



**SVHCD BOARD OF DIRECTORS &  
FINANCE COMMITTEE  
JOINT MEETING**

**AGENDA**

**TUESDAY, MAY 27, 2025**

**4:00pm**

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

Join Zoom Meeting

<https://sonomavalleyhospital-org.zoom.us/j/92473829344>

Meeting ID: 924 7382 9344

Passcode: 018319

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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](mailto: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**

*Lee Myatt*

**2. PUBLIC COMMENT SECTION**

*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.*

*Lee Myatt*

**3. SONOMA VALLEY HOSPITAL BUDGET FY 2026**

*Armfield*

Inform

**4. ADJOURN**

*Lee Myatt*



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

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## **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.

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## **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
<b>Operating Margin</b>	<b>\$ (3,412,488)</b>	<b>\$ (4,076,826)</b>	<b>\$ 664,338</b>	<b>16.3%</b>	<b>\$ (5,496,971)</b>	<b>\$ 2,084,483</b>	<b>37.9%</b>
<b>Operating EBDA</b>	<b>\$ 3,480,229</b>	<b>\$ 2,222,998</b>	<b>\$ 1,257,231</b>	<b>56.6%</b>	<b>\$ (229,804)</b>	<b>\$ 3,710,034</b>	<b>1614.4%</b>
<b>Total Net Income</b>	<b>\$ (1,542,034)</b>	<b>\$ (1,813,735)</b>	<b>\$ 271,700</b>	<b>15.0%</b>	<b>\$ (2,776,052)</b>	<b>\$ 1,234,018</b>	<b>44.5%</b>
<b>Total EBDA</b>	<b>\$ 5,350,683</b>	<b>\$ 4,486,089</b>	<b>\$ 864,594</b>	<b>19.3%</b>	<b>\$ 2,491,114</b>	<b>\$ 2,859,568</b>	<b>114.8%</b>
<b>Net Patient Revenue</b>	\$ 71,045,218	\$ 63,911,321	\$ 7,133,897	11.2%	\$ 55,785,286	\$ 15,259,932	27.4%
<b>Operating Revenue</b>	\$ 76,350,542	\$ 69,249,486	\$ 7,101,056	10.3%	\$ 60,844,442	\$ 15,506,099	25.5%
<b>Operating Expenses</b>	\$ 79,763,030	\$ 73,326,312	\$ 6,436,718	8.8%	\$ 66,341,413	\$ 13,421,617	20.2%
<b>Total FTEs</b>	255.61	246.38	9.2	3.7%	240.70	14.9	6.2%
<b>Op. Revenue w.o IGT</b>	\$ 56,506,292	\$ 54,788,480	\$ 1,717,812	3.1%	\$ 52,322,979	\$ 4,183,313	8.0%
<b>Op. Expense w.o IGT</b>	\$ 70,587,469	\$ 67,516,799	\$ 3,070,670	4.5%	\$ 63,243,920	\$ 7,343,548	11.6%
<b>Op. Expense w.o IGT &amp; Depr</b>	\$ 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 2024 <u>ACTUAL</u>	FY26 Budget vs FY24 Actual	
	FY 2026 <u>BUDGET</u>	FY 2025 <u>EST ACTUAL</u>	<u>Actual</u>			<u>Variance</u>	
			<u>Variance</u>			<u>\$</u>	<u>%</u>
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%



Sonoma Valley Health Care District  
Schedule C | Variance Analysis of FY 2025 Estimated Actual to FY 2026 Budget

Schedule C

<b>Net Patient Revenue</b>			
	<b>Net Patient Revenue - FY25 ESTIMATED ACTUAL</b>	<b>\$</b>	<b>63,911,321</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>			
Net Revenue Impact of Estimated IGT Increase			5,383,000
<b><u>Projected Revenue Changes From Budgeted Growth/Expansion:</u></b>			<b>1,682,500</b>
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
<b>Total Projected Changes for FY26 Budget</b>		<b>\$</b>	<b>7,133,897</b>
	<b>Net Patient Revenue - FY26 BUDGET</b>	<b>\$</b>	<b>71,045,218</b>
	Change From FY25 Estimated Actual	\$	7,133,897
	% Change		11.2%
<b>Salaries &amp; Wages</b>			
	<b>Salaries &amp; Wages - FY25 ESTIMATED ACTUAL</b>	<b>\$</b>	<b>25,385,525</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>			
3% Merit Adjustment Salary Increases & Additional Allotment for Market Adjustments			880,000
<b><u>Salary Increases from FTE Additions (net 9.2 FTE adds from FY25 to FY26 Budget):</u></b>			<b>777,600</b>
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)
<b>Total Projected Changes for FY26 Budget</b>		<b>\$</b>	<b>1,375,944</b>
	<b>Salaries &amp; Wages - FY26 BUDGET</b>	<b>\$</b>	<b>26,761,469</b>
	Change From FY25 Estimated Actual	\$	1,375,944
	% Change		5.4%
<b>Employee Benefits</b>			
	<b>Employee Benefits - FY25 ESTIMATED ACTUAL</b>	<b>\$</b>	<b>9,762,464</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>			
Estimated increase in Health Insurance Expense			545,000
All Other Changes			49,731
<b>Total Projected Changes for FY26 Budget</b>		<b>\$</b>	<b>594,731</b>
	<b>Employee Benefits - FY26 BUDGET</b>	<b>\$</b>	<b>10,357,195</b>
	Change From FY25 Estimated Actual	\$	594,731
	% Change		6.1%

