



# SVHCD FINANCE COMMITTEE MEETING AGENDA

**TUESDAY, SEPTEMBER 24, 2024**

**6:00 p.m. Regular Session**

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

Join Zoom Meeting

<https://sonomavalleyhospital-org.zoom.us/j/96092860630>

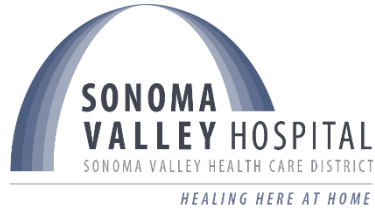
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<b>AGENDA ITEM</b>	<b>RECOMMENDATION</b>	
In compliance with the Americans with Disabilities Act, if you require special accommodations to attend a District meeting, please contact the Board Clerk, Whitney Reese, at <a href="mailto:wreese@sonomavalleyhospital.org">wreese@sonomavalleyhospital.org</a> or 707.935.5005 at least 48 hours prior to the meeting.		
<b>MISSION STATEMENT</b> <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Boerum</i>	
<b>2. PUBLIC COMMENT SECTION</b> <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i>	<i>Boerum</i>	
<b>3. CONSENT CALENDAR</b> • Finance Committee Minutes 08.27.24	<i>Boerum</i>	Action
<b>4. RESOLUTION #377 – PARCEL TAX ADVANCE</b>	<i>Armfield</i>	Action
<b>5. FINANCIAL REPORTS FOR MONTH END AUGUST 2024</b>	<i>Armfield</i>	Inform
<b>6. ADJOURN</b>	<i>Boerum</i>	



**SVHCD  
FINANCE COMMITTEE MEETING  
MINUTES  
TUESDAY, AUGUST 27, 2024  
In Person at Sonoma Valley Hospital  
347 Andrieux Street  
and Via Zoom Teleconference**

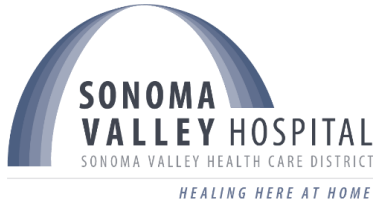
Present	Not Present/Excused	Staff/Public
Bill Boerum, in person Wendy Myatt Lee, in person Dennis Bloch, in person Catherine Donahue, via zoom Carl Gerlach, in person Subhash Mishra, MD, via zoom	Graham Smith Robert Crane Ed Case	Ben Armfield, SVH CFO, in person John Hennelly, SVH CEO, in person Dave Pier, ED of SVH Foundation, via zoom Whitney Reese, SVH Board Clerk, in person Dawn Kuwahara, RN BSN, SVH Chief Ancillary Officer, in person Judith Bjordal, MD, in person Lois Fruzynski, SVH Accounting, in person Kimberly Drummund, SVH Chief of Support Services, via zoom

**MISSION & VISION STATEMENT**

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

AGENDA ITEM	DISCUSSION	ACTIONS
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Bill Boerum</i>	
	Committee members excused absent: Smith, Crane, Case Appreciation for Dave Pier and announcement for his departure Acknowledge for Dennis Bloch, Ed Case and Dan Kittleson being elected to the Board of Directors	Meeting called to order 6:00pm
<b>2. PUBLIC COMMENT SECTION</b>	None	
<b>3. CONSENT CALENDAR</b>	<i>Bill Boerum</i>	Action
a. Finance Committee Minutes 07.23.24 b. Finance Committee Charter	a. Motion to approve by Bloch, 2 <sup>nd</sup> by Myatt Lee b. Motion to approve by Bloch, 2 <sup>nd</sup> by Myatt Lee	<b>MOTIONS:</b> a. & b. recommended to the BOD to approve. All in favor.
<b>4. ICU CONTRACT AWARD</b>	<i>Kimberly Drummond</i>	Action
	Drummond presented ICU project scope and budget. HCAI potential risk. Discussion was robust over the need for full transparency and understanding of the full scope of what the Finance Committee is recommending for approval.	<b>MOTION:</b> to recommend the BOD approve the \$302k bid from Ridgeview Builders and an overall budget of \$630k. Motion by Bloch, second by Gerlach. All in favor

	Motion to recommend the BOD approve the \$302k bid from Ridgeview Builders and an overall budget of \$630k. This budget number subtracts the difference in construction cost budget and bid (\$383k - \$302k = \$81k).	
<b>5. RESOLUTION # 379 - SETTING TAX RATE FOR FY24-25 GO BONDS</b>	<i>Ben Armfield</i>	Action
	Armfield presented Resolution #379.	<b>MOTION:</b> to recommend to the BOD to approve by Myatt Lee, second by Gerlach. All in favor
<b>6. BANK RELATIONSHIP UPDATE</b>	<i>Ben Armfield</i>	Action
<ul style="list-style-type: none"> <li>a. New Relationship Update</li> <li>b. US Bank LOC Extension</li> </ul>	<p>a. Armfield presented updates to the committee regarding two proposals, with a focus on the revised offer from Summit Bank. Key changes included extending the maturity of the line of credit from one to seven years, subject to annual renewal based on financial covenants. The interest rate was clarified as prime plus 1.5%, with a floor of 8%. A comparison was made between the old and new terms, noting improvements in loan fees and debt service coverage. Recommended BOD approve Summit Bank proposal, pending clarifications and further negotiations regarding the interest rate floor.  <b>Motion by Bloch, 2nd by Gerlach</b></p> <p>b. U.S. Bank declined to submit a proposal but agreed to extend the current line of credit for 90 days, from the end of August to the end of November. The only change would be the maturity date.  <b>Motion by Bloch, 2nd by Myatt Lee</b></p>	<b>MOTIONS:</b> a. & b. recommended to the BOD to approve. All in favor.
<b>7. FINANCIAL REPORTS FOR MONTH END JULY 2024</b>	<i>Ben Armfield</i>	Inform
	First month of fiscal year '25 - July 2024 had a strong start, with revenues exceeding expectations by over 10%, largely due to higher emergency room and physical therapy visits. While surgeries were slightly below budget, the hospital's overall financial performance improved, with operating revenues reaching \$5.25 million and expenses staying close to budget. The hospital also anticipates growth in orthopedic surgeries and MRI usage following recent equipment upgrades.	
<b>8. ADJOURN</b>	<i>Bill Boerum</i>	Meeting adjourned at 7:32pm



To: SVHCD Finance Committee  
 From: Ben Armfield, Chief Financial Officer  
 Date: September 24, 2024  
 Subject: Resolution #377 - Parcel Tax Advance

**Recommendation:**

Recommend to the SVHCD Finance Committee that they recommend to the SVHCD Board of Directors that they approve both the resolution and executable agreement that would allow Sonoma Valley Health Care District to receive a one-month advance on the December 2024 payment of Parcel Tax funds in the amount of \$1,612,000.

**Justification:**

We are currently facing a significant amount of cash outlay this upcoming November. Specifically, the end of November as our Rate Range IGT matching fee pay-in is due by the 22<sup>nd</sup>. Our pay-in will require significant amounts of working capital to fund. Because of this, SVHCD management has been in discussions with Sonoma County about the possibility of receiving a one-month advance on the December 2024 allotment of parcel taxes that is due to the hospital – we are scheduled to receive 50% of our yearly allotment in December. This advance would provide quite a bit of flexibility and would allow the hospital to have the necessary cash flow to meet its operational commitments until other supplemental funds are received.

**Parcel Tax Advance Details:**

- SVHCD would be permitted to receive up to 85% of the December allotment of Parcel Tax revenues.
- The advance would be received right around November 1<sup>st</sup>.
- The interest rate on the advance would be at an annualized rate of 5.2%.
- The agreement has a maturity date of December 31, 2024. The parcel tax advance would be paid back, in full, as soon as the December allotment of parcel taxes are received.
- We estimate this would cost ~\$10,500 in interest expense.

FY25 Parcel Tax Allotment	\$	3,794,500
December 2024 Portion	\$	1,897,250
<b>Available to be Advanced</b>	<b>\$</b>	<b>1,612,663</b>
Interest Rate		5.2%
<b>Advance Requested</b>	<b>\$</b>	<b>1,612,000</b>
Estimated Maturity (in months)		1.5
<b>Calculated Interest</b>	<b>\$</b>	<b>10,478</b>

**Financial Impact:**

The incremental cost for a \$1,612,000 parcel tax advance would solely be the interest expense paid to the County during the life of this agreement. Based on the proposed interest rate and maturity date of this agreement, total interest expense for this advance would be ~ \$10,500

**Attachments:**

- Sonoma Valley Health Care District Resolution # 377
- Sonoma County / Sonoma Valley Health Care District Exhibit A – Form of Note
- Sonoma County / Sonoma Valley Health Care District Parcel Tax Agreement

**SONOMA VALLEY HEALTH CARE DISTRICT**

**RESOLUTION NO. 377**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY HEALTH CARE DISTRICT AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,612,000 AND AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER TO ENTER INTO A PARCEL TAX AGREEMENT WITH THE COUNTY OF SONOMA AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR ("ACTTC")**

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

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

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

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

**WHEREAS**, the District has determined that the sum of \$1,612,000 is needed to satisfy payment obligations of the District which the District anticipates will become payable prior to the receipt of anticipated parcel tax revenue, and that it is necessary that said sum be borrowed in anticipation of the receipt of taxes to be received by the District during Fiscal Year 2024-2025; and

**WHEREAS**, the District finds and determines that it is in the best interest of the District to finance its obligations through the issuance of tax and revenue anticipation notes and has determined to issue Sonoma Valley Health Care District Parcel Tax Revenue Anticipation Note, Series 2024 (the "Series 2024 Note"); and

**WHEREAS**, the Series 2024 Note shall mature on December 31, 2024, which is consistent with the requirement that repayment be made from available funds that have been received or accrued to the District within the fiscal year in which the Notes are issued, or in a succeeding fiscal year from funds accruing in the fiscal year of issuance; and

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

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

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

**Section 1.** The Series 2024 Note may be issued in order to obtain moneys to carry out the District's purposes. The maximum principal amount of the Series 2024 Note which may be issued hereunder is limited to \$1,612,000.

