



## **Executive Summary**

Finance Committee

Held August 29, 2023

### **Capital Purchase Requests reviewed:**

- Threshold –
  - Information Systems VMWare Servers - \$395,946
- Non-Threshold:
  - Medical Oncology – Infusion Chairs - \$18,000
  - Information Systems PC Refresh - \$60,000
  - Operating Room – Omni Hysteroscopy Set - \$10,550
  - Cath Lab – External Temporary Pacemakers - \$20,000
  - Wellness Committee – Massage Chairs - \$17,995 (Grant Funded)

### **Discussion Items**

- Lead Auditor from Moss Adams was present to meet the Finance Committee
- Discussed Holiday meeting scheduled. Left the November meeting as scheduled and changed December to the 19<sup>th</sup> (originally was the 26<sup>th</sup>)
- Financial recovery
  - Reviewed of the 13-week cash flow projections
  - Reviewed status of payor negotiations for re-contracting
    - Moda and Regence BCBS are close to finalizing terms
  - Update on bank discussions
  - Update on ECG work

### **Financial Results:**

- See attached Narrative and financials
  - June 2023 financials showed an Operating loss of \$839 Thousand and overall loss at \$974 Thousand. Operating EBIDA – POSITIVE \$144 Thousand
  - Cash and Cash equivalents balance as of July 2023 is \$65.43 million, a decline of \$507 thousand from last month

### **Next meeting:**

Next Meeting – September 26, 2023



Month End Financial Narrative  
For month ending July 31, 2023

Overall, Bay Area hospital lost \$974K in July vs. a budget loss of \$1.6M and last year's loss of \$4.0M. The reduction in Contract Labor cost was the key driver of the decreased expense vs. the budgeted run rate. Gross Revenue for the month finished strong at \$53.0 Million. Below is a breakdown of the financials.

Bay Area Hospital																
Consolidated Income Statement - July 2023																
	Month to Date								Year to Date							
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %		
Gross Patient Revenue																
Total Deductions	35,103,475	34,415,872	(687,603)	-2.0%	26,218,010	(8,885,464)	-33.9%	35,103,475	34,415,872	(687,603)	-2.0%	26,218,010	(8,885,464)	-33.9%		
Net Healthcare Revenue	17,853,601	17,729,389	124,212	0.7%	13,583,169	4,270,432	31.4%	17,853,601	17,729,389	124,212	0.7%	13,583,169	4,270,432	31.4%		
Other Oper Revenue	174,781	126,719	48,062	37.9%	103,411	71,369	69.0%	174,781	126,719	48,062	37.9%	103,411	71,369	69.0%		
Total Net Revenue	18,028,382	17,856,108	172,274	1.0%	13,686,580	4,341,802	31.7%	18,028,382	17,856,108	172,274	1.0%	13,686,580	4,341,802	31.7%		
Net to Gross Ratio	34.0%	34.2%			34.4%			34.0%	34.2%			34.4%				
Total Operating Expenses	18,866,962	19,266,913	399,950	2.1%	19,531,864	664,902	3.4%	18,866,962	19,266,913	399,950	2.1%	19,531,864	664,902	3.4%		
Net Operating Income	(838,581)	(1,410,805)	572,224	-40.6%	(5,845,284)	5,006,703	-85.7%	(838,581)	(1,410,805)	572,224	-40.6%	(5,845,284)	5,006,703	-85.7%		
Net Income	(974,354)	(1,560,805)	586,451	-37.6%	(4,035,758)	3,061,404	-75.9%	(974,354)	(1,560,805)	586,451	-37.6%	(4,035,758)	3,061,404	-75.9%		

## VOLUMES

### Inpatient Discharge

- Inpatient discharges for the month were below budget by 48 patients (494 vs. 542) and 109 above last year (385). This is primarily due PSU being closed July through October last year as well as more Babies born, and the APU census up this year vs last year.

### ED Visits

- ED visits were above budget (2,295 visits this month vs. 2,155 budget) and above last year (vs. 2,175). ED volumes have increased over last year, and a higher percentage of those patients are being admitted to the hospital.

### Cardiac Cath Cases

- This month we had 94 cases vs. budget of 105 and last year same month 101. The Cath Lab was closed on July 4<sup>th</sup> for the holiday and the schedule was closed to Outpatient Procedures on July 19<sup>th</sup> due to low staffing. In addition, Cath Lab was on diversion 6 days during July.

### Imaging

- Is up over the same month last year by 1,295 billed procedures (6,889 vs. 5,594), with volume growth in Diagnostic Radiology, Mammography, MRI, Cat Scanning and Diagnostic Ultrasound.



