:*
 - Union Bank Line of Credit - matures January 2024

DEPRECIATION

- Current, plus adjustment to true-up to a full year of depreciation for Epic EMR project.

INSURANCE

- Will confirm with insurance agent.

UTILITIES

- Current and expected future rates to be reviewed.
- *FY24 Considerations:*
 - Unison Energy agreement & impact on FY24 utility costs

OTHER EXPENSES

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

| | | | |
|------------------|-----------------------|--|----------------------------|
| Tactic Completed | Tactics under way now | Tactics to begin in the next 12 months | Tactics in conceptual form |
|------------------|-----------------------|--|----------------------------|

| UCSF/SVH Joint Operating Dashboard | | | | | | | | | |
|---|---|---|---|--|------------------------|-------------|---|--|-------|
| Strategic Objective | Initiative | Description/Tactic | Benefits/Impact | Start Date | Target Completion Date | Update | Updated | | |
| 1 Increase Access to San Francisco based UCSF Care - ability for Sonomans to access care at UCSF in the city has been difficult. This objective seeks to improve pathways to access care. | 1.1 | Expansion of Telemedicine Services with UCSF Affiliate Network | Neurology coverage for stroke and inpatient care | 24/7 availability of neuro consult for stroke cases in ED | 2019 | 2019 | complete | 2019 | |
| | | | Infectious Disease coverage for hospital | Specialty coverage for ED and inpatient units | | | complete | 2019 | |
| | 1.2 | Beta Site for Capacity Management (transfer) Center | Intensivist Coverage of ICU | Expanded medical team would expand the types of cases that could be treated at SVH. The integration will improve both site's ability to place patients in the right setting for their needs. Impact to SVH increased | | 2022 | 2023 | Engaging UCSF and third party vendors on contracting. Dr Sankaran has lead. Conversations progressing. | 1/30 |
| | | | Integration of SVH into the UCSF capacity management system | | | Summer 2023 | 2023-2024 | System live. UCSF working on process. SVH participation pending. | 1/30 |
| 2 Increase Access to Locally Provided Specialists/Primary Care - establishment of care sites in Sonoma will aid in access to UCSF care. | 2.1 | Physician Employment | Joint recruitment of GI specialists based in Sonoma | Provision of service currently unavailable in Sonoma and highly in demand. | 2021 | in process | Actively recruiting | 1/30 | |
| | | | Joint recruitment of orthopedic surgeon based in Sonoma | Orthopedics is in strong demand in Sonoma. Planning to insure availability over coming years. | | 2023-25 | This is in concept stage at this point. Discussions will occur between existing partners to develop a plan. | 8/22 | |
| | 2.2 | Expansion of Clinically Integrated Network | Engagement of UCSF faculty in growth or under represented service lines | Engagement can increase the types of care available in Sonoma and increase connectivity with programs at UCSF. | | 2022 | 2023 | Issuance of RFP to faculty to identify programs which could be cited in Sonoma. Proposals must address market need. RFP to be issued Q1 2023 | 12/22 |
| | | | Opportunity to contractually link Sonoma providers to UCSF network improving network access, quality oversight, and financial stability for practices | Helps insure stability of practices in Sonoma and improved access to broader network. | | | 2023 | UCSF revising program | 12/22 |
| 3 Increase Facility Utilization - objective is to use available space and resources at SVH to alleviate capacity issues at UCSF where needs align. The result will be more availability of services in Sonoma. | 3.1 | Grow UCSF surgical presence in Sonoma | Objective is to engage UCSF surgicians to practice in Sonoma and at SVH. | Increase availability of surgical services in Sonoma/increase utilization of SVH operating rooms | | | EPIC installation has removed key barrier. Improvement to interfaces underway. Dr Sankaran in talks with Dr Carrol (urologist) about beginning to provide services in Sonoma in 2023 | 12/22 | |
| | 3.2 | Explore collaborative opportunities in orthopedics | Details listed in section 2. Listed here to note it serves this objective. | | | | | | |
| | 3.3 | Increase utilization of ODC by UCSF | Online scheduling | UCSF is moving to self scheduling which enables the patient to select the best location for their service based upon availability or location. This could optimize utilization of SVH assets. | | 2022 | 2023 | On going conversations with UCSF Affiliates team on build requirements. Work on going. | 12/22 |
| | 3.4 | Development of Post Acute program | Objective is to insure adequate postacute care is available in Sonoma | Meeting market demand and insuring Sonoma has the right setting for care. Activation of dormant space at SVH. | | | 2024 | This is in concept stage at this point. | 8/22 |
| | 3.5 | Develop relationship with VA for the provision of care to veterans at SVH | | Improve access for veterans and increase utilization of SVH services | | 2023 | 2024 | Connecting with VA leadership through UCSF contacts | 2/22 |
| 4 Enhance IT Integration - maximize connectivity between two organizations to improve integration of data available to community and patients | 4.1 | Maximize data availability between sites | EPIC implementation | Installation of EPIC will improve connectivity between UCSF and SVH. | January 2022 | 12/3/2022 | Complete | 12/22 | |
| | | | Optimize EPIC data transfer between instances | Maximizing data integration between SVH Epic and UCSF Epic will optimize utilization by clinicians and patients | Summer 2023 | 2025 | Interface builds still underway | 1/30 | |
| | 4.2 | Integration of IT management | Contract executed between UCSF and SVH for the provision of management services to SVH | | 2022 | 2022 | Complete | 1/22 | |
| 5 Share Resources/Reduce Costs - by collaborating, can the two organizations save money? | 5.1 | Integration of coordination of care w UCSF and/or Marin Health | | | | | | | |
| | 5.2 | Leadership Development | Sound leadership yields high performing organization | Investment in leadership is paramount in a high performing organization. Impact is more innovation (growth), better staff and patient satisfaction, increased market competitiveness, higher employee retention. | 2022 | ongoing | Deescalation training of management completed in January. | 1/30 | |
| | 5.3 | Explore JV opportunities around ODC | Develop a business case for a joint venture between SVH and UCSF around the ODC and surgical services | A joint venture would provide both capital and focus from UCSF on Sonoma. | CY2023 | 2024 | Investment models under review. On going. | 12/22 | |
| Parking Lot | Exploration of ways to integrate purchase of goods and services | | Cooperating with UCSF on purchasing could yield significant savings | | | | Management continually on the look out for such opportunities. Supplies were reviewed in 2022 - no opportunity. Reimbursement rates - not allowed unless UCSF has a controlling interest. | 9/22 | |



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: February 28, 2023
Subject: Financial Report for January 2023

1. OVERALL PERFORMANCE:

January was a positive month financially from operations as it delivered continued growth in a number of key areas. Net patient revenue, operating expenses, operating margin, operating EBDA and net income were all favorable to budget for the month. January was driven by high inpatient volumes. We did experience some dips in outpatient volumes in January, but much of that was mitigated by very strong volumes on the inpatient side. The month's average daily census of 10.4 was the highest in some time, and while some of that is due to an increase in medical admissions, we have also seen proportional gains in inpatient surgeries. These gains helped mitigate some dips in selective outpatient services to deliver a favorable month in net patient revenue and a fiscal year high when adjusted for volume (*Net Patient Revenue as a % of Gross Revenue of 15.4% - Table 3*).

January's performance was also buoyed by a reduction in operating costs as we were successful in rightsizing specific post go-live expenses related to Epic. This, coupled with continued efforts by departments to staff to their volumes, were the biggest contributors in keeping our costs under budget.

As anticipated, cash collections continued to lag behind in January as we work through some of the disruptions caused by the new Epic workflows (Table 6), but both cash collections and days cash on hand exceeded what had been previously forecasted for the month. We continue to make really good progress due to the efforts by our teams here, and we are still on track to get back to historical cash collection levels in the coming months.