**Section 2.** The Series 2024 Note shall be evidenced and issued in the principal amount of \$1,612,000. Registered ownership of the Series 2024 Note will be with the Sonoma County Treasury Pool, as purchaser of the Note, and shall not be transferred thereafter. The Series 2024 Note in the principal amount of \$1,612,000 constitutes a "note" and is being issued pursuant to the provisions of section 53854 of the California Government Code.

**Section 3.** The Series 2024 Note shall be dated as of November 1, 2024, and interest thereon shall be payable upon maturity. The Series 2024 Note shall mature on December 31, 2024, and shall bear interest at the rate of 5.20 percent per annum. If the District fails to pay the note when due, the ACTTC may retain enough of the parcel tax proceeds to satisfy the principle and interest.

**Section 4.** The Series 2024 Note shall be substantially in the form set forth in Exhibit A, attached hereto and by this reference incorporated herein.

**Section 5.** The Board of Directors have reviewed all proceedings heretofore taken relative to the authorization of the Series 2024 Note and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the Series 2024 Note do exist, have happened and have been performed in due time, form and manner as required by applicable law, and the District is now authorized, pursuant to each and every requirement of applicable law to issue the Series 2024 Note.

**Section 6.** The Series 2024 Note may be redeemed prior to Maturity at any time, without any premium.

**Section 7.** The District's obligation to pay the principal and interest on the Series 2024 Note shall be an obligation payable from parcel tax revenues and, to the extent parcel tax revenues are insufficient therefor, subject to any existing or future liens or encumbrances thereon, from any other available moneys of the District.

**Section 8.** The District's President and Chief Executive Officer, or designee, upon the advice of the District's legal counsel or special financial consultants, is hereby authorized to do any and all things and to execute, modify and deliver any and all documents that they may deem necessary in order to effectuate the transactions contemplated by this Resolution and to otherwise carry out the purposes of this Resolution. This authorization includes entering into a Parcel Tax Agreement with the County of Sonoma ACTTC, whereby the District agrees that the Sonoma County Auditor-Controller Treasurer-Tax Collector may retain sufficient proceeds of the December 2024 installment of the District's parcel tax, and, if necessary, from future installments, to satisfy the note, prior to allocating parcel tax proceeds to the District.

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

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**PASSED AND ADOPTED** this 3<sup>rd</sup> day of October 2024, by the following votes:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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

ATTEST:

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Susan Kornblatt Idell, Secretary  
Board of Directors  
Sonoma Valley Health Care District

**EXHIBIT A**

**FORM OF NOTE**

United States of America  
State of California  
Sonoma County

**SONOMA VALLEY HEALTH CARE DISTRICT  
(Sonoma County, California)  
Parcel Tax Revenue Anticipation Note, Series 2024**

<b>INTEREST RATE:</b>	<b>MATURITY DATE:</b>	<b>DATED DATE:</b>
5.20%	December 31, 2024	November 1, 2024

<b>REGISTERED OWNER:</b>	SONOMA COUNTY TREASURY
<b>PRINCIPAL SUM:</b>	\$1,612,000.00

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

It is hereby certified, recited, and declared that this Note is issued pursuant to the provisions of Resolution No. 377 of the Board of Directors of the District duly passed and adopted on October 3, 2024 and pursuant to Section 32130 of the California Health and Safety Code, and that all things, conditions, and acts required to exist, happen, and be performed, exist, have happened, and been performed in regular and due time, form, and manner as required by law, and that the amount of this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California.

The Principal Sum of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other monies which are held or received by the District for the fiscal year 2024-2025 and which are lawfully available for the current expenses and other obligations of the District. Specifically, the Principal Sum of the Note, together with the interest thereon, shall be payable from the proceeds of the District’s special tax on parcels of property within the District authorized at an election held on November 2, 2021 (the “Tax”).

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

The Note shall be redeemed at any time, without premium, upon receipt by the District of proceeds from the Tax for fiscal year 2024-2025.

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



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

**SONOMA VALLEY HEALTH CARE DISTRICT**

By:

\_\_\_\_\_  
John Hennelly  
President and Chief Executive Officer  
Sonoma Valley Hospital

ATTEST:

\_\_\_\_\_  
Susan Kornblatt Idell  
Secretary, Board of Directors  
Sonoma Valley Health Care District

**CLERK’S CERTIFICATE**

I, Whitney Reese, Clerk of the Governing Board of the Sonoma Valley Health Care District of the County of Sonoma, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said District, regularly held at the regular meeting place thereof, on October 3, 2024, of which meeting all the members of said Governing Board had due notice.

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

ATTEST: This \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Whitney Reese, Clerk of the Governing Board  
of the Sonoma Valley Health Care District  
County of Sonoma, State of California

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

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

Approved By:

\_\_\_\_\_  
Auditor-Controller/Treasurer-Tax Collector County of Sonoma

Date: \_\_\_\_\_

Amount to be collected on Property Tax Bill	\$ 1,897,250
Amount Requested	\$ 1,612,000
Percent of Property Tax Bill Requested (not to exceed 85% of outstanding property taxes)	85%

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

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

Recitals

1. On November 2, 2021, voters approved a parcel tax levy on each taxable parcel of land within the District at an annual rate of \$250 per parcel per year for ten years ("Tax").
2. The Sonoma County Auditor-Controller Treasurer-Tax Collector ("ACTTC") is responsible for collecting the Tax at the same time that it collects ad valorem property taxes, and for distributing the Tax proceeds to the District.
3. The ACTTC has agreed to purchase from the District a tax and revenue anticipation note as an investment for the Sonoma County Treasury Pool in the principal amount not to exceed \$1,612,000, with a maturity date of December 31, 2024 ("Note"), as authorized by Government Code § 53635.2 and Government Code § 53601(e).
4. The ACTTC has requested that the District enter into this Agreement to ensure payment of the Note.
5. On October 3, 2024 the Board of Directors of the District passed Resolution No. 377, authorizing the issuance of the Note and authorizing the President and Chief Executive Officer to enter into this Agreement.

Agreement

1. The District agrees that the ACTTC may retain sufficient proceeds of the December 2024 installment of the Tax to satisfy the principal of and interest on the Note prior to allocating the Tax proceeds to the District.
2. Should the proceeds of the December 2024 installment of the Tax be insufficient to satisfy the principal of and interest on the Note, the ACTTC may retain all the proceeds of the April 2025 installment of the Tax, and sufficient proceeds from each future installment to satisfy the principal of and interest on the Note.
3. The District shall indemnify and hold harmless, to the extent permitted by law, and without limiting the County's obligations under California law to collect the Tax, the ACTTC, the County of Sonoma and the County's officers and employees ("Indemnified Parties") against any and all losses, claims, damages, or liabilities, joint or several, to which such Indemnified Parties may become subject because of the Treasury Pool's purchase of the Note and ACTTC's retention of Tax proceeds. The District shall also reimburse such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

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

IN WITNESS WHEREOF, the parties have each executed this Agreement on \_\_\_\_\_, 2024

SONOMA COUNTY AUDITOR CONTROLLER  
TREASURER TAX COLLECTOR

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

\_\_\_\_\_  
Auditor-Controller-Treasurer-  
Tax Collector

\_\_\_\_\_  
President and Chief Executive Officer

APPROVED AS TO FORM

APPROVED AS TO FORM

\_\_\_\_\_  
County Counsel

\_\_\_\_\_  
District Counsel



To: SVHCD Finance Committee  
 From: Ben Armfield, Chief Financial Officer  
 Date: September 24, 2024  
 Subject: Financial Report for August 2024

**Overall Summary**

August was another strong month for the hospital, building on the positive momentum from July that started the new fiscal year. Just like July, August’s operating margin far exceeded both budget and the prior year, and marked the second straight month in which the hospital posted a positive Operating EBDA margin. This is significant. For reference, the hospital posted a positive Operating EBDA twice all of last fiscal year, so the start to FY 2025 is certainly encouraging.

August was particularly noteworthy due to the launch of two major strategic initiatives: Dr. Walter, our new orthopedic surgeon, began performing surgeries, and our new 3T MRI magnet became fully operational. Both initiatives had a significant impact in August, and both helped drive the volume growth that led to our net revenues exceeding budget by nearly 10% for a second straight month.