Month End Financial Narrative  
For month ending July 31, 2023

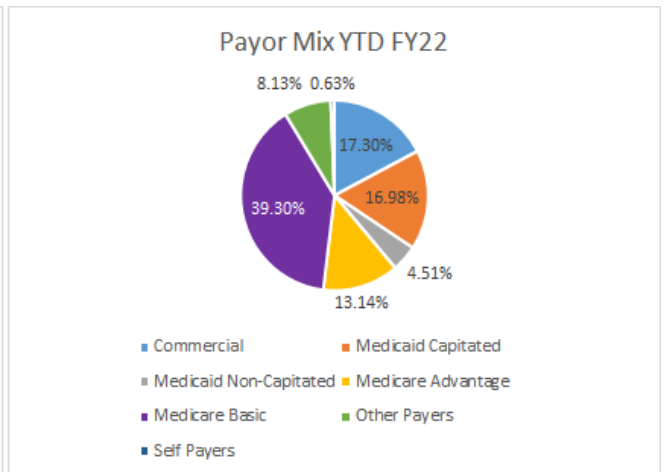
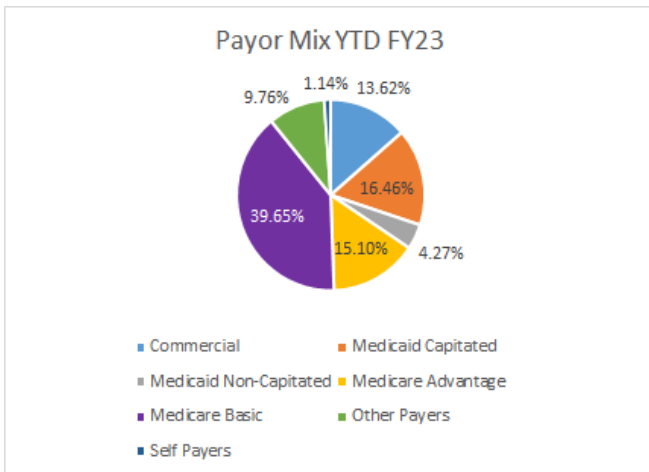
**REVENUES**

**Gross Revenues**

- July’s Gross Revenues were ahead of budget \$812K or 1.6% and over last year by \$13.2M or 33.1%. Emergency Room, Inpatient Nursing Units, Imaging, Cath Lab, Pharmacy and Lab all showed favorable year to year increase. The budget and actuals do include a 6% price increase that took effect on July 1, 2023.
- Compared to budget, Inpatient Gross Revenues were \$1.3M over budget and \$5.4M above last year. Outpatient Revenues were \$529K below Budget and \$7.7M ahead of last year.

**Deductions from Revenue**

- As a %, Deductions from Revenue is even with budget at 66.0% vs. 65.8% (34.0% and 34.2% revenue realization rates). Overall, FY22 was 65.6% or 34.4% revenue realization rate. Trends show collection rates gradually improving over the past 12 months. Overall, net healthcare revenue was favorable to budget \$124K for the month.
- Year to Year Medicare has increased from 39.3% to 39.65% and Medicare Advantaged has increased from 13.14% to 15.1% (total change of 55.44% vs 54.75% last year), Capitated Medicaid is down slightly at 16.98% last year to 16.46% this year. Commercial payors have decreased from 17.3% to 13.62%.



**Other Revenues**

- For the month actuals were \$175K vs \$127K Budget vs \$103K last year. We received \$29.4K in payments for 340b retail scripts filled, and cafeteria revenue has been running higher than historical levels.

**Net Revenue**

- Net Revenue for the month was ahead of budget by \$172K and ahead of last year by \$4.3M (Actual of \$18.0M vs. Budget of \$17.9M vs. Last Year of \$13.7M).



Month End Financial Narrative  
For month ending July 31, 2023

## **EXPENSES**

### **Salaries**

- Salaries are 4.4% over budget but below last year (Actual \$7.0M vs Budget \$6.7M vs Last Year \$7.6M). We continue to hire staff and reduce our reliance on Contract labor. A 2.3% wage increase for all union staff went into effect the 1<sup>st</sup> pay period of July 2023 per contract.

### **Contract labor**

- Below budget (\$1.4M vs \$2.5M). Compared to last year, contract labor costs are down \$524K. Contract labor continues to be reduced and replaced with permanent employees and 1099 Vendor Contracts. Contract labor is also down due to holding of positions while we transition to a new company for contract labor.
- The prior 3-month average for contract labor is \$2.0M.

### **Benefits**

- Overall Benefits expense for the month of July was \$222K below budget and \$260K higher than last year (\$1.8M actual vs \$2.1M budget and \$1.9M last year). The reduction in benefit costs was primarily driven by a reduction in the PTO Liability.

### **Physician and Pro-fees**

- Over budget \$18K and \$129K favorable to last year for the month (\$1.4M actual vs. 1.4M budget and \$1.5M last year).

### **Supplies**

- This month actual spend was \$3.3M vs \$3.1M budget vs \$3.4M last year:
  - Drug costs \$159K over budget.

### **Purchased Services**

- \$218K unfavorable to budget for the month. \$172K unfavorable to last year, primarily in the area of Business Services/Consulting (\$1.4M vs. \$1.2M budget vs \$1.3M last year).

### **Lease/Rentals**

- Below budget and below prior year due lower housing rental expense (\$19K vs. \$26K budget and \$36K last year).

### **Depreciation**

- Slightly below budget for the month by \$7K and under last year (\$983K vs \$990K budget and \$998K last year).



Month End Financial Narrative  
For month ending July 31, 2023

### **Other Operating expense**

- Over budget by \$139K (\$1.4M Actual vs \$1.2M Budget and \$1.2M Last Year). Most of the expense is due to provider tax.