Table 1a | Overall Performance - January 2023 (Including IGT)

| | Current Year - Month | | Variance | | Current Year - YTD | | Variance | | Prior YTD | | Variance | |
|--------------------------|----------------------|--------------|------------|------|--------------------|----------------|----------------|-------|----------------|----------------|----------|--|
| | Actual | Budget | \$ | % | Actual | Budget | \$ | % | Actual | \$ | % | |
| Operating Margin | \$ (679,153) | \$ (840,715) | \$ 161,562 | 19% | \$ (6,344,842) | \$ (2,954,678) | \$ (3,390,164) | -115% | \$ (3,192,663) | \$ (3,152,179) | -99% | |
| Operating EBDA | \$ (433,788) | \$ (611,628) | \$ 177,840 | 29% | \$ (4,578,086) | \$ (1,351,069) | \$ (3,227,017) | -239% | \$ (1,533,475) | \$ (3,044,611) | -199% | |
| Net Income (Loss) | \$ 337,521 | \$ 120,457 | \$ 217,064 | 180% | \$ (989,718) | \$ 3,800,372 | \$ (4,790,090) | -126% | \$ 377,979 | \$ (1,367,697) | -362% | |

* Operating Margin less Depreciation

Table 1b | Overall Performance - January 2023 (Excluding IGT)

| | Current Year - Month | | Variance | | Current Year - YTD | | Variance | | Prior YTD | | Variance | |
|--------------------------|----------------------|--------------|------------|------|--------------------|----------------|----------------|-------|----------------|--------------|----------|--|
| | Actual | Budget | \$ | % | Actual | Budget | \$ | % | Actual | \$ | % | |
| Operating Margin | \$ (679,153) | \$ (840,715) | \$ 161,562 | 19% | \$ (6,344,842) | \$ (6,543,879) | \$ 199,037 | 3% | \$ (6,168,221) | \$ (176,621) | -3% | |
| Operating EBDA | \$ (433,788) | \$ (611,628) | \$ 177,840 | 29% | \$ (4,578,086) | \$ (4,940,270) | \$ 362,184 | 7% | \$ (4,509,033) | \$ (69,053) | -2% | |
| Net Income (Loss) | \$ 337,521 | \$ 120,457 | \$ 217,064 | 180% | \$ (989,718) | \$ 211,171 | \$ (1,200,889) | -569% | \$ (2,597,579) | \$ 1,607,861 | 62% | |

* Operating Margin less Depreciation

JANUARY INCOME STATEMENT AND IGT:

There was no IGT activity budgeted in January so the actual to budget comparisons are clean when looking at the month itself. The year to date comparisons are still skewed as you can see from the table below.

Table 2 | IGT Amounts in SVH Income Statement – January 2023

The table below shows what has been booked on the income statement for IGT reimbursements through January, both the month itself and year-to-date.

| | Month of January 2023 | | | Year To Date January 2023 | | |
|-----------------------|-----------------------|-------------|-------------|---------------------------|---------------------|---------------------|
| | CY Actual | Budget | PY Actual | CY Actual | Budget | PY Actual |
| IGT Revenue | \$ - | \$ - | \$ - | \$ - | \$ 6,088,278 | \$ 4,498,600 |
| IGT Expense | \$ - | \$ - | \$ - | \$ - | \$ (2,499,077) | \$ (1,523,042) |
| IGT Net Income | \$ - | \$ - | \$ - | \$ - | \$ 3,589,201 | \$ 2,975,558 |

2. NET REVENUE SUMMARY:

Table 3 | Net Patient Revenue – Actual vs. Budget - January 2023 (Excluding IGT)

| | Month of January 2023 | | | | Year To Date January 2023 | | | | | | |
|-------------------------|-----------------------|---------------|-------------|-----|---------------------------|----------------|--------------|----|----------------|---------------|-----|
| | Current Year - Month | | Variance | | Current Year - YTD | | Variance | | Prior YTD | Variance | |
| | Actual | Budget | Var | % | Actual | Budget | \$ | % | Actual | \$ | % |
| Total Gross Revenue | \$ 26,688,380 | \$ 26,823,340 | \$(134,960) | -1% | \$ 185,520,458 | \$ 176,169,018 | \$ 9,351,440 | 5% | \$ 168,343,223 | \$ 17,177,235 | 10% |
| Net Patient Revenue | \$ 4,102,835 | \$ 4,065,106 | \$ 37,729 | 1% | \$ 27,911,369 | \$ 26,709,629 | \$ 1,201,740 | 4% | \$ 25,859,285 | \$ 2,052,084 | 8% |
| NPR as a % of Gross | 15.4% | 15.2% | 1% | | 15.0% | 15.2% | 0% | | 15.4% | -1% | |
| Total Operating Revenue | \$ 4,187,114 | \$ 4,169,829 | \$ 17,285 | 0% | \$ 28,538,906 | \$ 27,442,690 | \$ 1,096,216 | 4% | \$ 26,537,690 | \$ 2,001,216 | 8% |

Revenues continue to outpace both budget and the prior year. Although pretty much flat compared to budget for the month (+1%), net patient revenue was positive despite running under budget in gross revenue (-1%) due to some dips in outpatient volumes. Total net patient revenue on the year is strong compared to budget and prior year, +4% and +8%, respectively.

3. OPERATING EXPENSE SUMMARY:

Table 4 | Operating Expenses – Actual vs. Budget – January 2023 (Excluding IGT)

| | Month of January 2023 | | | | Year To Date January 2023 | | | | | | |
|--------------------|-----------------------|--------------|------------|-----|---------------------------|---------------|-------------|-----|---------------|---------------|-----|
| | Current Year - Month | | Variance | | Current Year - YTD | | Variance | | Prior YTD | Variance | |
| | Actual | Budget | Var | % | Actual | Budget | \$ | % | Actual | \$ | % |
| Operating Expenses | \$ 4,866,267 | \$ 5,010,544 | \$ 144,277 | 3% | \$ 34,883,748 | \$ 33,986,569 | \$(897,179) | -3% | \$ 32,705,911 | \$(2,177,837) | -7% |
| Worked FTEs | 198.0 | 221.5 | 23.5 | 11% | 210.7 | 216.6 | 5.9 | 3% | 203.2 | (7.5) | -4% |

Operating expenses in January pulled back from our recent trend and ran under budget by 3%. As was discussed during last month's report, some of the increases we had incurred over the past couple months were directly correlated to the lead up of the Epic EMR implementation. November and December especially, we saw upticks in FTEs and staffing costs related to EHR trainings and premium pay/overtime to support post go-live activities in the hospital. Departments also continued to be diligent in flex staffing – adjusting staffing to appropriate levels given the volume. Worked FTEs in January of 198 ran 10% below budget (221.5) and nearly 15% below actual worked FTEs in December (229.0).

4. VOLUME SUMMARY:

Table 5.1 | Patient Volumes – December 2022

| | Month of December 2022 | | | |
|-------------------------|------------------------|------------|----------|-----------|
| | Current Year | | Variance | |
| | Actual | Budget | Var | % |
| Acute Patient Days | 308 | 266 | 42 | 16% |
| Average Daily Census | 9.9 | 8.6 | 1.4 | 16% |
| Acute Discharges | 72 | 64 | 8 | 13% |
| IP Surgeries | 19 | 13 | 6 | 46% |
| OP Surgeries | 99 | 104 | (5) | -5% |
| Total Surgeries | 118 | 117 | 1 | 1% |
| Total Outpatient Visits | 4,281 | 4,366 | (85) | -2% |

Table 5.2 | Patient Volumes – January 2023

| | Month of January 2023 | | | | Year To Date January 2023 | | | | | | |
|-------------------------|-----------------------|------------|-------------|-------------|---------------------------|------------|-------------|------------|------------|-------------|------------|
| | Current Year | | Variance | | Current Year | | Variance | | Prior Year | | Variance |
| | Actual | Budget | Var | % | Actual | Budget | Var | % | Actual | Var | % |
| Acute Patient Days | 322 | 281 | 41 | 15% | 1,944 | 1,827 | 117 | 6% | 1,828 | 116 | 6% |
| Average Daily Census | 10.4 | 9.1 | 1.3 | 15% | 9.0 | 8.5 | 0.5 | 6% | 8.5 | 0.5 | 6% |
| Acute Discharges | 79 | 67 | 12 | 18% | 465 | 439 | 26 | 6% | 438 | 27 | 6% |
| IP Surgeries | 16 | 14 | 2 | 14% | 112 | 91 | 21 | 23% | 71 | 41 | 58% |
| OP Surgeries | 86 | 107 | (21) | -20% | 663 | 738 | (75) | -10% | 735 | (72) | -10% |
| Total Surgeries | 102 | 121 | (19) | -16% | 775 | 829 | (54) | -7% | 806 | (31) | -4% |
| Total Outpatient Visits | 4,524 | 4,642 | (118) | -3% | 31,880 | 31,351 | 529 | 2% | 32,300 | (420) | -1% |

Since we did not report patient volumes in December, we are including both December (Table 5.1) and January (5.2) volumes.

