



SVHCD FINANCE COMMITTEE MEETING

AGENDA

TUESDAY, MAY 27, 2025

5:00 p.m. Regular Session

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

sonomavalleyhospital-org.zoom.us/j/94662918236

Meeting ID: 946 6291 8236

Passcode: 052184

One tap mobile

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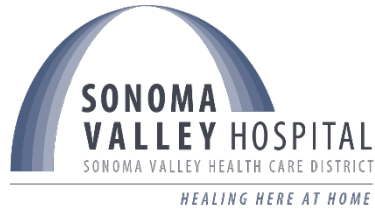
AGENDA ITEM

In compliance with the Americans with Disabilities Act, if you require special accommodations to attend a District meeting, please contact the Board Clerk, Whitney Reese, at wreese@sonomavalleyhospital.org or 707.935.5005 at least 48 hours prior to the meeting.

MISSION STATEMENT

The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.

1. CALL TO ORDER/ANNOUNCEMENTS	<i>Case</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>Case</i>	
3. CONSENT CALENDAR <ul style="list-style-type: none"> Finance Committee Minutes 03.25.25 	<i>Case</i>	Action <i>Pages 2 - 4</i>
4. SVH FOUNDATION UPATE	<i>Peterson</i>	Inform <i>Pages 5 - 11</i>
5. CONSULTING PROPOSAL – 3T MRI LOCATION	<i>Armfield</i>	Action <i>Pages 12 - 15</i>
6. FY26 BUDGET UPDATE	<i>Armfield</i>	Action <i>Pages 16 - 43</i>
7. FINANCIAL REPORTS FOR MONTH END APRIL 2025	<i>Armfield</i>	Inform <i>Pages 44 - 51</i>
8. ADJOURN	<i>Case</i>	
CLOSED SESSION: Calif. Government Code §37606 and 37624.3: TRADE SECRET; Discussion will concern proposed new service and/or program		



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

TUESDAY, MARCH 25, 2025

**In Person at Sonoma Valley Hospital
347 Andrieux Street
and Via Zoom Teleconference**

Present		Not Present/Excused	Staff/Public
Ed Case, in person Dennis Bloch, in person Robert Crane, via zoom Subhash Mishra, MD, via zoom Graham Smith, via zoom		Catherine Donahue Carl Gerlach	Ben Armfield, SVH CFO, in person John Hennelly, SVH CEO, in person Lois Fruzynski, SVH Accounting Manager, in person Whitney Reese – SVH Board Clerk, in person Leslie Peterson, Sonoma Valley Hospital Foundation, in person
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>			
AGENDA ITEM		DISCUSSION	ACTIONS
1. CALL TO ORDER/ANNOUNCEMENTS		<i>Ed Case</i>	Meeting called to order 5:01pm
Dr. Mishra will be retiring from the Finance Committee after 10 years on the committee. The committee thanks him for all his contributions over the years.			
2. PUBLIC COMMENT SECTION		None	
3. CONSENT CALENDAR		<i>Ed Case</i>	Action
Finance Committee Minutes 2.25.25			MOTION: Motion to approve by Crane, 2 nd by Bloch. All in favor.
4. DISTRICT HOSPITAL LEADERSHIP FORM (DHLF)		<i>Nathan Davis, SVP Finance, DHLF</i>	Inform
Nathan Davis provided an overview of DHLF's advocacy efforts on behalf of California's 33 district and municipal hospitals, with a focus on Medi-Cal supplemental payments. He detailed how DHLF has successfully secured and expanded funding programs such as the District Hospital Directed Payment Program (DHDP) and Quality Incentive Program (QIP), which collectively brought in \$881 million in 2025. He also addressed the challenges small hospitals face in meeting QIP metrics and efforts to adjust them to better reflect district hospital realities. Discussion covered the ongoing reliance on self-financed supplemental funding due to persistent state budget deficits, as well as looming federal threats to Medicaid funding and hospital support programs. The Committee expressed appreciation for DHLF's advocacy and underscored the importance of sustaining these critical financial resources.			
5. INVESTMENT POLICY (P-2022.02.16-1)		<i>Ed Case</i>	Action

Case presented the updated investment policy, focusing on future-oriented planning despite current limited reserves. Key points included adding yield and benchmark comparisons to fund reporting and debating the inclusion of target asset allocations in the long-term reserve portfolio. While some members questioned the appropriateness of equities and broader asset classes for an organization of this size, others emphasized the importance of flexibility and advisor accountability. Ultimately, the committee agreed to approve the policy with minor revisions and revisit it annually as financial conditions evolve.		MOTION: Motion to recommend to Board of Directors for approval by Bloch, 2 nd by Smith. All in favor.
6. CIP PROJECT	<i>Ben Armfield & John Hennelly</i>	Action
Hennelly presented a late-breaking capital investment proposal involving the replacement of outdated chemistry and hematology lab equipment. The current vendor's contract is expiring, and rates are set to increase if no action is taken. The proposed plan includes a \$300,000 investment—with \$100,000 in equipment and additional costs for infrastructure updates like power and data—to achieve significant cost savings. Financial analysis suggests a potential \$1 million savings over five years, primarily from reduced reagent costs, with a payback period of under 18 months. However, questions were raised about the high design fee relative to construction costs, lack of project detail, possible service disruption during installation, and the urgency of the timeline. The committee agreed more clarity is needed but that they would bypass their approval so that the Board could have the opportunity to approve at their next meeting, assuming all their questions were addressed.		MOTION: The committee agreed to bypass their recommendation to the Board.
7. SVH CAPITAL PROJECT TRACKER	<i>Ben Armfield & John Hennelly</i>	Inform
A discussion focused on the delayed MRI/ODC project. Originally estimated at \$35 million, the project was later revised down to \$21 million and then up to \$24 million, but is now facing funding shortfalls and escalating costs. Delays due to rain and vendor timing constraints exacerbated the budget issues, and no clear plan currently exists for moving the MRI from its temporary trailer to a permanent facility. Points were raised about accountability and need for detailed planning, especially given the substantial foundation and community investment. The Committee emphasized the urgent need for a comprehensive review of the project's current status, costs, and next steps to restore trust and ensure successful completion.		
8. FY26 BUDGET ASSUMPTIONS	<i>Ben Armfield</i>	Inform
Armfield shared that they've entered the budget planning phase and outlined some preliminary assumptions for the next fiscal year. A kickoff meeting is scheduled for the following day, with more detailed work expected over the next 2–4 weeks. He noted uncertainties and potential headwinds, particularly around IGT levels for FY26, which may require adjustments. Despite the challenges, strategic growth in key areas remains a focus. Case and Smith responded positively, viewing the memo as a solid starting point and appropriate context for the future detailed budget, with no immediate red flags noted.		
9. FINANCIAL CLASS CONTRIBUTION MARGIN ANALYSIS	<i>Ben Armfield</i>	Inform
The Committee reviewed net revenue data—excluding contribution margins for now—with plans to delve deeper in future sessions, including payer contracts next month. They emphasized that commercial payers contribute the most revenue, with specific mention of Kaiser and Blue Cross, and clarified that the figures include IGT, which affects Medicaid revenue positively. The conversation highlighted the complexity of payer performance, noting factors like contract structure and outpatient versus inpatient service mix. This evolving		

analysis aims to inform budget planning for 2026.		
10. FINANCIAL REPORTS FOR MONTH END FEBRUARY 2025	<i>Ben Armfield</i>	Inform
February saw a slight revenue dip—partly due to it being a shorter month—overall year-to-date metrics remain strong. March volumes are exceeding budget, indicating continued positive trends. There was also good news: Kaiser is now participating in the rate range IGT program, which will result in a net benefit of over \$1 million for the next fiscal year. Reporting is being refined, with a proposal to eliminate some schedules (attachments F, G, and H), and feedback is welcome.		
11. ADJOURN	<i>Ed Case</i>	Meeting adjourned at 6:28 pm



SONOMA VALLEY HOSPITAL
FOUNDATION

Inspiring Support for Sonoma Valley Hospital

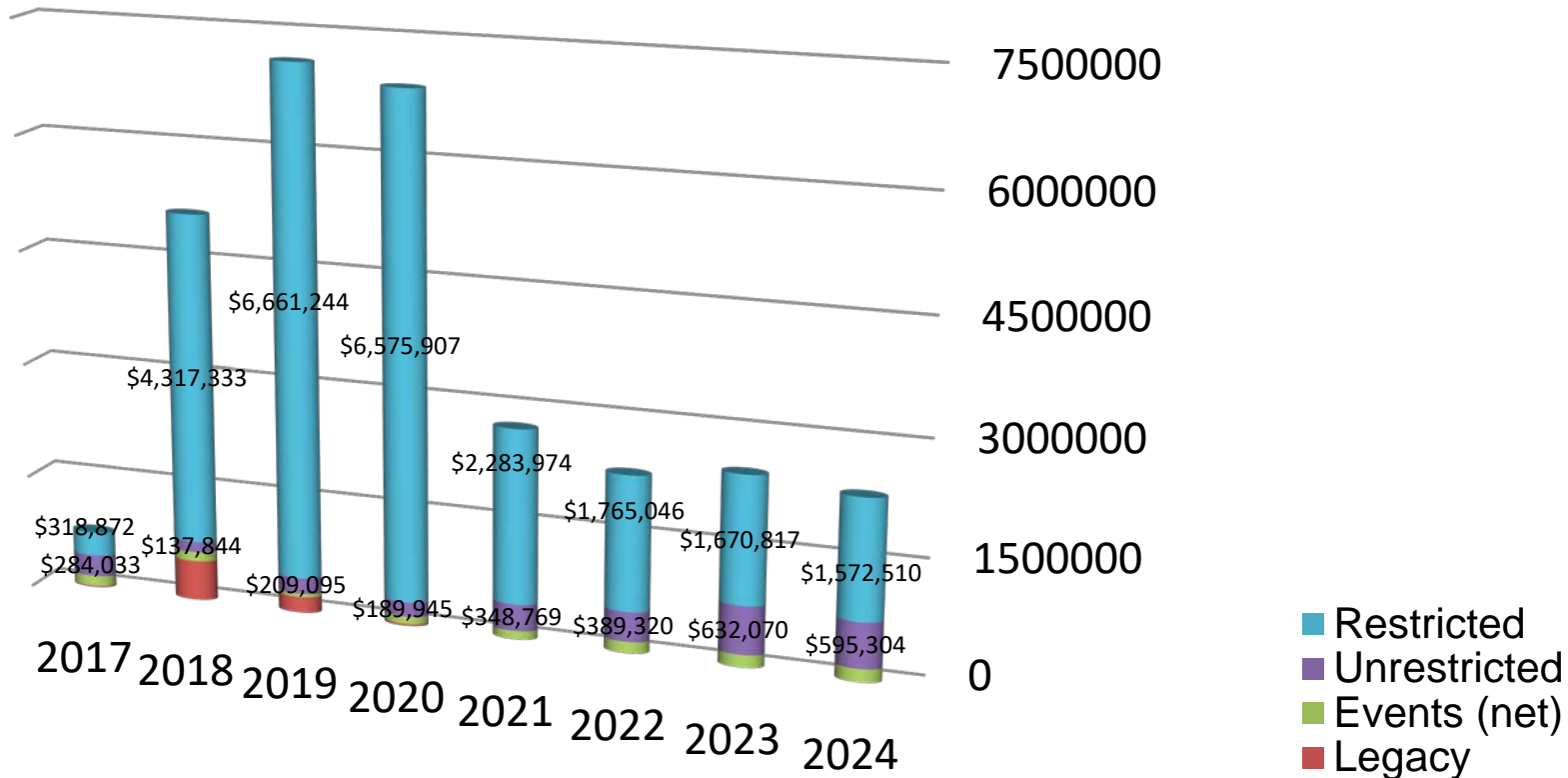


SVHF 2025 Objectives

- **Collaborate with SVH on Priorities for Capital Projects**
- **Expand Donor Reach & Build Relationships**
- **Develop collaborative marketing Strategy with SVH**
- **Strengthen Board prospects with additional community members**
- **Increase Donor Events**



Foundation Revenue



Foundation Support in 2024

- **Provided funding for the following:**
 - \$5,740,844 for Outpatient Diagnostic Center
 - \$158,289 for PT Expansion project
 - \$44,739 for ICU renovations
- **\$142k granted for Women's Health and Wellness** including a new DynaCAD 5 breast software and MUSE software interface for EKGs.
- \$18k funding for continued Education for Nurses, Physical Therapists, and other SVH Employees, and small equipment.
- \$200k was raised through EOY appeal to purchase new Cataract Microscope
- Sharing our story with our community and supporters



