



SVHCD FINANCE COMMITTEE MEETING

AGENDA

TUESDAY, FEBRUARY 25, 2025

5:00 p.m. Regular Session

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

sonomavalleyhospital-org.zoom.us/j/94662918236

Meeting ID: 946 6291 8236

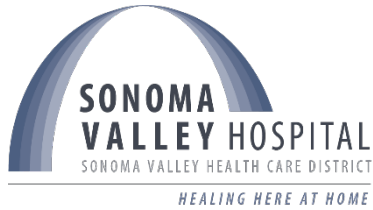
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AGENDA ITEM		
<p>In compliance with the Americans with Disabilities Act, if you require special accommodations to attend a District meeting, please contact the Board Clerk, Whitney Reese, at wreese@sonomavalleyhospital.org or 707.935.5005 at least 48 hours prior to the meeting.</p>		
<p>MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
1. CALL TO ORDER/ANNOUNCEMENTS	Case	
<p>2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>	Case	
<p>3. CONSENT CALENDAR</p> <ul style="list-style-type: none"> Finance Committee Minutes 01.28.25 	Case	Action <i>Pages 2 - 3</i>
4. FY2025 AUDIT ENGAGEMENT	Case	Action <i>Pages 4 - 30</i>
5. 2025 WORK PLAN	Case & Armfield	Action <i>Page 31</i>
6. REVISED FINANCE COMMITTEE CHARTER	Armfield	Action <i>Pages 32 - 35</i>
7. ACCOUNTS RECEIVABLE REVIEW	Armfield	Action <i>Pages 36 - 39</i>
8. INVESTMENT POLICY (P-2022.02.16-1)	Case	Inform <i>Pages 40 - 46</i>
9. FINANCIAL REPORTS FOR MONTH END JANUARY 2025	Armfield	Inform <i>Pages 47 - 56</i>
10. ADJOURN	Case	



**SVHCD
FINANCE COMMITTEE MEETING
MINUTES**

TUESDAY, JANUARY 28, 2024

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

Present	Not Present/Excused	Staff/Public
Ed Case, in person Dennis Bloch, in person Carl Gerlach, in person Catherine Donahue, in person Graham Smith, via zoom Robert Crane, via zoom Subhash Mishra, MD, via zoom		Ben Armfield, SVH CFO, in person John Hennelly, SVH CEO, in person Lois Fruzynski, SVH Accounting Manager, in person Monique Jervan – SVH EA, Alternate Board Clerk Leslie Peterson, Sonoma Valley Hospital Foundation Wendy Myatt Lee, in person
MISSION & VISION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
AGENDA ITEM	DISCUSSION	ACTIONS
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Ed Case</i>	Meeting called to order 6:01pm
Case complimented the diverse and impressive combined experience of the committee members. Hennelly announced first case was completed with new ROSA system (Robotic Assist Device) and the doctors are very pleased.		
2. PUBLIC COMMENT SECTION	None	
3. CONSENT CALENDAR	<i>Ed Case</i>	Action
Finance Committee Minutes 11.26.24		MOTION: Motion to approve by Donahue, 2 nd by Gerlach. All in favor
4. DISCUSSION: MERGE AUDIT AND FINANCE COMMITTEES	<i>Ed Case</i>	Action
Discussion on merging the two committees. Arthur Grandy, the sole member of the Audit Committee who was not also on the Finance Committee, has elected not to join Finance Committee and will be focusing on the SVH Foundation. His tenure on SVHCD committees has been appreciated. Recommendation to add a review of cyber security into the charter. With two openings available on the Finance Committee, instruction was that all members can submit potential candidate names to Case. Hennelly & Case will explore candidates from the Foundation Board and service organizations. Diversity is highlighted, noting candidates could have an operations or service related background. All members agreed upon the merge and Case will revise the charter		MOTION: no action taken at this time.

to reflect the new scope of work before voting to bring it to the BOD.		
5. REVIEW 2025 WORK PLANS <ul style="list-style-type: none"> • MEETING FREQUENCY • MEETING START TIME 	<i>Ed Case</i>	Inform
Robust discussion regarding meeting frequency concluding in agreement to reduce occurrence to nine meetings per year, with the understanding that additional meetings may be added as needed. Armfield will review potential months to skip and present at next meeting. Armfield & Case to work on evolving the financial reporting package to be more focused and concise, highlighting key takeaways rather than excessive detail. The Finance Committee requests continued monitoring ROI on major capital investments and follow up on financial decisions.		
6. FY25 BUSINESS PLAN TRACKER (Capital Project Dashboard)	<i>Ben Armfield</i>	Inform
Armfield presented the FY25 Business Plan Tracker. The MRI volumes have been inconsistent, with ongoing challenges in referral patterns from UCSF due to administrative and IT barriers. The PT expansion is progressing but faces HVAC-related delays. Dr. Walter's case volumes are ramping up well and exceed budgeted levels year-to-date. A new tracking system for the ROSA robotic surgical system is being implemented. Additionally, there are concerns about UCSF and Marin physicians not utilizing Sonoma Valley services due to accessibility and system integration issues. Efforts are underway to address IT connectivity, referral pathways, and patient awareness to improve utilization and revenue growth.		
7. FINANCIAL REPORTS FOR MONTH END DECEMBER 2024 <ul style="list-style-type: none"> • November 2024 Financials for reference (as presented to BOD) 	<i>Ben Armfield</i>	Inform
Armfield presented financial updates, particularly the impact of the rate range IGT program, which resulted in a substantial net benefit. This improvement significantly boosts the organization's financial position, turning a \$2 million cash deficit from the previous year into an anticipated \$3 million surplus. The unpredictability of the IGT program and potential federal funding changes were noted as concerns for future budgeting. Additional topics included banking transitions, potential investment strategies for excess funds, and risk management coverage. The meeting concluded with plans to review A/R in the next session and adjust the work plan accordingly.		
8. ADJOURN	<i>Ed Case</i>	Meeting adjourned at 7:38pm

February 3, 2025

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

Re: Audit and Nonattest Services

Dear Ben:

Thank you for the opportunity to provide services to Sonoma Valley Health Care District. This engagement letter (“Engagement Letter”) and the attached Professional Services Agreement, which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP (“Moss Adams,” “we,” “us,” and “our”) will provide to Sonoma Valley Health Care District (“you,” “your,” and “District”).

Scope of Services – Audit

You have requested that we audit the District’s financial statements, which comprise the statements of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ending, and the related notes to the financial statements. We have not been engaged to report on whether the management’s discussion and analysis and supplementary information related to community support, presented as supplementary information, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (“RSI”), such as management’s discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to District’s RSI in accordance with auditing standards generally accepted in the United States of America. We will not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Scope of Services and Limitations – Nonattest

We will provide the District with the following nonattest services:

- Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2025.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, District management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service, by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that you have been designated by the District to oversee the nonattest services and that in the opinion of the District you are qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Timing

Chris Pritchard is the engagement partner and Katherine Djiauw is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin the audit fieldwork for this engagement at your offices in April 2025, and issue our report no later than November 30, 2025.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff’s unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.

Fees

We estimate that our fees for the services will be \$75,000.

Payment Due	Expected Timing	Amount
Engagement Acceptance (20%)	Engagement Letter Date	\$15,000
Interim Fieldwork Begins (20%)	August 2025	\$15,000
Year-End Fieldwork Begins (50%)	September 2025	\$37,500
Report Finalization (10%)	October 2025	\$7,500
Total		\$75,000

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses will be billed separately and are not included in the 5% charge.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the District's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2025.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,



Chris Pritchard, Partner, for
Moss Adams LLP

Enclosures



Accepted and Agreed:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Sonoma Valley Health Care District with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Client: #620823
v. 6/13/2024

PROFESSIONAL SERVICES AGREEMENT

Audit and Nonattest Services - Government Auditing Standards Version (no compliance audit)

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that Moss Adams will provide to the District. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Objectives of the Audit

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives also include reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards.

The report on internal control and compliance will include a statement that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance, that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance, and, accordingly, it is not suitable for any other purpose.

The objectives of our audit are also to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Auditor's Responsibility

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control or to identify deficiencies in the design or operation of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time

The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and

transaction details by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws, regulations, contracts and grant agreements that come to our attention, unless clearly inconsequential. We will also inform you of any other conditions or other matters involving internal control, if any, as required by *Government Auditing Standards*. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

We may assist management in the preparation of the District's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of Moss Adams.

Management's Responsibility

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, but management remains responsible for the financial statements. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for informing us about all known or suspected fraud affecting the District involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators or others.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control over compliance with the provisions of laws, regulations, contracts, and grant agreements, and for identifying and ensuring that you comply with such provisions. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with the provisions of laws, regulations, contracts, and grant agreements or abuse that we may report.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement, management will provide us with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, whether obtained from within or outside of the general and subsidiary ledgers (including all

information relevant to the preparation and fair presentation of disclosures), such as records, documentation, and other matters;

- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates

Our professional standards require that we remain independent of the District as well as any "affiliate" of the District. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that the District is required to include or disclose, and is included or disclosed in its basic financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that the District is required to include or disclosed in its basic financial statements in accordance with U.S. GAAP, which is material to the District but which the District has elected to exclude, and for which the District has more than minimal influence over the entity's accounting or financial reporting process;
- an investment in an investee held by the District or an affiliate of the District, where the District or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance the District's ability to provide government services;
- an investment in an investee held by the District or an affiliate of the District, where the District or affiliate has significant influence over the investee and for which the investment is material to the District's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance the District's ability to provide government services

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify Moss Adams of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform Moss Adams of any known services provided or relationships between affiliates of the District and Moss Adams or any of its employees or personnel.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in an entity's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to us as soon as it is available.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If we identify that a material inconsistency or misstatement of the other information exists, we will discuss it with you; if it is not resolved U.S. GAAS requires us to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not contemplate Moss Adams providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.

If you request to engage Moss Adams to communicate key audit matters in the auditor's report, before accepting the engagement we would discuss with you the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements

Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This Agreement does not contemplate Moss Adams providing any services in connection with the offering of securities, whether registered or exempt from registration, and Moss Adams will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that Moss Adams will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

Changes in Professional or Accounting Standards

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

Representations of Management

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the District's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the District's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the District's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the District further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the District's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the District's management.

Fees and Expenses

The District acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;

- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Limitation on Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Pursuant to authority given by law or regulation, we may be requested to make certain engagement documentation available to an applicable entity with oversight responsibilities for the audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such engagement documentation will be provided under the supervision of Moss Adams personnel. Furthermore, upon request, we may provide photocopies of selected engagement documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

Document Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your District records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which

time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Enforceability

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the District. The District agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the District, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

Use of Moss Adams' Name

The District may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Use of Subcontractor and Affiliate

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

Dispute Resolution Procedure, Venue and Limitation Period

This Agreement shall be governed by the laws of the state of Washington, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in King County, state of Washington, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to Moss Adams prior to reviewing our files.