Similar to December, January delivered very strong inpatient volumes as the hospital set fiscal year highs in patient days and discharges. We have seen solid growth in surgical admissions due to increases in both IP general and IP orthopedic surgeries, especially during the last 2 months.

Outpatient visits have been running a little under our historical baselines the past couple months, but much of this can be attributed to reduced departmental schedules that were intentionally put into place so that areas could focus on the Epic transition. This is short term in nature and while there will be some inefficiencies in the months ahead while we continue to get comfortable with the new system, we anticipate getting back to historical levels starting in February.

5. CASH ACTIVITY SUMMARY:

Table 6 | Cash / Revenue Cycle Indicators - January 2023

| | Jan-23 | Dec-22 | Var | % |
|--------------------------|--------|--------|-------|------|
| Days Cash on Hand | 18.5 | 24.6 | (6.1) | -25% |
| A/R Days | 54.4 | 42.1 | 12.3 | 29% |
| A/P Days | 55.7 | 51.1 | 4.6 | 9% |

We collected \$2.4M in cash in January, which is certainly a drop compared to our historical averages, but also did exceed the \$2.3M that had been projected on the cash forecast. As was discussed during December’s meeting, we have experienced hiccups with the new system that has caused delays in getting claims out the door. These hiccups were anticipated, and we were planning for a reduction in days cash while we work with the new revenue cycle module to process claims and reduce the growing A/R. We have been able to make significant progress with our third party vendor in resolving some of the continued hiccups that are causing further delays, and we still anticipate getting back to historical cash collections levels in March or April.

ATTACHMENTS:

- Attachment A is the Payer Mix Analysis
- 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, 2023

ATTACHMENT A

| Gross Revenue | Month | | | | Year-to-Date | | | |
|--------------------------|-------------------|-------------------|------------------|--------------|--------------------|--------------------|------------------|-------------|
| | Actual | Budget | Variance | % Variance | Actual | Budget | Variance | % Variance |
| Medicare | 9,927,560 | 9,988,550 | -60,990 | -0.6% | 65,985,501 | 65,514,365 | 471,136 | 0.7% |
| Medicare Managed Care | 4,460,661 | 4,486,542 | -25,881 | -0.6% | 32,096,377 | 29,411,691 | 2,684,686 | 9.1% |
| Medi-Cal | 4,841,903 | 4,481,904 | 359,999 | 8.0% | 35,416,862 | 29,318,947 | 6,097,915 | 20.8% |
| Self Pay | 283,172 | 473,991 | -190,819 | -40.3% | 2,242,774 | 3,098,922 | -856,148 | -27.6% |
| Commercial & Other Gov't | 6,267,306 | 6,595,512 | -328,206 | -5.0% | 42,091,331 | 43,463,903 | -1,372,572 | -3.2% |
| Worker's Comp. | 890,339 | 778,304 | 112,035 | 14.4% | 7,535,903 | 5,231,431 | 2,304,472 | 44.1% |
| Total | 26,670,942 | 26,804,803 | (133,862) | -0.5% | 185,368,748 | 176,039,259 | 9,329,489 | 5.3% |

| Net Revenue | Month | | | | Year-to-Date | | | |
|--------------------------|------------------|------------------|---------------|-------------|-------------------|-------------------|------------------|-------------|
| | Actual | Budget | Variance | % Variance | Actual | Budget | Variance | % Variance |
| Medicare | 1,084,413 | 1,164,574 | -80,161 | -6.9% | 6,699,921 | 7,673,667 | -973,746 | -12.7% |
| Medicare Managed Care | 548,410 | 515,861 | 32,549 | 6.3% | 3,615,152 | 3,388,029 | 227,123 | 6.7% |
| Medi-Cal | 432,351 | 467,072 | -34,721 | -7.4% | 3,385,891 | 3,070,954 | 314,937 | 10.3% |
| Self Pay | 101,003 | 139,924 | -38,922 | -27.8% | 652,015 | 920,614 | -268,600 | -29.2% |
| Commercial & Other Gov't | 1,765,840 | 1,627,656 | 138,184 | 8.5% | 12,182,761 | 10,672,738 | 1,510,024 | 14.1% |
| Worker's Comp. | 170,817 | 150,018 | 20,799 | 13.9% | 1,375,630 | 983,628 | 392,001 | 39.9% |
| Total | 4,102,835 | 4,065,106 | 37,729 | 0.9% | 27,911,369 | 26,709,629 | 1,201,740 | 4.5% |

| Payor Mix | Month | | | | Year-to-Date | | | |
|--------------------------|---------------|---------------|-------------|--|---------------|---------------|-------------|--|
| | Actual | Budget | % Variance | | Actual | Budget | % Variance | |
| Medicare | 37.2% | 37.3% | -0.1% | | 32.7% | 37.2% | -12.1% | |
| Medicare Managed Care | 16.7% | 16.7% | -0.1% | | 18.7% | 16.7% | 12.2% | |
| Medi-Cal | 18.2% | 16.7% | 8.6% | | 19.3% | 16.6% | 16.7% | |
| Self Pay | 1.1% | 1.8% | -40.0% | | 1.4% | 1.7% | -20.4% | |
| Commercial & Other Gov't | 23.5% | 24.6% | -4.5% | | 23.7% | 24.8% | -4.3% | |
| Worker's Comp. | 3.3% | 2.9% | 15.0% | | 4.1% | 3.0% | 36.7% | |
| Total | 100.0% | 100.0% | 0.0% | | 100.0% | 100.0% | 0.0% | |

| Percent of Net Revenue | Month | | | | Year-to-Date | | | |
|--------------------------|---------------|---------------|-------------|-------------|---------------|---------------|--------------|--------------|
| | Actual | Budget | Variance | % Variance | Actual | Budget | Variance | % Variance |
| Medicare | 26.4% | 28.6% | -2.2% | -7.7% | 24.0% | 28.7% | -4.8% | -16.8% |
| Medicare Managed Care | 13.4% | 12.7% | 0.7% | 5.3% | 13.0% | 12.7% | 0.3% | 2.1% |
| Medi-Cal | 10.5% | 11.5% | -1.0% | -8.3% | 12.1% | 11.5% | 0.6% | 5.5% |
| Self Pay | 2.5% | 3.4% | -1.0% | -28.5% | 2.3% | 3.4% | -1.1% | -32.2% |
| Commercial & Other Gov't | 43.0% | 40.0% | 3.0% | 7.5% | 43.6% | 40.0% | 3.7% | 9.2% |
| Worker's Comp. | 4.2% | 3.7% | 0.5% | 12.8% | 4.9% | 3.7% | 1.2% | 33.8% |
| Total | 100.0% | 100.0% | 0.0% | 0.0% | 100.0% | 100.0% | -0.1% | -0.1% |

| Net Revenue as a % of Gross | Month | | | | Year-to-Date | | | |
|-----------------------------|--------------|--------------|----------|------------|--------------|--------------|----------|------------|
| | Actual | Budget | Variance | % Variance | Actual | Budget | Variance | % Variance |
| Medicare | 10.9% | 11.7% | -0.7% | -6.3% | 10.2% | 11.7% | -1.6% | -13.3% |
| Medicare Managed Care | 12.3% | 11.5% | 0.8% | 6.9% | 11.3% | 11.5% | -0.3% | -2.2% |
| Medi-Cal | 8.9% | 10.4% | -1.5% | -14.3% | 9.6% | 10.5% | -0.9% | -8.7% |
| Self Pay | 35.7% | 29.5% | 6.1% | 20.8% | 29.1% | 29.7% | -0.6% | -2.1% |
| Commercial & Other Gov't | 28.2% | 24.7% | 3.5% | 14.2% | 28.9% | 24.6% | 4.4% | 17.9% |
| Worker's Comp. | 19.2% | 19.3% | -0.1% | -0.5% | 18.3% | 18.8% | -0.5% | -2.9% |
| TOTAL | 15.4% | 15.2% | | | 15.1% | 15.2% | | |