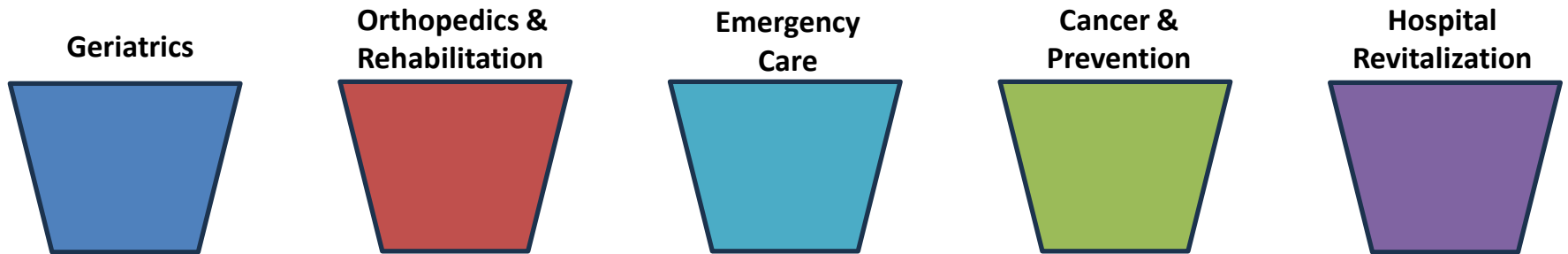
Restricted Fund Balances

April 30, 2025

Project	Balance Available
Outpatient Diagnostic Center	\$ 538,436.00
PT Expansion	\$ 1,169,436.00
ICU Rennovation	\$ 447,906.00
Cataract Microscope	\$ 200,000.00
WHS Ultrasound	\$ 150,000.00



“My Hospital” Campaign fundraising buckets



EACH FUNDRAISING BUCKET WILL INCLUDE

- ☐ A Case Statement
- ☐ Grateful Patient Stories



Questions?



SONOMA VALLEY HOSPITAL
FOUNDATION

Inspiring Support for Sonoma Valley Hospital

May 22, 2025 r1

Project: Sonoma Valley Hospital
Outpatient MRI Building – Feasibility Study
 19six #: 25122.01

Dear Ryan:

Thank you for the opportunity to provide you with professional A&E services for Sonoma Valley Hospital. We are pleased to submit this proposal for review and feasibility study for an existing temporary structure upgrade to fully compliant permanent structure.

PROJECT DESCRIPTION

Facility	11064
Name	Sonoma Valley Hospital
Address	347 Andrieux St, Sonoma, CA 95476
Project Area	Temporary Outpatient MRI – “Outpatient Medical Clinic”
Occupancy	I-2
OSHPD	N/A
Construction Type	V-B
Project Phases	1
Temporary Equip.	No.
Specifications	CSI 2004 Sheet Format

The project is an upgrade of an existing MRI trailer permitted as “temporary” into a ‘permanent’ structure to be licensed V-B for outpatient use for Sonoma Valley Hospital facility.

SCHEDULE

We are ready to proceed with this work upon your approval. The following estimated schedule assumes an authorization to proceed of May 28, 2025:

Authorization to Proceed.....	05/28/25
Contracts & Project Startup.....	(1) week
Feasibility Study.....	(3) weeks
Schematic Test Fit Options.....	(3) weeks

Note that all construction activity shall be coordinated with the facility schedule.

SCOPE OF SERVICES AND FEES

Services shall include professional A&E services. Our project team will consist of:

Architectural Design	19six
Civil Engineering	19six
Structural Engineering	EVO Engineering
Mechanical Engineering	Weston & Associates
Electrical Engineering	Contech-CA

A breakdown of the services is as follows:

A. Feasibility & Schematic Test Options

1. (1) site visit
 2. Review of “record drawings” of the temporary MRI trailer
 3. Evaluation of structural or utility systems to identify necessary upgrades for permitting for full occupancy through the city of Sonoma.
 4. (3) alternate schematic ‘test fit’ options
 5. Written narrative outlining existing conditions, barriers to upgrade, and evaluation of proposed alternative ‘test fits’ options.
 6. Access through Occupational Therapy to be reviewed and identified if feasible.
 7. Identify walkway, awning/ canopy, necessary for permanent permit and make recommendations for items that may not be code required but would enhance patient experience
 8. Coordination with consultants
 9. (1) meeting to review schematic plans with Owner Stakeholders
- Fee \$ 39,350

B. Direct Expenses

1. Printing. Includes in-house check sets, meeting sets.
 2. Copying.
 3. Courier Service.
 4. Mileage. Includes all mileage for project meetings, City of Sonoma Building Department approval and construction meetings
 5. Expenses associated with trip to Sonoma, CA. Includes lodging, parking and meals
- Fee \$ Included

Total Fixed Fee \$ 39,350

REIMBURSABLE EXPENSES

There are no reimbursable expenses anticipated for this project. If any reimbursable expenses do arise, 19six shall notify the Owner and get authorization prior to incurring said expense. Reimbursable expenses will be billed at a rate of 1.15 times.

Bid set printing for plans and specs shall be paid directly by the Owner to the print vendor. Bid set printing includes plans and specifications for: Contractor(s), Owner (includes owner’s representative and/or Construction manager, as applicable), Testing Lab, Soils Engineer, Inspector (if applicable), Design Team and Plan Rooms (if applicable).

EXCLUSIONS

The following are not included in our services described above:

- As-built drawings for the existing buildings
- Plan review application fees
- Blueprinting and photocopying costs for additional copies beyond those required for the meetings and as listed above
- Building structural or utility system upgrades beyond the project area of work and related scope.
- Critical Personnel Changes: Owner/Contractor changes to key project personnel including, but not limited to Contractor, Project Managers, Inspector of Record, and others not directly contracted with 19six will result in additional fees for onboarding process, **of not less than \$1,500**.
- Site observation trips in excess of those included under 'Services Included'.
- This proposal is valid for 90 days, after which fees may be revised to account for an escalation of **5% annually**.
- Design services not listed under "scope of services and fees".
- Permitting fees or fees associated with City of Sonoma for permit review.

MISCELLANEOUS PROVISIONS

DAMAGE LIMITATION - As a material inducement to 19six Architects to enter into this Agreement, Owner agrees that the total liability of 19six Architects (whether for compensatory or consequential damages, attorneys' fees, costs, or any other type of damages or liability whatsoever) arising out of or relating to any alleged negligence, design defects, or breach of this agreement by 19six Architects, shall be limited to the fee earned.

INDEMNITY - Each party agrees to indemnify, defend and hold its agents, employees, officers, directors, and consultants harmless from and against any and all claims, suits, actions, damages, fees, (including attorneys' fees), and liabilities whatsoever which arise out of or relate to the project except to the extent resulting from the negligence or willful misconduct of the other party.

Either of us may terminate this agreement for any reason by seven days' written notice. We agree to stop work immediately upon receiving your notice, except for reasonable time during the seven-day notice period to put the documents in order and to close down the project; you agree to pay us for such work.

We will bill you monthly based on a percentage complete basis. Payment is expected within 30 days of the billing date.

Services will be managed by Bryan Rayburn – license number c-33735.

If this proposal meets with your approval, please sign below and return a copy for our records or have your legal counsel prepare a formal contract. We will start work upon your written authorization below while the formal contract is being prepared.

Thank you for this opportunity to be of service. We look forward to helping out with these much-needed improvements.

Sincerely,



Alan Kroeker, Architect
President
19six Architects



Bryan Rayburn, AIA
Director of Healthcare Services
19six Architects

Accepted by:

Signature

Name (printed)

Title

Date



To: SVHCD Board of Directors & Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: May 27, 2025
Subject: Fiscal Year 2026 Budget Overview

BUDGET OVERVIEW – FY25 LOOKBACK

Fiscal Year 2025 was largely recognized as a financially critical year for the hospital, requiring tangible results to re-establish positive fiscal momentum. FY25 has indeed proven to be a positive turning point, with most of the key operational and financial improvements achieved across the board. Reflecting back on how the current fiscal year budget was structured, it was centered around four core goals: **Operational Improvement, Cash Improvement from Operations, Restoration of FY23 Financial Performance**, and **Budgeting for Growth**.

Performance to date indicates that the organization has made meaningful progress toward each of these goals:

- **Operational Improvement:** FY25 Operating EBDA expected to exceed budget by over \$1 million, which would represent an approximately \$2.5 million improvement from operations compared to FY24.
- **Cash Improvement:** The hospital is projected to generate a positive cash flow from operations this year and achieve a \$3 million positive swing in cash from operations compared to FY24.
- **Rebuilding Financial Performance:** The FY25 budget targeted getting back to FY23 performance. FY25 Operating EBDA is expected to exceed FY23 performance by \$1.2 million.
- **Budget Growth Execution:** While not all volume targets were reached, the results were strong. MRI volumes grew by 35% year-over-year, and physical therapy volumes have increased by 30%, despite delays in expansion. Both areas are well-positioned for further growth in FY26.

These results confirm that the strategies embedded in the FY25 budget were effective and are now forming the basis for continued progress into FY26.

BUDGET OVERVIEW – LOOKING FORWARD TO FY26

The proposed FY26 budget is built to sustain and extend the positive trajectory established during FY25. In a year that we anticipate to be marked by external uncertainties, including the potential for significant changes in health policy, administrative priorities, and trade dynamics such as tariffs, our goal is to both preserve and extend the financial gains we've made while staying positioned to adapt to external forces.

Maintaining our current financial trajectory in FY26, despite this uncertainty, would constitute a meaningful step forward for the hospital. As such, our budget philosophy this year is centered on:

- **Continuing Financial Trajectory:** Preserve and extend improvements achieved in FY25.
- **Building Financial Resilience Through Cash Reserves:** Strengthening our cash reserves and enhancing our ability to weather funding volatility and policy changes.
- **Funding Critical Capital:** Addressing deferred capital needs through self-funded investments.

FY26 BUDGET - OVERALL SUMMARY

The FY26 budget reflects a continuation of the hospital's financial recovery, building directly on the progress achieved in FY25. Key indicators, including Operating EBDA, Net Patient Revenue, and Cash Flow from Operations, have shown significant year-over-year improvement in the current fiscal year, and the FY26 budget is structured to build on that upward trajectory.

Compared to the FY25 estimated actuals, the FY26 budget projects:

- **Operating Revenue** | Growth of \$7.1 million (+10%), driven largely by expanded IGT funding and targeted service line volume increases.
- **Operating EBDA** | \$3.5 million budgeted for FY26, up \$1.3 from FY25 estimates and up \$3.7 million from FY24 performance.
- **Operating Margin** | Improvement of nearly \$700K vs. FY25
- **Cash** | FY26 Budget estimated to generate a net +\$3 million in cash from operations, prior to capital expenditures

FY 2026 Budget vs. FY25 Estimated Actual vs. FY24 Actual

	FY26 Budget	FY25 Estimated Actual	Change	% Chg	FY24 ACTUAL	Change	% Chg
Operating Margin	\$ (3,412,488)	\$ (4,076,826)	\$ 664,338	16.3%	\$ (5,496,971)	\$ 2,084,483	37.9%
Operating EBDA	\$ 3,480,229	\$ 2,222,998	\$ 1,257,231	56.6%	\$ (229,804)	\$ 3,710,034	1614.4%
Total Net Income	\$ (1,542,034)	\$ (1,813,735)	\$ 271,700	15.0%	\$ (2,776,052)	\$ 1,234,018	44.5%
Total EBDA	\$ 5,350,683	\$ 4,486,089	\$ 864,594	19.3%	\$ 2,491,114	\$ 2,859,568	114.8%
Net Patient Revenue	\$ 71,045,218	\$ 63,911,321	\$ 7,133,897	11.2%	\$ 55,785,286	\$ 15,259,932	27.4%
Operating Revenue	\$ 76,350,542	\$ 69,249,486	\$ 7,101,056	10.3%	\$ 60,844,442	\$ 15,506,099	25.5%
Operating Expenses	\$ 79,763,030	\$ 73,326,312	\$ 6,436,718	8.8%	\$ 66,341,413	\$ 13,421,617	20.2%

STRATEGIC INITIATIVES / GROWTH

The FY26 budget includes modest, strategically targeted growth across key service lines and programs:

- **MRI Volumes** | Budgeted to increase 10% year-over-year, building on the installation of the 3 Tesla MRI magnet and improvements in referring provider access and workflows.
- **Outpatient Physical Therapy** | Volumes are budgeted to grow by 15% with the planned expansion becoming operational in summer 2025.
- **Surgery** | Budget includes a modest 2% increase in surgical volumes, reflecting continued ramp-up of orthopedics and other key service lines.
- **Emergency Department** | ER volumes are budgeted to increase modestly (2%) reflecting continued high demand.