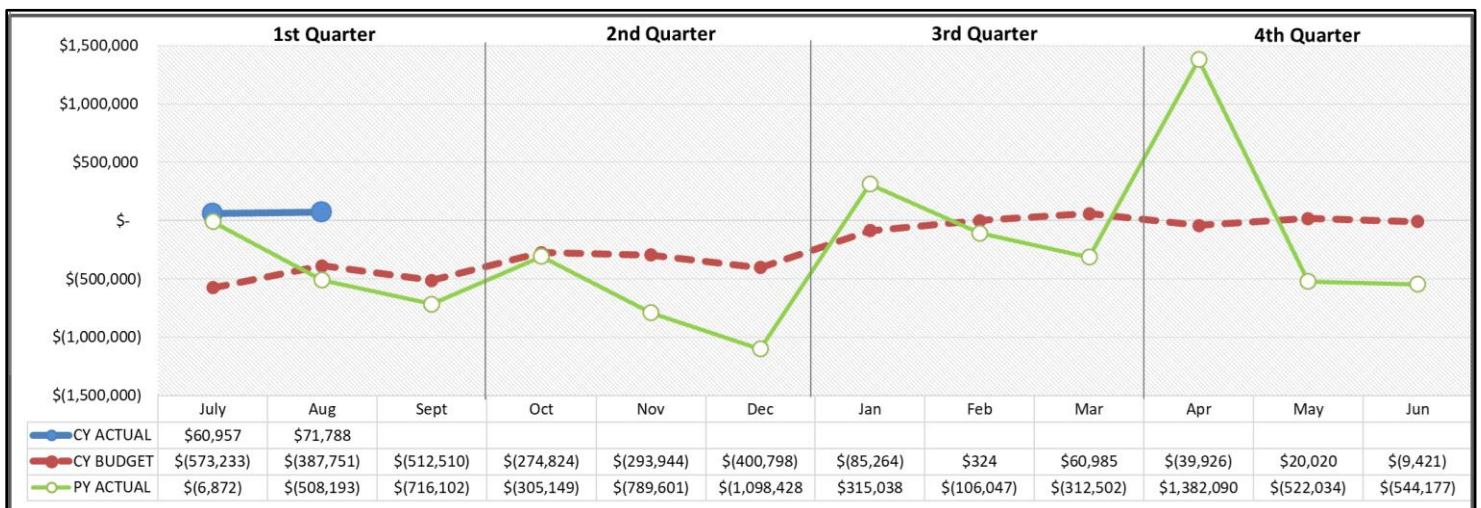
August was yet another very busy on the outpatient side. Surgical cases increased by 20% compared to volume levels of the past two months, ER volumes exceeded budget by over 15%, MRI volumes were up 40% compared to recent run-rate, and our OP physical therapy volumes set yet another all-time high.

As mentioned last month, the monthly budget targets will be ramping up as we progress through the first half of the year so further growth is needed to maintain momentum, but this is a very encouraging start to the fiscal year.

**Table 1 | Overall Performance - August 2024**

	Current Year Month		Variance		Current Year YTD		Variance		PY YTD		Variance	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Actual	\$	%	
Operating Margin	\$ (506,681)	\$ (934,456)	\$ 427,775	46%	\$ (964,817)	\$ (2,029,394)	\$ 1,064,577	52%	\$ (994,272)	\$ 29,455	3%	
Operating EBDA	\$ 71,788	\$ (387,751)	\$ 459,539	119%	\$ 132,745	\$ (960,985)	\$ 1,093,730	114%	\$ (515,064)	\$ 647,809	126%	
Op EBDA w Parcel	\$ 388,455	\$ (75,251)	\$ 463,706	616%	\$ 766,079	\$ (335,985)	\$ 1,102,064	328%	\$ 118,270	\$ 647,809	548%	
Net Income (Loss)	\$ 6,284	\$ (433,852)	\$ 440,136	101%	\$ 10,000	\$ (1,028,186)	\$ 1,038,186	101%	\$ 132,335	\$ (122,335)	-92%	

**Graph 1.1 | SVH Trended Operating EBDA**



## **Drivers in Month's Performance:**

**Revenues:** Operating revenues exceeded the budget by 7% in August. This strong performance was driven by continued surges in emergency room volumes and outpatient activities, including physical therapy and MRI services, both of which had exceptionally busy months. Surgical volumes matched the budget and were 20% higher than the past two months' figures, highlighting the positive developments across the board.

**Expenses:** Operating expenses came in just under budget, totaling \$5.75 million, which is 1% below the monthly budget. While worked FTEs (Full-Time Equivalents) were 2% over budget, this was primarily in areas where volumes significantly exceeded expectations. Year-to-date, operating expenses remain flat with the budget, despite operating revenues exceeding budget by over 10%.

**Volumes:** Overall, volumes were strong in August. While our inpatient census still lagged behind budget and prior-year levels, this was offset by impressive growth in our outpatient departments, particularly in some key areas – operating room, MRI, emergency room, and physical therapy.

**Surgical Volumes:** Surgical volumes rebounded in August, nearly meeting the budgeted targets for the first time since Dr. Brown's departure. We performed 157 surgeries (2 short of the budgeted 159), which is a 20% increase from the 130 that were performed in both June and July.

- **Orthopedics** We mentioned last month that our orthopedic surgical volumes would start ramping up immediately once Dr. Walter started performing cases here, and August backed that up as ortho volumes saw a substantial increase in August. Dr. Walter finished his first month of surgery here at SVH, performing 11 surgeries in a shortened month. This helped deliver a 60% surge in orthopedic volumes compared to July and a 25% increase over the past six-month average.
- **General Surgery, GI** General surgery also experienced a notable rise, growing from 5 to 15 surgeries in August. Gastrointestinal (GI) volumes remain strong and consistent.

**Other Outpatient Volumes:** Outpatient volumes continue to be robust. Both total outpatient visits and total emergency room volumes surpassed their budget targets by over 15% in August. The consistent growth in these areas is encouraging as both areas for the year are up 20% compared to budget and over 10% higher than the first two months of last fiscal year.

- **MRI Volumes** With the new 3T MRI magnet becoming operational in August, we observed a significant spike in MRI volumes. We conducted over 180 exams, which is all-time high for this area and represents a 40% increase compared to historical baseline levels. There is further capacity to grow and we are working with UCSF and other potential referral sources to continue to drive more volume into the department.
- **Emergency Room Visits** Emergency room volumes also maintained their high levels. Although volumes in August came down a bit from July, they significantly outpaced budget and prior year,

and still ended the month averaging 30 visits/day, which signifies a 15% increase compared to volume baselines of the previous group.

- **Physical Therapy Volumes** August was another banner month for our physical therapy department, providing care for over 1,400 visits (AGAIN) in August and setting yet another all-time high in monthly visit volumes (AGAIN). The team has done a great job as they continue to meet the ever-growing demand for PT services. Similar to the volume surge in our ER, physical therapy visit volumes outpace budget by nearly 20% through the first two months of this fiscal year.
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### **Other Updates:**

**Banking Update:** The board of directors approved SVH management to proceed with the formal proposal from Summit State Bank during September's board meeting on 9/5/24. We are currently working with Summit Bank and their underwriters and hope to have a transition completed in the next 30-45 days.

**IGT Update:** We received notification that our matching fee pay-in for the Rate Range IGT program will be due November 22<sup>nd</sup>.

### **Capital Updates:**

- **Outpatient Diagnostic Center Project – Temporary MRI:** As has been reported, the 3T MRI magnet has been successfully deployed and is up and running in the temporary structure. We have begun to see an increase in volumes, with some days experiencing double-digit growth. This is encouraging and we expect further growth once we complete applications training for breast and urologic procedures. These trainings are scheduled to be completed this week, after which the 3T will be fully operational for these services. We have begun scheduling breast and urologic procedures for later this month.
- **Outpatient Diagnostic Center Project – Permanent MRI:** Demolition for permanent MRI project set to begin in October. 2 public bids are currently in progress – the MRI site work, and the tie-in to the hospital. Both bids will be presented to finance committee shortly.
- **Outpatient Diagnostic Center Project - CT:** Phase 2 of the CT project, which converts our old radiology space to wound care and cardiology services, is scheduled to open in November.
- **PT Expansion:** General contractor bid for project currently being scheduled.
- **ICU Renovation Project:** Construction set to begin in October.

**Audit Update:** Our fiscal year 2024 financial statement audit is progressing well. We are currently wrapping up open and outstanding items and should be receiving drafts of our financials statements shortly. We are on-track to have our FY24 audit presented to the board of directors during the November board meeting.