Hiring of Employees

We have a significant investment in the training and development of our accountants, and they are valued employees of Moss Adams. If you should hire one of our accountants either during the audit or within one year after the completion of this engagement, you agree to pay a personnel placement fee to compensate Moss Adams. Any offer of employment to members of the audit team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report

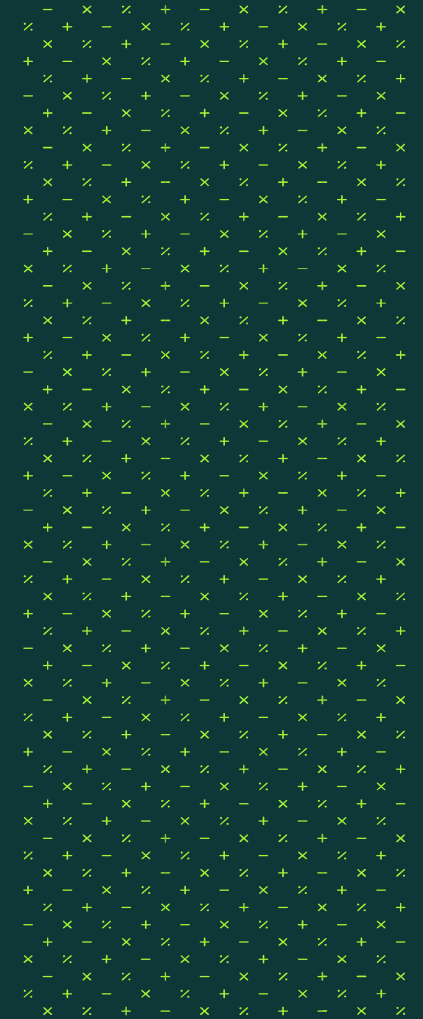


MOSSADAMS

Sonoma Valley Health Care District

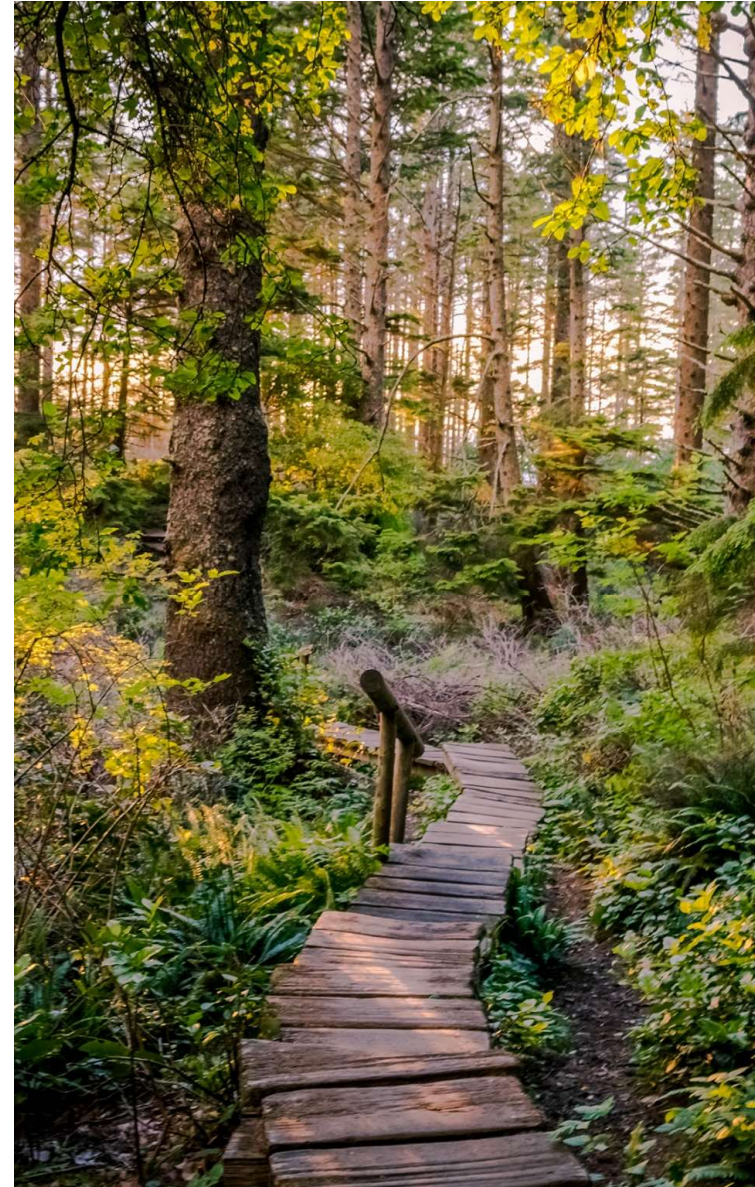
2025 AUDIT PLANNING

Discussion with Management
and the Audit Committee



Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibility in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud in a Financial Statement Audit
7. Audit Timeline
8. Audit Deliverables
9. Recent Accounting Developments
10. About Moss Adams



Your Dedicated Service Leadership Team



Chris Pritchard
Engagement Partner

Chris.Pritchard@mossadams.com
(415) 677-8262



Katherine Djiau
*Engagement Reviewer &
Audit Director*

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Joelle Pulver
Concurring Reviewer

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(541) 732-3871

Other Team Members:

Hongxiao Wang

Engagement Manager

Hongxiao.Wang@mossadams.com
(628) 208-8322



Scope of Services

Relationships between Moss Adams and Sonoma Valley Health Care District:

Annual Audit



Annual financial statement audit as of and for the year ending June 30, 2025

Non-Attest Services



- Assist in drafting the financial statements and related footnotes as of and for the year ending June 30, 2025



Auditor's Responsibilities in a Financial Statement Audit

- Auditor is responsible:
 - Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit doesn't relieve you or management of your responsibilities.
 - Perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States.
 - Design the audit to provide assurance about whether the financial statements are free of material misstatement.
 - Consider internal controls over financial reporting as a basis for designing effective audit procedures.
 - Communicate findings that are relevant to your responsibilities in overseeing the specific matters of the financial reporting process.
 - When applicable, communicate particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement.



Significant Risks Identified

During the planning of the audit, we have identified the following significant risks:

Significant Risks	Procedures
Patient Accounts Receivable, net and Net Patient Service Revenue	<ul style="list-style-type: none">- Lookback analysis- Subsequent collection analysis based on historical collection ratios- Analytical procedure over net patient service revenue- Cut-off analysis
Internal Controls over financial reporting, including management override of controls	<ul style="list-style-type: none">- Inquiries of accounting and operational personnel- Perform risk assessment procedure- Test of design and operational effectiveness of financial reporting controls- Testing of risk-based manual journal entry selections





Risks Discussion

1. What are your views regarding:




- SVHCD's objectives, strategies and business risks that may result in material misstatements
- Significant communications between the entity and regulators
- Attitudes, awareness, and actions concerning
 - SVHCD's internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit

2. Do you have any areas of concern?



Consideration of Fraud in a Financial Statement Audit

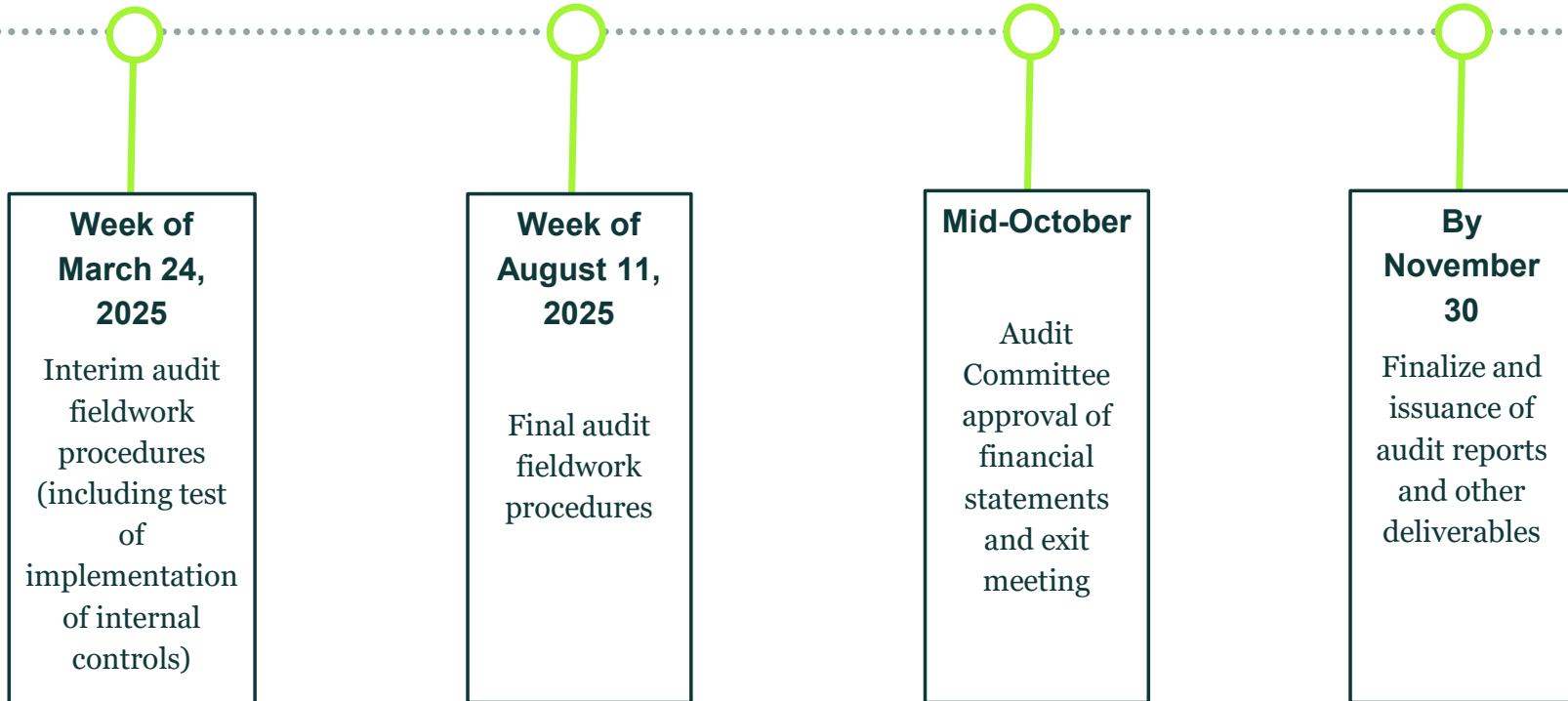
Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

	Procedures to address the risk of fraud	Engagement team discussion
	Identify the risks of material misstatement due to fraud	<ul style="list-style-type: none">• Perform procedures to address identified risks• Inherent limitation of an audit:
	Unavoidable risk exists that some material misstatements may not be detected	



Audit Timeline

2024



Audit Deliverables



Report of Independent Auditors
on financial statements as of and for the
year ending June 30, 2025



Report to Management *(if necessary)*
(communicating internal control related
matters identified in an audit)

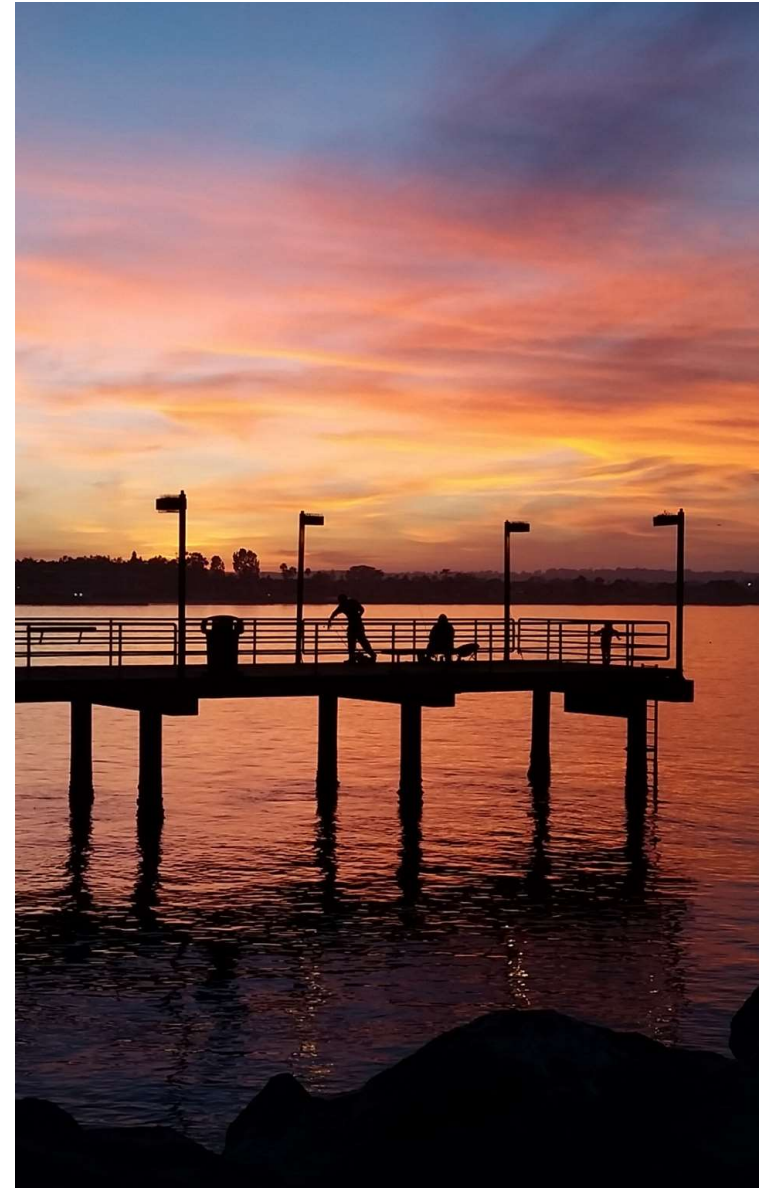


**Report to Those Charged
With Governance**
(communicating required matters
and other matters of interest)



Recent Accounting Developments

- GASB Statement No. 101, Compensated Absences. Effective for the System beginning July 1, 2024.
- GASB Statement No. 102, Certain Risk Disclosures. Effective for the System beginning July 1, 2024
- GASB Statement No. 103, Financial Reporting Model Improvements. Effective for the System beginning July 1, 2025
- GASB Statement No. 104, Disclosure of Certain Capital Assets. Effective for the System beginning July 1, 2025



About Moss Adams



Health Care Group

Health care is one of our firm's largest and most successful industry groups. For more than 45 years, we've recognized the value of having dedicated industry professionals. Unlike many of our competitors, our Health Care Group includes 100% industry-focused professionals who specialize in navigating the complexities of today's health care landscape.