# Bay Area Hospital

Consolidated Income Statement - July 2023

	Month to Date							Year to Date						
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %
<b>Gross Patient Revenue</b>														
Inpatient Revenue	22,282,749	20,941,872	1,340,877	6.4%	16,839,892	5,442,857	32.3%	22,282,749	20,941,872	1,340,877	6.4%	16,839,892	5,442,857	32.3%
Outpatient Revenue	30,674,327	31,203,389	(529,062)	-1.7%	22,961,287	7,713,040	33.6%	30,674,327	31,203,389	(529,062)	-1.7%	22,961,287	7,713,040	33.6%
<b>Total Gross Patient Revenue</b>	<b>52,957,076</b>	<b>52,145,261</b>	<b>811,815</b>	<b>1.6%</b>	<b>39,801,179</b>	<b>13,155,897</b>	<b>33.1%</b>	<b>52,957,076</b>	<b>52,145,261</b>	<b>811,815</b>	<b>1.6%</b>	<b>39,801,179</b>	<b>13,155,897</b>	<b>33.1%</b>
Deductions	34,400,071	33,885,198	(514,873)	-1.5%	25,244,814	(9,155,257)	-36.3%	34,400,071	33,885,198	(514,873)	-1.5%	25,244,814	(9,155,257)	-36.3%
Bad Debt	625,458	265,337	(360,121)	-135.7%	585,416	(40,042)	-6.8%	625,458	265,337	(360,121)	-135.7%	585,416	(40,042)	-6.8%
Charity	77,946	265,337	187,391	70.6%	387,780	309,834	79.9%	77,946	265,337	187,391	70.6%	387,780	309,834	79.9%
<b>Total Deductions</b>	<b>35,103,475</b>	<b>34,415,872</b>	<b>(687,603)</b>	<b>-2.0%</b>	<b>26,218,010</b>	<b>(8,885,464)</b>	<b>-33.9%</b>	<b>35,103,475</b>	<b>34,415,872</b>	<b>(687,603)</b>	<b>-2.0%</b>	<b>26,218,010</b>	<b>(8,885,464)</b>	<b>-33.9%</b>
<b>Net Healthcare Revenue</b>	<b>17,853,601</b>	<b>17,729,389</b>	<b>124,212</b>	<b>0.7%</b>	<b>13,583,169</b>	<b>4,270,432</b>	<b>31.4%</b>	<b>17,853,601</b>	<b>17,729,389</b>	<b>124,212</b>	<b>0.7%</b>	<b>13,583,169</b>	<b>4,270,432</b>	<b>31.4%</b>
Other Oper Revenue	174,781	126,719	48,062	37.9%	103,411	71,369	69.0%	174,781	126,719	48,062	37.9%	103,411	71,369	69.0%
<b>Total Net Revenue</b>	<b>18,028,382</b>	<b>17,856,108</b>	<b>172,274</b>	<b>1.0%</b>	<b>13,686,580</b>	<b>4,341,802</b>	<b>31.7%</b>	<b>18,028,382</b>	<b>17,856,108</b>	<b>172,274</b>	<b>1.0%</b>	<b>13,686,580</b>	<b>4,341,802</b>	<b>31.7%</b>
Net to Gross Ratio	34.0%	34.2%			34.4%			34.0%	34.2%			34.4%		
Salaries	7,005,968	6,707,643	(298,326)	-4.4%	7,612,366	606,398	8.0%	7,005,968	6,707,643	(298,326)	-4.4%	7,612,366	606,398	8.0%
Contract Labor	1,409,714	2,483,329	1,073,616	43.2%	1,937,755	528,041	27.3%	1,409,714	2,483,329	1,073,616	43.2%	1,937,755	528,041	27.3%
Benefits	1,846,065	2,067,612	221,548	10.7%	1,586,170	(259,895)	-16.4%	1,846,065	2,067,612	221,548	10.7%	1,586,170	(259,895)	-16.4%
Physician & Prof Fee	1,424,560	1,406,595	(17,965)	-1.3%	1,553,452	128,892	8.3%	1,424,560	1,406,595	(17,965)	-1.3%	1,553,452	128,892	8.3%
Supplies	3,356,422	3,120,309	(236,113)	-7.0%	3,351,313	(5,109)	-0.2%	3,356,422	3,120,309	(236,113)	-7.0%	3,351,313	(5,109)	-0.2%