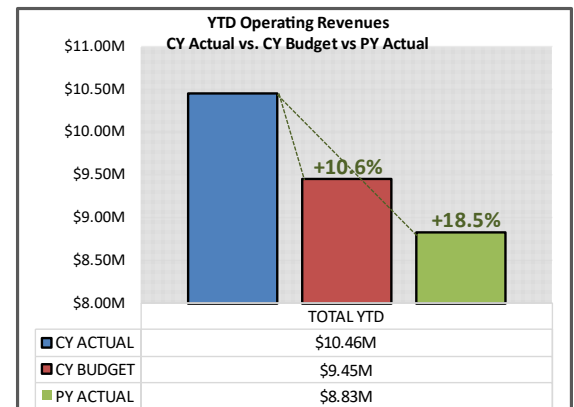
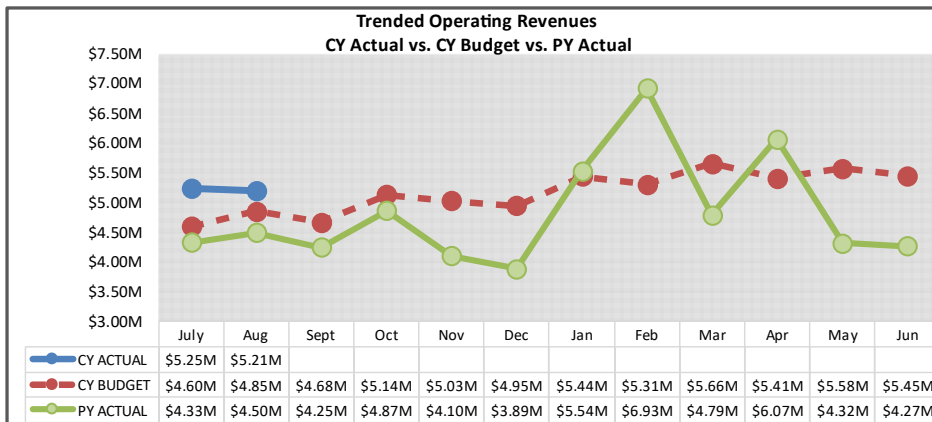
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## 2. NET REVENUE AND VOLUME SUMMARY:

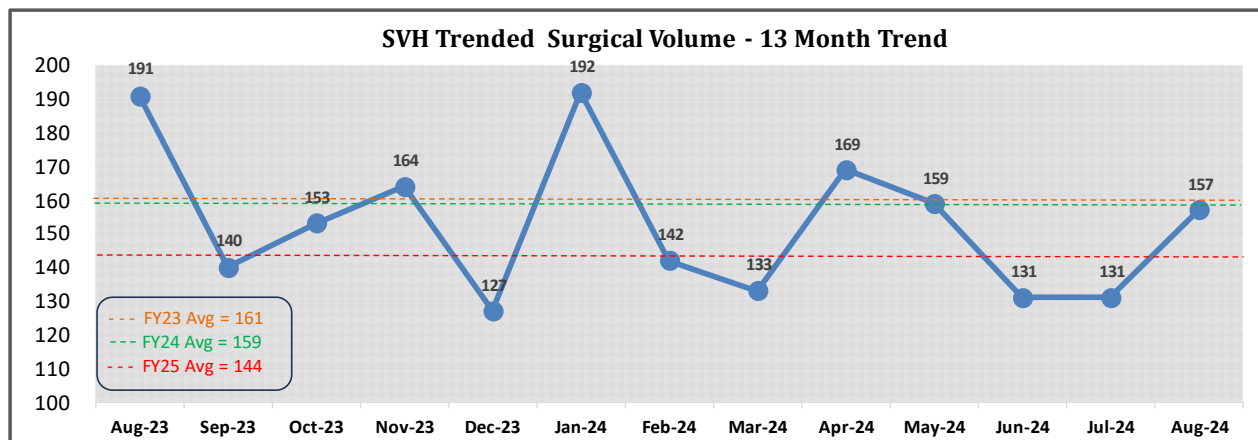
**Table 2 | Net Patient Revenue – Actual vs. Budget – August 2024**

	Current Year Month		Variance		Current Year YTD		Variance		PY YTD		Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%	
<b>Gross Revenue</b>	\$ 29.01M	\$ 26.96M	\$ 2.05M	8%	\$ 56.99M	\$ 52.16M	\$ 4.83M	9%	\$ 56.88M	\$ 0.10M	0%	
<b>Net Patient Revenue</b>	\$ 5.11M	\$ 4.76M	\$ 0.35M	7%	\$ 10.26M	\$ 9.27M	\$ 0.99M	11%	\$ 8.65M	\$ 1.61M	19%	
<b>NPR as a % of Gross</b>	17.6%	17.7%	-0.2%		18.0%	17.8%	1.3%		15.2%	18.4%		
<b>Total Operating Revenue</b>	\$ 5.21M	\$ 4.85M	\$ 0.36M	7%	\$ 10.46M	\$ 9.45M	\$ 1.01M	11%	\$ 8.83M	\$ 1.63M	18%	

**Graph 2.1 | SVH Trended Operating Revenue**



**Graph 2.2 | SVH Trended Surgeries (Total) - 13 Month Trend**



**Table 2.3 | Surgical Volumes Top 4 Service Lines – August 2024 vs Prior Month & 6-Month Trend**

Service Line	Current Mth vs. Previous Mth				6 Month Trend						Current Mth vs. 6 Mth Trend		
	Aug24	Jul24	Var	% Var	Feb24	Mar24	Apr24	May24	Jun24	Jul24	6 Month Trend	Var	% Var
Orthopedics	43	26	17	65%	40	33	46	27	35	26	35	9	25%
Gastroenterology	71	77	(6)	-8%	59	62	73	85	53	77	68	3	4%
Ophthalmology	20	14	6	43%	20	18	18	20	23	14	19	1	6%
General	15	5	10	200%	11	15	17	14	14	5	13	2	18%
<b>SubTotal</b>	<b>149</b>	<b>122</b>	<b>27</b>	<b>22%</b>	<b>130</b>	<b>128</b>	<b>154</b>	<b>146</b>	<b>125</b>	<b>122</b>	<b>134</b>	<b>15</b>	<b>11%</b>
Other	8	9	(1)	-11%	12	5	15	13	6	9	10	(2)	-20%
<b>Grand Total</b>	<b>157</b>	<b>131</b>	<b>26</b>	<b>20%</b>	<b>142</b>	<b>133</b>	<b>169</b>	<b>159</b>	<b>131</b>	<b>131</b>	<b>144</b>	<b>13</b>	<b>9%</b>



**Table 2.4 | Patient Volumes – August 2024**

	Current Year Month		Variance		Current Year YTD		Variance		PY YTD	Variance	
	Actual	Budget	Var	%	Actual	Budget	Var	%	Actual	Var	%
Acute Patient Days	208	257	(49)	-19%	438	517	(79)	-15%	521	(83)	-16%
Average Daily Census	6.7	8.3	(1.6)	-19%	7.1	8.3	(1.3)	-15%	8.4	(1.3)	-16%
Acute Discharges	54	72	(18)	-25%	119	145	(26)	-18%	125	(6)	-5%
IP Surgeries	12	12	0	4%	19	23	(4)	-18%	30	(11)	-37%
OP Surgeries	145	147	(2)	-1%	269	267	2	1%	343	(74)	-22%
<b>Total Surgeries</b>	<b>157</b>	<b>159</b>	<b>(2)</b>	<b>-1%</b>	<b>288</b>	<b>290</b>	<b>(2)</b>	<b>-1%</b>	<b>373</b>	<b>(85)</b>	<b>-23%</b>
Total Outpatient Visits	5,450	4,610	840	18%	11,043	9,198	1,845	20%	9,969	1,074	11%
Emergency Room Visits	919	793	126	16%	1,925	1,622	303	19%	1,730	195	11%

**Table 2.5 | Outpatient Volumes Trended – Last 6 Months**

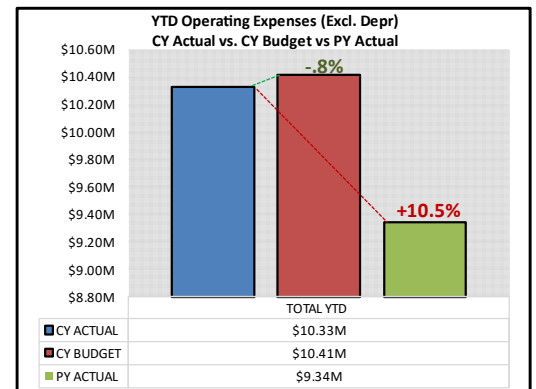
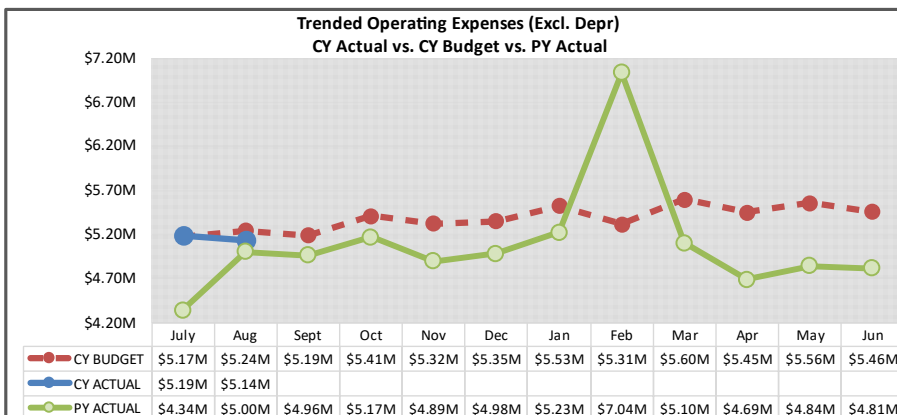
Department	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Last 6 Months
Lab	1,271	1,407	1,364	1,282	1,363	1,313	
Medical Imaging	858	857	900	830	923	947	
Physical Therapy	1,351	1,365	1,196	1,095	1,415	1,426	
CT Scanner	368	387	398	409	411	466	
Occ. Health	209	300	315	308	295	295	
Mammography	232	241	217	211	167	251	
Occupational Therapy	317	224	197	190	196	219	
Ultrasound	220	198	222	182	256	219	
Wound Care	175	201	213	152	205	238	
MRI	123	127	135	121	130	182	
ECHO	110	104	132	106	116	107	
Speech Therapy	45	53	43	53	93	62	
Other	14	22	25	14	23	25	
<b>TOTAL</b>	<b>5,293</b>	<b>5,486</b>	<b>5,357</b>	<b>4,953</b>	<b>5,593</b>	<b>5,750</b>	
Emergency Room	875	862	867	912	1,006	919	

