



SVHCD FINANCE COMMITTEE MEETING

AGENDA

TUESDAY, SEPTEMBER 26, 2023

6:00 p.m. Regular Session

**To Be Held in Person at
Sonoma Valley Hospital, 347 Andrieux Street
Basement Conference Room
Sonoma, CA 95476
and Via Zoom Videoconference**

To Participate via Zoom Videoconferencing,
use the link below:

<https://sonomavalleyhospital-org.zoom.us/j/98352087178>

Meeting ID: 983 5208 7178 Passcode: 384245

Dial by your location:

1 669 219 2599 or 1 669 900 9128

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Boerum</i>	
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>	<i>Boerum</i>	
3. CONSENT CALENDAR a. Finance Committee Minutes 08.22.23	<i>Boerum</i>	Action
4. FY 2023 AUDIT UPDATE	<i>Boerum</i>	Inform
5. G.O. BOARD BOND RESOLUTION	<i>Armfield</i>	Action
6. DISTRESSED HOSPITAL LOAN PROGRAM RESOLUTION	<i>Armfield</i>	Action
7. ODC UPDATE	<i>Hennelly</i>	Inform
8. EPIC UPDATE	<i>Hennelly</i>	Inform
9. UCSF AFFILIATION UPDATE	<i>Hennelly</i>	Inform
10. FINANCIAL REPORT FOR MONTH END AUGUST 2023	<i>Armfield</i>	Inform
11. ADJOURN	<i>Boerum</i>	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, AUGUST 22, 2023
In Person at Sonoma Valley Hospital
347 Andrieux Street
and Via Zoom Teleconference**

Present	Not Present/Excused	Staff	Public	
Bill Boerum in person Wendy Lee Myatt in person Ed Case in person Graham Smith via Zoom Subhash Mishra, MD, via Zoom Catherine Donahue, via Zoom	Bob Crane Carl Gerlach Peter Hohorst	John Hennelly, CEO, in person Ben Armfield, CFO, in person Jessica Winkler, via Zoom Dawn Kuwahara, via Zoom Kimberly Drummond, via Zoom	None.	
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 6:00 p.m.			
2. PUBLIC COMMENT SECTION	None			
3. CONSENT CALENDAR	<i>Boerum</i>		Action	
a. Finance Committee Minutes 07.25.23			MOTION: by Case to approve, 2 nd by Lee-Myatt. Abstain- Smith.	
4. FY 2023 AUDIT UPDATE	<i>Boerum</i>		Inform	
	Mr. Boerum informed the committee that Auditors are currently on-site beginning the first stages of the FY 2023 Audit. The Audit Committee is expected to review a draft audit report at their October 11 th meeting. It is anticipated that the Board will review the finalized audit at the November Board of Directors Meeting.		·	
5. ODC PROJECT REVIEW	<i>Hennelly/Drummond</i>		Inform	

	Ms. Drummond provided an overview of the overall ODC project budget of \$24M. She reported on the spent to date amount and the remaining project scope. Additionally, Ms. Drummond reviewed the Temporary MRI project budget and timeline, reviewed action items for board recommendation including the Permanent MRI, PDC Resolution, BID for Modular building, and CT Phase II – Bid Award GMH Builders.		
6. PERMANENT MRI – PDC RESOLUTION – BID FOR MODULAR BUILDING	<i>Hennelly/Drummond</i>	Action	
	Ms. Drummond presented a draft resolution of the Board of Directors of the Sonoma Valley Health Care District directing the execution of a contract for a modular office building. She then stated that the proposed next step would be to award the contract to PDC Facilities for modular structure not to exceed \$1.73M. The committee discussed Ms. Drummond’s recommendation and offered specific questions around the legal contract and contingency planning. It was then recommended that a document be developed to provide a full scope contingency plan. That information should be included in the final legal contract. Assuming that scope will be fully documented, the matter will be forwarded to the Board of Directors for approval.	MOTION: by Boerum to make a recommendation to forward matter to the Board of Directors pending receipt of full scope contingency plan. All in favor (6-0).	
7. AWARD ODC PROJECT PHASE II CT – BID AWARD – GMH BUILDERS	<i>Hennelly/Drummond</i>	Action	
	Ms. Drummond discussed her recommendation to award the CT Phase II/Clinics bid to GMH Builders the sole bidder for the contract. Recommendations to award \$1.2M bid to be reduced by Change Order through the elimination of scope to \$1.05M. Recommend awarding to sole bidder and rebidding for competition is not recommended: <ul style="list-style-type: none"> • Bid in line with original scope and added reductions • GMH is General Contractor awarded for temporary MRI site work and could run both projects concurrently for reduced General Conditions fees • GMH is the General Contractor of record for CT Phase 1 with HCAI. Continuing with GMH as GC on CT 	MOTION: by Boerum to make a recommendation to forward matter to the Board of Directors pending receipt of full scope contingency plan. All in favor (6-0).	

	<p>Phase II will result in cost avoidance for supplantation costs relating to design fees</p> <p>The committee discussed Ms. Drummond's recommendations again, noting the need for a documented contingency plan. Assuming a contingency plan will be developed prior to any legal contracting, it was recommended to forward the matter to the Board of Directors for approval.</p>		
8. SEISMIC HED DESIGN	<i>Hennelly/Drummond</i>	Action	
	<p>Ms. Drummond reported that HED Design, the firm selected by the Hospital has completed the analysis for the seismic compliance of Senate Bill 1953. Currently there are milestones in place for 2024, 2026, 2028 to analyze, submit plans, construct and finally be seismically compliant in 2030 for General Acute Care Hospital Buildings. The overall scope through the end of calendar 2024 is estimated to cost \$300K. With incremental funding spanning FY24-FY25. The Committee is asked to recommend to the Board approval of the overall scope of \$300K that will be funded incrementally through calendar year 2024 authorizing the hospital to proceed. Following a lengthy discussion, the committee recommended that staff develop a table to breakdown total anticipated hours that are included in the two proposals from HED Design totaling \$120K which encompasses their initial coordination and their Structural Engineer initial investigation. The table should be provided to the Board for their information prior to considering the seismic proposal.</p>	<p>MOTION: by Boerum to make a recommendation to forward matter to the Board of Directors. Staff will provide a table detailing anticipated hours, etc for the Board's informational purposes. All in favor (6-0).</p>	
9. PT EXPANSION	<i>Hennelly/Drummond</i>	Action	
	<p>Mr. Hennelly provided background on the PT Expansion Proposal noting that Outpatient Physical Therapy is a key service for Sonoma Valley Hospital, however it is currently running at 100% capacity. The proposed PT Expansion project will include the addition of 5 new exam rooms. It will also double the gym space and will have a dedicated area for pediatric patients. The SVH Foundation will need to start fundraising, so the committee is being asked to recommend that the Board move forward with this project.</p>	<p>MOTION: by Boerum to approve, 2nd by Case. Forward matter to the Board of Directors. Staff will provide a business plan for PT Expansion (to include patient flow/sources) for the Board's informational purposes.</p>	

10. ODC UPDATE	<i>Hennelly</i>	Inform	
	The ODC Update was covered in the day's earlier discussions.		
11. EPIC UPDATE	<i>Hennelly</i>	Inform	
	Mr. Hennelly stated that the EPIC Update is normal, and interface updates are still pending.		
12. FINANCIAL REPORT FOR MONTH END JULY 2023	<i>Armfield</i>	Inform	
	<p>Mr. Armfield reported that July marked the beginning of a new fiscal year, and it was a good start to operations as July's performance rebounded from a subpar June to deliver a very positive month. In addition, July marks were one of the better financial performances from operations in recent months as the operating margin far exceeded the budget and prior year, and the hospital's operating EBDA was nearly an operational break-even for the month.</p> <p>The Committee thanked Mr. Armfield for his work. They then asked that he think about including additional information in regards to cash flow and net revenue price to volume variances. This will help with better understanding of revenue that is driven by volume and revenue that is distributed by rates. Mr. Armfield stated that he will look to see how he can include a report on cash variances in his financials going forward.</p>	Inform	
13. ADJOURN	<i>Boerum</i>		
	Meeting adjourned at 7:45 p.m.		