Purchased Services	1,459,345	1,241,497	(217,849)	-17.5%	1,286,415	(172,930)	-13.4%	1,459,345	1,241,497	(217,849)	-17.5%	1,286,415	(172,930)	-13.4%
Leases/Rentals	19,486	25,653	6,167	24.0%	35,801	16,315	45.6%	19,486	25,653	6,167	24.0%	35,801	16,315	45.6%
Depreciation	982,555	990,000	7,445	0.8%	997,807	15,252	1.5%	982,555	990,000	7,445	0.8%	997,807	15,252	1.5%
Other Oper Expense	1,362,847	1,224,275	(138,572)	-11.3%	1,170,784	(192,063)	-16.4%	1,362,847	1,224,275	(138,572)	-11.3%	1,170,784	(192,063)	-16.4%
<b>Total Operating Expenses</b>	<b>18,866,962</b>	<b>19,266,913</b>	<b>399,950</b>	<b>2.1%</b>	<b>19,531,864</b>	<b>664,902</b>	<b>3.4%</b>	<b>18,866,962</b>	<b>19,266,913</b>	<b>399,950</b>	<b>2.1%</b>	<b>19,531,864</b>	<b>664,902</b>	<b>3.4%</b>
<b>Net Operating Income</b>	<b>(838,581)</b>	<b>(1,410,805)</b>	<b>572,224</b>	<b>-40.6%</b>	<b>(5,845,284)</b>	<b>5,006,703</b>	<b>-85.7%</b>	<b>(838,581)</b>	<b>(1,410,805)</b>	<b>572,224</b>	<b>-40.6%</b>	<b>(5,845,284)</b>	<b>5,006,703</b>	<b>-85.7%</b>
Investment Income	21,403	-	21,403	0.0%	1,811,453	(1,790,050)	-98.8%	21,403	-	21,403	0.0%	1,811,453	(1,790,050)	-98.8%
Other Nonop Inc(Exp)	45,781	50,000	(4,219)	-8.4%	131,310	(85,529)	-65.1%	45,781	50,000	(4,219)	-8.4%	131,310	(85,529)	-65.1%
Interest Expense	(202,958)	(200,000)	(2,958)	-1.5%	(133,237)	(69,721)	52.3%	(202,958)	(200,000)	(2,958)	-1.5%	(133,237)	(69,721)	52.3%
<b>Net Income</b>	<b>(974,354)</b>	<b>(1,560,805)</b>	<b>586,451</b>	<b>-37.6%</b>	<b>(4,035,758)</b>	<b>3,061,404</b>	<b>-75.9%</b>	<b>(974,354)</b>	<b>(1,560,805)</b>	<b>586,451</b>	<b>-37.6%</b>	<b>(4,035,758)</b>	<b>3,061,404</b>	<b>-75.9%</b>
Bad Debt % of GR	1.2%	0.5%	0.7%	1.2%	0.5%	0.7%		1.2%	0.5%	0.7%	1.2%	0.5%	0.7%	
Bad Debt % of NR	3.5%	1.5%	2.0%	3.5%	1.5%	2.0%		3.5%	1.5%	2.0%	3.5%	1.5%	2.0%	
Bad Debt/Charity % of GR	1.3%	1.0%	0.3%	1.3%	1.0%	0.3%		1.3%	1.0%	0.3%	1.3%	1.0%	0.3%	
Contractual %	-66.3%	-66.0%	-0.3%	-66.3%	-66.0%	-0.3%		-66.3%	-66.0%	-0.3%	-66.3%	-66.0%	-0.3%	
<b>Operating Margin</b>	<b>-4.7%</b>	<b>-7.9%</b>	<b>3.2%</b>	<b>-41.1%</b>	<b>-42.7%</b>	<b>38.1%</b>	<b>-4.7%</b>	<b>-7.9%</b>	<b>3.2%</b>	<b>-41.1%</b>	<b>-42.7%</b>	<b>38.06%</b>	<b>-89.1%</b>	
<b>Net Margin %</b>	<b>-5.4%</b>	<b>-8.7%</b>	<b>3.3%</b>	<b>-38.2%</b>	<b>-29.5%</b>	<b>24.1%</b>	<b>-5.4%</b>	<b>-8.7%</b>	<b>3.3%</b>	<b>-38.2%</b>	<b>-29.5%</b>	<b>24.08%</b>	<b>-81.7%</b>	
<b>Operating EBIDTA</b>	<b>143,974</b>	<b>(420,805)</b>	<b>579,669</b>	<b>-137.8%</b>	<b>(4,847,477)</b>	<b>4,991,451</b>	<b>-103.0%</b>	<b>143,974</b>	<b>(420,805)</b>	<b>579,669</b>	<b>-137.8%</b>	<b>(4,847,477)</b>	<b>4,991,451</b>	<b>-103.0%</b>
<b>Operating EBIDTA %</b>	<b>0.8%</b>	<b>-2.4%</b>	<b>3.2%</b>	<b>-133.9%</b>	<b>-35.4%</b>	<b>36.2%</b>	<b>0.8%</b>	<b>-2.4%</b>	<b>3.2%</b>	<b>-133.9%</b>	<b>-35.4%</b>	<b>36.22%</b>	<b>-102.3%</b>	