**3. OPERATING EXPENSE SUMMARY:**

**Table 3 | Operating Expenses – Actual vs. Budget – August 2024**

	Current Year Month		Variance		Current Year YTD		Variance		PY YTD	Variance	
	Actual	Budget	Var	%	Actual	Budget	\$	%	Actual	\$	%
Operating Expenses	\$ 5.72M	\$ 5.79M	-\$ 0.07M	-1%	\$ 11.42M	\$ 11.48M	-\$ 0.06M	-1%	\$ 9.82M	\$ 1.60M	16%
Operating Exp. Excl. Depr.	\$ 5.14M	\$ 5.24M	-\$ 0.10M	-2%	\$ 10.33M	\$ 10.41M	-\$ 0.09M	-1%	\$ 9.34M	\$ 0.98M	11%
Worked FTEs	218.7	214.0	4.7	2%	215.0	212.1	2.9	1%	214.0	1.0	0%

**Graph 3.1 | SVH Trended Operating Expenses (excluding Depreciation)**



#### 4. **CASH ACTIVITY SUMMARY:**

**Table 4 | Cash / Revenue Cycle Indicators - August 2024**

	<b>Aug-24</b>	<b>Jul-24</b>	<b>Var</b>	<b>%</b>
<b>Days Cash on Hand</b>	19.8	22.0	(2.2)	-10%
<b>A/R Days</b>	58.3	57.6	0.7	1%
<b>A/P Days</b>	60.7	58.0	2.7	5%

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#### **ATTACHMENTS:**

- Attachment A is the Payer Mix Analysis
- Attachment B is the Operating Indicators Report
- Attachment C is the Balance Sheet
- Attachment D is the Balance Sheet Variance Analysis
- Attachment E (two pages) is the Statement of Revenue and Expense. The first page breaks out the hospital operations and page two includes all other activity.
- Attachment F is the Trended Income Statement
- Attachment G is the Cash Projection

**Sonoma Valley Hospital**  
**Payer Mix for the month of August, 2024**

**ATTACHMENT A**

**MONTH**

<b>Gross Revenue</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
Medicare	11,241,631	10,240,844	1,000,787	3.7%
Medicare Managed Care	5,502,288	4,945,138	557,150	2.1%
Medi-Cal	5,086,457	4,374,709	711,748	2.6%
Self Pay	461,460	322,179	139,281	0.5%
Commercial & Other Governn	6,063,071	6,446,509	-383,437	-1.4%
Worker's Comp.	626,332	718,124	-91,792	-0.3%
<b>Total</b>	<b>28,981,238</b>	<b>27,047,502</b>	<b>1,933,736</b>	<b>7.1%</b>

**YEAR TO DATE**

<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Variance</b>
21,009,188	19,855,988	1,153,200	2.2%
11,089,814	9,571,371	1,518,443	2.9%
9,746,615	8,431,427	1,315,189	2.5%
981,181	616,418	364,763	0.7%
12,672,161	12,420,422	251,739	0.5%
1,442,378	1,376,994	65,383	0.1%
<b>56,941,337</b>	<b>52,272,621</b>	<b>4,668,716</b>	<b>8.9%</b>

**MONTH**

<b>Payor Mix</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Medicare	38.8%	37.9%	0.9%
Medicare Managed Care	19.0%	18.3%	0.7%
Medi-Cal	17.6%	16.2%	1.4%
Self Pay	1.6%	1.2%	0.4%
Commercial & Other Governn	20.9%	23.8%	-2.9%
Worker's Comp.	2.2%	2.7%	-0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

**YEAR TO DATE**

<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
36.9%	38.0%	-1.1%
19.5%	18.3%	1.2%
17.1%	16.1%	1.0%
1.7%	1.2%	0.5%
22.3%	23.8%	-1.5%
2.5%	2.6%	-0.1%
<b>100.0%</b>	<b>100.0%</b>	

**SONOMA VALLEY HOSPITAL**  
**OPERATING INDICATORS**  
For the Period Ended August 31, 2024

ATTACHMENT B

CURRENT MONTH				YEAR-TO-DATE			YTD	
	Actual	Budget	Favorable (Unfavorable) Variance		Actual	Budget	Favorable (Unfavorable) Variance	Prior Year 08/31/23
	08/31/24	08/31/24	Variance		08/31/24	08/31/24	Variance	08/31/23
<b>Inpatient Utilization</b>								
<b>Discharges</b>								
1	38	54	(16)	Med/Surg	81	108	(27)	92
2	16	18	(2)	ICU	38	36	2	33
3	54	72	(18)	Total Discharges	119	145	(26)	125
<b>Patient Days:</b>								
4	130	172	(42)	Med/Surg	281	345	(64)	356
5	78	85	(7)	ICU	157	172	(15)	165
6	208	257	(49)	Total Patient Days	438	517	(79)	521
7	23	-	23	Observation days	41	-	41	34
<b>Average Length of Stay:</b>								
8	3.42	3.18	0.2	Med/Surg	3.47	3.19	0.28	3.87
9	4.88	4.69	0.2	ICU	4.13	4.71	(0.58)	5.00
10	3.85	3.56	0.3	Avg. Length of Stay	3.68	3.57	0.11	4.17
<b>Average Daily Census:</b>								
11	4.2	5.5	(1.3)	Med/Surg	4.5	5.6	(1.0)	5.7
12	2.5	2.8	(0.2)	ICU	2.5	2.8	(0.2)	2.7
13	6.7	8.3	(1.6)	Avg. Daily Census	7.1	8.3	(1.3)	8.4
<b>Other Utilization Statistics</b>								
<b>Emergency Room Statistics</b>								
14	919	793	126	OP ER Visits	1,925	1,622	303	1,730
<b>Outpatient Statistics:</b>								
15	5,750	4,610	1,140	Total Outpatients Visits	11,343	9,198	2,145	9,969
16	12	12	0	IP Surgeries	19	23	(4)	30
17	145	132	13	OP Surgeries / Special Procedures	269	252	17	343
18	327	333	(6)	Adjusted Discharges	635	643	(7)	621
19	1,260	1,201	58	Adjusted Patient Days	2,350	2,325	25	2,622
20	40.6	38.8	1.9	Adj. Avg. Daily Census	37.9	37.5	0.4	42.3
21	1.454	1.400	0.054	Case Mix Index - Medicare	1.396	1.400	(0.004)	1.460
22	1.456	1.400	0.056	Case Mix Index - All payers	1.409	1.400	0.009	1.391
<b>Labor Statistics</b>								
23	219	214	(5)	FTE's - Worked	215	212	(2.9)	214
24	244	236	(8)	FTE's - Paid	240	235	(4.5)	234
25	49.53	49.39	(0.15)	Average Hourly Rate	48.96	49.52	0.56	49.00
26	6.01	6.08	0.07	FTE / Adj. Pat Day	6.32	6.27	(0.05)	5.54
27	34.2	34.6	0.4	Manhours / Adj. Pat Day	36.0	35.7	(0.3)	31.6
28	131.8	124.8	(7.0)	Manhours / Adj. Discharge	133.3	129.2	(4.0)	133.4
29	22.8%	27.6%	4.8%	Benefits % of Salaries	25.0%	28.9%	3.9%	24.9%
<b>Non-Labor Statistics</b>								
30	10.6%	10.8%	0.2%	Supply Expense % Net Revenue	9.6%	10.8%	1.2%	14.1%
31	1,664	1,542	(121)	Supply Exp. / Adj. Discharge	1,545	1,553	9	1,971
32	17,610	17,499	(111)	Total Expense / Adj. Discharge	18,122	18,020	(102)	15,973
<b>Other Indicators</b>								
33	19.8			Days Cash - Operating Funds				
34	58.3	50.0	8.3	Days in Net AR	58.0	50.0	8.0	64.6
35	97%			Collections % of Cash Goal	102%			102.2%
36	60.7	55.0	5.7	Days in Accounts Payable	60.7	55.0	5.7	-
37	17.6%	17.7%	0.0%	% Net revenue to Gross revenue	18.0%	17.8%	0.2%	15.2%
38	36.4%			% Net AR to Gross AR	36.4%			33.8%