To: Sonoma Valley Health Care District Board of Directors
From: Ben Armfield, Chief Financial Officer
Date: September 26, 2023
Subject: **Resolution No. 376 - Setting the Tax Rate for the 2023-24 Fiscal Year GO Bonds**

Recommendation:

Management recommends to the District Board the approval of the General Obligation Bonds tax rate of \$19.80 per \$100,000 of the assessed value of the secured property in the District.

Background and Reasoning:

This is consistent with prior year resolutions. The total assessed value of the secured property in the District is \$12,838,636,396. The tax required to assure payment of the principle, interest, and reasonable reserve for the Bonds for Fiscal Year 2023-2024 is \$2,617,464. The rate, calculated per the Sonoma County's approved formula is \$19.80 per \$100,000 of assessed valuation.

Consequences of Negative Action/Alternative Actions:

Without the resolution, the County is directed to apply the most recently provided tax rate.

Financial Impact:

The resolution will instruct the County to collect the General Obligation Bond tax to be paid to the bond holders.

Selection Process and Contract History:

The Hospital has done similar resolutions in the past and the same methodology was applied for setting the tax rate for 2023-24.

Other Items of Note:

The 2023-24 tax rate calculation and resolution has been reviewed by our consultant Gary Hicks, who has been a subject matter expert for SVH in this space for many years.

Attachments:

Resolution No. 376



SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION No. 376

**RESOLUTION SETTING THE TAX RATE FOR THE 2023-24
FISCAL YEAR FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON
THE SONOMA VALLEY HEALTH CARE DISTRICT (SONOMA COUNTY,
CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2008**

WHEREAS, by resolution, adopted by the Board of Directors (the "Board") of the Sonoma Valley Health Care District (the "District") on August 6, 2008, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District (the "Project"), and the Board called an election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on November 4, 2008 and thereafter canvassed pursuant to law;

WHEREAS, an election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purpose of raising money for the Project in the maximum aggregate principal amount of \$35,000,000, payable from the levy of an *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District sold, on January 27, 2009, an initial series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$12,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series A (2009)" (the "2009 Bonds"); and

WHEREAS, the District sold, on August 1, 2010, an additional series of bonds for the purpose of raising funds needed for the Project and for other authorized costs in the aggregate principal amount of \$23,000,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) General Obligation Bonds, Election of 2008, Series B (2010)" (the "2010 Bonds"); and

WHEREAS, the District sold, on January 28, 2014, a refunding series of bonds for the purpose of refunding the 2009 Bonds in the aggregate principal amount of \$12,437,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2014 General Obligation Refunding Bonds" (the "2014 Bonds"); and

WHEREAS, the District sold, on July 28, 2021, a refunding series of bonds for the purpose of refunding the 2010 Bonds in the aggregate principal amount of \$15,825,000, identified as the "Sonoma Valley Health Care District (Sonoma County, California) 2021 General Obligation Refunding Bonds" (the "2021 Bonds" and together with the 2014 Bonds, the "Bonds"); and

WHEREAS, Sonoma County (the "County") has requested that the District provide to the County the tax rate required for Fiscal Year 2023-24 to pay principal and interest on the Bonds and to provide a reasonable reserve;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SONOMA VALLEY HEALTH CARE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

Section 2. Tax Rate; Remittance.

(a) Based upon the County's estimate of assessed valuation of all secured property in the District (\$12,838,636,396) the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2023-24 is \$19.80 per \$100,000 of assessed valuation. It is the intent of the District to provide to the County, by resolution, the tax rate required to assure payment of the principal of, interest on and a reasonable reserve for the Bonds for Fiscal Year 2023-24 and each Fiscal Year thereafter, so long as the Bonds remain outstanding. However, in the event the District fails to provide a tax rate in any year, the County is directed to apply the most recently provided tax rate in such year.

(b) The District hereby delegates to the County Board of Supervisors the authority to annually levy and collect the annual *ad valorem* property taxes required for the payment of the principal of and interest on the Bonds.

(c) The District hereby requests that such amounts, as collected, be remitted directly to The Bank of New York Mellon Trust Company, N.A., the District's paying agent for the Bonds.

Section 3. Request for Necessary County Actions. The County Board of Supervisors and the County Auditor-Controller-Treasurer-Tax Collector, and other officials of the County, are hereby directed to take whatever action that may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District at the tax rate specified in Section 2(a) above.

Section 4. General Authority. The Chair, the Secretary, the Chief Executive Officer and the Chief Financial Officer, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps which they or any of them might deem necessary or appropriate in order to give effect to this resolution.

Section 5. Effective Date. This resolution shall take effect immediately on and after its adoption.

PASSED AND ADOPTED this 5th day of October 2023, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

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

ATTEST:

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



To: Sonoma Valley Health Care District Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: September 26, 2023
Subject: **Resolution #377 - Hospital Distressed Loan Program Board Resolution**

Recommendation:

Recommend to the SVHCD Finance Committee that they recommend to the Board of Directors that they approve Resolution # 377, which authorizes the execution and delivery of the Hospital Distressed Loan Program between Sonoma Valley Health Care District and California Health Facilities Financing Authority (CHFFA) and California Department of Health Care Access and Information (HCAI).

Program Background:

On May 15th, Governor Newsom signed Assembly Bill (AB) 112, which established the Distressed Hospital Loan Program. The bill appropriated \$300 million in funding to provide interest-free cash flow loans to qualifying not-for-profit and public hospitals that are either in current financial distress or anticipated distress in the months ahead. The program was developed in collaboration with the Department of Health Care Access and Information (HCAI) and the California Health Facilities Financing Authority (CHFFA).

HCAI and CHFFA established an application process and methodology for determining hospital's eligibility and size of the loan. In order to qualify and be selected, hospitals had to demonstrate their financial position as well as outline a viable plan for how the funds will be repaid.