REVENUE GROWTH

Revenue growth in the FY26 budget is anchored by two major contributors: another significant resetting in supplemental IGT funding as well as targeted increases tied to strategic service line growth.

IGT Program Expansion

The hospital has finalized negotiations for the FY26 (CY24) Medi-Cal Rate Range IGT program, securing approval for a larger participation allotment. This is a substantial achievement in advancing our long-term supplemental funding strategy. For context, the hospital received nearly \$7 million in net benefit from the Rate Range program in FY25, up from a historical average of \$3 million. The FY26 budget assumes a net benefit of \$9 million, making this the single largest contributor to revenue growth year-over-year.

Strategic Volume-Driven Growth

In addition to IGT expansion, the budget includes a set of targeted, volume-based revenue growth initiatives projected to generate over \$1.5 million in additional net revenue:

- Physical Therapy Expansion (Go-Live Summer 2025): +\$350K
- Gross Price Increases (impact for payors reimbursing as a % of charges): +\$325K
- MRI Ramp-Up (3T utilization growth): +\$315K
- Surgical Volume Growth (2% increase): +\$310K
- Emergency Room Growth (2% increase in visits): +\$225K

These estimates reflect modest, capacity-aligned growth based on operational readiness and community demand. Importantly, they do not rely on aggressive assumptions but rather a measured increase consistent with recent trends and programmatic investment.

EXPENSE CONSIDERATIONS

While the hospital continues to manage costs as tightly as possible, certain expense increases are unavoidable heading into FY26. The budget reflects a disciplined approach to spending, prioritizing investments that are necessary to support core operations, drive growth, and secure additional supplemental funding. Still, total operating expenses are projected to rise in several key areas:

- **Annual Salary Adjustments:** A 3% global increase is budgeted for eligible staff.
- **Salary Market Adjustments:** Targeted appropriations have been made for positions where current compensation levels remain significantly below market benchmarks.
- **Insurance Costs:** Our insurance premiums have increased approximately 15% year-over-year, continuing a trend observed over multiple budget cycles.
- **Depreciation:** Expense increases reflect the capitalization of major projects including the outpatient physical therapy expansion, ICU upgrade, and central wing demolition.
- **IGT Matching Fees:** With the approved expansion of the Rate Range program, required hospital matching contributions will increase by over \$3.3 million. These contributions are essential to securing the corresponding \$9 million in net IGT revenue.
- **Supplies and Tariff Mitigation:** The budget reflects global inflation assumptions - 3% for general supplies, 5% for blood products and pharmaceuticals, and includes a placeholder adjustment to account for potential expense impacts related to ongoing tariff uncertainty. These upward pressures are offset by savings tied to targeted supply chain initiatives. Notably, cost reductions were achieved through a new pricing structure with Zimmer for implants and lower reagent consumable costs due to the programmatic investment in new laboratory analyzers.

Overall, while the FY26 budget includes an 8.8% increase in operating expenses compared to FY25 estimated actuals (4% without IGT Matching Fees and Depreciation), these increases are purposeful and aligned with our strategic priorities.

CAPITAL NEEDS

We are entering a fiscal year where several critical capital needs must be addressed to ensure continued safe, effective, and uninterrupted operations. While the list of capital items included in the FY26 budget are not exhaustive of all hospital capital needs - in fact, it represents only a portion - it does reflect the most urgent

and essential projects prioritized for funding in the near term. These items are foundational to core infrastructure, patient monitoring, and surgical operations. In total, we estimate that these items will require \$4.4 million in funding to complete.

The FY26 budget currently reflects a strategy of funding all identified capital projects directly from hospital operations. This approach is consistent with our emphasis on preserving flexibility and avoiding additional debt obligations. That said, financing options are available and have been priced based on both 3-year and 5-year terms. These options present potential avenues to reduce upfront cash requirements and preserve liquidity, especially if operational needs are required elsewhere, such as an increased IGT matching fee pay-in.

At this time no financing has been incorporated into the FY26 operating budget. However, we plan to engage the committee in the coming months to further evaluate these options and align on a viable capital funding strategy that provides a funding solution while also allowing the hospital to maintain needed levels of financial flexibility.

CASH IMPACT

The FY26 budget projects a positive net cash flow from operations of approximately \$3.3 million (prior to SVH funded capital), reflecting a very significant financial turnaround from prior years. This improvement is driven by enhanced operational performance and increased Rate Range IGT funding.

As discussed above, despite this progress, the hospital is also planning for \$4.4 million in capital expenditures, all of which are currently budgeted to be funded directly from operations. As a result, the hospital's projected Days Cash on Hand is expected to decrease from approximately 25.0 days at the beginning of FY26 to 18.0 days by year-end.

It's important to note that this cash forecast assumes 100% of capital expenditures are paid out of operating cash flow. For reference and context, with no projected capital expenditures, our projected days cash on hand at FYE26 would be 46.0.

CONCLUSION

The FY26 budget reflects a relatively conservative, strategic approach designed to maintain the hospital's financial recovery while investing in growth, infrastructure, and long-term sustainability.

Building on the positive momentum from FY25, this budget maintains operational discipline, strengthens the hospital's funding base, and targets modest volume growth in high-performing service lines such as MRI, physical therapy, and surgery. The expanded Rate Range IGT program delivers a major boost to net revenue, while the budget addresses pressing infrastructure needs through \$4.4 million of capital investments.

At the same time, the hospital continues to operate under considerable external uncertainty, including health policy volatility and inflationary pressures. The FY26 plan is built to weather these challenges while sustaining financial progress, growing reserves, and investing in core services.

In short, this budget positions Sonoma Valley Hospital to move forward - responsibly, strategically, and with renewed financial strength - to better serve the community in the years ahead.

ATTACHMENTS:

FINANCIAL SCHEDULES:

- Schedule A **High Level Budget Comparison Summary |**
FY26 Budget vs. FY25 Estimated Actual vs. FY24 Actual
- Schedule B **Income Statement Comparison |**
FY25 Estimated Actual to FY26 Budget
- Schedule C **Variance Analysis FY25 to FY26 Crosswalk |**
FY25 Estimated Actual to FY26 Budget
- Schedule D **Cash Flow Forecast |**
FY26
- Schedule E **Capital Spending Projection |**
Critical Projects and Funding Plan FY26

ADDITIONAL ATTACHMENTS:

- **SVH Fiscal Year 2026 Budget PowerPoint Presentation**

Sonoma Valley Health Care District
Schedule A | Budget Comparison Summary
FY 2026 Budget vs. FY25 Estimated Actual vs. FY24 Actual

	FY26 Budget	FY25 Estimated Actual	Change	% Chg	FY24 ACTUAL	Change	% Chg
Operating Margin	\$ (3,412,488)	\$ (4,076,826)	\$ 664,338	16.3%	\$ (5,496,971)	\$ 2,084,483	37.9%
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Total Net Income	\$ (1,542,034)	\$ (1,813,735)	\$ 271,700	15.0%	\$ (2,776,052)	\$ 1,234,018	44.5%
Total EBDA	\$ 5,350,683	\$ 4,486,089	\$ 864,594	19.3%	\$ 2,491,114	\$ 2,859,568	114.8%
Net Patient Revenue	\$ 71,045,218	\$ 63,911,321	\$ 7,133,897	11.2%	\$ 55,785,286	\$ 15,259,932	27.4%
Operating Revenue	\$ 76,350,542	\$ 69,249,486	\$ 7,101,056	10.3%	\$ 60,844,442	\$ 15,506,099	25.5%
Operating Expenses	\$ 79,763,030	\$ 73,326,312	\$ 6,436,718	8.8%	\$ 66,341,413	\$ 13,421,617	20.2%
Total FTEs	255.61	246.38	9.2	3.7%	240.70	14.9	6.2%
Op. Revenue w.o IGT	\$ 56,506,292	\$ 54,788,480	\$ 1,717,812	3.1%	\$ 52,322,979	\$ 4,183,313	8.0%
Op. Expense w.o IGT	\$ 70,587,469	\$ 67,516,799	\$ 3,070,670	4.5%	\$ 63,243,920	\$ 7,343,548	11.6%
Op. Expense w.o IGT & Depr	\$ 63,694,752	\$ 61,216,975	\$ 2,477,776	4.0%	\$ 57,976,754	\$ 5,717,998	9.9%

Sonoma Valley Health Care District
Schedule B | Income Statement Comparison
FY 2026 Budget vs. FY 2025 Estimated Actual & FY 2024 Actual

Schedule B

			FY26 Budget vs FY25 Est				
	FY 2026	FY 2025	Actual			FY26 Budget vs FY24 Actual	
			Variance		FY 2024	Variance	
	BUDGET	EST ACTUAL	\$	%	ACTUAL	\$	%
Volume Information							
Acute Discharges	822	821	1	0.1%	820	2	0.3%
Patient Days	3,116	3,109	7	0.2%	2,942	174	5.6%
Average Daily Census	8.54	8.52	0.02	0.2%	8.06	0.48	5.6%
Emergency Room Visits	11,224	11,031	193	1.8%	10,418	806	7.2%
Total Surgeries	1,716	1,680	36	2.1%	1,883	(167)	-9.7%
Financial Results							
Total Gross Patient Revenue	\$ 363,065,160	\$ 358,137,905	\$ 4,927,255	1.4%	\$ 331,875,435	\$ 31,189,726	8.6%
Revenue Adjustments							
Contractual Discounts	\$ (311,864,192)	\$ (308,687,591)	\$ (3,176,602)	1.0%	\$ (284,611,612)	\$ (27,252,580)	8.7%
IGT Revenue	19,844,250	14,461,006	5,383,244	37.2%	8,521,464	11,322,786	57.1%
Total Deductions from Revenue	\$ (292,019,942)	\$ (294,226,585)	\$ 2,206,642	-0.7%	\$ (276,090,149)	\$ (15,929,794)	5.5%
Net Patient Service Revenue	\$ 71,045,218	\$ 63,911,321	\$ 7,133,897	11.2%	\$ 55,785,286	\$ 15,259,932	21.5%
Parcel Tax Revenue	\$ 3,800,000	\$ 3,800,004	(4)	0.0%	\$ 3,702,140	97,860	2.6%
Other Operating Revenue	1,505,324	1,538,161	(32,837)	-2.1%	1,357,016	148,308	9.9%
Total Operating Revenue	\$ 76,350,542	\$ 69,249,486	\$ 7,101,056	10.3%	\$ 60,844,442	\$ 15,506,099	20.3%
Operating Expenses							
Salary and Wages	\$ 26,761,469	\$ 25,385,525	\$ 1,375,944	5.4%	\$ 24,340,199	\$ 2,421,270	9.0%
Employee Benefits	10,357,195	9,762,464	594,731	6.1%	9,181,584	1,175,611	11.4%
Total People Cost	\$ 37,118,663	\$ 35,147,988	\$ 1,970,675	5.6%	\$ 33,521,783	\$ 3,596,881	9.7%
Med and Prof Fees	8,607,019	8,565,487	41,532	0.5%	7,185,139	1,421,880	16.5%
Supplies	7,714,884	7,689,894	24,990	0.3%	7,602,366	112,518	1.5%
Purchased Services	4,908,261	4,861,959	46,302	1.0%	4,962,998	(54,736)	-1.1%
Depreciation	6,892,717	6,299,823	592,893	9.4%	5,267,166	1,625,551	23.6%
Utilities	2,247,183	2,005,372	241,811	12.1%	1,945,773	301,410	13.4%
Insurance	1,172,221	1,020,929	151,292	14.8%	819,515	352,706	30.1%
Interest	438,622	447,654	(9,031)	-2.0%	712,067	(273,445)	-62.3%
Other	1,487,897	1,477,691	10,206	0.7%	1,227,113	260,784	17.5%
IGT Matching Fees	9,175,561	5,809,513	3,366,048	57.9%	3,097,493	6,078,068	66.2%
Total Operating Expenses	\$ 79,763,030	\$ 73,326,312	\$ 6,436,718	8.8%	\$ 66,341,413	\$ 13,421,617	16.8%
Total Operating Margin	\$ (3,412,488)	\$ (4,076,826)	\$ 664,338	16.3%	\$ (5,496,971)	\$ 2,084,483	37.9%
Total Operating EBDA	\$ 3,480,229	\$ 2,222,998	\$ 1,257,231	56.6%	\$ (229,804)	\$ 3,710,034	1614.4%
Non Operating Income							
Non Operating Income	326,900	317,261	\$ 9,639	3.0%	312,335	\$ 14,565	4.5%
GO Bond Tax Income, Net	1,543,554	1,945,830	(402,276)	-20.7%	2,408,584	(865,030)	-56.0%
Total Non-Operating Income	\$ 1,870,454	\$ 2,263,091	\$ (392,638)	-17.3%	\$ 2,720,919	\$ (850,465)	-45.5%
Net Income / (Loss)	\$ (1,542,034)	\$ (1,813,735)	\$ 271,700	15.0%	\$ (2,776,052)	\$ 1,234,018	80.0%
Foundation Contributions	\$ 1,500,000	\$ 2,255,547	\$ (755,547)	-33.5%	\$ 5,505,614	\$ (4,005,614)	-267.0%
Change in Net Position	\$ (42,034)	\$ 441,812	\$ (483,846)	-109.5%	\$ 2,729,562	\$ (2,771,596)	-6593.7%