Our team supports a wide range of clients from individual clinics to health systems, from surgery centers to long-term care facilities, and from ancillary health care providers to private equity firms investing in the health care sector.

ELEVATED

Expertise

4,100+
clients across
the nation

400+
dedicated professionals

33
health care partners

Participation in 65+
national, regional, and
state health care industry
events

*Updrafts—
These rising air currents
support flight and the ability
to soar to greater heights.
Data as of January 2024*



Health Care Consulting

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all emerging needs—both now and in the future.

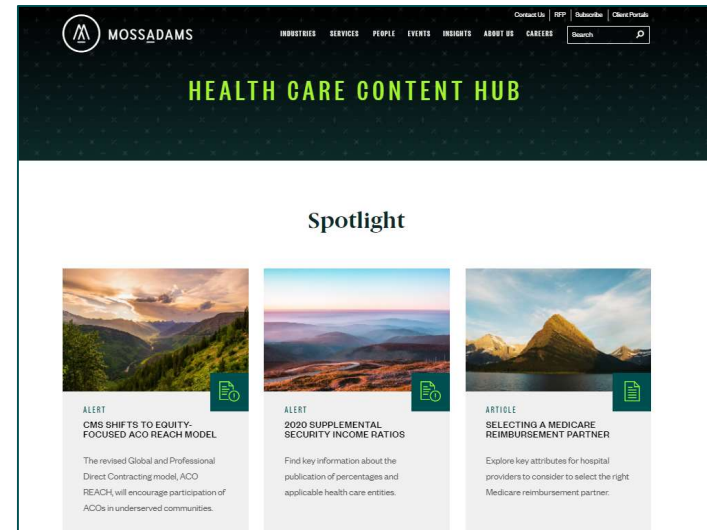


Insights & Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your time.





**THANK
YOU**



2025 Finance Committee Work Plan

REVISED DRAFT | February 2025

January	February	March	April
<ul style="list-style-type: none"> ▪ November/December Financials / FY25 2nd Quarter Review ▪ Review Capital Project Dashboard 	<ul style="list-style-type: none"> ▪ January Financials ▪ Detailed A/R Review (moved from January) ▪ Approval of Revised Charter & Work Plan ▪ From AUDIT CMTE : Review Audit Firm Engagement Letter <ul style="list-style-type: none"> ○ Review Scope of Audit Report (with Auditors) 	<ul style="list-style-type: none"> ▪ February Financials ▪ District Hospital Leadership Forum (DHLF) Update / Presentation (moved from February) ▪ FY 2026 Budget Assumptions ▪ Revenue Analysis and Payor Profitability Review 	<ul style="list-style-type: none"> ▪ March Financials / FY25 3rd Quarter Review ▪ FY 2026 Budget Update ▪ Payor Contract Status Review (moved from March) ▪ Sonoma Valley Hospital Foundation Update
May	June	July	August
<ul style="list-style-type: none"> ▪ April Financials ▪ Review and Recommend for APPROVAL FY 2026 Budget ▪ Long Range Financial Plan, including Capital Spending Assumptions ▪ Additional Meeting Same Day: Joint Board/Finance Committee Budget Meeting 	No Meeting	<ul style="list-style-type: none"> ▪ June Financials / FY25 4th Quarter Review ▪ Cash Flow Forecast ▪ Risk Management and Insurance Review 	<ul style="list-style-type: none"> ▪ July Financials ▪ Information Technology Security Systems Review ▪ From AUDIT CMTE : Progress report on audit project ▪ Debt Profile Review (moved from September)
September	October	November	December
No Meeting	<ul style="list-style-type: none"> ▪ September Financials / FY26 1st Quarter Review ▪ From AUDIT CMTE : Presentation of FY25 Audit Report ▪ Balance Sheet Review (moved from September) ▪ Update on Board Strategic Plan 	<ul style="list-style-type: none"> ▪ October Financials ▪ Line of Business Profile Review including Market Share and Profitability ▪ 2026 Finance Committee Work Plan 	No Meeting

Red Text – Proposed changes from previous Work Plan

Red Text in Yellow Highlight – Item moved from Audit Committee Work Plan to Finance Committee Work Plan



SUBJECT: Finance and Audit Committee Charter

PAGE 1 of 3

REVISED: 02.25.25

EFFECTIVE: 03.06.25

PURPOSE:

This charter sets forth the duties and responsibilities and governs the operations of the Finance and Audit Committee (“FC”) of the Board of Directors (“BOD”) of Sonoma Valley Health Care District (“SVHCD”), a nonprofit corporation organized and existing under the California Law.

The FC’s purpose is to assist the BOD in its oversight of the SVHCD’s financial affairs, including SVHCD’s financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the SVHCD. The FC is the body which makes recommendations to the BOD on all financial decisions.

In addition to the above duties, the FC will assist the BOD in its annual audit process. Subject to the ultimate authority of the BOD, the FC shall select, engage and oversee SVHCD’s outside auditor and approve and oversee all audit services provided by SVHCD’s outside auditor.

RESPONSIBILITIES:

Review Monthly Financial Operating Performance

- Review the SVHCD’s financial operating performance. The FC will review the financial statements, prepared by management. The FC, on a periodic basis will review the FC and BOD financial reporting package and recommend reports changes as needed. The FC will also review other financial indicators as warranted.
- Review management’s plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The FC will make recommendations to the BOD when necessary.

Budgets

- Review and recommend to the BOD for approval an annual operating budget for the SVHCD.
- Review management’s budget assumptions including volume, growth, inflation, and other budget assumptions.
- Review and recommend to the BOD for approval an annual capital expenditures budget, and unbudgeted capital expenditures for SVHCD. If deemed appropriate by the FC, review and recommend to the BOD for approval projected capital expenditures budgets for one or more succeeding years.

Debt, Financing, and Refinancing



SUBJECT: Finance and Audit Committee Charter

PAGE 2 of 3

REVISED: 02.25.25

EFFECTIVE: 03.06.25

- In collaboration with management, evaluate and monitor SVHCD's long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.
- Evaluate and recommend to the BOD for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance costs; (iv) banks, investment banks, and underwriters retained or compensated by SVHCD in connection with any financing or refinancing.
- Review and recommend to the BOD all guarantees or other obligations for the indebtedness of any third party.

Insurance

- Review on an annual basis all insurance coverage, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions. Receive and review report from outside broker regarding adequacy of coverage.

Investment Policies

- In collaboration with management, review and recommend to the BOD, SVHCD's cash management and cash investment policies, utilizing the advice of financial consultants as the FC deems necessary or desirable. On an annual basis review Investment Policy and recommend changes as needed.
- Review and recommend to the BOD, SVHCD's investment policies relating to assets of any employee benefit plans maintained and controlled by SVHCD, utilizing the advice of financial consultants as the FC deems necessary or desirable.

Information Technology and Cyber Security

- On an annual basis, review the Information Technology and Cyber Security policy along with a report from management describing the risk environment and how SVHCD is responding.
- Engage third party consultants as deemed appropriate to supplement managements analysis.

Audit Responsibilities

- Recommend the appointment and compensation of the independent auditor and provide oversight of the annual financial audit process. The independent auditor shall report directly to the FC.
- Establish policies and procedures for the review and pre-approval by the FC of all auditing services.
- Review and discuss with the independent auditor: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the



SUBJECT: Finance and Audit Committee Charter

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REVISED: 02.25.25

EFFECTIVE: 03.06.25

annual audit examination; and (c) the annual financial statements audited by the independent auditor.

- Review the annual financial audit with management and determine whether to recommend the acceptance of the audit to the BOD.
- Review with the independent auditor its judgment as to the quality, and not just the acceptability, of SVHCD's accounting practices and internal controls, and such other matters as are required to be discussed with the AC under generally accepted auditing standards.
- Review with the independent auditor and management any changes or improvements in financial or accounting practices that are necessary or desirable, and the extent to which any changes or improvements previously approved by the FC have been implemented.
- Review with the independent auditor any audit problems or difficulties and management's response to these issues.
- Oversee the resolution of any disputes between management and the independent auditor if and when such disputes arise.

General

- On an annual basis prepare a work plan responsive to the duties outlined in this Charter and the current needs of the organization. Submit to Board for approval.
- In collaboration with management, review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for SVHCD. Review annually SVHCD's significant commercial and investment bank relationships.
- Review and recommend consideration of any acquisition, merger, combination, or affiliation with another healthcare enterprise.
- Perform any other duties and responsibilities as the BOD may deem necessary, advisable or appropriate for the FC to perform.
- Perform such other duties and responsibilities as the FC deems appropriate to carry out its purpose as provided in this Charter.
- .



SUBJECT: Finance and Audit Committee Charter

PAGE 4 of 3

REVISED: 02.25.25

EFFECTIVE: 03.06.25

Rules

- Charter Review: Will be reviewed/revise, at a minimum, every three years. Changes will be submitted to the BOD of Directors for approval.
- Authority to Act: In compliance with the Charter and as directed by Executive Leadership and the BOD
- Meeting Schedule: At least **nine** meetings per year
- Voting Members: The FC shall have at least seven and no more than nine voting members.
 - 2 BOD members, one being the Treasurer
 - 4-6 SVHCD Citizens
 - At least one (1) member of the Medical Staff of Sonoma Valley Hospital (SVH)
- Quorum Requirement: Half plus one member present
- Chair: BOD Treasurer and other BOD member the Vice Chair
- Composition: Voting FC Members, Presenters, SVH Chief Executive Officer, and SVH Chief Financial Officer

FC Membership

The FC’s membership is subject to the Approval of the BOD. The BOD shall recruit members to the FC that are representative of the diverse constituencies of SVHCD.

Public Participation

All FC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical and SVH Staff are always welcome to attend and provide input. Other BOD members may attend but only as “observers” as defined in the Brown Act.



To: SVHCD Finance Committee
From: Ben Armfield, Chief Financial Officer
Date: February 25, 2025
Subject: Accounts Receivable Analysis

Overview and Orientation of the Report

Attached is an analysis of the hospital's accounts receivable as of January 31, 2025. This memo provides a walkthrough of the various components of the analysis as well as a summary of our current billing practices and key takeaways in respects to our overall A/R and revenue cycle performance.

The following sections provide a detailed analysis of the hospital's Accounts Receivable (A/R), breaking down financial class performance, payor mix, and key revenue cycle trends:

(I) Epic Gross A/R Aging by Financial Class

This section presents an aging of the hospital's gross A/R, segmented by financial class. It includes active accounts only, excluding those with zero balances. Additionally, it identifies the top three respective payors for each financial class, providing insight into which payors contribute most significantly to each category.