Sonoma Valley Health Care District:

As this Assembly Bill was passed and signed, we identified this program as a potential favorable source of supplemental funding that could be used to further reduce our interest-bearing long term debt. As has been discussed the last couple of months, we have an existing line of credit that is set to mature at the end of January 2024. While the hospital is not at-risk of closure, the exposure related to the line of credit presents a concerning financial situation, should the hospital be required to repay the outstanding balance come maturity. While we don't feel this is likely, it is a possibility and in an effort to mitigate that risk, we felt a need to apply to this program with the intention of using any awarded funds to paydown our existing line of credit liability. This was our entire position in our application.

We applied for a loan award of \$5.5 million, and were one of thirty hospitals that applied to receive funds through this program. We were notified at the end of August that Sonoma Valley Hospital was selected to receive a loan award of \$3.1 million. While not at the level of the initial ask, we were very pleased to learn the hospital was receiving support through this program.

This loan is interest-free and will be used to reduce our existing liabilities. The loan agreement will be drafted by CHFFA and HCAI upon approval of the attached board resolution.

Loan Details:

- Loan Amount - \$3,100,000
 - Interest Rate – 0%
 - Repayment – Loans are repayable over 72 months with an initial 18-month grace period at the beginning of the loan term
-

Attachments:

- HCAI Loan Program Press Release
- CHFFA Distressed Hospital Loan Program (DHLP) Approval Letter
- Sonoma Valley Health Care District Board Resolution #377

California Announces \$300 Million in Financial Support for Community Hospitals Across the State

SACRAMENTO – Today, the Department of Health Care Access and Information (HCAI) is taking action to support community hospitals struggling financially by awarding close to \$300 million in no-interest loans to 17 health care facilities under the Distressed Hospital Loan Program, announced earlier this year by Governor Gavin Newsom.

“Today we have provided much needed assistance to community hospitals across the state that desperately need financial help to provide the care their communities need,” **said HCAI Director Elizabeth Landsberg**. “I’m grateful to the Legislature for spearheading this effort to help make sure these vital healthcare institutions are fiscally stable so they can continue to provide quality, affordable health care for all Californians.”

KEY PROGRAM DETAILS: The program, established through Assembly Bill 112, offers interest-free, working capital loans to nonprofit and publicly operated financially-distressed hospitals, including facilities that belong to integrated healthcare systems with less than three separately licensed hospital facilities.

The Distressed Hospital Loan Program is jointly administered by the [California Department of Health Care Access and Information](#) (HCAI) and the [California Health Facilities Financing Authority](#) (CHFFA) at the California State Treasurer’s Office. The two departments have notified the eligible hospitals what loan amounts they have been approved for, with the loans scheduled to be released in the coming weeks.

HOSPITALS RECEIVING SUPPORT:

Facility Name	Loan Award
Beverly Hospital	\$5,000,000*
Chinese Hospital	\$10,350,000
Dameron Hospital Association	\$29,000,000
El Centro Regional Medical Center	\$28,000,000
Hayward Sisters Hospital, dba St. Rose Hospital	\$17,650,000
Hazel Hawkins Memorial	\$10,000,000
John C. Fremont Healthcare District	\$9,350,000
Kaweah Delta Health Care District	\$20,750,000
Madera Community Hospital	\$2,000,000**
Martin Luther King, Jr. Community Hospital	\$14,000,000
Palo Verde Hospital	\$8,500,000
Pioneers Memorial Healthcare District	\$28,000,000
Ridgecrest Regional Hospital	\$5,500,000

San Geronio Memorial Healthcare District	\$9,800,000
Sonoma Valley Hospital	\$3,100,000
TriCity Medical Center	\$33,200,000
Watsonville Community Hospital	\$8,300,000

* Beverly Hospital in Montebello will receive a \$5 million dollar bridge loan to cover operational costs while the hospital is purchased out of bankruptcy.

** Madera Community Hospital, which has been closed since December 2022 and filed for bankruptcy in March 2023, will receive a \$2 million bridge loan to cover basic operational costs for the facility while Adventist Health, the hospital’s proposed administrator, provides a comprehensive hospital turnaround plan. Once the plan is provided, and approved, Madera Community Hospital can be eligible for an additional \$50 million loan from the Distressed Hospital Loan Program.

KEY LOAN DETAILS:

- Loans will be at zero-percent interest.
- Loans are repayable over 72 months, with an initial 18-month grace period at the beginning of the loan term.
- The program will sunset on December 31, 2031.

ABOUT THE PROCESS: HCAI and CHFFA received 30 applicants for the program, however, not all hospitals were awarded funds. During the extensive loan application review process, HCAI considered a diverse set of criteria. Hospitals that demonstrated the greatest levels of financial distress, at-risk of closing in the near term, and had a well-founded plan to remain open and provide services and care, were prioritized and issued loans through this program. Hospitals that did not receive funds from this program demonstrated less financial distress when compared to other hospitals that applied.

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

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chffa@treasurer.ca.gov
www.treasurer.ca.gov/chffa

August 30, 2023

Ben Armfield
Chief Financial Officer
Sonoma Valley Health Care District
347 Andrieux Street
Sonoma, CA 95476

RE: Distressed Hospital Loan Program

Dear Ben Armfield,

Congratulations! The California Department of Health Care Access and Information notified the California Health Facilities Financing Authority (CHFFA) that Sonoma Valley Health Care District's application has been approved for an interest-free cashflow loan from the Distressed Hospital Loan Program (DHLP) to prevent the closure of the hospital. Below are some of the terms of the DHLP loan:

Borrower: Sonoma Valley Healthcare District
Loan Amount: \$3,100,000
Loan Term: 72 months (with an 18-month initial deferment period)
Interest Rate: 0% fixed
Monthly Debt Service Amount: \$57,407.41

The funding of the DHLP loan is contingent upon (i) the full execution of the Loan and Security Agreement and the Promissory Note, including all exhibits, such as the Medical Intercept Form, a notarized EFT Cancellation Form, and the Loan Funds Disbursement Request, in each case in substantially the form delivered to you concurrently with the delivery of this letter, and (ii) there are sufficient funds in the Distressed Hospital Loan Program Fund.

We are looking forward to working with you during the DHLP loan closing process. If you have any questions, please contact your Loan Officer, Erica Rodriguez, by email at erodriguez@treasurer.ca.gov or by telephone at (916) 653-3841. Your Loan Officer will contact you to begin the loan closing process.

Sincerely,

DocuSigned by:

Bianca Smith

Bianca Smith

Deputy Executive Director

MEMBERS

FIONA MA, CPA, CHAIR
California State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

ANTONIO BENJAMIN

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KATRINA KALVODA

KERI KROPKE, M.A., M.A., CCC-SLP

EXECUTIVE DIRECTOR

CAROLYN ABOUBECHARA

Exhibit A – Applicant’s Board Resolution

RESOLUTION NO. 377

RESOLUTION OF SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF A PROMISSORY NOTE, LOAN AND SECURITY AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR A LOAN UNDER THE DISTRESSED HOSPITAL LOAN PROGRAM

DISTRESSED HOSPITAL LOAN PROGRAM

WHEREAS, **Sonoma Valley Health Care District** (the “Borrower”) is a **public hospital** as defined in Section 129381 of the Health and Safety Code;

WHEREAS, Borrower does not belong to an integrated health care system with more than two separately licensed hospital facilities.