**SONOMA VALLEY HOSPITAL
OPERATING INDICATORS
For the Period Ended January 31, 2023**

ATTACHMENT B

| CURRENT MONTH | | | | YEAR-TO-DATE | | | YTD | |
|-------------------------------------|-----------------|----------------------|---------|--------------------------------|-----------------|----------------------|-----------------|--------|
| Actual | Budget | Favorable | | Actual | Budget | Favorable | Prior | |
| 01/31/23 | 01/31/23 | (Unfavorable) | | 01/31/23 | 01/31/23 | (Unfavorable) | Year | |
| | | Variance | | | | Variance | 01/31/22 | |
| Inpatient Utilization | | | | | | | | |
| Discharges | | | | | | | | |
| 1 | 57 | 52 | 5 | Med/Surg | 334 | 340 | (6) | 331 |
| 2 | 22 | 15 | 7 | ICU | 131 | 99 | 32 | 107 |
| 3 | 79 | 67 | 12 | Total Discharges | 465 | 439 | 26 | 438 |
| Patient Days: | | | | | | | | |
| 4 | 225 | 187 | 38 | Med/Surg | 1,213 | 1,216 | (3) | 1,211 |
| 5 | 97 | 94 | 3 | ICU | 731 | 611 | 120 | 617 |
| 6 | 322 | 281 | 41 | Total Patient Days | 1,944 | 1,827 | 117 | 1,828 |
| 7 | 12 | - | 12 | Observation days | 110 | - | 110 | 167 |
| Average Length of Stay: | | | | | | | | |
| 8 | 3.9 | 3.6 | 0.3 | Med/Surg | 3.63 | 3.57 | 0.06 | 3.7 |
| 9 | 4.4 | 6.2 | (1.8) | ICU | 5.58 | 6.20 | (0.62) | 5.8 |
| 10 | 4.1 | 4.2 | (0.1) | Avg. Length of Stay | 4.18 | 4.16 | 0.02 | 4.2 |
| Average Daily Census: | | | | | | | | |
| 11 | 7.3 | 6.0 | 1.2 | Med/Surg | 5.6 | 5.7 | (0.0) | 5.6 |
| 12 | 3.1 | 3.0 | 0.1 | ICU | 3.4 | 2.8 | 0.6 | 2.9 |
| 13 | 10.4 | 9.1 | 1.3 | Avg. Daily Census | 9.0 | 8.5 | 0.5 | 8.5 |
| Other Utilization Statistics | | | | | | | | |
| Emergency Room Statistics | | | | | | | | |
| 14 | 755 | 868 | (113) | Total ER Visits | 5,722 | 5,675 | 47 | 5,355 |
| Outpatient Statistics: | | | | | | | | |
| 15 | 4,524 | 4,642 | (118) | Total Outpatients Visits | 31,880 | 31,351 | 529 | 32,300 |
| 16 | 16 | 14 | 2 | IP Surgeries | 112 | 91 | 21 | 71 |
| 17 | 86 | 107 | (21) | OP Surgeries | 663 | 738 | (75) | 735 |
| 18 | 295 | 277 | 18 | Adjusted Discharges | 1,978 | 1,837 | 141 | 1,978 |
| 19 | 1,204 | 1,162 | 43 | Adjusted Patient Days | 8,251 | 7,644 | 607 | 8,232 |
| 20 | 38.8 | 37.5 | 1.4 | Adj. Avg. Daily Census | 38.4 | 35.6 | 2.8 | 38.3 |
| 21 | 1.3840 | 1.4000 | (0.016) | Case Mix Index - Medicare | 1.4825 | 1.4000 | 0.082 | 1.4078 |
| 22 | 1.3747 | 1.4000 | (0.025) | Case Mix Index - All payers | 1.4644 | 1.4000 | 0.064 | 1.3790 |
| Labor Statistics | | | | | | | | |
| 23 | 198 | 221 | 23 | FTE's - Worked | 211 | 217 | 5.9 | 203 |
| 24 | 235 | 244 | 9 | FTE's - Paid | 235 | 238 | 3.9 | 227 |
| 25 | 46.08 | 47.53 | 1.45 | Average Hourly Rate | 49.28 | 46.75 | (2.53) | 45.87 |
| 26 | 6.05 | 6.51 | 0.46 | FTE / Adj. Pat Day | 6.11 | 6.71 | 0.60 | 5.93 |
| 27 | 34.5 | 37.1 | 2.6 | Manhours / Adj. Pat Day | 34.8 | 38.2 | 3.4 | 33.8 |
| 28 | 140.5 | 155.6 | 15.1 | Manhours / Adj. Discharge | 145.3 | 159.1 | 13.8 | 140.7 |
| 29 | 25.7% | 24.7% | -0.9% | Benefits % of Salaries | 23.8% | 25.0% | 1.1% | 24.5% |
| Non-Labor Statistics | | | | | | | | |
| 30 | 13.7% | 15.6% | 2.0% | Supply Expense % Net Revenue | 16.1% | 16.3% | 0.1% | 14.0% |
| 31 | 1,897 | 2,292 | 395 | Supply Exp. / Adj. Discharge | 2,274 | 2,365 | 91 | 2,154 |
| 32 | 16,635 | 18,265 | 1,630 | Total Expense / Adj. Discharge | 17,806 | 20,049 | 2,243 | 17,600 |
| Other Indicators | | | | | | | | |
| 33 | 18.5 | | | Days Cash - Operating Funds | | | | |
| 34 | 54.4 | 50.0 | 4.4 | Days in Net AR | 41.1 | 50.0 | (8.9) | 42.2 |
| 35 | 53% | | | Collections % of Cash Goal | 93% | | | 98.3% |
| 36 | 55.7 | 55.0 | 0.7 | Days in Accounts Payable | 55.7 | 55.0 | 0.7 | 46.8 |
| 37 | 15.4% | 15.2% | 0.2% | % Net revenue to Gross revenue | 15.1% | 15.2% | -0.1% | 18.0% |
| 38 | 18.3% | | | % Net AR to Gross AR | 18.3% | | | 14.9% |

Sonoma Valley Health Care District
Balance Sheet
As of January 31, 2023
UNAUDITED