Net Patient Revenue			
	Net Patient Revenue - FY25 ESTIMATED ACTUAL	\$	63,911,321
Changes of Note - FY25 Estimated Actual to FY26 Budget:			
Net Revenue Impact of Estimated IGT Increase			5,383,000
<u>Projected Revenue Changes From Budgeted Growth/Expansion:</u>			1,682,500
Physical Therapy Expansion Expansion Go-Live Summer 2025			
MRI 3Tesla MRI Increase (budgeting 200 exams/month)			
Surgery 2% increase in surgical volumes			
Impact of Price Increases (for payor contracts reimbursing as a % of charges)			
Emergency Room 2% increase in ER visits			
All Other Changes			68,397
Total Projected Changes for FY26 Budget		\$	7,133,897
	Net Patient Revenue - FY26 BUDGET	\$	71,045,218
	Change From FY25 Estimated Actual	\$	7,133,897
	% Change		11.2%
Salaries & Wages			
	Salaries & Wages - FY25 ESTIMATED ACTUAL	\$	25,385,525
Changes of Note - FY25 Estimated Actual to FY26 Budget:			
3% Merit Adjustment Salary Increases & Additional Allotment for Market Adjustments			880,000
<u>Salary Increases from FTE Additions (net 9.2 FTE adds from FY25 to FY26 Budget):</u>			777,600
OP Therapy 3.0 FTE add to support budgeted volume growth			
Wound Care Clinic 1.0 FTE of clinic staff to support department growth			
Project Manager/Plant Ops 1.0 FTE for replacement of project manager			
Registration 1.5 FTEs for replacements of open positions			
IT New 1.0 FTE for Cloud Engineer to support internal hosting of key platforms			
FTE True-Up 1.5 FTE increase for truing up positions hired mid-year FY25			
Salary cost reduction due to replacement of 3.0 FTEs worth of Travelers			(268,300)
All Other Changes			(13,356)
Total Projected Changes for FY26 Budget		\$	1,375,944
	Salaries & Wages - FY26 BUDGET	\$	26,761,469
	Change From FY25 Estimated Actual	\$	1,375,944
	% Change		5.4%
Employee Benefits			
	Employee Benefits - FY25 ESTIMATED ACTUAL	\$	9,762,464
Changes of Note - FY25 Estimated Actual to FY26 Budget:			
Estimated increase in Health Insurance Expense			545,000
All Other Changes			49,731
Total Projected Changes for FY26 Budget		\$	594,731
	Employee Benefits - FY26 BUDGET	\$	10,357,195
	Change From FY25 Estimated Actual	\$	594,731
	% Change		6.1%

Medical and Professional Fees

Medical and Professional Fees - FY25 ESTIMATED ACTUAL		\$ 8,565,487
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
<i>Physician / Professional Fee Changes:</i>		
Adjustment to Hospitalist Contract - 3% contracted COLA		45,000
Adjustment to Anesthesia Contract - 3% contracted COLA		60,000
Orthopod Recruitment (1-Yr Salary Guarantee) Off Books in FY26		(82,000)
<i>Other Professional Fee Changes:</i>		
UCSF Management Fees 3% COLA Adjustment		58,000
<i>All Other Changes</i>		<i>(39,468)</i>
Total Projected Changes for FY26 Budget	\$	41,532
Medical and Professional Fees - FY26 BUDGET		\$ 8,607,019
Change From FY25 Estimated Actual	\$	41,532
% Change		0.5%

Supplies

Supplies - FY25 ESTIMATED ACTUAL		\$ 7,689,894
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
3% Global Inflation Adjustment on Supplies		215,000
5% Inflation in cost for Blood Units & Pharmaceuticals/Drugs		74,500
Addtl 2% adjustment for potential tariff impact on pharmaceuticals & other supplies		152,000
Budgeted supply reduction Estimated savings due to new pricing on Zimmer implants		(175,000)
Budgeted supply reduction Estimated savings due to new lab analyzer contract		(200,000)
Budgeted supply reduction Estimated savings due to transition to new GPO (not budgeting)		-
<i>All Other Changes</i>		<i>(41,510)</i>
Total Projected Changes for FY26 Budget	\$	24,990
Supplies - FY26 BUDGET		\$ 7,714,884
Change From FY25 Estimated Actual	\$	24,990
% Change		0.3%

Purchased Services

Purchased Services - FY25 ESTIMATED ACTUAL		\$ 4,861,959
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
OP Physical Therapy Additional contracts related to footprint expansion		30,000
New Contracts Projected lease cost for ROSA robot (projected 84 cases vs. 110 threshold)		31,200
Food & Nutrition 4% COLA adjustment for Forefront contract		15,000
<i>All Other Changes</i>		<i>(29,898)</i>
Total Projected Changes for FY26 Budget	\$	46,302
Purchased Services - FY26 BUDGET		\$ 4,908,261
Change From FY25 Estimated Actual	\$	46,302
% Change		1.0%

Depreciation		
	Depreciation - FY25 ESTIMATED ACTUAL	\$ 6,299,823
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
ODC Project Incremental depreciation for Central Wing Demo and remaining CIP		282,000
PT Expansion Incremental depreciation for PT Expansion, starting in July 2025		250,000
ICU Upgrade Project Project will be operational in July 2025		70,000
<i>All Other Changes</i>		<i>(9,107)</i>
Total Projected Changes for FY26 Budget	\$	592,893
	Depreciation - FY26 BUDGET	\$ 6,892,716
	Change From FY25 Estimated Actual	\$ 592,893
	% Change	9.4%
Utilities		
	Utilities - FY25 ESTIMATED ACTUAL	\$ 2,005,372
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
Estimated 12% increase with PG&E		240,000
<i>All Other Changes</i>		<i>1,811</i>
Total Projected Changes for FY26 Budget	\$	241,811
	Utilities - FY26 BUDGET	\$ 2,247,183
	Change From FY25 Estimated Actual	\$ 241,811
	% Change	12.1%
Insurance		
	Insurance - FY25 ESTIMATED ACTUAL	\$ 1,020,929
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
Expected increase in Insurance base coverage cost - All Lines (15% increase in total)		151,292
Total Projected Changes for FY26 Budget	\$	151,292
	Insurance - FY26 BUDGET	\$ 1,172,221
	Change From FY25 Estimated Actual	\$ 151,292
	% Change	14.8%
Other Expenses		
	Other Expenses - FY25 ESTIMATED ACTUAL	\$ 1,477,691
Changes of Note - FY25 Estimated Actual to FY26 Budget:		
Pharmacy Pyxis Increase in cost for equipment and service with new lease		52,000
Non-Recurring Dues/Licenses Costs not repeating in FY25		(35,000)
<i>All Other Changes</i>		<i>(6,794)</i>
Total Projected Changes for FY26 Budget	\$	10,206
	Other Expenses - FY26 BUDGET	\$ 1,487,897
	Change From FY25 Estimated Actual	\$ 10,206
	% Change	0.7%

Sonoma Valley Health Care District
Schedule D | Cash Forecast - FY 2026 Budget

Schedule D

		FY 2026 Budget	
Hospital Sources of Cash			
1	Patient Payments Collected	\$	52,307,694
2	IGT Funding Proceeds		19,844,250
3	Other Revenue - Operating & Non-Operating Revenue		1,525,498
4	Unrestricted Contributions		-
Sub-Total Hospital Sources of Cash		\$	73,677,442
Hospital Operating Uses of Cash			
5	Operating Expenses	\$	64,194,752
6	Add: IGT Matching Fees		9,175,561
7	Add: Summit Bank Term Loan Repayment		420,000
8	Add: CHFFA Help II Loan Principal		395,000
9	Add: Line of Credit / Debt Paydowns		-
Total Hospital Operating Uses of Cash		\$	74,185,313
Net Hospital Sources / (Operating Uses) of Cash		\$	(507,871)
Non-Hospital Sources/(Uses) of Cash			
Non-Hospital Sources			
10	Parcel Tax Revenue	\$	3,800,000
Non-Hospital Uses			
11	n/a	\$	-
Total Net Non-Hospital Sources/Uses of Cash		\$	3,800,000
Net Sources / (Uses) of Cash Before SVH Funded Capital Expenditures		\$	3,292,129
12	Hospital Funded Capital Expenditures *	\$	4,400,000
Total Net Sources / (Uses) of Cash		\$	(1,107,871)
Projected Cash at Beginning of Fiscal Year		\$	3,898,000
Projected Cash at End of Fiscal Year		\$	2,790,129
Projected Days Cash on Hand - Beginning FY 2026			25.0
Budgeted Days Cash on Hand - End FY 2026			17.9

* Does not include any SVHF (Foundation) funded capital expenditures. See Schedule E for detail.

Sonoma Valley Health Care District

Schedule E | Critical Capital Projects FY26

Project/Equipment	Projected Cost		Project Description / Comments:
Air Handler & Exhaust Fan - AH #3	\$	1,700,000	AH 3 has failed. Need to replace and upsize to handle load from SNF.
ODC CT Phase II & Central Wing Demo	\$	1,000,000	Additional costs to complete CT Phase II & Central Wing Demo (beyond SVHF raised funds).
ODC Completion Completion of ODC Project & Determination of MRI		TBD	Costs to fully complete ODC project.
OR Video Integration Equipment	\$	800,000	Integrated surgical video routing and control system that connects OR cameras, monitors, and imaging devices to streamline workflow and support advanced surgical procedures.. All components at end of life - was all new in 2014 with new OR.
Telemetry Replacement	\$	700,000	Current telemetry monitoring system is at end of service. Vetting multiple options, will need to at least prioritize ICU in FY26, but whole system needs replacing.
Routine Capital	\$	200,000	Allotment for estimated routine capital needs for "emergency" and/or replacement purposes.
TOTAL SVH Critical Capital Projects	\$	4,400,000	

SVH FY26 BUDGET

May 27, 2025



SVH FY26 OPERATIONAL BUDGET



Goals & Guiding Principals | FY25 Lookback and Progress



Goals & Guiding Principals | FY26 Budget



F26 Budget Assumptions | General Methodology



F26 Budget Assumptions | Operating EBDA Target Setting



F26 Budget Assumptions | High Level Assumptions

FY25 Budget Lookback | Goals & Guiding Principles

- ✓ **Operational Improvement** | Budget financial improvement from operations
 - **FY25 Estimated Actual Operating EBDA \$2.2M | +\$1.1K vs Budget, +\$2.0M vs PY**
- ✓ **Cash Improvement From Operations** | Achieve significant improvement in net cash inflow/outflow from operations
 - **Days Cash on Hand | March25=35.6, June24=22.7**
 - **Projected to generate positive cash flow from operations (+\$3M turnaround from prior year)**
- ✓ **Build back to FY23 financial performance** to re-establish upwards trajectory
 - **FY25 Estimated Actual Operating EBDA \$2.2M | On-track to finish +\$1M vs. FY23 Performance**
 - **Budget Growth** | Budget growth despite transition in surgical services
 - ✗ MRI Expansion | 85% of Target | +35% PY Volumes
 - PT Expansion | YTD 104% of Target | +30% vs. PY Volumes
 - ✓ 1206(B) Clinic Expansion
 - ✓ Orthopedic Recruitment
 - ✓ Revenue Enhancement Initiatives | \$3.7M in Net IGT Funding YoY