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$3,100,000.00** from the California Health Facilities Financing Authority (the “Lender”) under the Distressed Hospital Loan Program, with that loan to be funded with the proceeds in the Distressed Hospital Loan Program Fund; and

WHEREAS, the Borrower intends to use the loan in order to stabilize the hospital;

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

Section 1. The Board of Directors of Borrower hereby approves the submission of an application for a loan from the Distressed Hospital Loan Program.

Section 2. **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 to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan, is hereby approved. The loan shall be in a principal amount not to exceed **\$3,100,000.00**, shall not bear interest, and shall mature 72 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially that form, which includes the Loan Funds Disbursement Certification, as well as the redirection of up to twenty percent (20%) of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default in accordance with Health and Safety Code section 129384, with those changes therein as the Authorized Officer(s) may require or approve, that approval to be conclusively evidenced by the execution and delivery thereof.

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Sonoma Valley Health Care District held on this 5th day of **October, 2023**.

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: _____

Revision Date: 08/25/22

Tactic Completed	Tactics under way now	Tactics to begin in the next 12 months	Tactics in conceptual form
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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	7/19	
		Infectious Disease coverage for hospital	Specialty coverage for ED and inpatient units			complete	7/19	
	1.2 Beta Site for Capacity Management (transfer) Center	Intensivist Coverage of ICU	Expanded medical team would increase the types of cases that could be treated at SVH.		2022	2023	Engaging UCSF and third party vendors on contracting. Dr Sankaran has lead. Conversations progressing most promising with UCSF. Potential trial later this Fall.	8/23
		Integration of SVH into the UCSF capacity management system	The integration will improve both site's ability to place patients in the right setting for their needs. Impact to SVH increased transfers both in and out as needed.		Summer 2023	2023-2024	System live. UCSF continues working on processes. SVH participation pending.	8/23
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	Interviewing candidates	8/23	
		Joint recruitment of orthopedic surgeon based in Sonoma	Orthopedics is in strong demand in Sonoma. Planning to insure availability over coming years.		2023-25	Interviewing candidates	8/23	
	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. finalizing funding	8/23
		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 surgeons 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 Carroll (urologist) to provide services in Sonoma in Fall23	9/23	
	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.	8/23
	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	Working to coordinate provision of care by VA providers at SVH.	Improve access for veterans and increase utilization of SVH services		2023	2024	Working with specialty area leaders to find opportunities to practice at SVH	8/23
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	Interfaces continue to be built. UCSF - SVH interface scheduled to go live late September.	9/23	
	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?	Integration of coordination of care w UCSF and/or Marin Health							
	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: September 26, 2023
Subject: Financial Report for August 2023

1. OVERALL PERFORMANCE | MONTH

Although not as robust as July’s performance, August delivered another positive month from operations as the hospital’s operating margin exceeded budget for a second straight month to start the new fiscal year.

Table 1 | Overall Performance - August 2023 (There was no IGT in August, Actual or Budget)

	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Margin	\$ (741,982)	\$ (747,923)	\$ 5,941	1%	\$ (989,021)	\$ (1,377,855)	\$ 388,835	28%	\$ (1,634,147)	\$ 645,126	39%	
Operating EBDA	\$ (502,989)	\$ (494,956)	\$ (8,033)	-2%	\$ (509,813)	\$ (851,921)	\$ 342,108	40%	\$ (1,174,152)	\$ 664,338	57%	
Net Income (Loss)	\$ (131,258)	\$ (29,181)	\$ (102,077)	-350%	\$ 137,594	\$ 59,657	\$ 77,937	131%	\$ (12,300)	\$ 149,894	1219%	

Gross and net patient revenues continue to uptick and outpace our targets as volumes continue to be on the rise, particularly on the outpatient side. We did run lighter than budget in overall patient days, but our discharges were right in-line with budget, meaning we are seeing the same amount of inpatients while at the same time expending less resources to provide the care. As such, our length of stay has been significantly reduced these first couple months of the fiscal year. Some of this is due to seasonality and we do anticipate higher acuity volumes as we get into the fall months which is expected to increase our overall length of stay. But this trend is a positive one for the hospital as many of our inpatient encounters are reimbursed on a per stay basis, further amplifying the need to proactively manage their inpatient stay. We have made investments in additional resources to help with patient throughput, and so far we are encouraged by the results of these efforts.

Where we are continuing to see growth is on the outpatient side and August delivered yet another month of strong volumes across a number of different areas. Physical therapy visits marked a 13-month high, which is very encouraging. MRI and CT volumes both exceeded budget by over 10% as well. Outpatient surgeries levels were also at a 13 month high in August, driven by continued increases in GI volumes primarily. Orthopedic volumes continue to maintain their consistent pace as well.

We did some of our expenses right size in August as we had some catch-up in some areas such as supplies and implant costs, which are supported by the increase in volumes. We did see an increase in traveler costs in August as the ongoing labor challenges continue. We are working hard in filling open positions so we can limit our dependency on travelers as much as possible moving forward.

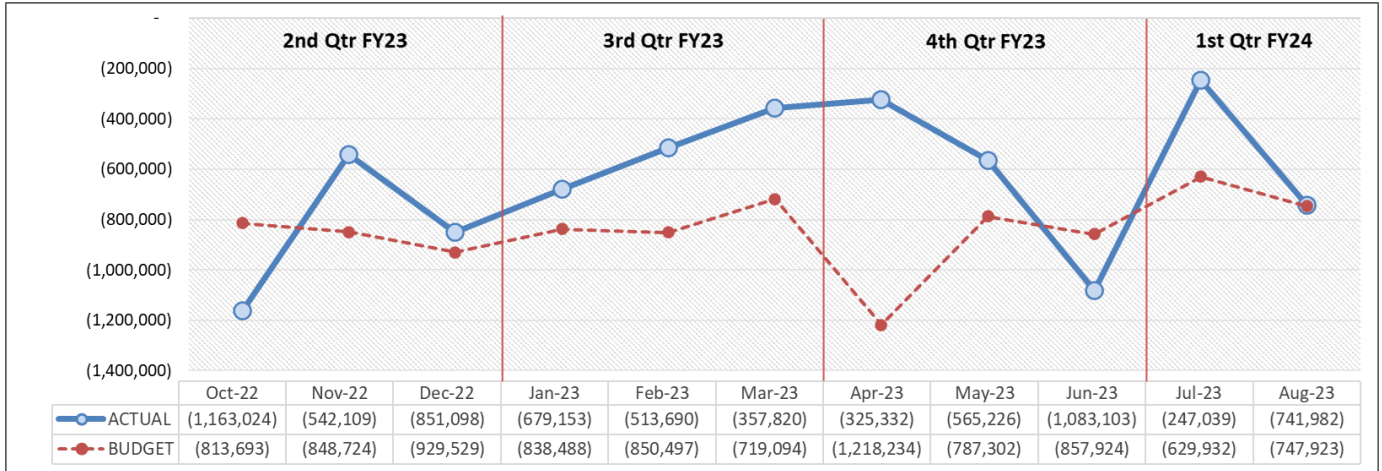
All in, net patient revenue exceeded budget by 4% while operating expenses ran over by 3% for the month. Both indicators are positive to budget through the first two months of the fiscal year. Performance from operations continues to improve as well, as our operating margin and operating EBDA are both positive to budget through the first two months of the fiscal year. Looking at the performance from a quarterly perspective (Graph 1.2 on page 2) shows the continued favorable trajectory since the start of last fiscal year.