ATTACHMENT C

| | | <u>Current Month</u> | <u>Prior Month</u> | <u>Prior Year</u> |
|--|-------------------------------------|----------------------|--------------------|-------------------|
| Assets | | | | |
| Current Assets: | | | | |
| 1 | Cash | \$ 990,711 | \$ 1,692,928 | \$ 3,205,068 |
| 2 | Cash - Money Market | 1,848,556 | 2,097,663 | 5,843,923 |
| 3 | Net Patient Receivables | 8,980,508 | 6,853,121 | 6,940,346 |
| 4 | Allow Uncollect Accts | (1,616,728) | (1,501,895) | (2,001,175) |
| 5 | Net A/R | 7,363,780 | 5,351,226 | 4,939,171 |
| 6 | Other Accts/Notes Rec | 1,741,219 | 1,940,104 | 1,950,454 |
| 7 | Parcel Tax Receivable | 1,741,233 | 1,741,233 | 1,665,888 |
| 8 | GO Bond Tax Receivable | 906,105 | 2,267,381 | 1,225,217 |
| 9 | 3rd Party Receivables, Net | 102,551 | 102,551 | 1,637,526 |
| 10 | Inventory | 1,038,426 | 1,055,533 | 1,043,635 |
| 11 | Prepaid Expenses | 715,339 | 1,105,881 | 945,661 |
| 12 | Total Current Assets | \$ 16,447,920 | \$ 17,354,499 | \$ 22,456,543 |
| 13 | Property, Plant & Equip, Net | \$ 54,500,312 | \$ 54,473,583 | \$ 51,704,726 |
| 14 | Trustee Funds - GO Bonds | 4,906,703 | 3,534,907 | 5,091,525 |
| 15 | Designated Funds - Board Approved | 1,000,000 | 1,000,000 | 1,000,000 |
| 16 | Total Assets | \$ 76,854,934 | \$ 76,362,989 | \$ 80,252,794 |
| Liabilities & Fund Balances | | | | |
| Current Liabilities: | | | | |
| 17 | Accounts Payable | \$ 5,229,799 | \$ 4,733,852 | \$ 4,248,742 |
| 18 | Accrued Compensation | 3,565,632 | 3,525,926 | 3,573,156 |
| 19 | Interest Payable - GO Bonds | 242,569 | 194,866 | 263,605 |
| 20 | Accrued Expenses | 969,200 | 854,917 | 2,183,118 |
| 21 | Advances From 3rd Parties | - | - | - |
| 22 | Deferred Parcel Tax Revenue | 1,583,331 | 1,899,998 | 1,583,335 |
| 23 | Deferred GO Bond Tax Revenue | 1,035,455 | 1,242,545 | 1,159,061 |
| 24 | Current Maturities-LTD | 217,475 | 217,475 | 348,292 |
| 25 | Line of Credit - Union Bank | 5,473,734 | 5,473,734 | 5,473,734 |
| 26 | Other Liabilities | 57,511 | 57,511 | 1,586,783 |
| 27 | Total Current Liabilities | \$ 18,374,706 | \$ 18,200,825 | \$ 20,419,826 |
| 28 | Long Term Debt, net current portion | \$ 24,507,506 | \$ 24,553,023 | \$ 25,060,409 |
| 29 | Fund Balances: | | | |
| 30 | Unrestricted | \$ 15,920,909 | \$ 16,094,034 | \$ 19,135,119 |
| 31 | Restricted | 18,051,814 | 17,515,108 | 15,637,440 |
| 32 | Total Fund Balances | \$ 33,972,723 | \$ 33,609,142 | \$ 34,772,559 |
| 33 | Total Liabilities & Fund Balances | \$ 76,854,934 | \$ 76,362,989 | \$ 80,252,794 |

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
For the Period Ended January 31, 2023**

ATTACHMENT D

| | Month | | | | | Year-To- Date | | | | YTD | |
|-----------|-----------------|-----------------|-------------|-------|---|------------------|------------------|----------------|-------|------------------|------------|
| | This Year | | Variance | | | This Year | | Variance | | | Prior Year |
| | Actual | Budget | \$ | % | | Actual | Budget | \$ | % | | |
| 1 | 79 | 67 | 12 | 18% | | | | | | | |
| 2 | 322 | 281 | 41 | 15% | | | | | | | |
| 3 | - | - | - | 0% | | | | | | | |
| 4 | \$ 19,556 | \$ 20,338 | \$ (782) | -4% | | | | | | | |
| | | | | | Volume Information | | | | | | |
| | | | | | Acute Discharges | 465 | 439 | 26 | 6% | 438 | |
| | | | | | Patient Days | 1,944 | 1,827 | 117 | 6% | 1,828 | |
| | | | | | Observation Days | 78 | - | 78 | * | 167 | |
| | | | | | Gross O/P Revenue (000's) | \$ 141,844 | \$ 134,092 | \$ 7,752 | 6% | \$ 130,756 | |
| | | | | | Financial Results | | | | | | |
| | | | | | Gross Patient Revenue | | | | | | |
| 5 | \$ 7,132,701 | \$ 6,484,841 | \$ 647,860 | 10% | Inpatient | \$ 43,676,443 | \$ 42,077,001 | 1,599,442 | 4% | \$ 37,450,006 | |
| 6 | 11,251,624 | 12,575,339 | (1,323,715) | -11% | Outpatient | 82,689,859 | 83,278,932 | (589,073) | -1% | 79,900,165 | |
| 7 | 8,304,055 | 7,763,160 | 540,895 | 7% | Emergency | 59,154,156 | 50,813,085 | 8,341,071 | 16% | 50,993,052 | |
| 8 | \$ 26,688,380 | \$ 26,823,340 | (134,960) | -1% | Total Gross Patient Revenue | \$ 185,520,458 | \$ 176,169,018 | 9,351,440 | 5% | \$ 168,343,223 | |
| | | | | | Deductions from Revenue | | | | | | |
| 9 | (22,438,651) | (22,535,261) | 96,610 | 0% | Contractual Discounts | \$ (156,392,512) | \$ (147,908,739) | (8,483,773) | -6% | \$ (141,025,143) | |
| 10 | (150,000) | (200,000) | 50,000 | 25% | Bad Debt | (1,006,647) | (1,400,000) | 393,353 | 28% | (1,400,000) | |
| 11 | 3,106 | (22,973) | 26,079 | 114% | Charity Care Provision | (209,930) | (150,650) | (59,280) | -39% | (58,795) | |
| 12 | - | - | - | * | Prior Period Adj/Government Program Revenue | - | 6,088,278 | (6,088,278) | -100% | 4,498,600 | |
| 13 | \$ (22,585,545) | \$ (22,758,234) | 172,689 | -1% | Total Deductions from Revenue | \$ (157,609,089) | \$ (143,371,111) | (14,237,978) | 10% | \$ (137,985,338) | |
| | | | | | Net Patient Service Revenue | | | | | | |
| 14 | \$ 4,102,835 | \$ 4,065,106 | 37,729 | 1% | | \$ 27,911,369 | \$ 32,797,907 | (4,886,538) | -15% | \$ 30,357,885 | |
| 15 | \$ 84,279 | \$ 104,723 | (20,444) | -20% | Other Op Rev & Electronic Health Records | \$ 627,537 | \$ 733,061 | (105,524) | -14% | \$ 678,405 | |
| 16 | \$ 4,187,114 | \$ 4,169,829 | 17,285 | 0% | Total Operating Revenue | \$ 28,538,906 | \$ 33,530,968 | \$ (4,992,062) | -15% | \$ 31,036,290 | |
| | | | | | Operating Expenses | | | | | | |
| 17 | \$ 1,913,051 | \$ 2,048,268 | 135,217 | 7% | Salary and Wages and Agency Fees | \$ 14,164,222 | \$ 13,660,074 | (504,148) | -4% | \$ 12,761,332 | |
| 18 | 800,464 | 721,299 | (79,165) | -11% | Employee Benefits | 4,955,237 | 4,819,803 | (135,434) | -3% | 4,869,880 | |
| 19 | \$ 2,713,515 | \$ 2,769,567 | 56,052 | 2% | Total People Cost | \$ 19,119,459 | \$ 18,479,877 | (639,582) | -3% | \$ 17,631,212 | |
| 20 | \$ 527,390 | \$ 598,120 | 70,730 | 12% | Med and Prof Fees (excl Agency) | \$ 3,995,133 | \$ 4,178,497 | 183,364 | 4% | \$ 4,020,351 | |
| 21 | 560,249 | 634,763 | 74,514 | 12% | Supplies | 4,498,134 | 4,343,232 | (154,902) | -4% | 4,260,415 | |
| 22 | 442,258 | 470,696 | 28,438 | 6% | Purchased Services | 3,069,906 | 3,083,597 | 13,691 | 0% | 3,002,947 | |
| 23 | 245,365 | 229,087 | (16,278) | -7% | Depreciation | 1,766,756 | 1,603,609 | (163,147) | -10% | 1,659,188 | |
| 24 | 202,058 | 109,602 | (92,456) | -84% | Utilities | 1,173,886 | 926,509 | (247,377) | -27% | 869,888 | |
| 25 | 55,345 | 52,833 | (2,512) | -5% | Insurance | 391,571 | 369,831 | (21,740) | -6% | 363,187 | |
| 26 | 41,404 | 18,703 | (22,701) | -121% | Interest | 256,666 | 126,729 | (129,937) | * | 115,335 | |
| 27 | 78,683 | 127,173 | 48,490 | 38% | Other | 612,236 | 874,688 | 262,452 | 30% | 783,388 | |
| 28 | - | - | - | * | Matching Fees (Government Programs) | - | 2,499,077 | 2,499,077 | -100% | 1,523,042 | |
| 29 | \$ 4,866,267 | \$ 5,010,544 | 144,277 | 3% | Operating expenses | \$ 34,883,748 | \$ 36,485,646 | 1,601,898 | 4.4% | \$ 34,228,953 | |
| 30 | \$ (679,153) | \$ (840,715) | \$ 161,562 | 19% | Operating Margin | \$ (6,344,842) | \$ (2,954,678) | (3,390,164) | -115% | \$ (3,192,663) | |