As of January 31, 2025, the hospital's total Accounts Receivable (A/R) stands at \$17.1 million, with 55% classified as unbilled. This reflects accounts tied to patients who were either still in-house at 1/31 or have been discharged but whose claims have yet to be billed. Encouragingly, 92% of the total A/R is aged less than 90 days, demonstrating a strong overall revenue cycle collections process.

(II) Epic A/R Aging Percentages by Financial Class

This section reports the percentage of each aging bucket relative to its total A/R within that financial class. For example, 81% of total Medicare gross accounts receivable is currently unbilled, while 19% of Medicare A/R has been billed and remains aged at less than 30 days. This data helps assess the timeliness of claims processing and identify potential bottlenecks or problematic payors.

(III) Net A/R by Financial Class

This section breaks down the hospital's Gross A/R into Net A/R by applying contractual adjustments—these are performed both within the system and by our accounting team using a rolling 12-month Zero Balance Analysis (ZBA) for each payor. The table also includes Days in Net A/R by financial class, offering a critical measure of how long, on average, net receivables remain outstanding before collection and bringing the account to close.

(IV) Revenue Cycle Key Performance Indicators

This section summarizes the hospital's trended performance in two key revenue cycle metrics:

- **Discharged Not Yet Billed (DNYB) Days** – Measures the efficiency of claims submission post-discharge. The hospital maintains an outstanding performer status per Epic standards, with a year-to-date (YTD) average of 7.7 days, well below the cautionary threshold of 10 days. This reflects efficient claim submission turnaround times.
- **Overall Denial Rate** – Represents the percentage of submitted claims rejected or denied by payors. The hospital's current YTD denial rate is 6.5%, maintaining outstanding performance well below the 10% threshold.

Hospital Billing Practices

One of the drivers contributing to our strong performance, particularly with keeping our denial rate below our peers is due to strategic billing practices we employ. The hospital follows a 5-day operational bill hold policy, meaning that claims identified by Epic as "Candidate for Billing", or claims the system has identified as ready to bill, are automatically held for an additional 5 days before releasing. While this slightly increases our outstanding A/R days on the front-end, it is a strategic decision aimed at ensuring greater billing accuracy and reducing denials. This hold allows our revenue cycle team to conduct a final review of each claim, with a particular focus on registration accuracy, insurance verification, and coding compliance. This has helped minimize costly rework due to claim denials and/or corrections.

Bad Debt Policy & Collections

The hospital follows a bad debt policy that transfers unpaid accounts to collections after 180 days from the first statement. Patients will receive a bill at days 30/60/90/120/150, and again at 180 days with a notification that account is being sent to a collection agency. Each account is documented with credit notes in patients' accounts, and there must be a minimum of 180 calendar days elapsing between the first notice to the patient and the date the account is assigned to bad debt. Rash Curtis & Associates is the bad debt collection agency we use for bad debt collections, and they receive a 11.5% collection fee on regular collection amounts recovered.

Conclusion

The hospital's A/R performance remains strong, with effective claims processing and a high percentage of recent A/R (over 90% less than 90 days old). Discharged Not Yet Billed Days and Denial Rates both meet or exceed industry benchmarks, supporting a robust revenue cycle. Continued focus on timely claim submission, payer follow-up, and collections efficiency by payor will remain a focus to continue to drive efficiencies within our A/R processes.

ATTACHMENTS:

- Accounts Receivable Analysis | January 2025

Sonoma Valley Health Care District
Accounts Receivable Analysis
As of January 31, 2025

I. Epic Gross A/R Aging by Financial Class

* Gross A/R, includes only active accounts (excludes zero balance encounters)

Financial Class	Unbilled A/R			Billed A/R							Total Billed A/R	GRAND TOTAL	%	Top 3 Payors in Bucket (as a % of Gross A/R Bucket Total):
	In-House	Discharged Not Billed	Total Unbilled A/R	0 to 30	31 to 60	61 to 90	91 to 120	121 to 180	Over 180					
Medicare	741,967	2,949,730	3,691,697	860,066	-	2,781	16	-	-	862,863	4,554,560	27%	Gov't Medicare (100%)	
Medicare HMO	181,179	2,299,800	2,480,979	756,858	260,279	167,526	64,561	137,668	70,783	1,457,675	3,938,654	23%	United Medicare (30%), Kaiser Medicare (15%), Meritage Medicare(14%)	
Commercial PPO	171,492	1,072,552	1,244,044	619,247	351,814	512,383	79,566	34,230	217,852	1,815,093	3,059,136	18%	Anthem PPO(30%), Blue Shield PPO(25%), Kaiser(20%)	
Medi-Cal HMO	298,318	659,725	958,043	378,429	241,369	154,920	145,717	28,990	48	949,471	1,907,514	11%	Partnership Health Plan (90%), Blue Shield Medicaid HMO (5%)	
Self-Pay	23,453	12,080	35,533	344,026	203,202	188,867	250,899	167,645	-	1,154,640	1,190,173	7%	n/a	
Commercial HMO	101,116	185,312	286,428	206,416	198,389	349,920	61,819	14,913	13,627	845,085	1,131,513	7%	Western Health Adv. Mgd Care (40%), Blue Shield Mgd Care (25%), United Mgd Care (20%)	
Medi-Cal	61,971	291,155	353,126	103,208	51,671	1,632	3,738	(881)	34,339	193,706	546,832	3%	Gov't Medi-Cal (100%)	
Other Government	21,088	237,199	258,287	68,805	273	261	-	66	23,949	93,355	351,642	2%	VA (50%), CDCR/Prison (35%), Tricare (10%)	
Worker's Comp	13,755	160,976	174,731	68,805	17,159	4,282	4,859	9,617	30,501	135,224	309,955	2%	n/a	
Capitation	1,217	9,374	10,591	34,403	63,692	4,307	25,073	-	-	127,475	138,066	1%	n/a	
Other	-	814	814	-	-	-	-	-	-	-	814	0%		
Active AR Totals	1,615,556	7,878,716	9,494,272	3,440,262	1,387,848	1,386,880	636,248	392,248	391,100	7,634,586	17,128,858	100%		
% of Total A/R	9%	46%	55%	20%	8%	8%	4%	2%	2%	45%	100%			
<i>% of Active A/R Less Than 90 Days Old</i>			92%											

II. Epic A/R Aging Percentages by Financial Class

Financial Class	Unbilled A/R			Billed A/R							Total Billed A/R	GRAND TOTAL	%	Top 3 Payors in Bucket (as a % of Gross A/R Bucket Total):
	In-House	Discharged Not Billed	Total Unbilled A/R	0 to 30	31 to 60	61 to 90	91 to 120	121 to 180	Over 180					
Medicare	16%	65%	81%	19%	0%	0%	0%	0%	0%	19%	100%		Gov't Medicare (100%)	
Medicare HMO	5%	58%	63%	19%	7%	4%	2%	3%	2%	37%	100%		United Medicare (30%), Kaiser Medicare (15%), Aetna Medicare(14%)	
Commercial PPO	6%	35%	41%	20%	12%	17%	3%	1%	7%	59%	100%		Anthem PPO(30%), Blue Shield PPO(25%), Kaiser(20%)	
Medi-Cal HMO	16%	35%	50%	20%	13%	8%	8%	2%	0%	50%	100%		Partnership Health Plan (90%), Blue Shield Medicaid HMO (5%)	
Self-Pay	2%	1%	3%	29%	17%	16%	21%	14%	0%	97%	100%		n/a	
Commercial HMO	9%	16%	25%	18%	18%	31%	5%	1%	1%	75%	100%		Western Health Adv. Mgd Care (40%), Blue Shield Mgd Care (25%), United Mgd Care (20%)	
Other Government	11%	53%	65%	19%	9%	0%	1%	0%	6%	35%	100%		Gov't Medi-Cal (100%)	
Medi-Cal	6%	67%	73%	20%	0%	0%	0%	0%	7%	27%	100%		VA (50%), CDCR/Prison (35%), Tricare (10%)	
Worker's Comp	4%	52%	56%	22%	6%	1%	2%	3%	10%	44%	100%		n/a	
Capitation	1%	7%	8%	25%	46%	3%	18%	0%	0%	92%	100%		n/a	
Other	0%	100%	100%	0%	0%	0%	0%	0%	0%	0%	100%			
Active AR Totals	9%	46%	55%	20%	8%	8%	4%	2%	2%	45%	100%			

Sonoma Valley Health Care District

Accounts Receivable Analysis

As of January 31, 2025

III. Net A/R by Financial Class

Financial Class	Gross A/R Balance	Contractual Adjustment	Net A/R	Days in Net A/R
Medicare	4,554,560	(3,184,026)	1,370,534	41.4
Medicare HMO	3,938,654	(2,231,972)	1,706,682	68.9
Commercial PPO	3,059,136	(1,131,965)	1,927,172	52.6
Medi-Cal HMO	1,907,514	(1,135,964)	771,550	49.4
Commercial HMO	1,131,513	(647,997)	483,515	71.9
Other Government	351,642	(118,468)	233,174	62.3
Medi-Cal	546,832	(471,899)	74,933	65.3
Worker's Comp	309,955	(200,184)	109,771	77.4
Capitation	138,066	(110,008)	28,058	83.6
Other	814	(213)	601	63.2
Total	15,938,685	(9,232,696)	6,705,989	54.3
Self-Pay	1,190,173	(724,390)	465,783	282.3
Grand Total with Self Pay	17,128,858	(9,957,086)	7,171,772	57.3
Other GL Activity				
1206(b) Clinic (Not on Epic)	436,807	(222,946)	213,861	71.4
Grand Total	17,565,666	(10,180,033)	7,385,633	57.6

IV. A/R Revenue Cycle Key Performance Indicators

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Discharged Not Yet Billed Days	7.1	8.5	8.5	8.1	6.8	6.7	6.6	8.7

Outstanding Performer <8.0
 Within Range 8.0 - 10.0
 Caution 10.1 - 12.00
 Opportunity for Improvement > 12.0

Discharged Not Yet Billed Days - Measures how quickly claims are sent to respective payors. Metric calculates the amount of discharged but not billed claims, as expressed in days in A/R

FY25 YTD Average = 7.7
FY24 Average = 9.6

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Overall Denial Rate	6.5%	6.2%	6.1%	5.4%	7.6%	6.6%	7.4%	6.0%

Outstanding Performer <10.0
 Within Range 10.1 - 15.00
 Caution 15.01-20.00
 Opportunity for Improvement > 20.0

Denial Rate - Represents the percentage of total claims submitted that are rejected or denied by payors

FY25 YTD Average = 6.5%
FY24 Average = 7.4%



SUBJECT: SVHCD Investment Policy	PAGE 1 of 6
REVISED: 02.25.25	EFFECTIVE: TBD

Introduction

This statement of investment policy was adopted by the Board of Directors of Sonoma Valley Health Care District (SVHCD) on “Date”, to provide for the creation of, and guidelines for the management of, various funds held by the organization. These policies supersede any and all prior actions regarding investment policies.

Purpose

For the purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, the following funds will be created, as needed, and held as separate investment pools.

- **Operating Fund**
- **Short-term Reserve Fund**
- **Long-term Reserve Fund**

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the mission of SVHCD and accurately reflects current financial conditions:
 - A. The Finance Committee shall review this investment policy annually.
 - B. The Finance Committee will recommend any changes in this policy to the Board of Directors.
2. The following procedures will be used to determine the dollar amounts to be placed in each of the various funds.
 - A. The Chief Executive Officer (CEO) or his/her designee will recommend the dollar amounts to be held in the Operating Fund and Short-term Reserve Fund.
 - B. The Finance Committee will recommend the dollar amounts to be held in the Long-Term Reserve Fund.

Delegation of Authority

The Finance Committee is a fiduciary and is responsible for directing and monitoring the investment management of the various fund assets on behalf of SVHCD. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to Investment Management Consultant, Investment Manager, Custodian, and additional specialists.