We had a good month in cash collections in August, collecting \$4.2 million which was 103% of the collection goal for the month.

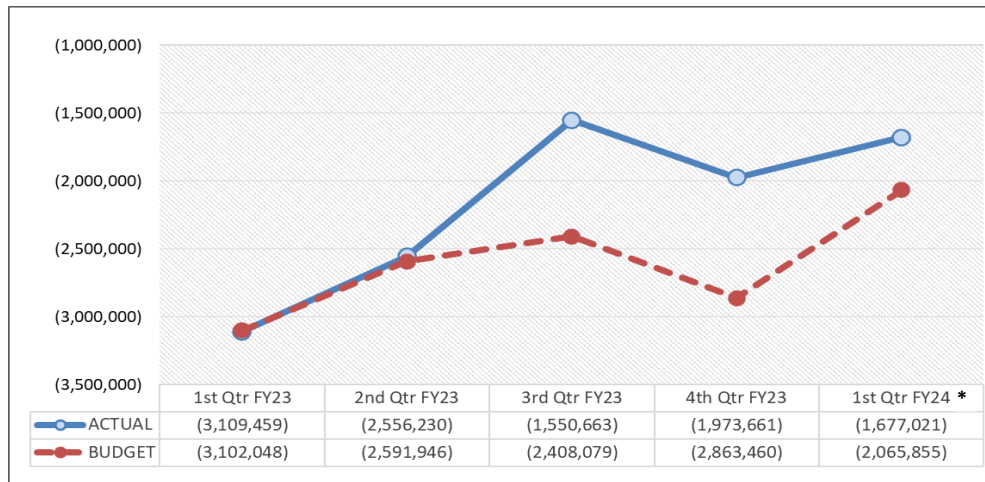
	Jul-23	Aug-23	YTD
Cash Collections	\$ 3,663,429	\$ 4,320,626	\$ 7,984,055
Cash Collections Target	\$ 3,637,072	\$ 4,175,875	\$ 7,812,947
Cash Collections as a % of Target	101%	103%	102%

We continue to make intentional efforts to reduce our outstanding accounts payables, which is reflected in the reduction of A/P days by over 10%. We also made one-time payments for additional Epic integration costs as well as funded the upgrade for our Paragon ERP system. These are one-time payments that will not be recurring going forward.

Graph 1.1 | SVH Trended Operating Margin (excluding IGT funding) - Last 4 Quarters



Graph 1.2 | SVH Operating Margin by Quarter (excluding IGT funding) – FY23 & FY24



* Projected based on July23 & August23

2. NET REVENUE SUMMARY:

Table 2 | Net Patient Revenue – Actual vs. Budget - August 2023 (Excluding IGT)

	Month of August 2023				Year To Date August 2023						
	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD	Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%
Gross Revenue	\$ 29,187,271	\$ 28,030,196	\$ 1,157,075	4%	\$56,884,857	\$ 54,725,575	\$2,159,282	4%	\$ 51,299,569	\$ 5,585,288	11%
Net Patient Revenue	\$ 4,407,997	\$ 4,252,160	\$ 155,837	4%	\$ 8,654,669	\$ 8,337,751	\$ 316,918	4%	\$ 7,793,557	\$ 861,112	11%
NPR as a % of Gross	15.1%	15.2%	-0.4%		15.2%	15.2%	-0.1%		15.2%	0.1%	
Tot Operating Revenue	\$ 4,495,477	\$ 4,344,966	\$ 150,511	3%	\$ 8,827,658	\$ 8,523,363	\$ 304,295	4%	\$ 7,952,976	\$ 874,682	11%

3. OPERATING EXPENSE SUMMARY:

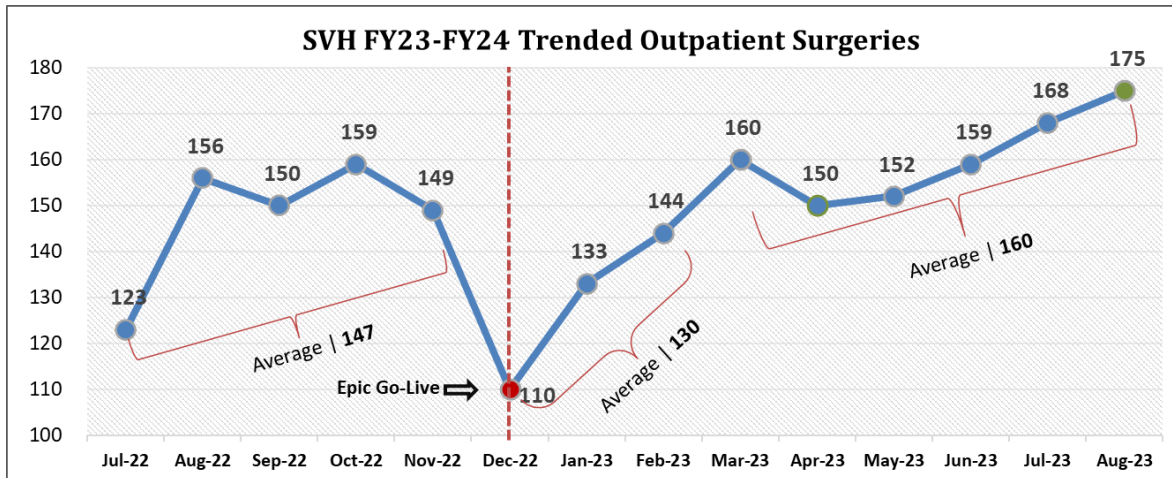
Table 3 | Operating Expenses – Actual vs. Budget – August 2023 (Excluding IGT)

	Month of August 2023				Year To Date August 2023						
	Current Year - Month		Variance		Current Year - YTD		Variance		Prior YTD	Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%
Operating Expenses	\$ 5,237,458	\$ 5,092,889	\$ (144,569)	-3%	\$ 9,816,678	\$ 9,901,218	\$ 84,539	1%	\$ 9,587,123	\$ (229,556)	-2%
Worked FTEs	212.7	214.0	1.3	1%	214.0	212.1	(1.9)	-1%	196.0	(18.0)	-9%

4. VOLUME SUMMARY:

Table 4 | Patient Volumes – August 2023

	Month of August 2023				Year To Date August 2023						
	Current Year		Variance		Current Year		Variance		Prior Year	Variance	
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%
Acute Patient Days	286	303	(17)	-6%	521	567	(46)	-8%	522	(1)	0%
Average Daily Census	9.2	9.8	(0.5)	-6%	8.4	9.1	(0.7)	-8%	8.4	(0.0)	0%
Acute Discharges	67	67	0	0%	125	123	2	1%	123	2	2%
IP Surgeries	16	15	1	7%	30	30	-	0%	36	(6)	-17%
OP Surgeries/Spec Proc	175	169	6	4%	343	324	19	6%	279	64	23%
Total Surgeries / Procedures	191	184	7	4%	373	354	19	5%	315	58	18%
Total Outpatient Visits	5,106	4,610	496	11%	9,669	9,198	471	5%	8,748	921	11%
Total ER Visits	861	952	(91)	-10%	1,730	1,838	(108)	-6%	1,658	72	4%