Sonoma Valley Health Care District

ATTACHMENT C

Balance Sheet  
As of August 31, 2024  
UNAUDITED

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<b>Assets</b>			
Current Assets:			
1 Cash	2,969,124	3,428,185	4,716,878
3 Net Patient Receivables	12,194,645	11,756,221	10,270,858
4 Allow Uncollect Accts	(4,139,598)	(3,948,126)	(1,998,431)
5 Net A/R	8,055,047	7,808,095	8,272,427
6 Other Accts/Notes Rec	1,383,800	1,376,217	1,793,595
7 Parcel Tax Receivable	3,800,000	3,800,000	3,800,000
8 GO Bond Tax Receivable	2,568,326	2,568,326	2,617,464
9 3rd Party Receivables, Net	780,586	361,472	(29,823)
10 Inventory	932,321	917,067	1,004,737
11 Prepaid Expenses	977,566	1,170,136	1,547,135
12 Total Current Assets	\$ 21,466,770	\$ 21,429,498	\$ 23,722,413
13 Property, Plant & Equip, Net	\$ 62,103,421	\$ 61,613,653	\$ 57,662,080
14 Trustee Funds - GO Bonds	5,982,661	5,957,336	5,797,833
15 Designated Funds - Board Approved	-	-	-
16 Total Assets	<u>\$ 89,552,852</u>	<u>\$ 89,000,487</u>	<u>\$ 87,182,326</u>
<b>Liabilities &amp; Fund Balances</b>			
Current Liabilities:			
17 Accounts Payable	\$ 6,825,538	\$ 6,673,070	\$ 4,707,110
18 Accrued Compensation	4,049,786	3,768,145	3,820,154
19 Interest Payable - GO Bonds	268,600	225,861	314,730
20 Accrued Expenses	202,921	465,936	1,854,361
21 Advances From 3rd Parties	-	-	-
22 Deferred Parcel Tax Revenue	3,166,666	3,483,333	3,166,666
23 Deferred GO Bond Tax Revenue	2,006,269	2,206,896	2,181,221
24 Current Maturities-LTD	217,475	217,475	217,475
25 Line of Credit - Union Bank	1,895,519	1,873,734	4,973,734
26 Other Liabilities	57,510	92,510	57,511
27 Total Current Liabilities	\$ 18,690,284	\$ 19,006,960	\$ 21,292,963
28 Long Term Debt, net current portion	\$ 30,522,603	\$ 30,646,293	\$ 29,710,643
Fund Balances:			
30 Unrestricted	\$ 16,464,892	\$ 15,472,161	\$ 15,533,204
31 Restricted	23,875,073	23,875,073	20,645,512
32 Total Fund Balances	\$ 40,339,965	\$ 39,347,234	\$ 36,178,715
33 Total Liabilities & Fund Balances	<u>\$ 89,552,852</u>	<u>\$ 89,000,487</u>	<u>\$ 87,182,321</u>

Sonoma Valley Health Care District  
 Balance Sheet Variance Analysis  
 As of August 31, 2024

ATTACHMENT D

Assets	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
<b>CURRENT ASSETS</b>					
Cash	(459,061)	2,969,124	3,428,185	4,716,878	Cash receipts of \$4.2 million vs. \$4.7 million in AP payments. In addition to AP payments, SVH had capital expenditures of \$105K for payment of multiple assets.
Net A/R	246,952	8,055,047	7,808,095	8,272,427	Increase in net monthly patient revenue
Other Receivables	426,697	8,532,712	8,106,015	8,181,236	Change relates to the recording of the current fiscal year income receivables for the bond and parcel taxes monthly amortization
Inventory	15,254	932,321	917,067	1,004,737	Comparable balances
Prepaid Expenses	(192,570)	977,566	1,170,136	1,547,135	Monthly expense recognition of prepaid expenditures
<b>TOTAL CURRENT ASSETS</b>	<b>37,272</b>	<b>21,466,770</b>	<b>21,429,498</b>	<b>23,722,413</b>	
<b>NON-CURRENT ASSETS</b>					
Net Fixed Assets	489,768	62,103,421	61,613,653	57,662,080	Invoices related to progress billings for ODC project
Trustee Funds - GO Bonds	25,325	5,982,661	5,957,336	5,797,833	
<b>TOTAL ASSETS</b>	<b>552,365</b>	<b>89,552,852</b>	<b>89,000,487</b>	<b>87,182,326</b>	
Liabilities / Fund Balance	Monthly Change	Current Month	Prior Month	Prior Year	Variance Commentary
<b>CURRENT LIABILITIES</b>					
Accounts Payable	152,468	6,825,538	6,673,070	4,707,110	Small increase from prior month
Accrued Expenses	18,626	4,252,707	4,234,081	5,674,515	Comparable
Interest Payable	42,739	268,600	225,861	314,730	Go Bond interest accrual
Deferred Revenues	(517,294)	5,172,935	5,690,229	5,347,887	Monthly amortization of annual Parcel Tax and IGT funds
Line of Credit	21,785	1,895,519	1,873,734	4,973,734	
Other Liabilities	(35,000)	274,985	309,985	274,986	GASB amortization
<b>TOTAL CURRENT LIABILITIES</b>	<b>(316,676)</b>	<b>18,690,284</b>	<b>19,006,960</b>	<b>21,292,963</b>	
<b>NON-CURRENT LIABILITIES</b>					
Long Term Debt	(123,690)	30,522,603	30,646,293	29,710,643	Comparable
<b>TOTAL LIABILITIES</b>	<b>(440,366)</b>	<b>49,212,887</b>	<b>49,653,253</b>	<b>51,003,606</b>	
<b>FUND BALANCES</b>					
Fund Balance	992,731	40,339,965	39,347,234	36,178,715	Change in Net Position for month \$992,730
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>552,365</b>	<b>89,552,852</b>	<b>89,000,487</b>	<b>87,182,321</b>	

Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
For the Period Ended August 31, 2024

	Month				Year-To-Date							
	This Year		Variance		This Year		Variance		Variance			
	CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%	
<b>Volume Information</b>												
1	Acute Discharges	54	72	(18)	-25%	119	145	(26)	-18%	125	(6)	-5%
2	Patient Days	208	257	(49)	-19%	438	517	(79)	-15%	521	(83)	-16%
3	Observation Days	23	-	23	n/a	41	-	41	n/a	34	7	21%
4	Gross O/P Revenue (000's)	24,219	21,120	3,100	15%	46,304	40,429	5,876	15%	45,398	907	2%
<b>Financial Results</b>												
<b>Gross Patient Revenue</b>												
5	Inpatient	4,785,991	5,838,589	(1,052,598)	-18%	10,685,145	11,726,925	(1,041,780)	-9%	11,456,221	(771,076)	-7%
6	Outpatient	13,549,229	12,933,586	615,643	5%	25,256,426	24,782,498	473,928	2%	27,842,961	(2,586,535)	-9%
7	Emergency	10,670,255	8,186,017	2,484,238	30%	21,048,057	15,646,245	5,401,812	35%	17,585,674	3,462,383	20%
8	<b>Total Gross Patient Revenue</b>	<b>29,005,475</b>	<b>26,958,192</b>	<b>2,047,283</b>	<b>8%</b>	<b>56,989,628</b>	<b>52,155,668</b>	<b>4,833,960</b>	<b>9%</b>	<b>56,884,857</b>	<b>104,771</b>	<b>0%</b>
<b>Deductions from Revenue</b>												
9	Contractual Discounts	(24,552,378)	(22,995,808)	(1,556,570)	7%	(48,001,396)	(44,489,194)	(3,512,202)	8%	(47,705,543)	(295,853)	1%
10	Bad Debt	(172,250)	(127,659)	(44,591)	35%	(322,250)	(246,978)	(75,272)	30%	(250,286)	(71,964)	29%
11	Charity Care Provision	(41,925)	54,845	(96,770)	-176%	(147,274)	106,106	(253,380)	-239%	(274,358)	127,084	-46%
12	Supplemental Funding	871,547	871,547	0	0%	1,743,094	1,743,093	1	0%	-	1,743,094	n/a
13	<b>Total Deductions from Revenue</b>	<b>(23,895,006)</b>	<b>(22,197,076)</b>	<b>(1,697,930)</b>	<b>8%</b>	<b>(46,727,826)</b>	<b>(42,886,973)</b>	<b>(3,840,853)</b>	<b>9%</b>	<b>(48,230,187)</b>	<b>1,502,361</b>	<b>-3%</b>
14	<b>Net Patient Service Revenue</b>	<b>5,110,469</b>	<b>4,761,116</b>	<b>349,353</b>	<b>7%</b>	<b>10,261,802</b>	<b>9,268,695</b>	<b>993,107</b>	<b>11%</b>	<b>8,654,669</b>	<b>1,607,133</b>	<b>19%</b>
15	Other Operating Revenue	98,402	91,993	6,409	7%	196,352	183,987	12,365	7%	172,989	23,363	14%
16	<b>Total Operating Revenue</b>	<b>5,208,871</b>	<b>4,853,110</b>	<b>355,761</b>	<b>7%</b>	<b>10,458,154</b>	<b>9,452,682</b>	<b>1,005,472</b>	<b>11%</b>	<b>8,827,658</b>	<b>1,630,496</b>	<b>18%</b>
<b>Operating Expenses</b>												
17	Salary and Wages and Agency Fees	2,135,117	2,055,690	79,427	4%	4,143,405	4,111,538	31,867	1%	4,055,705	87,700	2%
18	Employee Benefits	721,346	803,150	(81,804)	-10%	1,565,728	1,641,301	(75,573)	-5%	1,441,694	124,035	9%
19	<b>Total People Cost</b>	<b>2,856,463</b>	<b>2,858,840</b>	<b>(2,377)</b>	<b>0%</b>	<b>5,709,133</b>	<b>5,752,839</b>	<b>(43,706)</b>	<b>-1%</b>	<b>5,497,398</b>	<b>211,735</b>	<b>4%</b>
20	Med and Prof Fees (excl'd Agency)	537,961	671,497	(133,536)	-20%	1,298,396	1,321,420	(23,024)	-2%	1,157,811	140,585	12%
21	Supplies	543,997	514,319	29,678	6%	980,996	998,061	(17,065)	-2%	1,223,172	(242,176)	-20%
22	Purchased Services	481,692	450,750	30,942	7%	832,022	851,482	(19,460)	-2%	721,612	110,410	15%
23	Depreciation	578,469	546,705	31,764	6%	1,097,562	1,068,409	29,153	3%	479,207	618,355	129%
24	Utilities	199,612	175,209	24,403	14%	403,713	350,418	53,295	15%	317,896	85,817	27%
25	Insurance	16,650	74,736	(58,086)	-78%	119,400	149,472	(30,072)	-20%	147,743	(28,343)	-19%
26	Interest	29,150	29,445	(295)	-1%	42,123	58,889	(16,766)	-28%	85,800	(43,677)	-51%
27	Other	106,367	100,875	5,492	5%	209,243	200,703	8,540	4%	191,289	17,954	9%
28	Supplemental Funding Fees	365,191	365,191	0	0%	730,382	730,382	0	0%	-	730,382	n/a
29	<b>Operating Expenses</b>	<b>5,715,552</b>	<b>5,787,566</b>	<b>(72,014)</b>	<b>-1%</b>	<b>11,422,971</b>	<b>11,482,076</b>	<b>(59,105)</b>	<b>-1%</b>	<b>9,821,929</b>	<b>1,601,041</b>	<b>16%</b>
30	<b>Operating Margin</b>	<b>(506,681)</b>	<b>(934,456)</b>	<b>427,775</b>	<b>46%</b>	<b>(964,817)</b>	<b>(2,029,394)</b>	<b>1,064,577</b>	<b>52%</b>	<b>(994,272)</b>	<b>29,455</b>	<b>3%</b>