It is anticipated that the services of a registered investment manager may be sought to manage portions of the Long-term Reserve Fund. The following procedures shall be followed to engage a new or replace a current investment manager:



SUBJECT: SVHCD Investment Policy	PAGE 2 of 6
REVISED: 02.25.25	EFFECTIVE: TBD

1. The Treasurer and the Finance Committee will recommend the hiring or replacement of an investment manager to the Board of Directors.
2. The Treasurer and the Finance Committee will nominate prospective candidates and send a Request for Proposal to each candidate.
3. The Treasurer and the Finance Committee will review proposals and interview candidates to determine appropriate investment manager(s).
4. The Finance Committee will make the hiring recommendation to the Board of Directors, who shall have the final approval.

Operating Fund

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of SVHCD in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- Preservation of capital;
- Liquidity; and
- To optimize the investment return within the constraints above.

Investment Guidelines

Allowable Investments

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Operating Fund as follows:

1. Interest bearing Savings Account
2. Certificates of Deposit at insured commercial banking organizations;
3. Money market funds;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.

Maturity

The maturities on investments for the Operating Fund shall be 12 months or less.



SUBJECT: SVHCD Investment Policy	PAGE 3 of 6
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Reporting

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors;

- Schedule of investments;
- Interest income year to date

Short-term Reserve Fund

Purpose

The purpose of the Short-term Reserve Fund is to meet the expenses occurring as a result of unanticipated activities and to improve the return on the funds held for expenditure for up to five years.

Investment Objectives

The investment objectives of the Short-term Fund are:

- Preservation of capital;
- Liquidity; and
- To optimize the investment return within the constraints above.

Investment Guidelines

Allowable Investments

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Short-term Fund as follows:

1. Interest bearing savings account
2. Certificates of Deposit at insured commercial banking institutions;
3. Money market funds that invest in government backed securities;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.
6. Mutual funds that invest in direct obligations of the U.S. Government, its agencies and instrumentalities.

Maturity

The Short-term fund shall have a weighted average maturity of three years or less. The maximum maturity shall be 5 years.



SUBJECT: SVHCD Investment Policy	PAGE 4 of 6
REVISED: 02.25.25	EFFECTIVE: TBD

Reporting

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:

- Schedule of Investments which includes schedule of performance since purchase or last 5 years;
- Interest Income year to date;
- Current yield

Long-term Reserve Fund

Purpose

The purpose of the Long-term Reserve Fund is to provide secure long-term funding for the mission of SVHCD. The assets of the Long-term Reserve Fund shall be managed in such a way as to facilitate the organization’s goals and objectives as outlined by the Board of Directors. Expenditure of the principal is board designated unless otherwise designated by the donor(s) in part or in whole. Also, at the discretion of the Board of Directors, up to 100% of the yearly total return may be utilized for program and agency expenses unless restricted for specific purposes by the donor(s).

Investment Objectives

In order to meet its needs, the investment strategy of the Long-term Reserve Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management of the Long- term Reserve Fund shall be:

- Long-term growth of capital – To emphasize the Long-term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power – To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.



SUBJECT: SVHCD Investment Policy	PAGE 5 of 6
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Investment Guidelines

General Principles

1. Investments shall be made solely in the interest of SVHCD and Long-term Reserve Fund.
2. The assets shall be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. SVHCD may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times by investment in Short-term cash equivalents to provide safety, liquidity and return.

Specific Investment Goals

Over the investment time horizon established it is the goal of the Long-term Reserve Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the market index selected and agreed upon by the Finance Committee that most closely corresponds to the general principles stated above.

Diversification

Investment management of the assets of the Long-term Reserve Fund shall be in accordance with the following asset allocation guidelines:

Asset Class	Minimum	Maximum
Equities	30%	70%
Fixed Income	30%	70%
Cash Equivalents	0%	20%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and re-evaluate investment allocation in reference to the Long-term Reserve Fund Asset classes.



SUBJECT: SVHCD Investment Policy	PAGE 6 of 6
REVISED: 02.25.25	EFFECTIVE: TBD

Allowable Assets

The Long-term Reserve Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Long-term Reserve Fund, with minimal impact on market price.

- 1. Cash Equivalents
 - Treasury bills
 - Money market funds
 - Commercial paper
 - Banker’s acceptances
 - Repurchase agreements
 - Certificates of deposit
- 2. Fixed Income Securities
 - U.S. Government and Agency securities
 - Corporate notes and bonds (investment grade, at least BBB)
 - Mortgage-backed bonds
 - Preferred stock
- 3. Equity Securities
 - Common stocks
 - Convertible notes and bonds
 - Convertible preferred stocks
 - American Depository Receipts of non-US companies (ADRs)
- 4. Mutual Funds that invest in securities as allowed in this statement

To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

Performance Reporting

The Long-term Reserve Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals.

Comparisons will show results for the year-to-date. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semiannually. The Finance Committee will present a report to the Board of Directors at least annually.



Sonoma Valley Hospital Sonoma Valley Healthcare District Policy and Procedure Organizational	
Title: Investment Policy #P-2014.03.06	Number: LD118 Page: 1 of 1

Board of Directors	05/05/2022	Effective Date:	November 24, 1980
Approved By	Date	Revision Dates:	
Signature		Review Dates:	6/89, 3/96, 3/99, 7/00, 12/01, 3/05, 12/07, 2/22

POLICY

Until such time as surplus funds exceed \$5,000,000, all investments shall be placed with the Local Agency Investment Fund (LAIF). If surplus funds exceed \$5,000,000, an investment policy shall be developed and approved by the Finance Committee. Funds required under bond indentures which are invested by a trustee are not covered by this policy.

ACCOUNTABILITY/RESPONSIBILITY FOR REVIEW
 Board of Directors



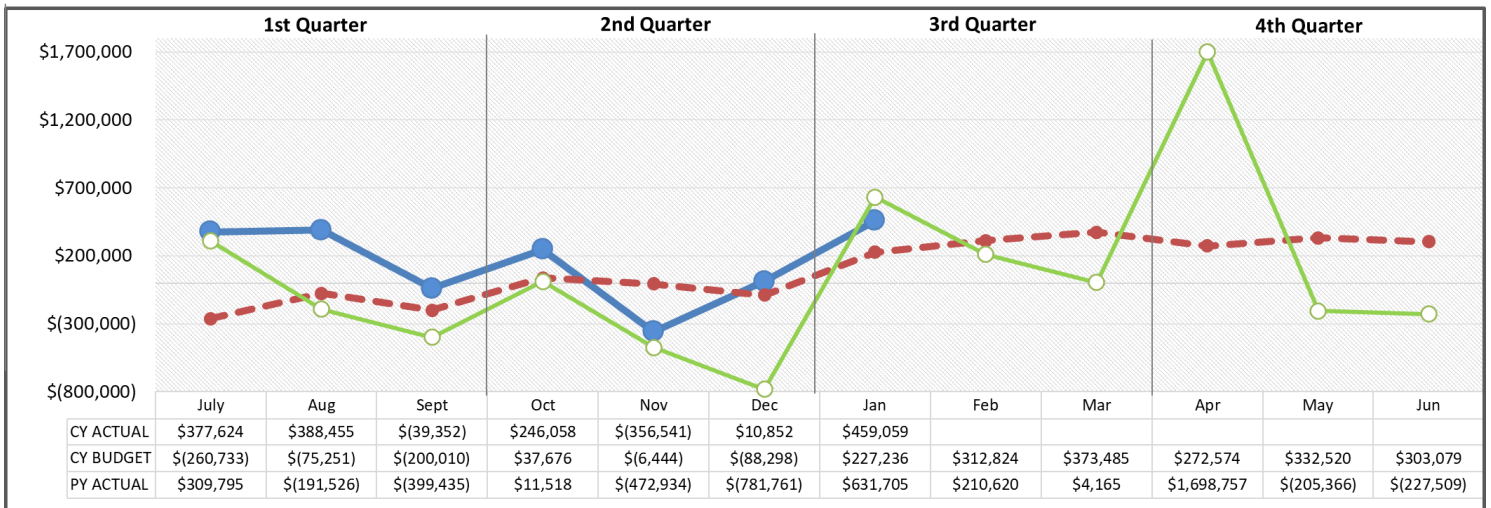
To: SVHCD Finance Committee
 From: Ben Armfield, Chief Financial Officer
 Date: February 25, 2025
 Subject: Financial Report for January 2025

OVERALL PERFORMANCE SUMMARY

January was another strong month for the hospital as volumes continued to pick up in key areas which helped drive occupancy and deliver a busier month than anticipated across the hospital. Notably, January’s operational performance was the best month recorded in this fiscal year to date. Key highlights include:

- **Operating EBDA** (with Parcel Taxes) – When including parcel tax revenues, the hospital posted a positive Operating EBDA of **\$459,059**, exceeding the budget of **\$227,236** by **\$231,823**. January’s performance was a fiscal year high, beating the previous high of July by nearly 20%.
- **Operating Revenues** – Exceeded budget by **6%**, or **\$350,000**, driven by sustained growth in physical therapy and emergency room volumes. Additionally, the hospital received its full allotment of Rate Range IGT funds, which provided an additional boost in January as the final net benefit received of \$6.7 million exceeded the budgeted amount of \$4.5 million.
- **Operating Expenses** - Exceeded budget by **2%**, or **\$125,000** (3%, or \$156,000 including depreciation)
- **Cash** – Primarily due to the receipt of the Rate Range IGT funds, the hospital experienced a huge upswing in cash – ending the month with **45.1** Days Cash on Hand.

FY25 SVH Trended Operating EBDA (with Parcel Taxes)



DRIVERS IN MONTHLY PERFORMANCE

January continued the trend of consistent growth in key OP areas such as physical therapy and our emergency room. MRI volumes pulled back a bit, but surgical volumes came up from last month to deliver overall volumes that exceeded the budget targets.

- **Physical Therapy** – Our physical therapy department continues to crank. In January, the team provided care for 1,500 OP PT visits! This is yet another all-time high for the department.
- **Emergency Room** – Volumes continue to be robust in our ER. We had 993 visits in January, ~32 per day. The goal with the new medical group was to achieve 30+ per day. So far this year we are averaging just above 30, which exceeds our budget and prior year run-rate by over 5%.
- **Surgical Volumes** - Surgical volumes picked up in January, driven by monthly increases in Orthopedics and GI volumes. We performed 138 surgeries in January, which was 5 (or 3%) short of our monthly budget, but also up nearly 20 (or 15%) from the 119 we performed in December. Dr. Walter performed 22 surgeries in January, which is the first month he exceeded the 20 case threshold.
- **Rate Range IGT** - As discussed last month, we received our Rate Range IGT funds in January. This program resulted in a total net benefit of \$6.7 million for the year. January's performance includes an increased accrual of \$280,000 as the final amount of \$6.7 million exceeded the budget net benefit of \$4.5 million.
- **Line of Credit** - The hospital completely paid off the existing pull (\$5.4 million) on the new line of credit at the end of January.

OTHER FINANCE UPDATES

- **ERP (Enterprise Resource Planning)** – We are still vetting our options in relation to a new ERP solution. Discussions and negotiations continue, but we are still planning on bringing forward a recommendation to this committee either in March or April on proposed next steps.
- **GPO (Group Purchasing Organization)** – We are in process of evaluating a potential move to a new GPO partner. Our current GPO primarily serves massive health system and academic centers and we feel we have an opportunity to align with a GPO that is more tailored to support smaller, community hospitals such as Sonoma Valley Hospital. We are performing our final due diligence but we are aiming to make a decision in next 30 to 60 days.
- **FY26 Budget Planning** – We are starting to plan for FY26 Budget. We will be bringing initial assumptions to this committee next month in what will be a very challenging and complex budget year. More to come.....