5. CASH ACTIVITY SUMMARY:

Table 5 | Cash / Revenue Cycle Indicators - August 2023

	Aug-23	Jul-23	Var	%
Days Cash on Hand	33.3	39.7	(6.4)	-16%
A/R Days	65.1	65.7	(0.6)	-1%
A/P Days	38.9	43.7	(4.8)	-11%

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 Cash Projection

**Sonoma Valley Hospital
Payer Mix for the month of August, 2023**

ATTACHMENT A

MONTH

Gross Revenue	Actual	Budget	Variance	% Variance
Medicare	11,058,147	9,528,521	1,529,626	5.8%
Medicare Managed Ca	4,663,342	4,522,472	140,869	0.5%
Medi-Cal	4,310,873	5,012,541	(701,668)	-2.7%
Self Pay	478,848	136,932	341,916	1.3%
Commercial & Other C	6,366,959	6,023,534	343,425	1.3%
Worker's Comp.	805,144	946,616	(141,472)	-0.5%
Total	27,683,312	26,170,616	1,512,696	5.8%

YEAR TO DATE

Actual	Budget	Variance	% Variance
21,078,386	19,675,559	1,402,827	2.6%
10,258,268	9,340,275	917,993	1.7%
8,683,532	10,386,599	(1,703,067)	-3.1%
882,113	288,680	593,433	1.1%
14,471,332	12,511,049	1,960,283	3.6%
1,480,334	1,973,887	(493,553)	-0.9%
56,853,965	54,176,049	2,677,916	4.9%

MONTH

Payor Mix	Actual	Budget	Variance
Medicare	39.9%	36.4%	3.5%
Medicare Managed Ca	16.8%	17.3%	-0.4%
Medi-Cal	15.6%	19.2%	-3.6%
Self Pay	1.7%	0.5%	1.2%
Commercial & Other C	23.0%	23.0%	0.0%
Worker's Comp.	2.9%	3.6%	-0.7%
Total	100.0%	100.0%	

YEAR TO DATE

Actual	Budget	Variance
37.1%	36.3%	0.8%
18.0%	17.2%	0.8%
15.3%	19.2%	-3.9%
1.6%	0.5%	1.0%
25.5%	23.1%	2.4%
2.6%	3.6%	-1.0%
100.0%	100.0%	

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

ATTACHMENT B

CURRENT MONTH				YEAR-TO-DATE			YTD	
Actual	Budget	Favorable		Actual	Budget	Favorable	Prior	
08/31/23	08/31/23	(Unfavorable)		08/31/23	08/31/23	(Unfavorable)	Year	
		Variance				Variance	08/31/22	
Inpatient Utilization								
Discharges								
1	52	55	(3)	Med/Surg	92	100	(8)	87
2	15	11	4	ICU	33	23	10	36
3	67	67	0	Total Discharges	125	123	2	123
Patient Days:								
4	201	209	(8)	Med/Surg	356	378	(22)	316
5	85	94	(9)	ICU	165	189	(24)	206
6	286	303	(17)	Total Patient Days	521	567	(46)	522
7	17	-	17	Observation days	34	-	34	25
Average Length of Stay:								
8	3.9	3.8	0.1	Med/Surg	3.87	3.77	0.10	3.6
9	5.7	8.2	(2.6)	ICU	5.00	8.23	(3.23)	5.7
10	4.3	4.5	(0.3)	Avg. Length of Stay	4.17	4.60	(0.43)	4.2
Average Daily Census:								
11	6.5	6.7	(0.3)	Med/Surg	5.7	6.1	(0.4)	5.1
12	2.7	3.0	(0.3)	ICU	2.7	3.0	(0.4)	3.3
13	9.2	9.8	(0.5)	Avg. Daily Census	8.4	9.1	(0.7)	8.4
Other Utilization Statistics								
Emergency Room Statistics								
14	861	952	(91)	Total ER Visits	1,730	1,838	(108)	1,658
Outpatient Statistics:								
15	5,406	4,610	796	Total Outpatients Visits	9,969	9,198	771	8,748
16	16	15	1	IP Surgeries	30	30	-	36
17	175	154	21	OP Surgeries / Special Procedures	343	309	34	279
18	316	283	33	Adjusted Discharges	621	508	113	515
19	1,349	1,281	67	Adjusted Patient Days	2,583	2,336	248	2,193
20	43.5	41.3	2.2	Adj. Avg. Daily Census	41.7	37.7	4.0	35.4
21	1.5158	1.4000	0.116	Case Mix Index - Medicare	1.4604	1.4000	0.060	1.6048
22	1.3980	1.4000	(0.002)	Case Mix Index - All payers	1.3906	1.4000	(0.009)	1.5237
Labor Statistics								
23	213	214	1	FTE's - Worked	214	212	(1.9)	196
24	231	236	4	FTE's - Paid	234	234	(0.7)	223
25	51.62	49.22	(2.40)	Average Hourly Rate	49.00	48.97	(0.03)	49.20
26	5.32	5.70	0.38	FTE / Adj. Pat Day	5.62	6.20	0.58	6.31
27	30.3	32.5	2.2	Manhours / Adj. Pat Day	32.0	35.3	3.3	35.9
28	129.4	147.2	17.8	Manhours / Adj. Discharge	133.4	162.5	29.1	153.0
29	24.5%	24.4%	-0.1%	Benefits % of Salaries	25.0%	24.8%	-0.2%	24.6%
Non-Labor Statistics								
30	17.3%	15.3%	-2.0%	Supply Expense % Net Revenue	14.1%	14.2%	0.1%	14.1%
31	2,413	2,304	(109)	Supply Exp. / Adj. Discharge	1,971	2,335	365	2,132
32	16,711	18,183	1,472	Total Expense / Adj. Discharge	15,964	19,687	3,723	18,809
Other Indicators								
33	33.3			Days Cash - Operating Funds				
34	64.8	50.0	14.8	Days in Net AR	65.2	50.0	15.2	38.7
35	103%			Collections % of Cash Goal	102%			105.5%
36	38.9	55.0	(16.1)	Days in Accounts Payable	38.9	55.0	(16.1)	41.3
37	15.1%	15.2%	-0.1%	% Net revenue to Gross revenue	15.2%	15.2%	0.0%	15.2%
38	35.9%			% Net AR to Gross AR	35.9%			14.1%