<b>EBIDTA</b>	<b>211,159</b>	<b>(370,805)</b>	<b>596,853</b>	<b>-161.0%</b>	<b>(2,904,714)</b>	<b>3,115,873</b>	<b>-107.3%</b>	<b>211,159</b>	<b>(370,805)</b>	<b>596,853</b>	<b>-161.0%</b>	<b>(2,904,714)</b>	<b>3,115,873</b>	<b>-107.3%</b>
<b>EBIDTA %</b>	<b>1.2%</b>	<b>-2.1%</b>	<b>3.2%</b>	<b>-156.4%</b>	<b>-21.2%</b>	<b>22.4%</b>	<b>1.2%</b>	<b>-2.1%</b>	<b>3.2%</b>	<b>-156.4%</b>	<b>-21.2%</b>	<b>22.39%</b>	<b>-105.5%</b>	
Discharges	494	542	(48)	-8.9%	385	109	28.3%	494	542	(48)	-8.9%	385	109	28.3%
Patient Days	1,900	2,168	(268)	-12.4%	1,508	392	26.0%	1,900	2,168	(268)	-12.4%	1,508	392	26.0%
Adjusted Days	4,516	5,399	(883)	-16.4%	3,564	951	26.7%	4,516	5,399	(883)	-16.4%	3,564	951	26.7%
Adjusted Discharges	1,174	1,350	(176)	-13.0%	910	264	29.0%	1,174	1,350	(176)	-13.0%	910	264	29.0%
<b>Per Adjusted Day</b>	<b>3.85</b>	<b>4.00</b>	<b>5.58</b>	<b>1.40</b>	<b>3.92</b>			<b>3.954</b>	<b>4.00</b>	<b>5.58</b>	<b>1.40</b>	<b>3.92</b>		
Net Rev Incl BD/APD	3,954	3,284	670	20.4%	3,811	143	3.7%	3,954	3,284	670	20.4%	3,811	143	3.7%
SWB/APD	2,273	2,085	(187)	-9.0%	3,125	(852)	-27.3%	2,273	2,085	(187)	-9.0%	3,125	(852)	-27.3%
Salary/APD	1,864	1,702	(161)	-9.5%	2,679	(816)	-30.4%	1,864	1,702	(161)	-9.5%	2,679	(816)	-30.4%
Supply Cost/APD	743	578	(165)	-28.6%	940	(197)	-20.9%	743	578	(165)	-28.6%	940	(197)	-20.9%
Other Expense/APD	617	487	(130)	-26.7%	764	(147)	-19.2%	617	487	(130)	-26.7%	764	(147)	-19.2%
<b>Per Adjusted Discharge</b>														
Net Rev Incl BD/Adj DC	15,207	13,136	2,071	15.8%	14,927	280	1.9%	15,207	13,136	2,071	15.8%	14,927	280	1.9%
SWB/Adj DC	8,741	8,342	(399)	-4.8%	12,238	(3,498)	-28.6%	8,741	8,342	(399)	-4.8%	12,238	(3,498)	-28.6%
Salary/Adj DC	7,168	6,810	(358)	-5.3%	10,495	(3,327)	-31.7%	7,168	6,810	(358)	-5.3%	10,495	(3,327)	-31.7%
Supply Cost/Adj DC	2,859	2,312	(547)	-23.7%	3,683	(824)	-22.4%	2,859	2,312	(547)	-23.7%	3,683	(824)	-22.4%
Other Expense/Adj DC	2,374	1,949	(425)	-21.8%	2,994	(620)	-20.7%	2,374	1,949	(425)	-21.8%	2,994	(620)	-20.7%
<b>Pct of Net Revenue</b>														
SWB	57.5%	63.5%	6.0%	57.5%	63.5%	6.0%		57.5%	63.5%	6.0%	57.5%	63.5%	6.0%	
Supplies	18.8%	17.6%	-1.2%	18.8%	17.6%	-1.2%		18.8%	17.6%	-1.2%	18.8%	17.6%	-1.2%	
Other Expense	15.6%	14.8%	-0.8%	15.6%	14.8%	-0.8%		15.6%	14.8%	-0.8%	15.6%	14.8%	-0.8%	
<b>FTE's</b>														
Total Salary FTE's	852.41	834.21	(18.21)	-2.2%	862.60	10.19	1.2%	852.41	834.21	(18.21)	-2.2%	862.60	10.19	1.2%
Total Contract FTE's	64.57	64.93	0.35	0.5%	78.24	13.66	17.5%	64.57	64.93	0.35	0.5%	78.24	13.66	17.5%
Total Facility Paid FTE's	916.99	899.13	(17.85)	-2.0%	940.84	23.85	2.5%	916.99	899.13	(17.85)	-2.0%	940.84	23.85	2.5%
Paid FTE per AOB	6.30	5.16	(1.13)	-21.9%	8.18	1.89	23.1%	6.30	5.16	(1.13)	-21.9%	8.18	1.89	23.1%
Average Hourly Rate	\$ 51.95	\$ 57.86	5.91	10.2%	\$ 57.30	5.35	9.3%	\$ 51.95	\$ 57.86	5.91	10.2%	\$ 57.30	5.35	9.3%