Sonoma Valley Health Care District  
Statement of Revenue and Expenses  
For the Period Ended August 31, 2024

	Month				Year-To- Date							
	This Year		Variance		This Year		Variance		Variance			
	CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%	
<b>Non Operating Rev and Expense</b>												
31 Miscellaneous Revenue/(Expenses)	38,607	14,488	24,119	166%	26,101	28,975	(2,874)	-10%	147,667	(121,566)	-82%	
32 Donations	-	(3,955)	3,955	-100%	-	(7,909)	7,909	-100%	-	-	n/a	
33 Parcel Tax Assessment Rev	316,667	312,500	4,167	1%	633,334	625,000	8,334	1%	633,334	-	0%	
34 Extraordinary Items	-	-	-	n/a	-	-	-	n/a	-	-	n/a	
<b>35 Total Non-Operating Revenue/(Expense)</b>	<b>355,274</b>	<b>323,033</b>	<b>32,241</b>	<b>10%</b>	<b>659,435</b>	<b>646,066</b>	<b>13,369</b>	<b>2%</b>	<b>781,001</b>	<b>(121,566)</b>	<b>-16%</b>	
<b>36 Net Income / (Loss) prior to GO Bond(net)</b>	<b>(151,407)</b>	<b>(611,423)</b>	<b>460,016</b>	<b>75%</b>	<b>(305,382)</b>	<b>(1,383,328)</b>	<b>1,077,947</b>	<b>78%</b>	<b>(213,271)</b>	<b>(92,111)</b>	<b>-43%</b>	
37 GO Bond Activity, Net	157,691	177,571	(19,880)	-11%	315,382	355,143	(39,761)	-11%	345,606	(30,224)	-9%	
<b>38 Net Income / (Loss) with GO Bond(net)</b>	<b>6,284</b>	<b>(433,852)</b>	<b>440,136</b>	<b>101%</b>	<b>10,000</b>	<b>(1,028,186)</b>	<b>1,038,186</b>	<b>101%</b>	<b>132,335</b>	<b>(122,335)</b>	<b>92%</b>	
39 Restricted Foundation Contributions	986,446	157,410	829,036	527%	1,052,405	314,819	737,586	234%	-	1,052,405	n/a	
<b>40 Change in Net Position</b>	<b>992,730</b>	<b>(276,442)</b>	<b>1,269,172</b>	<b>459%</b>	<b>1,062,405</b>	<b>(713,367)</b>	<b>1,775,772</b>	<b>249%</b>	<b>132,335</b>	<b>930,070</b>	<b>-703%</b>	
<b>Operating EBDA</b>	<b>71,788</b>	<b>(387,751)</b>	<b>459,539</b>	<b>119%</b>	<b>132,745</b>	<b>(960,985)</b>	<b>1,093,730</b>	<b>114%</b>	<b>(515,064)</b>	<b>647,809</b>	<b>126%</b>	
<b>Total EBDA - Excl Rest Contributions</b>	<b>584,753</b>	<b>112,853</b>	<b>471,900</b>	<b>418%</b>	<b>1,107,562</b>	<b>40,223</b>	<b>1,067,339</b>	<b>2654%</b>	<b>611,543</b>	<b>496,019</b>	<b>81%</b>	
<b>Total EBDA - Incl Rest Contributions</b>	<b>1,571,199</b>	<b>270,262</b>	<b>1,300,937</b>	<b>481%</b>	<b>2,159,967</b>	<b>355,042</b>	<b>1,804,925</b>	<b>508%</b>	<b>611,543</b>	<b>1,548,424</b>	<b>253%</b>	



**Sonoma Valley Health Care District**  
**FY24 Trended Income Statement - Last 6 Months**  
**For the Period Ended August 31, 2024**

ATTACHMENT F

	March FY24	April FY24	May FY24	June FY24	July FY25	August FY25	FY25 YTD Month Avg	FY24 YTD Month Avg
1 Acute Discharges	59	70	63	58	65	54	60	68
2 Patient Days	192	230	197	201	230	208	219	245
3 Observation Days	17	19	22	29	18	23	21	22
4 Gross O/P Revenue (000's)	\$ 21,438	\$ 21,913	\$ 21,663	\$ 21,914	\$ 27,960	\$ 28,981	\$ 28,471	\$ 21,821
<b>Financial Results</b>								
<b>Gross Patient Revenue</b>								
5 Inpatient	\$ 4,451,229	\$ 6,001,401	\$ 4,589,215	\$ 5,247,297	\$ 5,899,154	\$ 4,785,991	\$ 5,342,573	\$ 5,855,907
6 Outpatient	12,014,729	12,349,015	12,028,739	11,630,429	11,683,143	13,524,993	12,604,068	12,948,617
7 Emergency	9,423,709	9,563,637	9,634,326	10,284,037	10,377,802	10,670,255	10,524,029	8,872,108
8 Total Gross Patient Revenue	\$ 25,889,667	\$ 27,914,053	\$ 26,252,280	\$ 27,161,763	\$ 27,960,099	\$ 28,981,239	\$ 28,470,669	\$ 27,676,632
<b>Deductions from Revenue</b>								
9 Contractual Discounts	(21,920,503)	(21,690,696)	(22,184,344)	(22,711,319)	(23,449,018)	(24,552,378)	(24,000,698)	(23,322,102)
10 Bad Debt	(216,128)	(2,013,340)	(72,256)	(151,047)	(150,000)	(172,250)	(161,125)	(274,192)
11 Discounts / Other Deductions	165,606	(102,784)	22,408	(118,043)	(105,349)	(41,925)	(73,637)	(8,882)
12 IGT Revenue	780,000	1,861,463	207,222	-	871,547	871,547	871,547	656,761
13 Total Deductions from Revenue	\$ (21,191,025)	\$ (21,945,357)	\$ (22,026,970)	\$ (22,980,409)	\$ (22,832,820)	\$ (23,895,006)	\$ (23,363,913)	\$ (22,948,415)
14 Net Patient Service Revenue	\$ 4,698,642	\$ 5,968,696	\$ 4,225,310	\$ 4,181,354	\$ 5,127,279	\$ 5,086,233	\$ 5,106,756	\$ 4,728,217
15 Other Operating Revenue	\$ 92,702	\$ 102,300	\$ 92,828	\$ 89,091	\$ 122,004	\$ 122,638	\$ 122,321	\$ 92,739
16 Total Operating Revenue	\$ 4,791,344	\$ 6,070,996	\$ 4,318,138	\$ 4,270,445	\$ 5,249,283	\$ 5,208,871	\$ 5,229,077	\$ 4,820,956
<b>Operating Expenses</b>								
17 Salary and Wages and Agency Fees	\$ 2,056,165	\$ 2,054,463	\$ 2,080,929	\$ 1,996,137	\$ 2,008,288	\$ 2,135,117	\$ 2,071,703	\$ 2,026,203
18 Employee Benefits	925,525	856,322	808,621	842,715	844,382	721,346	782,864	785,416
19 Total People Cost	\$ 2,981,690	\$ 2,910,785	\$ 2,889,550	\$ 2,838,852	\$ 2,852,670	\$ 2,856,463	\$ 2,854,567	\$ 2,811,618
20 Med and Prof Fees (excl Agency)	\$ 639,293	\$ 579,135	\$ 643,707	\$ 652,661	\$ 760,435	\$ 537,961	\$ 649,198	\$ 598,762
21 Supplies	473,260	361,713	550,525	608,089	436,999	543,997	490,498	626,803
22 Purchased Services	372,201	403,065	307,662	463,462	350,330	481,692	416,011	413,583
23 Depreciation	427,561	422,819	441,840	500,000	519,093	578,469	548,781	441,044
24 Utilities	119,082	151,806	135,364	227,263	204,101	199,612	201,857	162,052
25 Insurance	66,583	98,995	68,544	34,172	102,750	16,650	59,700	68,293
26 Interest	54,108	20,453	50,300	120,563	12,973	29,150	21,062	59,272
27 Other	104,090	115,482	108,036	88,499	102,876	106,367	104,622	100,025
28 Matching Fees (IGT)	293,539	47,472	86,484	-	365,191	365,191	365,191	266,458
29 Operating expenses	\$ 5,531,407	\$ 5,111,725	\$ 5,282,012	\$ 5,533,561	\$ 5,707,419	\$ 5,715,552	\$ 5,711,485	\$ 5,547,909
30 Operating Margin	\$ (740,063)	\$ 959,271	\$ (963,874)	\$ (1,263,116)	\$ (458,136)	\$ (506,681)	\$ (482,408)	\$ (726,953)
<b>Non Operating Rev and Expense</b>								
31 Miscellaneous Revenue/(Expenses)	\$ 37,899	\$ 40,512	\$ 41,366	\$ 64,651	\$ (12,506)	\$ 38,607	\$ 13,051	\$ 36,743
32 Donations	(1,459)	67	-	-	-	-	-	(1,005)
33 Parcel Tax Assessment Rev	316,667	316,667	316,668	316,663	316,667	316,667	316,667	316,667
34 Extraordinary Items	-	-	-	-	-	-	-	-
35 Total Non-Operating Rev/Exp	\$ 353,107	\$ 357,246	\$ 358,034	\$ 381,314	\$ 304,161	\$ 355,274	\$ 329,718	\$ 352,405
36 Net Income / (Loss) Excl GO Bond	\$ (386,956)	\$ 1,316,517	\$ (605,840)	\$ (881,802)	\$ (153,975)	\$ (151,407)	\$ (152,691)	\$ (374,548)
37 GO Bond Activity, Net	175,187	175,187	175,187	175,188	157,691	157,691	157,691	174,790
38 Net Income/(Loss) Incl GO Bond	\$ (211,769)	\$ 1,491,704	\$ (430,653)	\$ (706,614)	\$ 3,716	\$ 6,284	\$ 5,000	\$ (199,759)
39 Restricted Foundation Contributions	\$ 2,442,308	\$ 1,202,053	\$ 153,261	\$ 448,716	\$ 65,959	\$ 986,446	\$ 526,203	\$ 449,199
40 Change in Net Position	\$ 2,230,539	\$ 2,693,757	\$ (277,392)	\$ (257,898)	\$ 69,675	\$ 992,730	\$ 531,203	\$ 249,440
Operating EBDA	\$ (312,502)	\$ 1,382,090	\$ (522,034)	\$ (763,116)	\$ 60,957	\$ 71,788	\$ 66,373	\$ (285,910)
Total EBDA - Excl Rest Contributions	\$ 215,792	\$ 1,914,523	\$ 11,187	\$ (206,614)	\$ 522,809	\$ 584,753	\$ 553,781	\$ 241,285
Total EBDA - Incl Rest Contributions	\$ 2,658,100	\$ 3,116,576	\$ 164,448	\$ 242,102	\$ 588,768	\$ 1,571,199	\$ 1,079,984	\$ 690,484