FINANCE REPORT ATTACHMENTS

- Attachment A Key Performance Indicators | Overall Performance
- Attachment B Key Performance Indicators | Volumes & Statistics
- Attachment C Balance Sheet
- Attachment D Income Statement
- Attachment D(II) Revised Income Statement – Reformatted income statement included in packet for discussion with committee
- Attachment E Trended Income Statement
- Attachment F Cash Flow Forecast
- Attachment G Fiscal Year 2025 Business Plan Tracker

	Current Month				Year-To- Date				PY Actual	Var	%
	Actual	Budget	Var	%	Actual	Budget	Var	%			
Overall Performance (All Numbers in 1000s and Include Parcel Taxes)											
Operating Margin	\$ (64.1)	\$ (264.5)	\$ 200.3	76%	\$ (2,607.6)	\$ (3,867.8)	\$ 1,260.1	33%	\$ (3,997.9)	\$ 1,390.2	35%
Operating EBDA	\$ 459.1	\$ 227.2	\$ 231.8	102%	\$ 1,086.2	\$ (365.8)	\$ 1,452.0	397%	\$ (892.6)	\$ 1,978.8	222%
Net Income (Loss)	\$ 99.7	\$ (76.4)	\$ 176.1	231%	\$ (1,298.9)	\$ (2,551.0)	\$ 1,252.2	49%	\$ (2,541.5)	\$ 1,242.6	49%

Operating Revenue Summary (All Numbers in 1000s)

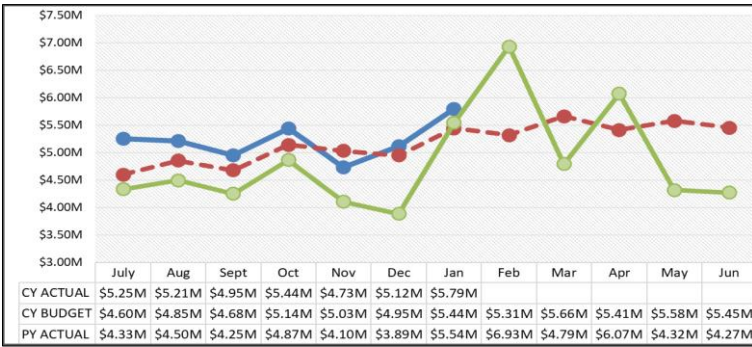
Net Patient Revenue	\$ 5,693.0	\$ 5,349.5	\$ 343.5	6%	\$ 35,795.9	\$ 34,041.8	\$ 1,754.1	5%	\$ 30,820.8	\$ 4,975.1	16%
NPR as a % of Gross	17.8%	18.0%	-1.0%		17.4%	17.7%	-1.6%		15.4%	12.7%	
Operating Revenue	\$ 5,791.5	\$ 5,441.4	\$ 350.1	6%	\$ 36,492.2	\$ 34,685.8	\$ 1,806.4	5%	\$ 31,468.3	\$ 5,024.0	16%

Operating Expense Summary (All Numbers in 1000s)

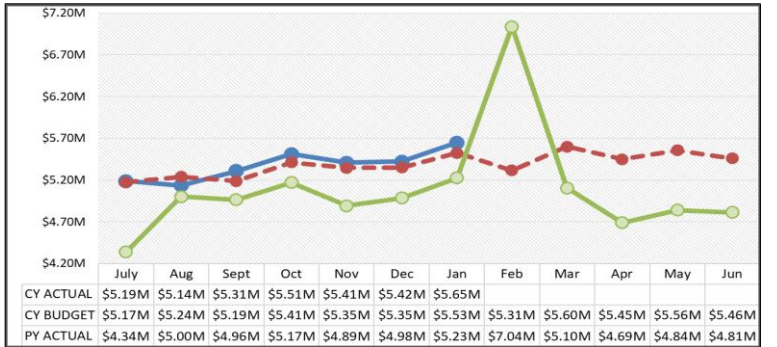
Operating Expenses	\$ 6,172.3	\$ 6,018.4	\$ 153.9	3%	\$ 41,316.5	\$ 40,741.0	\$ 575.5	1%	\$ 37,682.8	\$ 3,633.8	10%
Op Exp. Excl. Depr.	\$ 5,649.2	\$ 5,526.7	\$ 122.4	2%	\$ 37,622.7	\$ 37,239.1	\$ 383.6	1%	\$ 34,577.6	\$ 3,045.2	9%
Worked FTEs	205.00	221.49	(16.49)	-7%	215.62	216.58	\$ (0.96)	0%	214.35	1.27	1%

Trended Operating Revenue & Operating Expense Graphs

Trended Operating Revenues
 CY Actual vs CY Budget vs PY Actual



Trended Operating Expenses (excl Depreciation)
 CY Actual vs CY Budget vs PY Actual



Cash Indicators

	Current Month	Prior Month	Var	% Var
Days Cash	45.1	16.0	29.1	182%
A/R Days	57.6	55.5	2.1	4%
A/P Days	64.3	66.4	(2.1)	-3%

Sonoma Valley Health Care District
Volumes & Statistics | Key Performance Indicators
For the Period Ended January 31, 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	YTD		YTD		PYTD		
					Actual	Budget	Var	%	Actual	Var	%
Inpatient Volume											
Acute Patient Days	315	285	30	11%	1,687	1,847	(160)	-9%	1,893	(206)	-11%
Acute Discharges	87	72	15	20%	448	506	(58)	-11%	507	(59)	-12%
Average Length of Stay	3.6	3.9	(0.3)	-8%	3.8	3.7	0.1	3%	3.7	0.0	1%
Average Daily Census	10.2	9.2	1.0	11%	9.2	10.0	(0.9)	-9%	10.3	(1)	-11%

	Actual	Budget	Var	%	YTD Actual	YTD Budget	YTD Var	YTD %	PYTD Actual	PYTD Var	PYTD %
Surgical Volume											
IP Surgeries	9	11	(2)	-17%	59	73	(14)	-19%	98	(39)	-40%
OP Surgeries	129	132	(3)	-2%	903	906	(3)	0%	1,051	(148)	-14%
Total Surgeries	138	143	(5)	-3%	962	979	(17)	-2%	1,149	(187)	-16%

	Actual	Budget	Var	%	YTD Actual	YTD Budget	YTD Var	YTD %	PYTD Actual	PYTD Var	PYTD %
Other Outpatient Activity											
Total Outpatient Visits	6,136	5,100	1,036	20%	39,725	35,700	4,025	11%	36,049	3,676	10%
Emergency Room Visits	993	895	98	11%	6,460	5,859	601	10%	5,970	490	8%

Payor Mix	Actual	Budget	%	Actual	Budget	%
Medicare	43.1%	37.9%	5.2%	37.0%	37.9%	-0.8%
Medicare Mgd Care	18.5%	18.3%	0.3%	20.9%	18.3%	2.6%
Medi-Cal	16.7%	16.2%	0.6%	17.8%	16.2%	1.7%
Commercial	19.8%	23.8%	-4.0%	21.1%	23.8%	-2.7%
Other	1.9%	3.8%	-2.0%	3.2%	3.8%	-0.7%
Total	100.0%	100.0%		100.0%	100.0%	

Payor Mix calculated based on gross revenues

Trended Outpatient Visits by Area

Department	Most Recent Six Months						Last 6 Months	YoY Monthly Averages			
	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25		FY25	FY24	Chg	% Chg
Lab	1,313	1,269	1,443	1,328	1,211	1,461		1,341	1,297	44	3%
Medical Imaging	947	878	1,019	791	917	1,122		942	927	16	2%
Physical Therapy	1,426	1,411	1,481	1,278	1,337	1,500		1,407	1,154	253	22%
CT Scanner	466	458	472	442	426	435		444	380	64	17%
Occ. Health	295	162	255	252	229	251		248	282	(33)	-12%
Mammography	251	215	275	234	230	287		237	240	(3)	-1%
Occ. Therapy	219	294	205	167	210	190		212	205	6	3%
Ultrasound	219	233	252	183	163	235		220	217	3	1%
Wound Care	238	209	277	236	254	280		243	177	66	37%
MRI	182	182	222	151	190	163		174	131	43	33%
ECHO	107	141	147	110	89	104		116	115	2	2%
Speech Therapy	62	66	69	31	69	80		67	49	18	36%
Other	25	26	30	19	8	28		23	20	3	13%
TOTAL	5,750	5,544	6,147	5,222	5,333	6,136		5,675	5,195	480	9%
Emergency Room	919	862	894	814	972	993		923	868	55	6%

Sonoma Valley Health Care District
Balance Sheet
As of January 31, 2025
Expressed in 1,000s

ATTACHMENT C

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>	
Assets				
Current Assets:				
1	Cash	\$ 7,036.5	\$ 1,799.4	\$ 2,794.9
2	Net Patient Receivables	8,318.8	8,397.3	10,855.5
3	Allow Uncollect Accts	(933.2)	(1,008.8)	(2,999.0)
4	Net Accounts Receivable	\$ 7,385.6	\$ 7,388.5	\$ 7,856.6
5	Parcel Tax Receivable	1,730.7	1,730.7	1,740.9
6	GO Bond Tax Receivable	975.3	2,407.5	947.3
7	Other Receivables	1,941.7	9,518.1	3,764.3
8	Inventory	949.5	941.3	1,027.2
9	Prepaid Expenses	1,170.2	1,042.0	1,062.9
10	Total Current Assets	\$ 21,189.6	\$ 24,827.5	\$ 19,194.1
11	Property, Plant & Equip, Net	\$ 60,663.8	\$ 60,711.0	\$ 56,323.3
12	Trustee Funds - GO Bonds	4,995.5	3,550.0	4,989.6
13	Other Assets - Deferred IGT Expense	3,507.6	-	-
14	Total Assets	\$ 90,356.5	\$ 89,088.5	\$ 80,507.0
Liabilities & Fund Balances				
Current Liabilities:				
15	Accounts Payable	\$ 7,754.1	\$ 8,185.2	\$ 8,060.5
16	Accrued Compensation	4,024.8	3,883.9	3,736.3
17	Interest Payable - GO Bonds	447.5	468.5	207.0
18	Accrued Expenses	366.7	404.0	302.0
19	Deferred IGT Revenue	7,455.8	-	-
20	Deferred Parcel Tax Revenue	1,583.3	1,900.0	1,583.3
21	Deferred GO Bond Tax Revenue	1,003.1	1,203.8	1,090.6
22	Line of Credit - Summit Bank	-	5,740.0	4,973.7
23	Other Liabilities	57.5	57.5	93.9
24	Total Current Liabilities	\$ 22,910.4	\$ 22,060.4	\$ 20,264.8
25	Long Term Debt, net current portion	\$ 27,981.6	\$ 28,128.2	\$ 26,107.7
26	Fund Balances:			
27	Unrestricted	\$ 16,089.5	\$ 15,524.9	\$ 13,488.9
28	Restricted	23,375.1	23,375.1	20,645.5
29	Total Fund Balances	\$ 39,464.6	\$ 38,900.0	\$ 34,134.4
30	Total Liabilities & Fund Balances	\$ 90,356.5	\$ 89,088.5	\$ 80,507.0

Sonoma Valley Health Care District
Income Statement (In 1000s)
For the Period Ended January 31, 2025