FY26 Budget | Goals & Guiding Principles

Continue Financial Trajectory | Fund Critical Capital | Build Reserves

- **Sustain Positive Momentum** | Preserve and extend improvements achieved in FY25.
- **Strengthen Cash Position & Financial Flexibility** | Build cash reserves to support long term stability and weather funding volatility
- **Fund Critical Capital Needs** | Budget to fund critical capital needs without compromising cash preservation
- **Targeted, Strategic Growth** | Budget for modest, volume-driven growth with ramping services:
 - MRI / Imaging Utilization
 - Physical Therapy Expansion
 - Surgical Volumes
 - Growth through UCSF Affiliation

FY26 Budget Assumptions | General Methodology

- **General Methodology**

- Fiscal year 2026 budget is based on our current fiscal year 2025 baseline, July-January
- Adjusted based on anticipated impacts of planned strategic initiatives and known external factors
- FY 2026 Budget is compared to FY 2025 Estimated Actual & FY 2024 Actual

- **Fiscal Year 2025 Estimated Actual**

- Annualized based on current fiscal year run-rate, **July 2024 through March 2025**
- IGT Income & Foundation Donations for April-June based on known estimates

FY26 Budget Assumptions | Setting Margin Target

- FY 2026 Budget Target Setting**

- Targeted maintaining current FY25 financial performance

- FY25 Actual Projected Operating EBDA \$2.2M**

- \$1.0M improvement compared to FY25 Budget
- \$2.5M improvement compared to FY24 Actual

\$1.1M Improvement
(FY25 Estimated Actual
vs. FY25 Budget)

\$2.5M Improvement
(FY25 Estimated Actual
vs. FY24 Actual)

	FY25 Estimated Actual				FY25 Budget				FY24 ACTUAL			
			Change	% Chg							Change	% Chg
Operating Margin	\$	(4,076,826)	\$	(4,807,216)	\$	730,391	15.2%	\$	(5,496,971)	\$	1,420,145	25.8%
Operating EBDA	\$	2,222,998	\$	1,093,239	\$	1,129,759	103.3%	\$	(229,804)	\$	2,452,802	-1067.3%
Total Net Income	\$	(1,813,735)	\$	(2,424,548)	\$	610,814	25.2%	\$	(2,776,052)	\$	962,317	34.7%
Total EBDA	\$	4,486,089	\$	3,475,907	\$	1,010,182	29.1%	\$	2,491,114	\$	1,994,974	80.1%

FY26 Budget Assumptions | Overall High Level Assumptions

- **Volumes**

- Based on current year baseline, July 2024-January 2025
- Targeted Budgeted growth | MRI (3T Magnet), OP PT Expansion, Modest Surgical Increase

- **Revenue**

- Net patient revenue driven by budgeted volumes
- Budgeted revenue enhancements | Rate Range IGT Estimations for FY26
- Budgeted revenue due to growth | MRI (3T Magnet), OP PT Expansion, Modest Surgical Increase

- **Expenses**

- Based on current year baseline, July 2024-January 2025
- Annual salary merit increases of 3%
- Inflation of 5% for drugs, 5% for blood, and 3% for other supplies
- FTEs based on July-January and adjusted based on department volumes
- IGT matching fee expense based on current estimate
- Investments to support strategic growth | PT Expansion, Registration

FY26 Budget | FY24 -> FY26 Roll Forward



FY24 to FY25 Roll Forward



FY25 to FY26 Budget Roll Forward



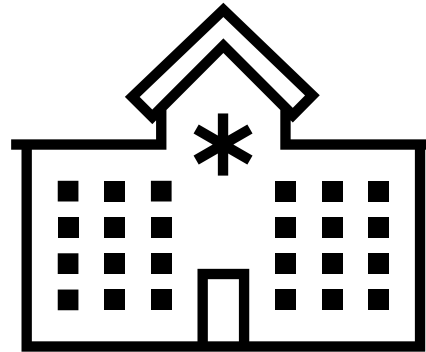
FY26 Budget Highlights



FY26 Budget High Level Summary

SVH Operations Roll Forward | FY24 Actual – FY25 Estimated Actual

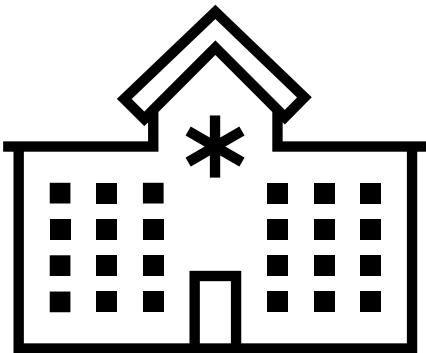
FY24 ACTUAL	\$
Net Patient Revenue	\$ 47.3M
IGT Revenue	\$ 8.5M
Parcel Tax Revenue	\$ 3.7M
Other Operating Revenue	\$ 1.4M
TOTAL Revenues	\$ 60.8M
Labor	\$ 33.5M
Supplies	\$ 7.6M
Purch/Contracted Serv	\$ 12.1M
Utilities, Insurance, Interest	\$ 3.5M
Other Expenses	\$ 1.2M
IGT Matching Fees	\$ 3.1M
Depreciation	\$ 5.3M
TOTAL Operating Expenses	\$ 66.3M
Operating Margin	(\$ 5.5M)
Operating EBDA	(\$ 0.2M)



FY25 ESTIMATED ACTUAL	\$	YOY CHG
Net Patient Revenue	\$ 49.5M	\$ 2.2M
IGT Revenue	\$ 14.5M	\$ 5.9M
Parcel Tax Revenue	\$ 3.8M	\$.1M
Other Operating Revenue	\$ 1.5M	\$.2M
TOTAL Revenues	\$ 69.2M	\$ 8.4M
Labor	\$ 35.1M	\$ 1.6M
Supplies	\$ 7.7M	\$.1M
Purch/Contracted Serv	\$ 13.4M	\$ 1.3M
Utilities, Insurance, Interest	\$ 3.5M	-
Other Expenses	\$ 1.5M	\$.3M
IGT Matching Fees	\$ 5.8M	\$ 2.7M
Depreciation	\$ 6.3M	\$ 1.0M
TOTAL Operating Expenses	\$ 73.3M	\$ 7.0M
Operating Margin	(\$ 4.1M)	\$ 1.4M
Operating EBDA	\$ 2.2M	\$ 2.5M

SVH Operations Roll Forward | FY25 Estimated Actual to FY26 Budget

FY25 ESTIMATED ACTUAL	\$
Net Patient Revenue	\$ 49.5M
IGT Revenue	\$ 14.5M
Parcel Tax Revenue	\$ 3.8M
Other Operating Revenue	\$ 1.5M
TOTAL Revenues	\$ 69.2M
Labor	\$ 35.1M
Supplies	\$ 7.7M
Purch/Contracted Serv	\$ 13.4M
Utilities, Insurance, Interest	\$ 3.5M
Other Expenses	\$ 1.5M
IGT Matching Fees	\$ 5.8M
Depreciation	\$ 6.3M
TOTAL Operating Expenses	\$ 73.3M
Operating Margin	(\$ 4.1M)
Operating EBDA	\$ 2.2M



FY26 BUDGET	\$	YOY CHG
Net Patient Revenue	\$ 51.2M	\$ 1.8M
IGT Revenue	\$ 19.8M	\$ 5.4M
Parcel Tax Revenue	\$ 3.8M	-
Other Operating Revenue	\$ 1.5M	-
TOTAL Revenues	\$ 76.4M	\$ 7.1M
Labor	\$ 37.1M	\$ 2.0M
Supplies	\$ 7.7M	-
Purch/Contracted Serv	\$ 13.5M	\$.1M
Utilities, Insurance, Interest	\$ 3.9M	\$.4M
Other Expenses	\$ 1.5M	-
IGT Matching Fees	\$ 9.2M	\$ 3.4M
Depreciation	\$ 6.9M	\$.6M
TOTAL Operating Expenses	\$ 79.8M	\$ 6.4M
Operating Margin	(\$ 3.4M)	\$.7M
Operating EBDA	\$ 3.5M	\$ 1.3M

FY26 Budget | Highlights

- **Operational EBDA Improvement** | **+\$1.3 million** improvement from operations vs FY25 | **+\$3.7 million** improvement from operations vs FY24
 - **Cash** | Budget estimated to generate a net **+\$3 million in cash** from operations, prior to capital expenditures
 - **Capital** | Budgeting to fund targeted critical capital needs of \$4.4 million (to be funded/financed from SVH operations)
-
- **Operating Revenue** | **+\$7.1 Million, +10%** compared to FY25
 - *Key Driver(s)* | Rate Range IGT Increase (+\$5.3M), Price Increases (+\$325K)
 - *Other Contributors* | Growth initiatives - PT Expansion Go-Live, MRI 3T Ramp-Up, Orthopedics Ramp-Up,
 - **Operating Expenses** | **+\$6.4 Million, +9%** increase compared to FY25
 - *Key Driver(s)* | Rate Range IGT Matching Fee increase (**+\$3.4M**), Increased Depreciation for PT expansion, ICU upgrade, Central Wing Demo (**+\$600,000**)
 - *Other Contributors* | 5% increase in Salary & Wages (**+\$1.4M**)

FY26 Budget | High Level Summary

	FY26 Budget	FY25 Estimated Actual	Change	% Chg	FY24 ACTUAL	Change	% Chg	FY25 Budget	Change	% Chg
Operating Margin	\$ (3,412,488)	\$ (4,076,826)	\$ 664,338	16.3%	\$ (5,496,971)	\$ 2,084,483	37.9%	\$ (4,807,216)	\$ 1,394,729	29.0%
Operating EBDA	\$ 3,480,229	\$ 2,222,998	\$ 1,257,231	56.6%	\$ (229,804)	\$ 3,710,034	1614.4%	\$ 1,093,239	\$ 2,386,990	218.3%
Total Net Income	\$ (1,542,034)	\$ (1,813,735)	\$ 271,700	15.0%	\$ (2,776,052)	\$ 1,234,018	44.5%	\$ (2,424,548)	\$ 882,514	36.4%
Total EBDA	\$ 5,350,683	\$ 4,486,089	\$ 864,594	19.3%	\$ 2,491,114	\$ 2,859,568	114.8%	\$ 3,475,907	\$ 1,874,776	53.9%
Net Patient Revenue	\$ 71,045,218	\$ 63,911,321	\$ 7,133,897	11.2%	\$ 55,785,286	\$ 15,259,932	27.4%	\$ 60,773,650	\$ 10,271,568	16.9%
Operating Revenue	\$ 76,350,542	\$ 69,249,486	\$ 7,101,056	10.3%	\$ 60,844,442	\$ 15,506,099	25.5%	\$ 65,898,915	\$ 10,451,626	15.9%
Operating Expenses	\$ 79,763,030	\$ 73,326,312	\$ 6,436,718	8.8%	\$ 66,341,413	\$ 13,421,617	20.2%	\$ 70,706,132	\$ 9,056,898	12.8%
Total FTEs	255.61	246.38	9.2	3.7%	240.70	14.9	6.2%	245.75	9.9	4.0%
Op. Rev w.o IGT	\$ 56,506,292	\$ 54,788,480	\$ 1,717,812	3.1%	\$ 52,322,979	\$ 4,183,313	8.0%	\$ 55,440,355	\$ 1,065,936	1.9%
Op. Exp w.o IGT	\$ 70,587,469	\$ 67,516,799	\$ 3,070,670	4.5%	\$ 63,243,920	\$ 7,343,548	11.6%	\$ 66,323,842	\$ 4,263,627	6.4%
Op. Exp w.o IGT & Depr	\$ 63,694,752	\$ 61,216,975	\$ 2,477,776	4.0%	\$ 57,976,754	\$ 5,717,998	9.9%	\$ 60,423,387	\$ 3,271,365	5.4%

FY26 Budget | Volumes

- **Main Budgeted Themes**
 - **Continued Ancillary Growth** | Physical Therapy Expansion, MRI Ramp-Up
 - **Surgical Volumes** | Modest growth due to service line ramp-ups
- **Surgical Volumes** | **+2.0%** compared to FY25
 - Modest increase due to continued ramp-up of Dr. Walter
 - Monthly Surgical Volumes | FY25 Actual=140 -> FY26 Budget=143
- **MRI Volumes** | **Increasing by 10%** compared to FY25
 - MRI Scans / Working Day | FY24 Actual=4.5 -> FY25 Actual=9.1 -> FY26 Budget=10.1
 - Monthly MRI Volumes | FY25 Actual=181 -> FY26 Budget=202
- **Physical Therapy** | **+15%** increase compared to FY24
 - Expansion budgeted to come online Summer 2025
- **Emergency Room** | Modest, **2.0%** increase vs FY24