# Bay Area Hospital

Consolidated Income Statement Trend - July 2023

	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023	2023
	JulIMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulIMTD
<b>Gross Patient Revenue</b>													
Inpatient Revenue	16,839,892	19,036,683	16,552,366	18,947,417	21,945,875	23,974,676	24,362,551	20,710,145	21,088,768	20,839,409	19,986,049	20,626,783	22,282,749
Outpatient Revenue	22,961,287	27,804,027	25,269,488	25,455,664	27,088,171	27,405,149	27,508,431	27,644,069	31,028,139	27,750,060	31,943,769	30,899,003	30,674,327
<b>Total Gross Patient Revenue</b>	<b>39,801,179</b>	<b>46,840,710</b>	<b>41,821,853</b>	<b>44,403,082</b>	<b>49,034,046</b>	<b>51,379,826</b>	<b>51,870,982</b>	<b>48,354,214</b>	<b>52,116,907</b>	<b>48,589,469</b>	<b>51,929,818</b>	<b>51,525,787</b>	<b>52,957,076</b>
Deductions	25,244,814	30,623,410	26,570,878	27,819,136	32,196,607	32,132,943	33,365,240	32,435,472	33,072,230	29,566,270	33,282,812	29,597,271	34,400,071
Bad Debt	585,416	(394,368)	769,491	278,332	(22,457)	837,064	283,391	(405,605)	1,035,073	(262,640)	135,463	(241,594)	625,458
Charity	387,780	1,080,078	83,403	182,868	101,534	208,473	321,876	209,505	300,082	332,402	266,039	226,317	77,946
<b>Total Deductions</b>	<b>26,218,010</b>	<b>31,309,120</b>	<b>27,423,772</b>	<b>28,280,336</b>	<b>32,275,684</b>	<b>33,178,480</b>	<b>33,970,507</b>	<b>32,239,373</b>	<b>34,407,385</b>	<b>29,632,032</b>	<b>33,684,313</b>	<b>29,581,994</b>	<b>35,103,475</b>
<b>Net Healthcare Revenue</b>	<b>13,583,169</b>	<b>15,531,590</b>	<b>14,398,081</b>	<b>16,122,746</b>	<b>16,758,362</b>	<b>18,201,346</b>	<b>17,900,475</b>	<b>16,114,841</b>	<b>17,709,522</b>	<b>18,953,437</b>	<b>18,245,505</b>	<b>21,943,792</b>	<b>17,853,601</b>
Other Oper Revenue	103,411	92,746	135,288	110,628	84,050	280,086	80,957	818,583	253,437	203,908	178,159	175,343	174,781
<b>Total Net Revenue</b>	<b>13,686,580</b>	<b>15,624,337</b>	<b>14,533,370</b>	<b>16,233,374</b>	<b>16,842,412</b>	<b>18,481,431</b>	<b>17,981,432</b>	<b>16,933,424</b>	<b>17,962,959</b>	<b>19,157,345</b>	<b>18,423,663</b>	<b>22,119,135</b>	<b>18,028,382</b>
<b>Expenses</b>	<b>34.4%</b>	<b>33.4%</b>	<b>34.8%</b>	<b>36.6%</b>	<b>34.3%</b>	<b>36.0%</b>	<b>34.7%</b>	<b>35.0%</b>	<b>34.5%</b>	<b>39.4%</b>	<b>35.5%</b>	<b>42.9%</b>	<b>34.0%</b>
Salaries	7,612,366	6,843,560	6,675,760	6,764,373	7,025,547	7,015,901	6,956,439	6,198,810	6,902,484	6,370,387	7,224,173	6,978,563	7,005,968
Contract Labor	1,937,755	2,330,260	1,666,011	2,163,593	3,123,071	2,282,270	2,460,412	2,327,280	2,624,324	2,357,975	1,515,548	2,227,163	1,409,714
Benefits	1,586,170	1,776,365	1,757,407	1,819,103	2,007,389	1,727,933	2,219,143	2,068,817	2,236,208	2,245,163	2,427,019	3,942,094	1,846,065
Physician & Prof Fee	1,553,452	1,370,986	1,421,356	1,424,163	1,373,426	1,849,806	1,892,513	1,425,340	1,365,276	1,646,570	1,702,490	1,403,860	1,424,560
Supplies	3,351,313	3,394,317	2,417,220	3,331,031	3,334,830	3,381,559	3,449,654	3,316,941	3,061,350	3,314,555	3,838,544	4,532,892	3,356,422
Purchased Services	1,286,415	1,206,051	1,541,037	1,335,105	1,341,732	1,283,821	1,600,948	1,192,919	1,232,713	1,528,901	1,783,110	1,668,844	1,459,345
Leases/Rentals	35,801	29,679	17,533	25,035	1,180	24,039	28,105	14,397	7,127	10,073	21,397	15,000	19,486
Depreciation	997,807	994,783	996,194	996,124	982,344	983,634	981,041	1,020,995	988,299	972,436	1,150,360	998,270	982,555
Other Oper Expense	1,170,784	1,352,675	1,288,610	1,384,639	1,382,030	1,446,050	1,416,940	1,201,536	1,384,052	1,451,844	1,407,522	1,530,081	1,362,847
<b>Total Operating Expenses</b>	<b>19,531,864</b>	<b>19,298,676</b>	<b>17,781,128</b>	<b>19,243,165</b>	<b>20,571,549</b>	<b>19,995,012</b>	<b>21,005,197</b>	<b>18,767,036</b>	<b>19,801,833</b>	<b>19,897,905</b>	<b>21,070,161</b>	<b>23,296,768</b>	<b>18,866,962</b>
<b>Net Operating Income</b>	<b>(5,845,284)</b>	<b>(3,674,340)</b>	<b>(3,247,758)</b>	<b>(3,009,790)</b>	<b>(3,729,137)</b>	<b>(1,513,581)</b>	<b>(3,023,765)</b>	<b>(1,833,612)</b>	<b>(1,838,874)</b>	<b>(740,559)</b>	<b>(2,646,498)</b>	<b>(1,177,633)</b>	<b>(838,581)</b>