**Sonoma Valley Health Care District
Statement of Revenue and Expenses
For the Period Ended January 31, 2023**

| | Month | | | | | Year-To-Date | | | | YTD | |
|-----------|---------------------|---------------------|----------------|--------------|--|-----------------------|-----------------------|--------------------|--------------|-----------------------|------------|
| | This Year | | Variance | | | This Year | | Variance | | | Prior Year |
| | Actual | Budget | \$ | % | | Actual | Budget | \$ | % | | |
| 31 | \$ 3,913 | \$ (13,385) | 17,298 | * | | | | | | | |
| 32 | - | - | - | 0% | | | | | | | |
| 33 | - | - | - | * | | | | | | | |
| 34 | 316,667 | 316,667 | - | 0% | | | | | | | |
| 35 | - | - | - | 0% | | | | | | | |
| 36 | <u>\$ 320,580</u> | <u>\$ 303,282</u> | <u>17,298</u> | <u>6%</u> | | | | | | | |
| 37 | <u>\$ (358,573)</u> | <u>\$ (537,433)</u> | <u>178,860</u> | <u>33%</u> | | | | | | | |
| 38 | \$ - | \$ - | - | 0% | | | | | | | |
| 39 | \$ 536,706 | \$ 493,593 | 43,113 | 0% | | | | | | | |
| 40 | <u>\$ 178,133</u> | <u>\$ (43,840)</u> | <u>221,973</u> | <u>*</u> | | | | | | | |
| 41 | 159,388 | 164,297 | (4,909) | -3% | | | | | | | |
| 42 | <u>\$ 337,521</u> | <u>\$ 120,457</u> | <u>217,064</u> | <u>-180%</u> | | | | | | | |
| | \$ (113,208) | \$ (308,346) | 195,138 | | | | | | | | |
| | <u>\$ (433,788)</u> | <u>\$ (611,628)</u> | <u>177,840</u> | <u>29%</u> | | | | | | | |
| | | | | | Non Operating Rev and Expense | | | | | | |
| | | | | | Miscellaneous Revenue/(Expenses) | \$ 25,296 | \$ (92,867) | 118,163 | * | \$ (68,936) | |
| | | | | | Donations | - | - | - | 0% | 20,459 | |
| | | | | | Physician Practice Support-Prima | - | - | - | * | 0 | |
| | | | | | Parcel Tax Assessment Rev | 2,216,669 | 2,216,669 | - | 0% | 2,216,669 | |
| | | | | | Extraordinary Items | - | - | - | 0% | (61,767) | |
| | | | | | Total Non-Operating Rev/Exp | <u>\$ 2,241,965</u> | <u>\$ 2,123,802</u> | <u>118,163</u> | <u>6%</u> | <u>\$ 2,106,425</u> | |
| | | | | | Net Income / (Loss) prior to Restricted Contributions | <u>\$ (4,102,877)</u> | <u>\$ (830,876)</u> | <u>(3,272,001)</u> | <u>-394%</u> | <u>\$ (1,086,238)</u> | |
| | | | | | Capital Campaign Contribution | \$ - | \$ - | - | 0% | \$ - | |
| | | | | | Restricted Foundation Contributions | \$ 2,001,635 | \$ 3,485,361 | (1,483,726) | 100% | \$ 419,884 | |
| | | | | | Net Income / (Loss) w/ Restricted Contributions | <u>\$ (2,101,242)</u> | <u>\$ 2,654,485</u> | <u>(4,755,727)</u> | <u>*</u> | <u>\$ (666,354)</u> | |
| | | | | | GO Bond Activity, Net | 1,111,524 | 1,145,887 | (34,363) | -3% | 1,044,333 | |
| | | | | | Net Income/(Loss) w GO Bond Activity | <u>\$ (989,718)</u> | <u>\$ 3,800,372</u> | <u>(4,790,090)</u> | <u>*</u> | <u>\$ 377,979</u> | |
| | | | | | EBDA - Not including Restricted Contributions | \$ (2,336,120) | \$ 772,733 | (3,108,853) | | \$ 572,950 | |
| | | | | | Operating EBDA - Not including Restricted Contributions | <u>\$ (4,578,086)</u> | <u>\$ (1,351,069)</u> | <u>(3,227,017)</u> | <u>-239%</u> | <u>\$ (1,533,475)</u> | |

**Sonoma Valley Health Care District
Variance Analysis
For the Period Ended January 31, 2023**

ATTACHMENT E

| Operating Expenses | YTD | | MONTH | | Variance % |
|----------------------------------|------------------|------------|----------------|------------|--|
| | Variance | Variance % | Variance | Variance % | |
| Salary and Wages and Agency Fees | (504,148) | -4% | 135,217 | 7% | 1) Rightsizing of Epic related expenses such as reductions in training costs and premium pay/overtime, 2) Continued efforts of departments to staff according to volumes, such as surgery & pre-op. |
| Supplies | (154,902) | -4% | 74,514 | 12% | Supplies were under budget in January due to reduced volumes on the OP side, including OP surgery. |
| Depreciation | (163,147) | -10% | (16,278) | -7% | GASB 87 - New accounting standard caused a reclassification in how we account for our operating leases, reclassifying parts of the lease from other operating expenses into amortization expense & interest expense. Both year-to-date and monthly variances are driven by this reclass. |
| Utilities | (247,377) | -27% | (92,456) | -84% | Utilities are over budget due to higher monthly PG&E rates and usage for electricity. |
| Interest | (129,937) | * | (22,701) | -121.4% | 1) Interest Rate Fluctuation - increase in interest rate on line of credit, 2) GASB 87 - New accounting standard caused a reclassification in how we account for our operating leases. |
| Operating expenses | 1,601,898 | 4% | 144,277 | 3% | |