FY25 Est. Actual to FY26 Budget – Key Drivers

	FY25 Est.	FY26 Budget	Chg	% Chg	% Chg
Net Patient Revenue	\$ 49.5M	\$ 51.2M	\$ 1.8M	+4%	PT Expansion (\$350K), Gross Price Increases (\$325K), MRI Ramp-Up (\$315K), Surgery 2% Increase (\$310K), ER 2% Increase (\$225K)
IGT Revenue	\$ 14.5M	\$ 19.8M	\$ 5.4M	+37%	Renegotiation of next FY Rate Range IGT Anticipated increase (\$5.4M)
Parcel Tax Revenue	\$ 3.8M	\$ 3.8M	-	-	No anticipated changes
Other Operating Revenue	\$ 1.5M	\$ 1.5M	-	-	No major changes anticipated
TOTAL Revenues	\$ 69.2M	\$ 76.4M	\$ 7.1M	+10.3%	
Labor	\$ 35.1M	\$ 37.1M	\$ 2.0M	+6%	3% Merit Increases & select market adjustments (\$880K), 9.2 FTE additions 4.5 to support growth initiatives in PT and Wound care, FTE True-Ups and filling of open mgmt. positions
Supplies	\$ 7.7M	\$ 7.7M	-	-	Global inflation (3% supplies, 5% blood & drugs), netted by anticipated decrease in implant costs + decrease in reagent consumables
Purch/Contracted Serv	\$ 13.4M	\$ 13.5M	\$.1M	+1%	No major changes anticipated
Utilities, Insurance, Interest	\$ 3.5M	\$ 3.9M	\$.4M	+11%	Estimating 12% increase in utilities, 15% increase in insurance, netted by anticipated small (2%) reduction in interest expense
Other Expenses	\$ 1.5M	\$ 1.5M	-	-	No major changes anticipated
IGT Matching Fees	\$ 5.8M	\$ 9.2M	\$ 3.4M	+58%	Increase in IGT matching fees due to significant increase in IGT funding
Depreciation	\$ 6.3M	\$ 6.9M	\$.6M	+9%	ODC Central Wing Demo (\$282K), PT Expansion (\$250K), ICU Upgrade Project (\$70K)
TOTAL Operating Expenses	\$ 73.3M	\$ 79.8M	\$ 6.4M	+8.8%	
Operating Margin	(\$ 4.1M)	(\$ 3.4M)	\$.7M	+16%	+\$700K in Operating Margin
Operating EBDA	\$ 2.2M	\$ 3.5M	\$ 1.3M	+56%	+\$1.3M in Operating EBDA

FY26 Budget | Annual Cash Flow Projection

	FY26 ANNUAL	FY26 MONTHLY
Total Hospital Sources of Cash	\$ 73,677,442	\$ 6,139,787
Total Hospital Operating Uses of Cash	\$ 74,185,313	\$ 6,182,109
Net Hospital Sources / (Operating Uses) of Cash	\$ (507,871)	\$ (42,323)
Parcel Tax Revenue	\$ 3,800,000	\$ 316,667
Net Sources / (Uses) of Cash Before SVH Capital	\$ 3,292,129	\$ 274,344
Hospital Funded Capital Expenditures *	\$ 4,400,000	\$ 366,667
Total Net Sources / (Uses) of Cash	\$ (1,107,871)	\$ (92,323)
Projected Cash at Beginning of Fiscal Year	\$ 3,898,000	
Projected Cash at End of Fiscal Year	\$ 2,790,129	
Projected Days Cash on Hand - Beginning FY 2026	25.0	
Budgeted Days Cash on Hand - End FY 2026	17.9	
* Does not include SVHF (Foundation) supported capital		

**+\$3.3M Positive
Cash Flow Prior
to SVH funded
Capital**

FY26 BUDGET SCHEDULES

- **Schedule A | High Level Budget Comparison Summary**
 - FY26 Budget v FY25 Estimated Actual v FY24 Actual
- **Schedule B | Income Statement Comparison**
 - FY25 Estimated Actual to FY26 Budget
- **Schedule C | Variance Analysis / FY25 to FY26 Crosswalk**
 - FY25 Estimated Actual to FY26 Budget
- **Schedule D | Cash Flow Forecast**
 - FY26
- **Schedule E | Capital Spending Projection**
 - Critical Projects and Funding Plan FY26



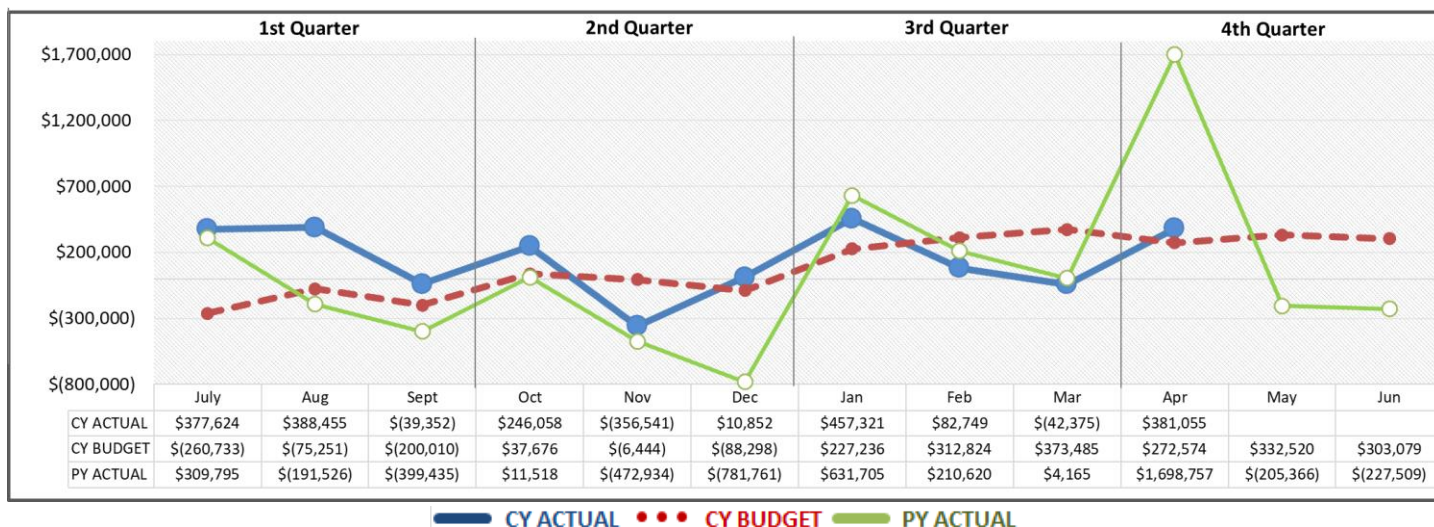
To: SVHCD Finance Committee
 From: Ben Armfield, Chief Financial Officer
 Date: May 27, 2025
 Subject: Financial Report for April 2025

OVERALL PERFORMANCE SUMMARY

April continued the hospital's strong financial trajectory, with results again exceeding budget expectations. Volumes across most service areas exceeded budget, helping to drive the better-than-expected financial performance. Key highlights:

- **Operating EBDA** (with Parcel Taxes) –The hospital posted a positive Operating EBDA of **\$381,100** exceeding the budget of **\$273,000** by **\$108,000**.
- **Operating Revenues** – **\$6.6 Million**. Exceeded budget by **15%**, or **\$865,000**, driven primarily by the increase in our IGT revenue accrual. Other contributing areas in April include surgery, physical therapy, imaging, and another better than expected month in cash collections.
- **Operating Expenses** - Exceeded budget by **13%**, or **\$764,000**. Nearly half of the overage is due to the additional IGT accrual stemming from the higher Rate Range IGT allotment we received this year. Without IGT matching fees and depreciation the monthly expenses exceeded budget by 7%. Notably, for the second consecutive month, we also saw a rise in health benefit claims expenses. We are actively evaluating and researching this trend to understand the underlying cause. Prior to April, our health benefit costs had been consistent with budget year-to-date.
- **Cash** – April was an excellent month in terms of cash collections, collecting just shy of \$5 million. April's cash collections (\$4.97 million) were nearly 20% higher than our current year monthly average of \$4.25, and helped drive an overall days cash improvement compared to March. The hospital ended April with **\$5.8 million in cash** and **37.4 Days Cash on Hand**.

Trended Operating EBDA (Includes Parcel Taxes)



Overall Performance (In 1000s, Includes Parcel Taxes) | April 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	Actual	Budget	Var	%	PY Actual	Var	%
Operating Margin	\$ (118.7)	\$ (219.1)	\$ 100.5	46%	\$ (3,718.7)	\$ (4,384.0)	\$ 665.3	15%	\$ (3,411.3)	\$ (307.4)	-9%
Operating EBDA	\$ 381.1	\$ 272.6	\$ 108.5	40%	\$ 1,505.8	\$ 593.1	\$ 912.8	154%	\$ 939.4	\$ 566.5	60%
Net Income (Loss)	\$ 67.8	\$ (31.0)	\$ 98.8	318%	\$ (1,838.4)	\$ (2,502.9)	\$ 664.6	27%	\$ (1,341.4)	\$ (497.0)	-37%

DRIVERS IN MONTHLY PERFORMANCE

- **Inpatient Activity** – The hospital continues to experience a modest spike in inpatient activity. Despite a small drop in March, April was the second busiest month of the fiscal year for inpatient services. Our Average Daily Census (ADC) reached 10.7, which was 20% higher than the monthly budget.
- **Physical Therapy** – PT volumes remain robust while construction on the expansion project continues. The budget increased by 50% starting in January, which equates to a budget of 1,590 monthly visits between now and the end of the year. While not quite hitting that mark, the department recorded nearly 1,500 patients visits in April, the second highest this year and a 10% increase from March. Year-to-date, volumes are over 20% higher than our prior-year average.
- **Emergency Room** – Volumes continue to be robust in our ER. We had 966 visits in April, which equates to over 32 per day. The goal with the new medical group was to eventually get to 30+ per day, and through April we are averaging 30.3 for the year.
- **Surgical Volumes** – Surgical volumes picked up again in April, driven by further increases in GI Orthopedics volumes. We performed 170 surgeries in April, which was 10% higher than budget for the month. While year-to-date volumes remain about 10% below prior year, the strong performance over the past two months has brought us back in line with budget expectations for the fiscal year.
- **Imaging MRI** – MRI volumes hit 192 exams, a strong month even if shy of internal targets as it represents a 50% increase over prior year monthly averages. Year-to-date volumes, despite falling short of the robust budget target, are up 35% when comparing to prior year. Importantly, we've begun seeing new referrals from UCSF affiliates. Small numbers, but progress.
- **Imaging CT** – April marked an all-time high for CT volumes at 478 scans. Year-to-date CT volumes are now nearly 20% above the prior year.

OTHER FINANCE UPDATES

- **IGT Rate Range Program**– We have concluded negotiations for next fiscal year's Rate Range program, and I am pleased to report that we secured a sizable increase over what was already a significant boost this year. We plan to discuss this in more detail during April's Committee meeting, particularly as we pivot towards developing a funding strategy to support the higher required matching fee.
- **Capital Needs & Funding Options** – We plan to discuss more in detail during our joint FY26 Budget Workshop, but we continue to evaluate and pursue additional funding and financing vehicles to support procurement of critical capital investments. Options under consideration include both internal and external financing strategies to preserve liquidity while addressing urgent infrastructure and equipment needs.