Investment Income	1,811,453	(2,219,478)	(2,525,944)	(672,723)	1,915,113	(151,049)	1,273,138	(1,164,412)	1,063,050	316,012	(348,569)	(352,429)	21,403
Other Nonop Inc(Exp)	131,310	97,400	52,636	85,883	78,779	244,666	45,254	57,550	71,775	147,051	134,018	193,689	45,781
Interest Expense	(133,237)	(145,409)	(142,178)	(150,328)	(142,058)	(613,800)	(203,032)	(197,762)	(206,012)	(200,255)	(204,321)	(197,413)	(202,958)
<b>Net Income</b>	<b>(4,035,758)</b>	<b>(5,941,826)</b>	<b>(5,863,244)</b>	<b>(3,746,959)</b>	<b>(1,877,304)</b>	<b>(2,033,763)</b>	<b>(1,908,404)</b>	<b>(3,138,236)</b>	<b>(910,061)</b>	<b>(477,752)</b>	<b>(3,065,370)</b>	<b>(1,533,786)</b>	<b>(974,354)</b>
<b>Operating Margin %</b>	<b>-42.7%</b>	<b>-23.5%</b>	<b>-22.3%</b>	<b>-18.5%</b>	<b>-22.1%</b>	<b>-8.2%</b>	<b>-16.8%</b>	<b>-10.8%</b>	<b>-10.2%</b>	<b>-3.9%</b>	<b>-14.4%</b>	<b>-5.3%</b>	<b>-4.7%</b>
<b>Net Margin %</b>	<b>-29.5%</b>	<b>-38.0%</b>	<b>-40.3%</b>	<b>-23.1%</b>	<b>-11.1%</b>	<b>-11.0%</b>	<b>-10.6%</b>	<b>-18.5%</b>	<b>-5.1%</b>	<b>-2.5%</b>	<b>-16.6%</b>	<b>-6.9%</b>	<b>-5.4%</b>
<b>Operating EBIDA</b>	<b>(4,847,477)</b>	<b>(2,679,557)</b>	<b>(2,251,564)</b>	<b>(2,013,667)</b>	<b>(2,746,793)</b>	<b>(529,947)</b>	<b>(2,042,723)</b>	<b>(812,617)</b>	<b>(850,575)</b>	<b>231,877</b>	<b>(1,496,138)</b>	<b>(179,363)</b>	<b>143,974</b>
<b>Operating EBIDA %</b>	<b>-35.4%</b>	<b>-17.1%</b>	<b>-15.5%</b>	<b>-12.4%</b>	<b>-16.3%</b>	<b>-2.9%</b>	<b>-11.4%</b>	<b>-4.8%</b>	<b>-4.7%</b>	<b>1.2%</b>	<b>-8.1%</b>	<b>-0.8%</b>	<b>0.8%</b>
<b>EBDITA Margin</b>	<b>-21.2%</b>	<b>-30.7%</b>	<b>-32.5%</b>	<b>-16.0%</b>	<b>-4.5%</b>	<b>-2.4%</b>	<b>-4.0%</b>	<b>-11.3%</b>	<b>1.6%</b>	<b>3.6%</b>	<b>-9.3%</b>	<b>-1.5%</b>	<b>1.2%</b>
Discharges	385	394	374	402	403	496	498	452	494	478	460	512	494
Patient Days	1,508	1,521	1,512	1,736	2,026	2,270	2,261	1,798	1,936	1,942	1,760	1,947	1,900
Adjusted Days	3,564	3,742	3,820	4,068	4,527	4,865	4,814	4,198	4,784	4,528	4,573	4,864	4,516
Adjusted Discharges	910	969	945	942	900	1,063	1,060	1,055	1,221	1,115	1,195	1,279	1,174
<b>Per Adjusted Day</b>						<b>4.58</b>	<b>4.54</b>	<b>3.98</b>	<b>3.92</b>	<b>4.06</b>	<b>3.83</b>	<b>3.80</b>	<b>3.85</b>
Net Revenue/APD	3,811	4,150	3,769	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	4,512	3,954
Net Rev Incl BD/APD	3,811	4,150	3,769	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	4,512	3,954
SWB/APD	3,125	2,926	2,644	2,642	2,685	2,267	2,417	2,524	2,459	2,423	2,442	2,703	2,273
Salary/APD	2,679	2,451	2,184	2,195	2,242	1,911	1,956	2,031	1,991	1,928	1,911	1,893	1,864
Supply Cost/APD	940	907	633	819	737	695	717	790	640	732	839	932	743
Other Expense/APD	764	728	709	690	609	677	687	626	575	684	680	603	617
<b>Per Adjusted Discharge</b>													
Net Revenue/Adj DC	14,927	16,021	15,237	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	17,157	15,207
Net Rev Incl BD/Adj DC	14,927	16,021	15,237	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	17,157	15,207
SWB/Adj DC	12,238	11,295	10,687	11,408	13,500	10,373	10,974	10,039	9,635	9,846	9,343	10,280	8,741
Salary/Adj DC	10,495	9,463	8,828	9,477	11,271	8,747	8,881	8,079	7,804	7,832	7,312	7,198	7,168
Supply Cost/Adj DC	3,683	3,501	2,558	3,536	3,704	3,181	3,253	3,143	2,508	2,974	3,212	3,544	2,859
Other Expense/Adj DC	2,994	2,809	2,868	2,981	3,060	3,101	3,121	2,489	2,252	2,780	2,602	2,294	2,374
<b>Pct of Net Revenue</b>													
SWB	82.0%	70.5%	70.1%	66.7%	72.5%	60.6%	65.0%	65.7%	66.4%	57.9%	61.2%	59.9%	57.5%
Supplies	24.7%	21.9%	16.8%	20.7%	19.9%	18.6%	19.3%	20.6%	17.3%	17.5%	21.0%	20.7%	18.8%
Other Expense	20.1%	17.5%	18.8%	17.4%	16.4%	18.1%	18.5%	16.3%	15.5%	16.3%	17.0%	13.4%	15.6%
<b>FTE's</b>													
Total Salary FTE's	862.60	851.68	855.92	711.61	867.19	858.85	856.18	855.33	849.52	851.48	865.01	875.04	852.41
Total Contract FTE's	78.24	76.60	57.82	68.81	109.89	87.29	91.36	97.16	118.01	102.17	67.69	102.09	64.57
Total Facility Paid FTE's	940.84	928.27	913.74	780.42	977.08	946.14	947.53	952.49	967.52	953.65	932.69	977.13	916.99
Paid FTE per AOB	8.18	7.69	7.18	5.95	6.48	6.03	6.10	6.35	6.27	6.32	6.32	6.03	6.30
Average Hourly Rate	\$ 57.30	\$ 55.79	\$ 53.25	\$ 64.58	\$ 60.59	\$ 55.48	\$ 56.10	\$ 55.95	\$ 55.59	\$ 53.54	\$ 53.04	\$ 55.11	\$ 51.95