Sonoma Valley Hospital  
Cash Forecast  
FY 2024

ATTACHMENT G

	Actual July	Actual Aug	Forecast Sept	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
<b>Hospital Operating Sources</b>													
1 Patient Payments Collected	4,211,654	4,169,523	4,000,000	4,000,000	4,100,000	4,100,000	4,100,000	4,100,000	4,200,000	4,200,000	4,250,000	4,250,000	49,681,176
2 Other Operating Revenue	316,656	106,836	37,000	95,000	200,000	93,000	115,000	150,000	20,000	110,000	100,000	100,000	1,443,492
3 Other Non-Operating Revenue	12,149	20,866	10,861	46,651	19,716	11,380	24,169	9,420	11,309	18,628	3,587	8,000	196,736
4 Unrestricted Contributions		8,192											8,192
<b>Sub-Total Hospital Sources</b>	<b>4,540,458</b>	<b>4,305,417</b>	<b>4,047,861</b>	<b>4,141,651</b>	<b>4,319,716</b>	<b>4,204,380</b>	<b>4,239,169</b>	<b>4,259,420</b>	<b>4,231,309</b>	<b>4,328,628</b>	<b>4,353,587</b>	<b>4,358,000</b>	<b>51,329,596</b>
<b>Hospital Uses of Cash</b>													
5 Operating Expenses / AP Payments	5,002,977	4,703,643	5,032,000	5,047,000	5,057,000	5,139,000	5,407,200	4,878,000	4,954,000	5,030,000	5,403,000	4,977,000	60,630,820
6 Term Loan Paydown - \$1.9M LOC	-	-	-	38,525	38,525	38,525	38,525	38,525	38,525	38,525	38,525	38,525	346,725
7 Capital Expenditures	65,959	1,047,616	-	25,000	25,000	-	100,000	125,000	100,000	200,000	225,000	50,000	1,963,575
SVH Capital	-	105,290	-	25,000	25,000	-	100,000	125,000	100,000	200,000	225,000	50,000	955,290
Foundation Capital	65,959	942,326	-	-	-	-	-	-	-	-	-	-	1,008,285
<b>Total Hospital Uses</b>	<b>5,068,936</b>	<b>5,751,259</b>	<b>5,032,000</b>	<b>5,072,000</b>	<b>5,082,000</b>	<b>5,139,000</b>	<b>5,507,200</b>	<b>5,003,000</b>	<b>5,054,000</b>	<b>5,230,000</b>	<b>5,628,000</b>	<b>5,027,000</b>	<b>62,594,395</b>
<b>Net Hospital Sources/Uses of Cash</b>	<b>(528,478)</b>	<b>(1,445,842)</b>	<b>(984,139)</b>	<b>(930,349)</b>	<b>(762,284)</b>	<b>(934,620)</b>	<b>(1,268,031)</b>	<b>(743,580)</b>	<b>(822,691)</b>	<b>(901,372)</b>	<b>(1,274,413)</b>	<b>(669,000)</b>	<b>(11,264,798)</b>
<b>Non-Hospital Sources</b>													
8 Restricted Capital Donations	65,959	986,446											1,052,405
9 Parcel Tax Revenue	142,457				1,612,000	285,250				1,754,793			3,794,500
10 Other Payments					300,000								300,000
11 Other:													-
12 IGT - QIP (PY 6/CY23)									750,000				750,000
13 IGT - Rate Range (CY23)							11,105,844						11,105,844
14 IGT - HQAF VIII (CY23)										780,000			780,000
15 IGT - NDPH (SFY23-24)												-	-
16 IGT - NDPH (SFY24-25)												160,600	160,600
17 IGT - DHDP (CY23)									-	838,658			838,658
18 Distressed Hospital Loan Program	3,100,000												3,100,000
19 Line of Credit Draw - New Bank				5,400,000									5,400,000
<b>Sub-Total Non-Hospital Sources</b>	<b>3,308,416</b>	<b>986,446</b>	<b>-</b>	<b>5,400,000</b>	<b>1,912,000</b>	<b>285,250</b>	<b>11,105,844</b>	<b>-</b>	<b>750,000</b>	<b>1,754,793</b>	<b>1,618,658</b>	<b>160,600</b>	<b>27,282,007</b>
<b>Non-Hospital Uses of Cash</b>													
20 IGT Matching Fee Payments					5,157,563			486,730	294,000	86,480	-		6,024,773
21 Line of Credit Repayment - Existing LOC	3,100,000												3,100,000
22 Line of Credit Repayment - New LOC							5,400,000						5,400,000
<b>Sub-Total Non-Hospital Uses of Cash</b>	<b>3,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,157,563</b>	<b>-</b>	<b>5,400,000</b>	<b>486,730</b>	<b>294,000</b>	<b>86,480</b>	<b>-</b>	<b>-</b>	<b>14,524,773</b>
<b>Net Non-Hospital Sources/Uses of Cash</b>	<b>208,416</b>	<b>986,446</b>	<b>-</b>	<b>5,400,000</b>	<b>(3,245,563)</b>	<b>285,250</b>	<b>5,705,844</b>	<b>(486,730)</b>	<b>456,000</b>	<b>1,668,313</b>	<b>1,618,658</b>	<b>160,600</b>	<b>12,757,234</b>
<b>Net Sources/Uses</b>	<b>(320,062)</b>	<b>(459,396)</b>	<b>(984,139)</b>	<b>4,469,651</b>	<b>(4,007,847)</b>	<b>(649,370)</b>	<b>4,437,813</b>	<b>(1,230,310)</b>	<b>(366,691)</b>	<b>766,941</b>	<b>344,245</b>	<b>(508,400)</b>	<b>1,492,436</b>
Total Cash at beginning of period	3,748,581	3,428,519	2,969,124	1,984,985	6,454,636	2,446,789	1,797,419	6,235,232	5,004,922	4,638,231	5,405,172	5,749,417	
<b>Total Cash at End of Period</b>	<b>3,428,519</b>	<b>2,969,124</b>	<b>1,984,985</b>	<b>6,454,636</b>	<b>2,446,789</b>	<b>1,797,419</b>	<b>6,235,232</b>	<b>5,004,922</b>	<b>4,638,231</b>	<b>5,405,172</b>	<b>5,749,417</b>	<b>5,241,017</b>	
<b>Days of Cash on Hand at End of Month</b>	<b>22.0</b>	<b>19.8</b>	<b>13.2</b>	<b>43.0</b>	<b>16.3</b>	<b>12.0</b>	<b>41.6</b>	<b>33.4</b>	<b>30.9</b>	<b>36.0</b>	<b>38.3</b>	<b>34.9</b>	