FINANCE REPORT ATTACHMENTS:

- Attachment A Income Statement
- Attachment B Balance Sheet
- Attachment C Cash Flow Forecast
- Attachment D Key Performance Indicators | Volumes & Statistics
- Attachment E Fiscal Year 2025 Business Plan Tracker
- Attachment F Key Performance Indicators | Overall Performance

Sonoma Valley Health Care District
Income Statement (in 1000s)
For the Period Ended April 30, 2025

ATTACHMENT A

		Month				Year-To- Date						
Revenues		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
1	Net Patient Revenue	\$ 4,520.1	\$ 4,446.4	73.8	2%	\$ 42,355.9	\$ 41,436.5	919.5	2%	\$ 40,658.0	1,697.9	4%
2	IGT Program Revenue	1,654.9	871.5	783.3	90%	10,774.2	8,715.5	2,058.8	24%	7,673.9	3,100.3	40%
3	Parcel Tax Revenue	316.7	312.5	4.2	1%	3,166.7	3,125.0	41.7	1%	3,085.1	81.6	3%
4	Other Operating Revenue	95.4	92.0	3.4	4%	1,012.9	919.9	93.0	10%	930.9	82.0	9%
5	Total Revenue	\$ 6,587.1	\$ 5,722.4	864.7	15%	\$ 57,309.8	\$ 54,196.9	3,112.9	6%	\$ 52,348.0	4,961.8	9%
Operating Expenses		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
6	Labor / Total People Cost	\$ 3,225.5	\$ 2,969.7	255.8	9%	\$ 29,588.2	\$ 29,155.8	432.4	1%	\$ 28,011.0	1,577.2	6%
7	Professional Fees	739.5	693.8	45.6	7%	6,893.6	6,831.0	62.6	1%	5,888.8	1,004.8	17%
8	Supplies	699.3	638.5	60.8	10%	6,466.8	6,096.6	370.2	6%	6,363.0	103.7	2%
9	Purchased Services	405.4	400.8	4.6	1%	4,051.9	4,057.6	(5.7)	0%	4,191.9	(140.0)	-3%
10	Depreciation	499.7	491.7	8.0	2%	5,224.6	4,977.0	247.5	5%	4,350.7	873.9	20%
11	Interest	36.8	29.4	7.4	25%	367.4	294.4	73.0	25%	540.4	(173.0)	-32%
15	Other	371.5	352.3	19.2	5%	3,749.5	3,516.5	233.0	7%	3,302.6	446.9	14%
16	IGT Program Expense	728.0	365.2	362.8	99%	4,686.6	3,651.9	1,034.7	28%	3,111.0	1,575.6	51%
17	Operating Expenses	\$ 6,705.7	\$ 5,941.5	764.2	13%	\$ 61,028.5	\$ 58,580.8	2,447.7	4%	\$ 55,759.3	5,269.2	9%
18	Operating Margin	\$ (118.7)	\$ (219.1)	100.5	46%	\$ (3,718.7)	\$ (4,384.0)	665	15%	\$ (3,411.3)	(307.4)	-9%
Non Operating Income		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
19	GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,617.1	1,775.7	(158.6)	-9%	1,747.1	(130.0)	-7%
20	Misc Revenue/(Expenses)	23.6	10.5	13.1	124%	263.3	105.3	158.0	150%	322.8	(59.5)	-18%
21	Total Non-Op Income	\$ 186.5	\$ 188.1	(1.7)	-1%	\$ 1,880.4	\$ 1,881.0	(0.7)	0%	\$ 2,069.9	(189.6)	-9%
22	Net Income (Loss)	\$ 67.8	\$ (31.0)	98.8	-318%	\$ (1,838.4)	\$ (2,502.9)	664.6	27%	\$ (1,341.4)	(497.0)	-37%
23	Restricted Foundation Contr.	1,042.4	157.4	885.0	562%	3,148.0	1,574.1	1,573.9	100%	4,788.4	(1,640.4)	-34%
24	Change in Net Position	\$ 1,110.2	\$ 126.4	983.8	778%	\$ 1,309.6	\$ (928.9)	2,238.5	241%	\$ 3,447.0	(2,137.4)	62%
25	Operating EBDA	\$ 381.1	\$ 272.6	108.5	40%	\$ 1,505.8	\$ 593.1	912.8	-154%	\$ 939.4	566.5	-60%

Sonoma Valley Health Care District

ATTACHMENT B

**Balance Sheet
As of April 30, 2025
Expressed in 1,000s**

		<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2024 Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 5,806.3	\$ 5,572.6	\$ 3,748.6
2	Net Patient Receivables	7,770.2	7,908.8	11,860.2
3	Allow Uncollect Accts	(1,053.6)	(893.3)	(4,323.2)
4	Net Accounts Receivable	\$ 6,716.7	\$ 7,015.4	\$ 7,537.0
5	Parcel Tax Receivable	175.2	1,730.7	-
6	GO Bond Tax Receivable	975.3	975.3	-
7	Other Receivables	2,071.8	2,394.9	1,647.5
8	Inventory	946.9	942.2	913.4
9	Prepaid Expenses	1,043.0	1,030.0	637.5
10	Total Current Assets	\$ 17,735.1	\$ 19,661.2	\$ 14,484.0
11	Property, Plant & Equip, Net	\$ 60,570.3	\$ 59,848.2	\$ 61,734.0
12	Trustee Funds - GO Bonds	4,817.3	4,801.6	5,957.3
13	Other Assets - Deferred IGT Expense	1,453.0	2,120.4	-
14	Total Assets	\$ 84,575.7	\$ 86,431.4	\$ 82,175.3
Liabilities & Fund Balances				
Current Liabilities:				
15	Accounts Payable	\$ 7,371.4	\$ 8,294.3	\$ 6,443.4
16	Accrued Compensation	4,650.9	4,476.6	3,648.8
17	Interest Payable - GO Bonds	347.3	295.0	189.4
18	Accrued Expenses	168.5	388.5	409.6
19	Deferred IGT Revenue	3,103.0	4,602.4	-
20	Deferred Parcel Tax Revenue	633.3	950.0	-
21	Deferred GO Bond Tax Revenue	401.3	601.9	-
22	Line of Credit - Summit Bank	-	-	4,973.7
23	Other Liabilities	-	-	57.5
24	Total Current Liabilities	\$ 16,675.6	\$ 19,608.7	\$ 15,939.9
25	Long Term Debt, net current portion	\$ 27,812.9	\$ 27,845.7	\$ 27,457.8
26	Total Fund Balance	\$ 40,087.2	\$ 38,977.0	\$ 38,777.6
27	Total Liabilities & Fund Balances	\$ 84,575.7	\$ 86,431.4	\$ 82,175.3

<u>Cash Indicators</u>	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year FYE</u>
Days Cash	37.2	35.9	22.7
A/R Days	47.0	50.2	60.1
A/P Days	64.4	69.2	55.1

Sonoma Valley Health Care District
Cash Forecast (In 1000s)
FY 2025

ATTACHMENT C

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	\$ 4,211.7	\$ 4,169.5	\$ 4,265.7	\$ 4,281.0	\$ 4,115.5	\$ 3,960.7	\$ 4,215.3	\$ 3,754.9	\$ 5,221.2	\$ 4,970.6	\$ 4,300.0	\$ 4,300.0	\$ 51,766.0
2 Other Operating Revenue	316.7	106.8	46.0	192.7	75.3	88.8	115.0	107.7	90.1	90.8	100.0	100.0	1,429.9
3 Other Non-Operating Revenue	12.1	20.9	11.4	5.4	16.2	18.0	24.2	13.5	44.3	11.2	3.6	8.0	188.8
4 Unrestricted Contributions	-	8.2	9.5	9.1	6.0	7.6	-	-	-	-	-	-	40.4
5 Sub-Total Hospital Sources	\$ 4,540.5	\$ 4,305.4	\$ 4,332.6	\$ 4,488.2	\$ 4,212.9	\$ 4,075.1	\$ 4,354.5	\$ 3,876.2	\$ 5,355.6	\$ 5,072.6	\$ 4,403.6	\$ 4,408.0	\$ 53,425.1
Hospital Uses of Cash													
6 Operating Expenses / AP Payments	\$ 5,003.0	\$ 4,703.6	\$ 4,628.1	\$ 5,681.0	\$ 5,589.2	\$ 5,094.6	\$ 5,422.8	\$ 5,437.3	\$ 4,807.5	\$ 6,435.9	\$ 5,803.0	\$ 6,028.3	\$ 64,634.3
7 Term Loan Paydown	-	-	-	-	-	116.6	89.7	73.6	73.6	73.6	73.6	73.6	574.1
8 Bridge Loan Payback	-	-	-	-	-	-	758.2	-	-	-	-	-	758.2
9 Capital Expenditures	66.0	1,047.6	177.6	185.2	230.8	7.6	-	109.2	51.3	898.2	100.0	50.0	2,923.5
10 Total Hospital Uses	\$ 5,068.9	\$ 5,751.3	\$ 4,805.7	\$ 5,866.2	\$ 5,820.0	\$ 5,218.8	\$ 6,270.7	\$ 5,620.2	\$ 4,932.4	\$ 7,407.6	\$ 5,976.6	\$ 6,151.8	\$ 68,890.2
Net Hospital Sources/Uses of Cash	\$ (528.5)	\$ (1,445.8)	\$ (473.1)	\$ (1,378.0)	\$ (1,607.1)	\$ (1,143.7)	\$ (1,916.3)	\$ (1,743.9)	\$ 423.3	\$ (2,335.1)	\$ (1,573.0)	\$ (1,743.8)	\$ (15,465.1)
Non-Hospital Sources													
12 Restricted Cash/Money Market													-
11 Restricted Capital Donations	\$ 66.0	\$ 986.4	\$ 177.6	\$ 51.6	\$ 216.7	\$ -	\$ -	\$ 87.0	\$ -	\$ 870.1	\$ -	\$ -	\$ 2,455.4
12 Parcel Tax Revenue	142.5	-	-	1,612.0	-	446.6	-	-	-	1,555.5	-	-	3,756.6
13 Other Payments	-	-	-	653.0	-	-	-	-	-	-	-	-	653.0
14 IGT Payments	-	-	0.9	-	27.0	-	12,553.3	-	-	553.0	-	1,495.0	14,629.1
15 Distressed Hospital Loan Program	3,100.0	-	-	-	-	-	-	-	-	-	-	-	3,100.0
16 Line of Credit Payoff Funding - New Bank	-	-	-	-	1,900.0	-	-	-	-	-	-	-	1,900.0
17 Line of Credit Draw - New Bank	-	-	-	-	5,400.0	-	-	-	-	-	-	-	5,400.0
18 Sub-Total Non-Hospital Sources	\$ 3,308.4	\$ 986.4	\$ 178.4	\$ 2,316.6	\$ 7,543.6	\$ 446.6	\$ 12,553.3	\$ 87.0	\$ -	\$ 2,978.6	\$ -	\$ 1,495.0	\$ 31,894.1
Non-Hospital Uses of Cash													
19 IGT Matching Fee Payments	\$ -	\$ -	\$ -	\$ -	\$ 5,157.6	\$ -	\$ -	\$ -	\$ 230.2	\$ 409.9	\$ 86.5	\$ -	\$ 5,884.2
20 Line of Credit Payoff - US Bank LOC	3,100.0	-	-	-	1,895.5	-	-	-	-	-	-	-	4,995.5
21 Line of Credit Repayment - New LOC	-	-	-	-	-	-	5,400.0	-	-	-	-	-	5,400.0
22 Sub-Total Non-Hospital Uses of Cash	\$ 3,100.0	\$ -	\$ -	\$ -	\$ 7,053.1	\$ -	\$ 5,400.0	\$ -	\$ 230.2	\$ 409.9	\$ 86.5	\$ -	\$ 16,279.7
23 Net Non-Hospital Sources/Uses of Cash	\$ 208.4	\$ 986.4	\$ 178.4	\$ 2,316.6	\$ 490.5	\$ 446.6	\$ 7,153.3	\$ 87.0	\$ (230.2)	\$ 2,568.8	\$ (86.5)	\$ 1,495.0	\$ 15,614.4
24 Net Sources/Uses	\$ (320.1)	\$ (459.4)	\$ (294.7)	\$ 938.6	\$ (1,116.5)	\$ (697.1)	\$ 5,237.1	\$ (1,656.9)	\$ 193.0	\$ 233.7	\$ (1,659.5)	\$ (248.9)	\$ 149.4
25 Total Cash at beginning of period	\$ 3,748.6	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 5,379.6	\$ 5,572.6	\$ 5,806.3	\$ 4,146.8	
26 Total Cash at End of Period	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 5,379.6	\$ 5,572.6	\$ 5,806.3	\$ 4,146.8	\$ 3,898.0	
27 Days of Cash on Hand at End of Month	22.0	19.0	17.1	23.2	16.0	11.5	45.1	34.5	35.7	37.2	26.6	25.0	