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

ATTACHMENT C

		<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 610,896	\$ 779,118	\$ 1,847,571
2	Cash - Money Market	4,105,982	4,604,866	3,346,052
3	Net Patient Receivables	10,770,858	10,758,272	5,959,156
4	Allow Uncollect Accts	(1,998,431)	(1,917,101)	(1,546,025)
5	Net A/R	8,772,427	8,841,171	4,413,131
6	Other Accts/Notes Rec	1,642,800	1,625,138	1,554,099
7	Parcel Tax Receivable	3,800,000	3,800,000	3,800,000
8	GO Bond Tax Receivable	2,617,464	2,617,464	2,601,816
9	3rd Party Receivables, Net	(29,823)	(26,491)	97,905
10	Inventory	1,004,725	990,158	1,037,568
11	Prepaid Expenses	1,697,135	1,211,774	718,638
12	Total Current Assets	\$ 24,221,606	\$ 24,443,197	\$ 19,416,781
13	Property, Plant & Equip, Net	\$ 56,310,679	\$ 56,397,459	\$ 54,520,066
14	Trustee Funds - GO Bonds	5,797,833	5,774,189	3,512,793
15	Designated Funds - Board Approved	-	-	1,000,000
16	Total Assets	\$ 86,330,118	\$ 86,614,845	\$ 78,449,640
Liabilities & Fund Balances				
Current Liabilities:				
17	Accounts Payable	\$ 4,538,292	\$ 4,525,849	\$ 4,914,964
18	Accrued Compensation	3,820,154	3,586,699	3,650,892
19	Interest Payable - GO Bonds	285,504	242,569	51,758
20	Accrued Expenses	1,854,360	1,696,777	541,232
21	Advances From 3rd Parties	-	-	-
22	Deferred Parcel Tax Revenue	3,166,666	3,483,333	2,849,999
23	Deferred GO Bond Tax Revenue	2,181,221	2,399,343	1,863,818
24	Current Maturities-LTD	217,475	217,475	424,998
25	Line of Credit - Union Bank	4,973,734	4,973,734	5,473,734
26	Other Liabilities	57,511	57,511	106,158
27	Total Current Liabilities	\$ 21,094,917	\$ 21,183,290	\$ 19,877,553
28	Long Term Debt, net current portion	\$ 26,892,269	\$ 26,957,319	\$ 24,602,298
29	Fund Balances:			
30	Unrestricted	\$ 22,802,851	\$ 22,802,897	\$ 18,753,849
31	Restricted	15,540,080	15,671,338	15,215,940
32	Total Fund Balances	\$ 38,342,932	\$ 38,474,235	\$ 33,969,789
33	Total Liabilities & Fund Balances	\$ 86,330,118	\$ 86,614,845	\$ 78,449,640

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

ATTACHMENT D

	Month				Year-To-Date				YTD	
	This Year		Variance		This Year		Variance		Prior Year	
	Actual	Budget	\$	%	Actual	Budget	\$	%		
Volume Information										
1	67	67	0	0%	Acute Discharges	125	123	2	1%	123
2	286	303	(17)	-6%	Patient Days	521	567	(46)	-8%	522
3	17	-	17	0%	Observation Days	34	-	34	*	25
4	\$ 23,002	\$ 21,408	\$ 1,595	7%	Gross O/P Revenue (000's)	\$ 45,429	\$ 41,424	\$ 4,005	10%	\$ 38,920
Financial Results										
Gross Patient Revenue										
5	\$ 6,185,291	\$ 6,622,226	\$ (436,935)	-7%	Inpatient	\$ 11,456,221	\$ 13,301,575	(1,845,354)	-14%	\$ 12,346,929
6	14,480,581	12,731,947	1,748,634	14%	Outpatient	27,842,961	24,841,509	3,001,453	12%	21,933,770
7	8,521,398	8,676,023	(154,625)	-2%	Emergency	17,585,674	16,582,491	1,003,183	6%	17,018,870
8	\$ 29,187,271	\$ 28,030,196	1,157,075	4%	Total Gross Patient Revenue	\$ 56,884,857	\$ 54,725,575	2,159,282	4%	\$ 51,299,569
Deductions from Revenue										
9	(24,519,220)	(23,625,670)	(893,550)	-4%	Contractual Discounts	\$ (47,705,543)	\$ (46,108,766)	(1,596,777)	-3%	\$ (43,223,466)
10	(150,286)	(139,787)	(10,499)	-8%	Bad Debt	(250,286)	(239,787)	(10,499)	-4%	(250,067)
11	(109,767)	(12,579)	(97,188)	-773%	Charity Care Provision	(274,358)	(39,271)	(235,087)	*	(32,479)
12	-	-	-	*	Prior Period Adj/Government Program Revenue	-	-	-	*	-
13	\$ (24,779,273)	\$ (23,778,036)	(1,001,237)	4%	Total Deductions from Revenue	\$ (48,230,187)	\$ (46,387,824)	(1,842,363)	4%	\$ (43,506,012)
14	\$ 4,407,997	\$ 4,252,160	155,837	4%	Net Patient Service Revenue	\$ 8,654,669	\$ 8,337,751	316,918	4%	\$ 7,793,557
15	\$ 87,480	\$ 92,806	(5,326)	-6%	Other Op Rev & Electronic Health Records	\$ 172,989	\$ 185,612	(12,623)	-7%	\$ 159,419
16	\$ 4,495,477	\$ 4,344,966	150,511	3%	Total Operating Revenue	\$ 8,827,658	\$ 8,523,363	\$ 304,295	4%	\$ 7,952,976
Operating Expenses										
17	\$ 2,110,281	\$ 2,048,714	(61,567)	-3%	Salary and Wages and Agency Fees	\$ 4,055,705	\$ 4,040,448	(15,256)	0%	\$ 3,876,594
18	707,955	725,206	17,251	2%	Employee Benefits	1,443,940	1,445,086	1,146	0%	1,413,612
19	\$ 2,818,236	\$ 2,773,920	(44,316)	-2%	Total People Cost	\$ 5,499,645	\$ 5,485,534	(14,111)	0%	\$ 5,290,206
20	\$ 599,056	\$ 623,359	24,303	4%	Med and Prof Fees (excl'd Agency)	\$ 1,156,376	\$ 1,227,283	70,908	6%	\$ 1,111,048
21	762,524	651,368	(111,156)	-17%	Supplies	1,223,172	1,186,030	(37,143)	-3%	1,097,790
22	410,360	396,425	(13,935)	-4%	Purchased Services	716,235	722,811	6,576	1%	892,328
23	238,993	252,967	13,974	6%	Depreciation	479,207	525,934	46,727	9%	459,995
24	159,965	164,119	4,154	3%	Utilities	317,896	338,238	20,342	6%	339,634
25	81,160	81,758	598	1%	Insurance	147,743	133,516	(14,228)	-11%	108,729
26	43,202	47,094	3,892	8%	Interest	85,800	79,188	(6,612)	-8%	55,078
27	123,963	101,879	(22,084)	-22%	Other	190,603	202,683	12,080	6%	232,315
28	-	-	-	*	Matching Fees (Government Programs)	-	-	-	*	0
29	\$ 5,237,458	\$ 5,092,889	(144,569)	-3%	Operating expenses	\$ 9,816,678	\$ 9,901,218	84,539	0.9%	\$ 9,587,123
30	\$ (741,982)	\$ (747,923)	\$ 5,941	1%	Operating Margin	\$ (989,021)	\$ (1,377,855)	388,835	28%	\$ (1,634,147)