	Month				Year-To- Date				PYTD Actual	Var	%
	CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%			
1 Total Gross Patient Revenue	\$ 31,894.6	\$ 29,669.2	2,225.4	8%	\$ 205,723.9	\$ 192,539.3	13,184.6	7%	\$ 199,640.3	6,083.7	3%
Deductions from Revenue											
2 Contr. Discounts & Bad Debt	(27,436.8)	(25,191.3)	(2,245.5)	9%	(176,392.5)	(164,598.4)	(11,794.1)	7%	(170,431.4)	(5,961.1)	3%
3 IGT Program Revenue	1,235.2	871.5	363.6	42%	6,464.5	6,100.8	363.6	6%	1,611.9	4,852.5	301%
4 Total Revenue Adjustments	\$ (26,201.6)	\$ (24,319.8)	(1,881.8)	8%	\$ (169,928.0)	\$ (158,497.5)	(11,430.5)	7%	\$ (168,819.4)	(1,108.6)	1%
5 Net Patient Service Revenue	\$ 5,693.0	\$ 5,349.5	343.5	6%	\$ 35,795.9	\$ 34,041.8	1,754.1	5%	\$ 30,820.8	4,975.1	16%
6 Other Operating Revenue	98.6	92.0	6.6	7%	696.3	644.0	52.3	8%	647.4	48.9	8%
7 Total Operating Revenue	\$ 5,791.5	\$ 5,441.4	350.1	6%	\$ 36,492.2	\$ 34,685.8	1,806.4	5%	\$ 31,468.3	5,024.0	16%
Operating Expenses											
8 Salary and Wages (w Agency)	\$ 1,984.2	\$ 2,217.1	(232.9)	-11%	\$ 14,537.9	\$ 14,577.7	(39.7)	0%	\$ 14,100.8	437.2	3%
9 Employee Benefits	823.3	820.8	2.5	0%	5,589.4	5,676.9	(87.5)	-2%	5,262.6	326.9	6%
10 Total People Cost	\$ 2,807.6	\$ 3,037.9	(230.4)	-8%	\$ 20,127.4	\$ 20,254.6	(127.3)	-1%	\$ 19,363.3	764.0	4%
11 Med and Prof Fees	810.7	696.6	114.1	16%	4,767.3	4,736.2	31.2	1%	4,049.3	718.0	18%
12 Supplies	641.9	643.9	(2.0)	0%	4,290.2	4,171.7	118.5	3%	4,975.3	(685.0)	-14%
13 Purchased Services	358.0	400.8	(42.8)	-11%	2,757.2	2,855.3	(98.0)	-3%	3,037.1	(279.8)	-9%
14 Depreciation	523.2	491.7	31.5	6%	3,693.8	3,501.9	191.9	5%	3,105.2	588.6	19%
15 Utilities	169.7	175.2	(5.5)	-3%	1,211.0	1,226.5	(15.5)	-1%	1,054.4	156.5	15%
16 Insurance	81.5	74.7	6.8	9%	598.2	523.2	75.0	14%	484.6	113.5	23%
17 Interest	23.2	29.4	(6.3)	-21%	271.9	206.1	65.8	32%	381.4	(109.5)	-29%
18 Other	162.2	103.0	59.2	58%	814.0	709.3	104.7	15%	727.5	86.5	12%
19 IGT Program Expense	594.4	365.2	229.2	63%	2,785.6	2,556.3	229.2	9%	504.7	2,280.9	452%
20 Operating Expenses	\$ 6,172.3	\$ 6,018.4	153.9	3%	\$ 41,316.5	\$ 40,741.0	575.5	1%	\$ 37,682.8	3,633.8	10%
21 Operating Margin	\$ (380.8)	\$ (577.0)	196.2	34%	\$ (4,824.3)	\$ (6,055.3)	1,231	20%	\$ (6,214.5)	1,390.2	29%
Non Operating Rev and Expense											
22 Parcel Tax Assessment Rev	\$ 316.7	\$ 312.5	4.2	1%	\$ 2,216.7	\$ 2,187.5	29.2	1%	\$ 2,216.7	-	0%
23 Misc Revenue/(Expenses)	1.1	10.5	(9.5)	-90%	180.2	73.7	106.4	144%	234.9	(54.7)	-23%
24 Total Non-Op Rev/(Exp)	\$ 317.7	\$ 323.0	(5.3)	-2%	\$ 2,396.8	\$ 2,261.2	135.6	6%	\$ 2,451.5	(54.7)	-2%
25 Net Income Prior to GO Bond	\$ (63.1)	\$ (253.9)	190.9	75%	\$ (2,427.5)	\$ (3,794.0)	1,366.5	36%	\$ (3,763.0)	1,335.5	35%
26 GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,128.6	1,243.0	(114.4)	-9%	1,221.5	(92.9)	-8%
27 Net Income / With GO Bond	\$ 99.7	\$ (76.4)	176.1	231%	\$ (1,298.9)	\$ (2,551.0)	1,252.2	49%	\$ (2,541.5)	1,242.6	49%
28 Restricted Foundation Contr.	464.9	157.4	307.4	195%	1,985.9	1,101.9	884.0	80%	627.9	1,358.0	216%
29 Change in Net Position	\$ 564.6	\$ 81.0	483.6	597%	\$ 687.0	\$ (1,449.2)	2,136.2	147%	\$ (1,913.6)	2,600.6	136%
30 Operating EBDA	\$ 142.4	\$ (85.3)	227.7	267%	\$ (1,130.5)	\$ (2,553.3)	1,422.8	56%	\$ (3,109.3)	1,978.8	64%
31 Operating EBDA w Parcel	\$ 459.1	\$ 227.2	231.8	102%	\$ 1,086.2	\$ (365.8)	1,452.0	397%	\$ (892.6)	1,978.8	222%

Revised Income Statement (in 1000s) (DRAFT for Discussion)

For the Period Ended January 31, 2025

	Month				Year-To- Date						
	CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
Revenues											
1 Net Patient Revenue	\$ 4,457.8	\$ 4,477.9	(20.1)	0%	\$ 29,331.5	\$ 27,941.0	1,390.5	5%	\$ 29,208.9	122.6	0%
2 IGT Program Revenue	1,235.2	871.5	363.6	42%	6,464.5	6,100.8	363.6	6%	1,611.9	4,852.5	301%
3 Parcel Tax Revenue	316.7	312.5	4.2	1%	2,216.7	2,187.5	29.2	1%	2,216.7	-	0%
4 Other Operating Revenue	98.6	92.0	6.6	7%	696.3	644.0	52.3	8%	647.4	48.9	8%
5 Total Revenue	\$ 6,108.2	\$ 5,753.9	354.3	6%	\$ 38,708.9	\$ 36,873.3	1,835.6	5%	\$ 33,684.9	5,024.0	15%
Operating Expenses											
6 Labor / Total People Cost	\$ 2,807.6	\$ 3,037.9	(230.4)	-8%	\$ 20,127.4	\$ 20,254.6	(127.3)	-1%	\$ 19,363.3	764.0	4%
7 Professional Fees	810.7	696.6	114.1	16%	4,767.3	4,736.2	31.2	1%	4,049.3	718.0	18%
8 Supplies	641.9	643.9	(2.0)	0%	4,290.2	4,171.7	118.5	3%	4,975.3	(685.0)	-14%
9 Purchased Services	358.0	400.8	(42.8)	-11%	2,757.2	2,855.3	(98.0)	-3%	3,037.1	(279.8)	-9%
10 Depreciation	523.2	491.7	31.5	6%	3,693.8	3,501.9	191.9	5%	3,105.2	588.6	19%
11 Interest	23.2	29.4	(6.3)	-21%	271.9	206.1	65.8	32%	381.4	(109.5)	-29%
15 Other	413.5	352.9	60.5	17%	2,623.1	2,458.9	164.2	7%	2,266.5	356.6	16%
16 IGT Program Expense	594.4	365.2	229.2	63%	2,785.6	2,556.3	229.2	9%	504.7	2,280.9	452%
17 Operating Expenses	\$ 6,172.3	\$ 6,018.4	153.9	3%	\$ 41,316.5	\$ 40,741.0	575.5	1%	\$ 37,682.8	3,633.8	10%
18 Operating Margin	\$ (64.1)	\$ (264.5)	200.3	76%	\$ (2,607.6)	\$ (3,867.8)	1,260	33%	\$ (3,997.9)	1,390.2	35%
Non Operating Income											
19 GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,128.6	1,243.0	(114.4)	-9%	1,221.5	(92.9)	-8%
20 Misc Revenue/(Expenses)	1.1	10.5	(9.5)	-90%	180.2	73.7	106.4	144%	234.9	(54.7)	-23%
21 Total Non-Op Income	\$ 163.9	\$ 188.1	(24.2)	-13%	\$ 1,308.8	\$ 1,316.7	(8.0)	-1%	\$ 1,456.4	(147.6)	-10%
22 Net Income (Loss)	\$ 99.7	\$ (76.4)	176.1	231%	\$ (1,298.9)	\$ (2,551.0)	1,252.2	49%	\$ (2,541.5)	1,242.6	49%
23 Restricted Foundation Contr.	464.9	157.4	307.4	195%	1,985.9	1,101.9	884.0	80%	627.9	1,358.0	216%
24 Change in Net Position	\$ 564.6	\$ 81.0	483.6	597%	\$ 687.0	\$ (1,449.2)	2,136.2	147%	\$ (1,913.6)	2,600.6	136%
25 Operating EBDA	\$ 459.1	\$ 227.2	231.8	102%	\$ 1,086.2	\$ (365.8)	1,452.0	397%	\$ (892.6)	1,978.8	222%

Sonoma Valley Health Care District
FY25 6 Month Trended Income Statement (in 1000s)
For the Period Ended January 31, 2025

ATTACHMENT E

	August	September	October	November	December	January	FY25 YTD	FY24 YTD	%
	FY25	FY25	FY25	FY25	FY25	FY25	Mth Avg	Mth Avg	Chg
1 Gross Patient Revenue	\$ 28,981.2	\$ 28,160.2	\$ 32,372.6	\$ 27,204.0	\$ 28,999.5	\$ 31,867.4	\$ 29,363.6	\$ 27,676.6	6%
Deductions from Revenue									
2 Contr. Discounts & Bad Debt	\$ (24,766.6)	\$ (24,201.1)	\$ (27,926.2)	\$ (23,468.6)	\$ (24,888.9)	\$ (27,436.8)	\$ (25,198.9)	\$ (23,605.2)	7%
3 IGT Revenue	871.5	871.5	871.5	871.5	871.5	1,235.2	923.5	656.8	41%
4 Total Deductions from Revenue	\$ (23,895.0)	\$ (23,329.5)	\$ (27,054.7)	\$ (22,597.1)	\$ (24,017.3)	\$ (26,201.6)	\$ (24,275.4)	\$ (22,948.4)	6%
5 Net Patient Service Revenue	\$ 5,086.2	\$ 4,830.7	\$ 5,317.9	\$ 4,606.9	\$ 4,982.2	\$ 5,665.7	\$ 5,088.1	\$ 4,728.2	8%
6 Other Operating Revenue	122.6	120.0	123.8	128.0	133.0	125.8	125.0	92.7	35%
7 Total Operating Revenue	\$ 5,208.9	\$ 4,950.7	\$ 5,441.7	\$ 4,734.9	\$ 5,115.2	\$ 5,791.5	\$ 5,213.2	\$ 4,821.0	8%
Operating Expenses									
8 Salary & Wages (w/ Agency)	\$ 2,135.1	\$ 2,063.3	\$ 2,155.2	\$ 2,103.7	\$ 2,088.2	\$ 1,984.2	\$ 2,076.8	\$ 2,026.2	2%
9 Employee Benefits	721.3	738.8	737.8	853.5	870.3	823.3	798.5	785.4	2%
10 Total People Cost	2,856.5	2,802.0	2,893.0	2,957.1	2,958.5	2,807.6	2,875.3	2,811.6	2%
11 Med and Prof Fees	538.0	670.5	665.2	678.1	644.4	810.7	681.0	598.8	14%
12 Supplies	544.0	630.0	746.0	666.5	624.9	641.9	612.9	626.8	-2%
13 Purchased Services	481.7	352.5	410.1	371.0	433.7	358.0	393.9	413.6	-5%
14 Depreciation	578.5	519.1	582.2	455.0	516.7	523.2	527.7	441.0	20%
15 Utilities	199.6	205.3	169.0	143.0	120.2	169.7	173.0	162.1	7%
16 Insurance	16.7	144.2	85.4	86.1	81.5	81.5	85.5	68.3	25%
17 Interest	29.2	13.6	38.8	55.0	99.2	23.2	38.8	59.3	-34%
18 Other	106.4	123.4	139.6	86.0	93.6	162.2	116.3	100.0	16%
19 Matching Fees (IGT)	365.2	365.2	365.2	365.2	365.2	594.4	397.9	266.5	49%
20 Operating Expenses	\$ 5,715.6	\$ 5,825.8	\$ 6,094.6	\$ 5,863.1	\$ 5,937.7	\$ 6,172.3	\$ 5,902.4	\$ 5,547.9	6%
21 Operating Margin	\$ (506.7)	\$ (875.1)	\$ (652.9)	\$ (1,128.2)	\$ (822.5)	\$ (380.8)	\$ (689.2)	\$ (727.0)	5%
Non Operating Rev and Expense									
22 Parcel Tax Revenue	\$ 316.7	\$ 316.7	\$ 316.7	\$ 316.7	\$ 316.7	\$ 316.7	\$ 316.7	\$ 316.7	0%
23 Misc. Revenue/(Exp)	38.6	33.6	70.7	16.2	32.6	1.1	25.7	35.7	-28%
24 Total Non-Op Rev/Exp	\$ 355.3	\$ 350.2	\$ 387.3	\$ 332.8	\$ 349.2	\$ 317.7	\$ 342.4	\$ 352.4	-3%
25 Net Income / (Loss) Excl GO Bond	\$ (151.4)	\$ (524.9)	\$ (265.5)	\$ (795.4)	\$ (473.2)	\$ (63.1)	\$ (346.8)	\$ (374.5)	7%
26 GO Bond Activity, Net	157.7	162.8	162.8	162.0	162.8	162.8	161.2	174.8	-8%
27 Net Income/(Loss) Incl GO Bond	\$ 6.3	\$ (362.1)	\$ (102.7)	\$ (633.4)	\$ (310.4)	\$ 99.7	\$ (185.6)	\$ (199.8)	7%
28 Rest. Foundation Contr	986.4	177.7	60.7	222.7	7.6	464.9	283.7	449.2	-37%
29 Change in Net Position	\$ 992.7	\$ (184.4)	\$ (42.0)	\$ (410.8)	\$ (302.8)	\$ 564.6	\$ 98.1	\$ 249.4	-61%
30 Operating EBDA	\$ 71.8	\$ (356.0)	\$ (70.6)	\$ (673.2)	\$ (305.8)	\$ 142.4	\$ (161.5)	\$ (285.9)	44%
31 Operating EBDA w Parcel	\$ 388.5	\$ (39.4)	\$ 246.1	\$ (356.5)	\$ 10.9	\$ 459.1	\$ 155.2	\$ 30.8	404%