Sonoma Valley Hospital
Cash Forecast
FY 2023

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 | | | | | | | | | | | | | |
| Patient Payments Collected | 3,924,051 | 4,613,392 | 3,735,746 | 3,656,614 | 4,177,640 | 3,497,534 | 2,406,320 | 2,887,584 | 3,609,479 | 3,789,953 | 3,979,451 | 4,258,013 | 44,535,777 |
| Other Operating Revenue | 19,072 | 182,649 | 33,561 | 250,527 | 23,522 | 40,390 | 43,299 | 104,723 | 104,723 | 104,723 | 104,723 | 104,732 | 1,116,645 |
| Other Non-Operating Revenue | 10,204 | 12,925 | 10,096 | 11,916 | 10,007 | 11,764 | 10,501 | 10,801 | 10,801 | 10,801 | 10,801 | 10,806 | 131,424 |
| Unrestricted Contributions | | | | 3,200 | 2,051 | 202 | 5,829 | | | | | | 11,282 |
| Line of Credit | | | | | | | | | | | | | - |
| Sub-Total Hospital Sources | 3,953,328 | 4,808,966 | 3,779,404 | 3,922,256 | 4,213,220 | 3,549,890 | 2,465,949 | 3,003,108 | 3,725,003 | 3,905,477 | 4,094,975 | 4,373,551 | 45,795,127 |
| Hospital Uses of Cash | | | | | | | | | | | | | |
| Operating Expenses | 4,913,977 | 4,894,375 | 5,088,864 | 4,586,736 | 4,470,658 | 5,948,370 | 4,634,254 | 4,598,493 | 5,073,479 | 4,946,353 | 5,034,948 | 4,993,654 | 59,184,161 |
| Add Capital Lease Payments | 13,501 | 13,354 | 13,280 | 13,354 | 45,386 | 55,162 | 45,517 | | | | | | 199,554 |
| Additional Liabilities/LOC | | | | | | | | | | | | | - |
| Capital Expenditures | 774,009 | 749,295 | 117,435 | 170,157 | 216,084 | 418,400 | 269,571 | 25,000 | 2,205,000 | 25,000 | 25,000 | 25,000 | 5,019,952 |
| Total Hospital Uses | 5,701,487 | 5,657,024 | 5,219,578 | 4,770,247 | 4,732,128 | 6,421,932 | 4,949,342 | 4,623,493 | 7,278,479 | 4,971,353 | 5,059,948 | 5,018,654 | 64,403,666 |
| Net Hospital Sources/Uses of Cash | (1,748,159) | (848,058) | (1,440,175) | (847,991) | (518,907) | (2,872,042) | (2,483,394) | (1,620,385) | (3,553,476) | (1,065,875) | (964,973) | (645,103) | (18,608,539) |
| Non-Hospital Sources | | | | | | | | | | | | | |
| Restricted Cash/Money Market | 750,000 | 750,000 | 1,000,000 | 500,000 | 750,000 | | 1,250,000 | | | | (3,000,000) | | 2,000,000 |
| Restricted Capital Donations | 210 | 696,111 | 1,483 | 259,524 | 125,306 | 377,052 | 530,877 | 400,000 | | | | | 2,390,563 |
| Parcel Tax Revenue | 192,601 | | | | | 2,058,767 | | - | 1,120,000 | 382,000 | | | 3,753,368 |
| Other Payments - Ins. Claims/HHS/Grants/Loans | | | | | | | | - | 1,500,000 | | | | 1,500,000 |
| Other: | | | | | | | | | | | | | |
| IGT RATE RANGE | | | | | | | | | | 688,278 | 5,000,000 | 41,568 | 5,729,846 |
| IGT - AB915 | | | | | | | | | | 227,253 | | | 227,253 |
| QIP | | | | | 17,290 | | | | | | 380,000 | | 397,290 |
| HELP II LOAN | | | | | | | | | 2,000,000 | | | | 2,000,000 |
| BRIDGE LOAN YR 2 | | | | | | | | 750,000 | | | | | 750,000 |
| BOARD DESIGNATED FUNDS | | | | | | | | - | | | | | - |
| Sub-Total Non-Hospital Sources | 942,811 | 1,446,111 | 1,001,483 | 759,524 | 892,596 | 2,435,819 | 1,780,877 | 1,150,000 | 4,620,000 | 1,297,531 | 2,380,000 | 41,568 | 18,748,320 |
| Non-Hospital Uses of Cash | | | | | | | | | | | | | |
| Matching Fees | | | | | | 3,642 | | 2,150,000 | | | 20,784 | | 2,174,426 |
| Sub-Total Non-Hospital Uses of Cash | - | - | - | - | - | 3,642 | - | 2,150,000 | - | - | 20,784 | - | 2,174,426 |
| Net Non-Hospital Sources/Uses of Cash | 942,811 | 1,446,111 | 1,001,483 | 759,524 | 892,596 | 2,432,177 | 1,780,877 | (1,000,000) | 4,620,000 | 1,297,531 | 2,359,216 | 41,568 | 16,573,894 |
| Net Sources/Uses | (805,349) | 598,053 | (438,691) | (88,467) | 373,689 | (439,865) | (702,516) | (2,620,385) | 1,066,524 | 231,656 | 1,394,243 | (603,535) | |
| Operating Cash at beginning of period | 2,493,558 | 1,688,209 | 2,286,262 | 1,847,571 | 1,759,104 | 2,132,793 | 1,692,928 | 990,411 | (1,629,974) | (563,450) | (331,794) | 1,062,448 | |
| Operating Cash at End of Period | 1,688,209 | 2,286,262 | 1,847,571 | 1,759,104 | 2,132,793 | 1,692,928 | 990,411 | (1,629,974) | (563,450) | (331,794) | 1,062,448 | 458,913 | |
| Money Market Account Balance - Undesignated | 5,095,597 | 4,345,597 | 3,346,052 | 2,846,649 | 2,096,825 | 2,097,663 | 1,848,555 | 2,848,555 | 2,848,555 | 2,848,555 | 5,848,555 | 5,848,555 | |
| Total Cash at End of Period | 6,783,806 | 6,631,859 | 5,193,623 | 4,605,753 | 4,229,618 | 3,790,590 | 2,838,967 | 1,218,581 | 2,285,105 | 2,516,761 | 6,911,004 | 6,307,468 | |
| Average Days of Cash on Hand | 54.2 | 45.1 | 35.2 | 30.2 | 28.8 | 24.6 | 19.0 | | | | | | |
| Days of Cash on Hand at End of Month | 53.8 | 42.0 | 34.1 | 31.1 | 27.9 | 24.5 | 18.5 | 8.2 | 14.0 | 15.8 | 42.6 | 39.2 | |

Sonoma Valley Hospital

Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 & YTD FY 2023

Q2 FY23

| Foundation Support: | | | | Historical Capital Spend | | | | Current |
|-------------------------------------|-------------------|------------------------|---|---------------------------------|------------------|-------------------|-------------------|-------------------|
| Dept # | Department | DESCRIPTION | FY 2019 | FY 2020 | FY 2021 | FYTD 2022 | FYTD 2023 | |
| 1 | 8340 | Dietary | Walk in Freezer | 8,498 | | | | |
| 2 | 7500 | Laboratory | ABL Flex Plus Analyzer | 16,049 | | | | |
| 3 | 8450 | Engineering/Plant Ops | Infrared Thermal Imager | | 10,336 | | | |
| 4 | 6010 | ICU | Patient Lift for ICU | | 8,605 | | | |
| 5 | 8450 | Engineering/Plant Ops | A Women's Place - Building Improvements (Closed CIP in FY 2020) | 22,601 | | | | |
| 6 | 8450 | Engineering/Plant Ops | A Women's Place - Equipment and Furniture (Closed CIP in FY 2020) | 33,280 | | | | |
| 7 | 6170 | Med-Surg | MDM Patient Journey System | | 71,155 | | | |
| 8 | 8440 | Environmental Services | Xenex - Lightstrike Germ Zapping Robot | | | 87,960 | | |
| 9 | 7420 | Surgery | Olympus America - Refurbished Bronchoscope | | | 13,088 | | |
| 10 | 6010/6170 | ICU/Med-Surg | Third floor move (Closed CIP in FY 2021) | 233,942 | | | | |
| 11 | 6010/6170 | ICU/Med-Surg | Gentherm Medical - Hypothermia unit blanketrol | | | | 7,652 | |
| 12 | 7771 | OP Physical Therapy | Rehab V2 Max Reformer Bundle | | | | 5,320 | |
| 13 | 7630 | Medical Imaging | Bone Densitometer | | | | 87,166 | |
| 14 | 7775 | Occ Health | Audiometer & Sound Room | | | | 12,916 | |
| 15 | 7420 | Surgery | Xprezzon Monitor Anesthesia | | | | 38,726 | |
| 16 | 7010 | Emergency Room | Fujifilm Sonosite Ultrasound System | | | | | 74,240 |
| 17 | 7420 | Surgery | Surgical Table | | | | | 43,152 |
| 18 | 7500 | Laboratory | Coagulation Analyzer | | | | | 44,060 |
| 17 | 7420 | Surgery | Anesthesia Machines | | | | | 255,295 |
| Foundation Support Sub-total | | | | \$ 314,371 | \$ 90,096 | \$ 101,048 | \$ 151,780 | \$ 416,747 |

| Equipment: | | | | Historical Capital Spend | | | | Current |
|-------------------|-------------------|-----------------------|--|---------------------------------|----------------|------------------|------------------|----------------|
| Dept # | Department | DESCRIPTION | FY 2019 | FY 2020 | FY 2021 | FYTD 2022 | FYTD 2023 | |
| 17 | 8340 | Dietary | Mobile shelving - Uline | 6,909 | | | | |
| 18 | 8480 | Information Systems | GHA Technologies UCSF Telemedicine Cart | 8,265 | | | | |
| 19 | 7420 | Surgery | Stryker Medical - Refurbished PI drive/attachments | 15,415 | | | | |
| 20 | 7420 | Surgery | Olympus - EVIS EXERA III | 29,716 | | | | |
| 21 | 8450 | Engineering/Plant Ops | UCSF signage - multiple sites | 8,182 | | | | |
| 22 | 7420 | Surgery | Stryker Medical - System 8 Drill/saws | 107,487 | | | | |
| 23 | Various | | Celtic Lease payoff - various equipment | | 421,904 | | | |
| 24 | 7420 | Surgery | Zimmer Biomet Intellicart System w/Evac Station | | 22,034 | | | |
| 25 | 7420 | Surgery | Alcon Centurian Phaco Machine | | 65,250 | | | |
| 26 | 7420 | Surgery | Olympus America - Urology equipment | | 62,118 | | | |
| 27 | 8340 | Dietary | Commercial Blenders - 2 | | 4,838 | | | |
| 28 | 6010 | ICU | Smart IV Pumps - 27 | | 56,994 | | | |
| 29 | 8450 | Engineering/Plant Ops | Security Camera system - South Lot | | | 11,660 | | |
| 30 | 7500 | Laboratory | Bactec FX40 Blood Culture Unit | | | 36,759 | | |
| 31 | 8610 | Administration | History Wall Panels - Hallway | | | 18,819 | | |