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

	Month					Year-To-Date				YTD	
	This Year		Variance			This Year		Variance			Prior Year
	Actual	Budget	\$	%		Actual	Budget	\$	%		
31	\$ 15,794	\$ 8,468	7,326	87%							
32	-	(3,752)	3,752	-100%							
33	-	-	-	*							
34	316,667	316,667	-	0%							
35	-	-	-	0%							
36	\$ 332,461	\$ 321,383	11,078	3%							
37	\$ (409,521)	\$ (426,540)	17,019	4%							
38	\$ -	\$ -	-	0%							
39	\$ 103,076	\$ 238,530	(135,454)	0%							
40	\$ (306,445)	\$ (188,010)	(118,435)	-63%							
41	175,187	158,829	16,358	10%							
42	\$ (131,258)	\$ (29,181)	(102,077)	-350%							
	\$ (170,528)	\$ (173,573)	3,045								
	\$ (502,989)	\$ (494,956)	(8,033)	-2%							
					Non Operating Rev and Expense						
					Miscellaneous Revenue/(Expenses)	\$ 48,177	\$ 16,964	31,213	*	\$ (22,182)	
					Donations	(5,216)	(7,504)	2,288	*	-	
					Physician Practice Support-Prima	-	-	-	*	-	
					Parcel Tax Assessment Rev	633,334	633,334	-	0%	633,334	
					Extraordinary Items	-	-	-	0%	-	
					Total Non-Operating Rev/Exp	\$ 676,295	\$ 642,794	33,501	5%	\$ 611,152	
					Net Income / (Loss) prior to Restricted Contributions	\$ (312,726)	\$ (735,061)	422,335	57%	\$ (1,022,995)	
					Capital Campaign Contribution	\$ -	\$ -	-	0%	\$ -	
					Restricted Foundation Contributions	\$ 104,714	\$ 477,060	(372,346)	100%	\$ 696,111	
					Net Income / (Loss) w/ Restricted Contributions	\$ (208,012)	\$ (258,001)	49,989	19%	\$ (326,884)	
					GO Bond Activity, Net	345,606	317,658	27,948	9%	314,584	
					Net Income/(Loss) w GO Bond Activity	\$ 137,594	\$ 59,657	77,937	131%	\$ (12,300)	
					EBDA - Not including Restricted Contributions	\$ 166,481	\$ (209,127)	375,608		\$ (563,000)	
					Operating EBDA - Not including Restricted Contributions	\$ (509,813)	\$ (851,921)	342,108	40%	\$ (1,174,152)	

Sonoma Valley Hospital
Cash Forecast
FY 2024

ATTACHMENT E

	Actual July	Actual Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	3,964,672	4,421,352	4,371,051	4,589,604	4,681,396	4,485,423	4,575,840	4,575,840	4,575,840	4,575,840	4,575,840	4,575,840	53,968,538
2 Other Operating Revenue	26,197	172,302	33,561	200,452	23,522	40,390	43,299	100,254	65,455	150,750	228,646	115,291	1,200,119
3 Other Non-Operating Revenue	42,960	4,386	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	125,346
4 Unrestricted Contributions		1,250											1,250
5 Line of Credit													-
Sub-Total Hospital Sources	4,033,829	4,599,290	4,412,413	4,797,856	4,712,718	4,533,613	4,626,939	4,683,894	4,649,095	4,734,390	4,812,286	4,698,931	55,295,253
Hospital Uses of Cash													
6 Operating Expenses	5,152,114	5,121,241	4,752,307	4,912,485	4,823,838	4,881,548	4,984,096	4,828,418	5,073,479	4,946,353	5,034,948	4,956,867	59,467,693
7 Add Capital Lease Payments	64,932	65,051											129,982
8 Add: Bridge Loan Paybacks									608,487				608,487
9 Add: CHFFA Help II Loan Repayments	30,833	30,833	30,833	30,833	30,833	30,833	30,833	30,833	30,833	30,833	30,833	30,833	369,996
10 Additional Liabilities/LOC						250,000							250,000
11 Capital Expenditures	157,689	152,213	1,370,430	-	520,430	-	1,795,430	425,000	1,370,430	-	1,370,430	452,527	7,614,579
Total Hospital Uses	5,405,567	5,369,338	6,153,570	4,943,318	5,375,101	5,162,381	6,810,359	5,284,251	7,083,229	4,977,186	6,436,211	5,440,227	68,440,737
Net Hospital Sources/Uses of Cash	(1,371,738)	(770,048)	(1,741,158)	(145,462)	(662,382)	(628,768)	(2,183,420)	(600,357)	(2,434,135)	(242,796)	(1,623,926)	(741,296)	(13,145,484)
Non-Hospital Sources													
12 Restricted Cash/Money Market	500,000	500,000		4,000,000			(3,000,000)						2,000,000
13 Restricted Capital Donations	1,638	101,826	520,430		520,430		520,430		520,430		520,430	258,577	2,964,191
14 Parcel Tax Revenue	179,984					2,134,000				1,486,016			3,800,000
15 Other Payments			1,500,000										1,500,000
16 Other:													-
17 IGT							5,400,000	820,933				41,568	6,262,501
18 IGT - AB915										227,253			227,253
19 QIP													-
Sub-Total Non-Hospital Sources	681,622	601,826	2,020,430	4,000,000	520,430	2,134,000	2,920,430	820,933	520,430	1,713,269	520,430	300,145	16,753,945
Non-Hospital Uses of Cash													
20 Matching Fees					1,958,178	240,898	-	-	-	-	20,784		2,219,860
Sub-Total Non-Hospital Uses of Cash	-	-	-	-	1,958,178	240,898	-	-	-	-	20,784	-	2,219,860
Net Non-Hospital Sources/Uses of Cash	681,622	601,826	2,020,430	4,000,000	(1,437,748)	1,893,102	2,920,430	820,933	520,430	1,713,269	499,646	300,145	14,534,085
Net Sources/Uses	(690,116)	(168,222)	279,272	3,854,538	(2,100,130)	1,264,334	737,010	220,576	(1,913,705)	1,470,473	(1,124,280)	(441,151)	
Operating Cash at beginning of period	1,469,233	779,117	610,895	890,168	4,744,706	2,644,575	3,908,910	4,645,920	4,866,496	2,952,792	4,423,265	3,298,985	
Operating Cash at End of Period	779,117	610,895	890,168	4,744,706	2,644,575	3,908,910	4,645,920	4,866,496	2,952,792	4,423,265	3,298,985	2,857,834	
Money Market Account - Undesignated	4,604,866	4,105,982	4,105,982	105,982	105,982	105,982	3,105,982	3,105,982	3,105,982	3,105,982	3,105,982	3,105,982	
Total Cash at End of Period	5,383,983	4,716,877	4,996,149	4,850,687	2,750,557	4,014,891	7,751,902	7,972,478	6,058,773	7,529,246	6,404,967	5,963,816	
Average Days of Cash on Hand	40.1	35.8											
Days of Cash on Hand at End of Month	39.7	33.3	35.3	34.3	19.4	28.4	54.8	56.3	42.8	53.2	45.3	42.1	