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

ATTACHMENT F

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Forecast Feb	Forecast Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	\$ 4,211.7	\$ 4,169.5	\$ 4,265.7	\$ 4,281.0	\$ 4,115.5	\$ 3,960.7	\$ 4,215.3	\$ 4,100.0	\$ 4,300.0	\$ 4,300.0	\$ 4,300.0	\$ 4,300.0	\$ 50,519.3
2 Other Operating Revenue	316.7	106.8	46.0	192.7	75.3	88.8	115.0	150.0	20.0	110.0	100.0	100.0	1,421.3
3 Other Non-Operating Revenue	12.1	20.9	11.4	5.4	16.2	18.0	24.2	9.4	11.3	18.6	3.6	8.0	159.1
4 Unrestricted Contributions	-	8.2	9.5	9.1	6.0	7.6	-	-	-	-	-	-	40.4
5 Sub-Total Hospital Sources	\$ 4,540.5	\$ 4,305.4	\$ 4,332.6	\$ 4,488.2	\$ 4,212.9	\$ 4,075.1	\$ 4,354.5	\$ 4,259.4	\$ 4,331.3	\$ 4,428.6	\$ 4,403.6	\$ 4,408.0	\$ 52,140.1
Hospital Uses of Cash													
6 Operating Expenses / AP Payments	\$ 5,003.0	\$ 4,703.6	\$ 4,628.1	\$ 5,681.0	\$ 5,589.2	\$ 5,094.6	\$ 5,422.8	\$ 5,128.0	\$ 4,954.0	\$ 5,030.0	\$ 6,103.0	\$ 5,977.0	\$ 63,314.4
7 Term Loan Paydown	-	-	-	-	-	116.6	89.7	38.5	38.5	38.5	38.5	38.5	398.8
8 Bridge Loan Payback	-	-	-	-	-	-	758.2	-	-	-	-	-	758.2
9 Capital Expenditures	66.0	1,047.6	177.6	185.2	230.8	7.6	-	25.0	25.0	100.0	100.0	50.0	2,014.7
10 Total Hospital Uses	\$ 5,068.9	\$ 5,751.3	\$ 4,805.7	\$ 5,866.2	\$ 5,820.0	\$ 5,218.8	\$ 6,270.7	\$ 5,191.5	\$ 5,017.5	\$ 5,168.5	\$ 6,241.5	\$ 6,065.5	\$ 66,486.2
Net Hospital Sources/Uses of Cash	\$ (528.5)	\$ (1,445.8)	\$ (473.1)	\$ (1,378.0)	\$ (1,607.1)	\$ (1,143.7)	\$ (1,916.3)	\$ (932.1)	\$ (686.2)	\$ (739.9)	\$ (1,837.9)	\$ (1,657.5)	\$ (14,346.1)
Non-Hospital Sources													
12 Restricted Cash/Money Market													-
11 Restricted Capital Donations	\$ 66.0	\$ 986.4	\$ 177.6	\$ 51.6	\$ 216.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,498.2
12 Parcel Tax Revenue	142.5	-	-	1,612.0	-	446.6	-	-	-	1,754.8	-	-	3,955.9
13 Other Payments	-	-	-	653.0	-	-	-	260.0	-	-	-	-	913.0
14 IGT Payments	-	-	0.9	-	27.0	-	12,553.3	-	-	-	573.0	1,495.0	14,649.1
15 Distressed Hospital Loan Program	3,100.0	-	-	-	-	-	-	-	-	-	-	-	3,100.0
16 Line of Credit Payoff Funding - New Bank	-	-	-	-	1,900.0	-	-	-	-	-	-	-	1,900.0
17 Line of Credit Draw - New Bank	-	-	-	-	5,400.0	-	-	-	-	-	-	-	5,400.0
18 Sub-Total Non-Hospital Sources	3,308	986	178	2,317	7,544	447	12,553	260	-	1,755	573	1,495	31,416
Non-Hospital Uses of Cash													
19 IGT Matching Fee Payments	\$ -	\$ -	\$ -	\$ -	\$ 5,157.6	\$ -	\$ -	\$ -	\$ 872.6	\$ 496.4	\$ -	\$ -	\$ 6,526.5
20 Line of Credit Payoff - US Bank LOC	3,100.0	-	-	-	1,895.5	-	-	-	-	-	-	-	4,995.5
21 Line of Credit Repayment - New LOC	-	-	-	-	-	-	5,400.0	-	-	-	-	-	5,400.0
22 Sub-Total Non-Hospital Uses of Cash	\$ 3,100.0	\$ -	\$ -	\$ -	\$ 7,053.1	\$ -	\$ 5,400.0	\$ -	\$ 872.6	\$ 496.4	\$ -	\$ -	\$ 16,922.0
23 Net Non-Hospital Sources/Uses of Cash	\$ 208.4	\$ 986.4	\$ 178.4	\$ 2,316.6	\$ 490.5	\$ 446.6	\$ 7,153.3	\$ 260.0	\$ (872.6)	\$ 1,258.4	\$ 573.0	\$ 1,495.0	\$ 14,494.2
24 Net Sources/Uses	\$ (320.1)	\$ (459.4)	\$ (294.7)	\$ 938.6	\$ (1,116.5)	\$ (697.1)	\$ 5,237.1	\$ (672.1)	\$ (1,558.8)	\$ 518.5	\$ (1,264.9)	\$ (162.5)	\$ 148.1
25 Total Cash at beginning of period	\$ 3,748.6	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 6,364.4	\$ 4,805.6	\$ 5,324.1	\$ 4,059.2	
26 Total Cash at End of Period	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 6,364.4	\$ 4,805.6	\$ 5,324.1	\$ 4,059.2	\$ 3,896.6	
27 Days of Cash on Hand at End of Month	22.0	19.0	17.1	23.2	16.0	11.5	45.1	40.8	30.8	34.1	26.0	26.0	

Initiative	Investment	Measurable Outcome *	Financial Impact	Volumes / Impact	July	August	September	October	November	December	January	February	March	April	May	June	YTD					
3T MRI	\$1 Million (Temp Trailer)	MRI Exams Incremental Growth over Baseline (>120 scans/month)	Incremental Revenue \$1,250,000	VOLUMES *3T went live August 2023																		
				Baseline (FY24)	95	95	95	95	95	95	95	95	95	95	95	95	95	95	665			
				FY25 Budget	178	196	184	214	215	215	225	215	215	225	225	230	235	240	240	1,426		
				FY25 Actual	130	182	182	222	151	190	163										1,220	
				Actual vs. Budget	(48)	(14)	(2)	8	(64)	(25)	(62)										(206)	
					↓	↓	↓	↑	↓	↓	↓										↓	
				INCREMENTAL REVENUE																		
				FY25 Budgeted	\$ 71,400	\$ 86,300	\$ 76,100	\$ 102,200	\$ 103,000	\$ 103,000	\$ 111,600	\$ 111,600	\$ 115,900	\$ 120,100	\$ 124,400	\$ 124,400					\$ 653,600	
				FY25 Actual	\$ 30,000	\$ 74,700	\$ 74,700	\$ 109,000	\$ 48,100	\$ 81,500	\$ 58,400											\$ 476,400
				Actual vs. Budget	\$ (41,400)	\$ (11,600)	\$ (1,400)	\$ 6,800	\$ (54,900)	\$ (21,500)	\$ (53,200)											\$ (177,200)
	↓	↓	↓	↑	↓	↓	↓											↓				
Physical Therapy Expansion	\$2.3 Million	Patient Visits 25% growth over FY24 baseline (50% starting in January)	Incremental Revenue \$475,000	VOLUMES																		
				Baseline (FY24)				1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	4,400			
				FY25 Budgeted				1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	4,890		
				FY25 Actual				1,481	1,278	1,337	1,500									5,596		
				Actual vs. Budget	-	-	-	381	178	237	(90)										706	
								↑	↑	↑	↓										↑	
				INCREMENTAL REVENUE																		
FY25 Budgeted				\$ -	\$ -	\$ -	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400					
FY25 Actual				\$ 43,800	\$ 20,500	\$ 27,300	\$ 46,000											\$ 137,600				
Actual vs. Budget				43,800	20,500	27,300	(10,400)											\$ 81,200				
				↑	↑	↑	↓											↑				
Orthopedist Recruit	TBD	Surgical Cases Exceed 190 surgeries (16/month)	Incremental Revenue \$1,615,000	VOLUMES *Started performing surgeries late August24																		
				Baseline (FY24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
				FY25 Budgeted	5	5	10	10	15	15	15	20	20	25	25	25				75		
				FY25 Actual	-	11	15	18	15	11	22										92	
				Actual vs. Budget	(5)	6	5	8	-	(4)	7										17	
					↓	↑	↑	↑	-	↓	↑										↑	
				INCREMENTAL REVENUE																		
FY25 Budgeted	\$ 35,000	\$ 35,000	\$ 70,000	\$ 70,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 140,000	\$ 140,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 525,000					
FY25 Actual	\$ -	\$ 77,000	\$ 105,000	\$ 126,000	\$ 105,000	\$ 77,000	\$ 154,000											\$ 644,000				
Actual vs. Budget	\$ (35,000)	\$ 42,000	\$ 35,000	\$ 56,000	\$ -	\$ (28,000)	\$ 49,000											\$ 119,000				
	↓	↑	↑	↑	-	↓	↑											↑				
ROSA Robot Orthopedic Cases	TBD Incremental Operational Costs	ROSA Joint Replacement Volumes Exceed 124 surgeries over 12 month period (~10/month)	Operational Costs \$-	VOLUMES																		
				FY25 Target											10	10	10	10	10	-		
				FY25 Actual																		
				Actual vs. Target																		
				INCREMENTAL OPERATIONAL COSTS																		
FY25 Target												\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
FY25 Actual																						
Actual vs. Target																						
GRAND TOTAL Actual vs. Budget					\$ (76,400)	\$ 30,400	\$ 33,600	\$ 106,600	\$ (34,400)	\$ (22,200)	\$ (14,600)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,000				
					↓	↑	↑	↑	↓	↓	↓							↑				