**Medical and Professional Fees**

<b>Medical and Professional Fees - FY25 ESTIMATED ACTUAL</b>		<b>\$ 8,565,487</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
<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>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>41,532</b>
<b>Medical and Professional Fees - FY26 BUDGET</b>		<b>\$ 8,607,019</b>
Change From FY25 Estimated Actual	\$	41,532
% Change		0.5%

**Supplies**

<b>Supplies - FY25 ESTIMATED ACTUAL</b>		<b>\$ 7,689,894</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
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>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>24,990</b>
<b>Supplies - FY26 BUDGET</b>		<b>\$ 7,714,884</b>
Change From FY25 Estimated Actual	\$	24,990
% Change		0.3%

**Purchased Services**

<b>Purchased Services - FY25 ESTIMATED ACTUAL</b>		<b>\$ 4,861,959</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
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>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>46,302</b>
<b>Purchased Services - FY26 BUDGET</b>		<b>\$ 4,908,261</b>
Change From FY25 Estimated Actual	\$	46,302
% Change		1.0%

Sonoma Valley Health Care District  
Schedule C | Variance Analysis of FY 2025 Estimated Actual to FY 2026 Budget

Schedule C

<b>Depreciation</b>		
	<b>Depreciation - FY25 ESTIMATED ACTUAL</b>	<b>\$ 6,299,823</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
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>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>592,893</b>
	<b>Depreciation - FY26 BUDGET</b>	<b>\$ 6,892,716</b>
	Change From FY25 Estimated Actual	\$ 592,893
	% Change	9.4%
<b>Utilities</b>		
	<b>Utilities - FY25 ESTIMATED ACTUAL</b>	<b>\$ 2,005,372</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
Estimated 12% increase with PG&E		240,000
<i>All Other Changes</i>		<i>1,811</i>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>241,811</b>
	<b>Utilities - FY26 BUDGET</b>	<b>\$ 2,247,183</b>
	Change From FY25 Estimated Actual	\$ 241,811
	% Change	12.1%
<b>Insurance</b>		
	<b>Insurance - FY25 ESTIMATED ACTUAL</b>	<b>\$ 1,020,929</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
Expected increase in Insurance base coverage cost - All Lines (15% increase in total)		151,292
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>151,292</b>
	<b>Insurance - FY26 BUDGET</b>	<b>\$ 1,172,221</b>
	Change From FY25 Estimated Actual	\$ 151,292
	% Change	14.8%
<b>Other Expenses</b>		
	<b>Other Expenses - FY25 ESTIMATED ACTUAL</b>	<b>\$ 1,477,691</b>
<b>Changes of Note - FY25 Estimated Actual to FY26 Budget:</b>		
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>
<b>Total Projected Changes for FY26 Budget</b>	<b>\$</b>	<b>10,206</b>
	<b>Other Expenses - FY26 BUDGET</b>	<b>\$ 1,487,897</b>
	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	
<b>Hospital Sources of Cash</b>			
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		-
<b>Sub-Total Hospital Sources of Cash</b>		<b>\$</b>	<b>73,677,442</b>
<b>Hospital Operating Uses of Cash</b>			
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		-
<b>Total Hospital Operating Uses of Cash</b>		<b>\$</b>	<b>74,185,313</b>
<b>Net Hospital Sources / (Operating Uses) of Cash</b>		<b>\$</b>	<b>(507,871)</b>
<b>Non-Hospital Sources/(Uses) of Cash</b>			
<b>Non-Hospital Sources</b>			
10	Parcel Tax Revenue	\$	3,800,000
<b>Non-Hospital Uses</b>			
11	n/a	\$	-
<b>Total Net Non-Hospital Sources/Uses of Cash</b>		<b>\$</b>	<b>3,800,000</b>
<b>Net Sources / (Uses) of Cash Before SVH Funded Capital Expenditures</b>		<b>\$</b>	<b>3,292,129</b>
12	Hospital Funded Capital Expenditures *	\$	4,400,000
<b>Total Net Sources / (Uses) of Cash</b>		<b>\$</b>	<b>(1,107,871)</b>
Projected Cash at Beginning of Fiscal Year		\$	3,898,000
<b>Projected Cash at End of Fiscal Year</b>		<b>\$</b>	<b>2,790,129</b>
<b>Projected Days Cash on Hand - Beginning FY 2026</b>			<b>25.0</b>
<b>Budgeted Days Cash on Hand - End FY 2026</b>			<b>17.9</b>