Sonoma Valley Hospital

Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 & YTD FY 2023

Q2 FY23

| | | | | | | | | | | | |
|----------------------------|------|----------------------------|---|--|--|--|------------|------------|------------|------------|-----------|
| 32 | 6010 | ICU | Series 980S Ventilator | | | | 36,921 | | | | |
| 33 | 6010 | ICU | CAPR Hood Ventilator (PPE) | | | | 14,777 | | | | |
| 34 | 7420 | Surgery | Stryker Medical - Eye Surgery Stretcher | | | | 13,140 | | | | |
| 35 | 8340 | Dietary | Alladin Temp Rite - Activator/base/dome/heating unit | | | | 5,475 | | | | |
| 36 | 7630 | Medical Imaging | Stryker Medical - Transport Gurney | | | | 4,569 | | | | |
| 37 | 7630 | Medical Imaging | Stryker Medical - OB Gyn Stretcher | | | | 7,250 | | | | |
| 38 | 7500 | Laboratory | Fisher Healthcare - Logic Purifier Bio-safety cab | | | | 11,397 | | | | |
| 39 | 7420 | Surgery | Steris Corp - Surgical table | | | | | 42,724 | | | |
| 40 | 7420 | Surgery | Depuy - Monobloc flexible reamers | | | | | 14,997 | | | |
| 41 | 7630 | Medical Imaging | Barco Niodsply 21.3 monitor | | | | | 8,713 | | | |
| 42 | 7740 | Wound Care | Carts/exam table Wound Care (Closed CIP in FY 2021) | | | | | 6,824 | | | |
| 43 | 7740 | Wound Care | IPADS/IS Costs for Wound Care (Closed CIP in FY 2021) | | | | | 35,555 | | | |
| 44 | 8390 | Pharmacy | Compounding aseptic isolater system (used) | | | | | 5,000 | | | |
| 45 | 7680 | Central Service/Durable me | Somotom Xray Tube Replacement | | | | | 172,651 | | | |
| 46 | 7420 | Surgery | Mizuho OSI Surgical Table | | | | | 105,151 | | | |
| 47 | 7420 | Surgery | Endoscopy Cabinet/Scopes | | | | | | 13,990 | | |
| Equipment Sub-total | | | | | | | \$ 175,974 | \$ 633,138 | \$ 160,767 | \$ 391,615 | \$ 13,990 |

Information Systems/Electronic Health Records:

| Information Systems/Electronic Health Records: | | | | Historical Capital Spend | | | | Current |
|---|-------------------|---------------------|---|---------------------------------|----------------|------------------|------------------|----------------|
| Dept # | Department | DESCRIPTION | FY 2019 | FY 2020 | FY 2021 | FYTD 2022 | FYTD 2023 | |
| 48 | 8480 | Information Systems | Dell Computers - 20 | | 17,252 | | | |
| 49 | 8480 | Information Systems | Dragon One Speech Recognition - Physician dictation | | 11,300 | | | |
| 50 | 8480 | Information Systems | Lenovo Thinkpads - Laptops | | | 8,760 | | |
| 51 | 8480 | Information Systems | Dell computers with monitors | | | 25,311 | | |
| 52 | 8480 | Information Systems | Vx Rail Server Upgrades | | | 24,981 | | |
| 53 | 8480 | Information Systems | Dell computers with monitors | | | 21,450 | | |
| 54 | 8480 | Information Systems | Vx Rail Server Upgrades | | | 10,376 | | |
| 55 | 8480 | Information Systems | Dell computers (Optiplex 7080) | | | 37,261 | | |
| 56 | 8480 | Information Systems | Cisco catalyst network switch upgrade | | | | 40,820 | |
| 57 | 8480 | Information Systems | TrueNAS Network Storage Server | | | | 32,474 | |
| 58 | 8480 | Information Systems | E.H.R. Close CIP in FY 2021 | | | | 44,955 | |
| Information Systems Sub-total | | | | \$ - | \$ 28,552 | \$ 128,139 | \$ 118,249 | \$ - |

Building/Leasehold Improvements

| Building/Leasehold Improvements | | | | Historical Capital Spend | | | | Current |
|--|-------------------|-----------------------|--|---------------------------------|----------------|------------------|------------------|----------------|
| Dept # | Department | DESCRIPTION | FY 2019 | FY 2020 | FY 2021 | FYTD 2022 | FYTD 2023 | |
| 59 | 7073 | SFP Clinic - Perkins | Conklin Bros Flooring | 16,859 | | | | |
| 60 | 8450 | Engineering/Plant Ops | Conversion of Rooms - 215-217 - Closed CIP | 87,317 | | | | |
| 61 | 8450 | Engineering/Plant Ops | SNF Courtyard walkway (1/2) | | 5,240 | | | |
| 62 | 8610 | Administration | Garden Murals | | | 9,336 | | |
| 63 | 8450 | Engineering/Plant Ops | Energy mgt system BAS upgrade | | | 30,214 | | |

Sonoma Valley Hospital

Capital Spending and Planned, CIP, and Capital Leases

Historical Capital Spend For Fiscal Years Ending June 30, 2019, 2020, 2021, 2022 & YTD FY 2023

Q2 FY23

| | | | | | | | | |
|--|------|-----------------------|--|----------------|--------------|---------------|----------------|---------------|
| 64 | 7740 | Wound Care | Painting & wiring for Wound care (Closed CIP in FY 2021) | | | | 2,940 | |
| 65 | 8450 | Engineering/Plant Ops | Roof Restoration - Advanced Foam Roofing | | | | 134,956 | |
| 66 | 8450 | Engineering/Plant Ops | Automatic Transfer Switch Replacement (Closed CIP) | | | | 55,159 | |
| 67 | 8450 | Engineering/Plant Ops | Roof Restoration - Advanced Foam Roofing addtl invoice GMH | | | | | 42,083 |
| Building/Leasehold Improvements Sub-total | | | | 104,176 | 5,240 | 39,550 | 193,055 | 42,083 |

| | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Capital Assets | \$ 594,521 | \$ 757,026 | \$ 429,504 | \$ 854,699 | \$ 472,820 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

Recap:

| | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Spend - Hospital | 280,150 | 666,930 | 328,456 | 702,919 | 56,073 |
| Capital Spend - Foundation | 314,371 | 90,096 | 101,048 | 151,780 | 416,747 |
| Total Capital Assets | \$ 594,521 | \$ 757,026 | \$ 429,504 | \$ 854,699 | \$ 472,820 |

| Account # | Construction In Progress (CIP) | CIP Budget | CIP Balance at 6/30/2022 | Spend FYTD 2023 | CIP Balance FYTD 2023 | Funding |
|--------------------|--------------------------------|----------------------|--------------------------|---------------------|-----------------------|------------|
| 1258-0050 | ODC - Project CT & MRI | 21,000,000 | 11,676,277 | 787,341 | 12,463,618 | Foundation |
| 1258-0810 | Medivator Scopes Room | 82,720 | 19,718 | 9,474 | 29,192 | Operations |
| 1250-0007 | Endoscopy Cabinet & Install | 20,680 | 2,329 | 12,482 | 14,811 | Operations |
| 1258-0840 | CT Epic Implementation | | 18,013 | 1,063,806 | 1,081,819 | Split |
| CIP Balance | | \$ 21,103,400 | \$ 11,716,337 | \$ 1,901,105 | \$ 13,617,442 | |