Sonoma Valley Health Care District

Key Performance Indicators | Volumes & Statistics

For the Period Ended April 30, 2025

	Current Month				Year-To- Date							
	Actual	Budget	Var	%	YTD		YTD		PYTD			
					Actual	Budget	Var	%	Actual	Var	%	
Inpatient Volume												
Acute Patient Days	322	268	54	20%	2,654	2,649	5	0%	2,544	110	4%	
Acute Discharges	77	72	5	7%	693	723	(29)	-4%	699	(6)	-1%	
Average Length of Stay	4.2	3.7	0.5	12%	3.8	3.7	0.2	4%	3.6	0.2	5%	
Average Daily Census	10.7	8.9	1.8	20%	8.7	8.7	0.0	0%	8.4	0	4%	
Surgical Volume												
IP Surgeries	13	10	3	29%	97	103	(6)	-6%	135	(38)	-28%	
OP Surgeries	157	147	10	7%	1,356	1,348	8	1%	1,458	(102)	-7%	
Total Surgeries	170	157	13	8%	1,453	1,451	2	0%	1,593	(140)	-9%	
Other Outpatient Activity												
Total Outpatient Visits	6,190	5,100	1,090	21%	57,374	51,000	6,374	12%	52,032	5,342	10%	
Emergency Room Visits	966	893	73	8%	9,239	8,583	656	8%	8,486	753	9%	
Payor Mix		Actual	Budget	%	Actual	Budget	%					
Medicare	40.7%	37.8%	3.0%	37.4%	37.8%	-0.4%						
Medicare Mgd Care	18.5%	18.3%	0.3%	20.6%	18.3%	2.4%						
Medi-Cal	15.1%	16.2%	-1.1%	17.9%	16.2%	1.7%						
Commercial	22.5%	23.9%	-1.4%	20.8%	23.9%	-3.0%						
Other	3.1%	3.9%	-0.7%	3.2%	3.9%	-0.6%						
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						
Payor Mix calculated based on gross revenues												
Trended Outpatient Visits by Area												
Department	Most Recent Six Months							YoY Monthly Averages				
	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Last 6 Months	FY25	FY24	Chg	% Chg	
Lab	1,328	1,211	1,461	1,189	1,372	1,435		1,338	1,297	42	3%	
Medical Imaging	791	917	1,122	980	983	1,082		964	927	38	4%	
Physical Therapy	1,278	1,337	1,500	1,412	1,395	1,489		1,414	1,154	260	23%	
CT Scanner	442	426	435	423	428	478		444	380	63	17%	
Occ. Health	252	229	251	259	338	318		265	282	(17)	-6%	
Mammography	234	230	287	260	266	300		249	240	8	3%	
Occ. Therapy	167	210	190	159	205	172		202	205	(4)	-2%	
Ultrasound	183	163	235	206	214	237		220	217	3	1%	
Wound Care	236	254	280	264	267	234		246	177	69	39%	
MRI	151	190	163	176	191	192		178	131	46	35%	
ECHO	110	89	104	148	145	143		125	115	11	9%	
Speech Therapy	31	69	80	65	57	83		68	49	18	37%	
Other	19	8	28	24	33	27		24	20	4	21%	
TOTAL	5,222	5,333	6,136	5,565	5,894	6,190		5,737	5,195	542	10%	
Emergency Room	814	972	993	873	926	966		923	868	54	6%	

Sonoma Valley Hospital | FY25 Business Plan Tracker

ATTACHMENT E

Through April 2025

Through April 2025																	
Initiative	Investment	Measurable Outcome *	Financial Impact	Volumes / Impact	July	August	September	October	November	December	January	February	March	April	May	June	YTD
3T MRI	\$1 Million (Temp Trailer)	MRI Exams Incremental Growth over Baseline (>120 scans/month)	Incremental Revenue \$1,250,000	VOLUMES	*3T went live August 2023												
				Baseline (FY24)	95	95	95	95	95	95	95	95	95	95	95	95	950
				FY25 Budget	178	196	184	214	215	215	225	225	230	235	240	240	2,116
				FY25 Actual	130	182	182	222	151	190	163	176	191	192			1,779
				Actual vs. Budget	(48)	(14)	(2)	8	(64)	(25)	(62)	(49)	(39)	(43)			(337)
					↓	↓	↓	↑	↓	↓	↓	↓	↓	↓			↓
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted	\$ 71,400	\$ 86,300	\$ 76,100	\$ 102,200	\$ 103,000	\$ 103,000	\$ 111,600	\$ 111,600	\$ 115,900	\$ 120,100	\$ 124,400	\$ 124,400	\$ 1,001,200
				FY25 Actual	\$ 30,000	\$ 74,700	\$ 74,700	\$ 109,000	\$ 48,100	\$ 81,500	\$ 58,400	\$ 69,500	\$ 82,400	\$ 83,200			\$ 711,500
				Actual vs. Budget	\$ (41,400)	\$ (11,600)	\$ (1,400)	\$ 6,800	\$ (54,900)	\$ (21,500)	\$ (53,200)	\$ (42,100)	\$ (33,500)	\$ (36,900)			\$ (289,700)
	↓	↓	↓	↑	↓	↓	↓	↓	↓	↓			↓				
Physical Therapy Expansion	\$2.3 Million	Patient Visits 25% growth over FY24 baseline (50% starting in January)	Incremental Revenue \$475,000	VOLUMES													
				Baseline (FY24)				1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	7,700
				FY25 Budgeted				1,100	1,100	1,100	1,590	1,590	1,590	1,590	1,590	1,590	9,660
				FY25 Actual				1,481	1,278	1,337	1,500	1,412	1,395	1,489			9,892
				Actual vs. Budget	-	-	-	381	178	237	(90)	(178)	(195)	(101)			232
								↑	↑	↑	↓	↓	↓	↓			↑
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted			\$ -	\$ -	\$ -	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 225,600
				FY25 Actual			\$ 43,800	\$ 20,500	\$ 27,300	\$ 46,000	\$ 35,900	\$ 33,900	\$ 44,700				\$ 252,100
				Actual vs. Budget				43,800	20,500	27,300	(10,400)	(20,500)	(22,500)	(11,700)			\$ 26,500
				↑	↑	↑	↓	↓	↓	↓			↑				
Orthopedist Recruit	TBD	Surgical Cases Exceed 190 surgeries (16/month)	Incremental Revenue \$1,615,000	VOLUMES	*Started performing surgeries late August24												
				Baseline (FY24)	-	-	-	-	-	-	-	-	-	-	-	-	-
				FY25 Budgeted	5	5	10	10	15	15	15	20	20	25	25	25	140
				FY25 Actual	-	11	15	18	15	11	22	15	21	20			148
				Actual vs. Budget	(5)	6	5	8	-	(4)	7	(5)	1	(5)			8
					↓	↑	↑	↑	-	↓	↑	↓	↑	↓			↑
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted	\$ 35,000	\$ 35,000	\$ 70,000	\$ 70,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 140,000	\$ 140,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 980,000
				FY25 Actual	\$ -	\$ 77,000	\$ 105,000	\$ 126,000	\$ 105,000	\$ 77,000	\$ 154,000	\$ 105,000	\$ 147,000	\$ 140,000			\$ 1,036,000
				Actual vs. Budget	\$ (35,000)	\$ 42,000	\$ 35,000	\$ 56,000	\$ -	\$ (28,000)	\$ 49,000	\$ (35,000)	\$ 7,000	\$ (35,000)			\$ 56,000
	↓	↑	↑	↑	-	↓	↑	↓	↑	↓			↑				
ROSA Robot Orthopedic Cases	TBD Incremental Operational Costs	ROSA Joint Replacement Volumes Exceed 124 surgeries over 12 month period (~10/month)	Operational Costs \$ -	VOLUMES													
				FY25 Target								6	6	6	6	6	18
				FY25 Actual								4	7	3			14
				Actual vs. Target								(2)	1	(3)			(4)
												↓	↑	↓			↓
				FINANCIAL IMPACT													
				ROSA Lease Cost							\$ (2,500)	\$ 1,250	\$ (3,750)	\$ -	\$ -		\$ (5,000)
				Implant Supply Savings							\$ 8,060	\$ 10,400	\$ 8,300				\$ 26,760
				Rebate Savings (savings will kick-in once total annual Zimmer spend exceeds \$500,000)							\$ -	\$ -	\$ -				\$ -
				Actual vs. Target							\$ 5,560	\$ 11,650	\$ 4,550				\$ 21,760
								↑	↑	↑			↑				
GRAND TOTAL Actual vs. Budget					\$ (76,400)	\$ 30,400	\$ 33,600	\$ 106,600	\$ (34,400)	\$ (22,200)	\$ (14,600)	\$ (92,040)	\$ (37,350)	\$ (79,050)	\$ -	\$ -	\$ (185,440)
					↓	↑	↑	↑	↓	↓	↓	↓	↓				↓

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	Actual	Budget	Var	%	PY Actual	Var	%
Operating Margin	\$ (118.7)	\$ (219.1)	\$ 100.5	46%	\$ (3,718.7)	\$ (4,384.0)	\$ 665.3	15%	\$ (3,411.3)	\$ (307.4)	-9%
Operating EBDA	\$ 381.1	\$ 272.6	\$ 108.5	40%	\$ 1,505.8	\$ 593.1	\$ 912.8	154%	\$ 939.4	\$ 566.5	60%
Net Income (Loss)	\$ 67.8	\$ (31.0)	\$ 98.8	318%	\$ (1,838.4)	\$ (2,502.9)	\$ 664.6	27%	\$ (1,341.4)	\$ (497.0)	-37%

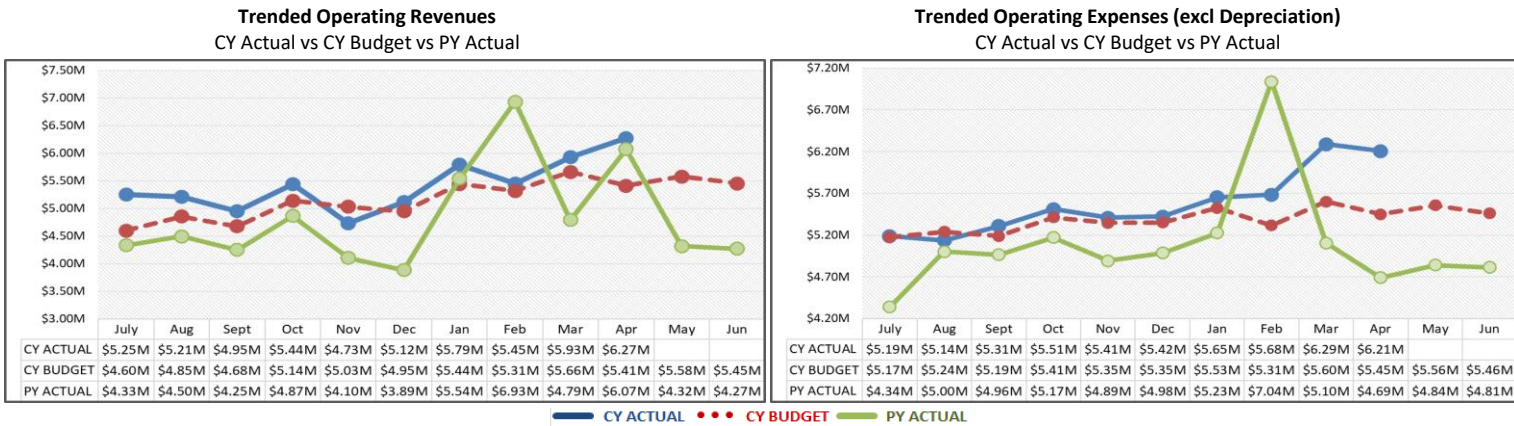
Operating Revenue Summary (All Numbers in 1000s)

Net Patient Revenue	\$ 6,175.0	\$ 5,317.9	\$ 857.1	16%	\$ 53,130.2	\$ 50,151.9	\$ 2,978.3	6%	\$ 48,331.9	\$ 4,798.2	10%
NPR as a % of Gross	18.7%	18.2%	2.6%		17.6%	17.8%	-1.3%		17.3%	1.5%	
Operating Revenue	\$ 6,270.4	\$ 5,409.9	\$ 860.5	16%	\$ 54,143.1	\$ 51,071.9	\$ 3,071.3	6%	\$ 49,262.9	\$ 4,880.2	10%

Operating Expense Summary (All Numbers in 1000s)

Operating Expenses	\$ 6,705.7	\$ 5,941.5	\$ 764.2	13%	\$ 61,028.5	\$ 58,580.8	\$ 2,447.7	4%	\$ 55,759.3	\$ 5,269.2	9%
Op Exp. Excl. Depr.	\$ 6,206.0	\$ 5,449.8	\$ 756.2	14%	\$ 55,803.9	\$ 53,603.8	\$ 2,200.1	4%	\$ 51,408.6	\$ 4,395.3	9%
Worked FTEs	224.27	222.40	1.88	1%	216.88	218.89	\$ (2.00)	-1%	214.32	2.56	1%

Trended Operating Revenue & Operating Expense Graphs



Cash Indicators

	Current Month	Prior Month	Var	% Var
Days Cash	37.2	35.9	1.3	4%
A/R Days	47.0	50.2	(3.2)	-6%
A/P Days	64.4	69.2	(4.8)	-7%