\* 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.
<b>TOTAL SVH Critical Capital Projects</b>	<b>\$</b>	<b>4,400,000</b>	

# 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

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**FY24 to FY25 Roll Forward**



**FY25 to FY26 Budget Roll Forward**



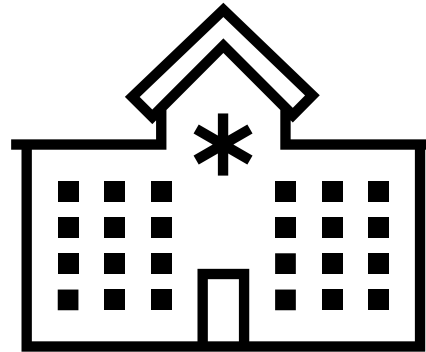
**FY26 Budget Highlights**



**FY26 Budget High Level Summary**

# SVH Operations Roll Forward | FY24 Actual – FY25 Estimated Actual

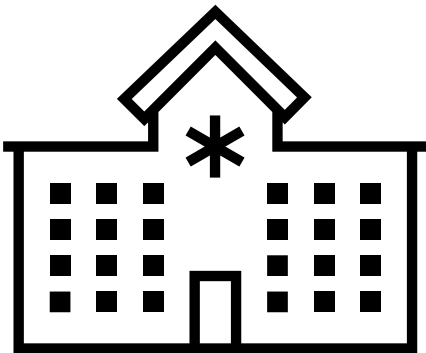
FY24 ACTUAL	\$
Net Patient Revenue	\$ 47.3M
IGT Revenue	\$ 8.5M
Parcel Tax Revenue	\$ 3.7M
Other Operating Revenue	\$ 1.4M
<b>TOTAL Revenues</b>	<b>\$ 60.8M</b>
Labor	\$ 33.5M
Supplies	\$ 7.6M
Purch/Contracted Serv	\$ 12.1M
Utilities, Insurance, Interest	\$ 3.5M
Other Expenses	\$ 1.2M
IGT Matching Fees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



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
<b>TOTAL Revenues</b>	<b>\$ 69.2M</b>	<b>\$ 8.4M</b>
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
<b>TOTAL Operating Expenses</b>	<b>\$ 73.3M</b>	<b>\$ 7.0M</b>
Operating Margin	<b>(\$ 4.1M)</b>	\$ 1.4M
<b>Operating EBDA</b>	<b>\$ 2.2M</b>	<b>\$ 2.5M</b>

# 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
<b>TOTAL Revenues</b>	<b>\$ 69.2M</b>
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
<b>TOTAL Operating Expenses</b>	<b>\$ 73.3M</b>
Operating Margin	<b>(\$ 4.1M)</b>
<b>Operating EBDA</b>	<b>\$ 2.2M</b>



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	-
<b>TOTAL Revenues</b>	<b>\$ 76.4M</b>	<b>\$ 7.1M</b>
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
<b>TOTAL Operating Expenses</b>	<b>\$ 79.8M</b>	<b>\$ 6.4M</b>
Operating Margin	<b>(\$ 3.4M)</b>	\$ .7M
<b>Operating EBDA</b>	<b>\$ 3.5M</b>	<b>\$ 1.3M</b>

# 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

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- **Main Budgeted Themes**
  - **Continued Ancillary Growth** | Physical Therapy Expansion, MRI Ramp-Up
  - **Surgical Volumes** | Modest growth due to service line ramp-ups

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- **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
<b>TOTAL Revenues</b>	<b>\$ 69.2M</b>	<b>\$ 76.4M</b>	<b>\$ 7.1M</b>	<b>+10.3%</b>	
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)
<b>TOTAL Operating Expenses</b>	<b>\$ 73.3M</b>	<b>\$ 79.8M</b>	<b>\$ 6.4M</b>	<b>+8.8%</b>	
<b>Operating Margin</b>	<b>(\$ 4.1M)</b>	<b>(\$ 3.4M)</b>	<b>\$ .7M</b>	<b>+16%</b>	<b>+\$700K in Operating Margin</b>
<b>Operating EBDA</b>	<b>\$ 2.2M</b>	<b>\$ 3.5M</b>	<b>\$ 1.3M</b>	<b>+56%</b>	<b>+\$1.3M in Operating EBDA</b>

# 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

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- **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