**Bay Area Hospital**  
**Balance Sheet (Including Foundation)**  
**July 2023**

	<u>Jul-23</u>	<u>Preliminary Jun-23</u>	<u>Audited Jun-22</u>
<b>Assets And Deferred Outflows Of Resources</b>			
Current Assets			
Cash & Cash Equivalents	13,714,825	12,030,483	17,016,994
Accounts Receivable (Net)	18,654,070	19,921,642	24,465,619
Inventory	5,192,868	5,205,080	6,261,727
Other Current Assets	5,475,274	4,530,204	4,410,739
Total Current Assets	<u>43,037,036</u>	<u>41,687,409</u>	<u>52,155,080</u>
Assets Limited As to Use	53,418,644	53,401,226	87,331,596
Capital Assets			
Depreciable Capital Assets (Net)	85,399,892	86,321,793	91,510,791
Nondepreciable Capital Assets	1,709,502	1,690,791	4,142,630
Total Capital Assets (Net)	<u>87,109,394</u>	<u>88,012,584</u>	<u>95,653,420</u>
Other Non Current Assets	1,107,103	1,096,420	1,135,685
<b>Total Assets</b>	<b><u>184,672,177</u></b>	<b><u>184,197,639</u></b>	<b><u>236,275,781</u></b>
Deferred Outflows Of Resources	13,730,170	13,730,170	17,878,901
<b>Total Assets And Deferred Outflows</b>	<b><u>198,402,347</u></b>	<b><u>197,927,809</u></b>	<b><u>254,154,682</u></b>
<b>Liabilities, Deferred Inflows of Resources, And Net Position</b>			
Current Liabilities			
Accounts Payable	(7,204,114)	(6,949,628)	(11,140,688)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(3,796,661)	(3,580,718)	(3,092,600)
Paid Time Off	(5,083,033)	(5,389,005)	(5,393,829)
Other	(7,451,657)	(5,890,925)	(4,338,632)
3rd Party Settlements Payable (net)	(5,310,847)	(5,310,727)	(6,229,262)
Revolving Line of Credit	0	0	(8,000,000)
Long-Term Debt in Default Classified as Current	(46,212,894)	(46,339,829)	(47,876,185)
Long-Term Obligations - Current Portion	(3,535,830)	(3,545,686)	(3,308,573)
Deferred Revenue	(333,336)	(416,669)	
Medicare accelerated payments			(7,156,518)
Total Current Liabilities	<u>(78,928,370)</u>	<u>(77,423,186)</u>	<u>(96,536,287)</u>
Long Term Obligations (Net of Current Portion)	(5,539,543)	(5,606,518)	(6,454,886)
Other Noncurrent Liabilities	(4,506,141)	(4,495,458)	(4,468,637)
Net Pension Liability	(7,133,416)	(7,133,416)	(8,910,885)
<b>Total Liabilities</b>	<b><u>(96,107,470)</u></b>	<b><u>(94,658,578)</u></b>	<b><u>(116,370,695)</u></b>
Deferred Inflows Of Resources	(9,152,201)	(9,152,201)	(8,923,732)
<b>Total Liabilities &amp; Deferred Cash Inlows</b>	<b><u>(105,259,671)</u></b>	<b><u>(103,810,779)</u></b>	<b><u>(125,294,427)</u></b>
Net Position	(94,117,030)	(128,860,256)	(189,017,386)
Net Income/Loss	974,354	34,743,226	60,157,130
<b>Total Liabilities, Deferred Inflows, Net Position</b>	<b><u>(198,402,347)</u></b>	<b><u>(197,927,809)</u></b>	<b><u>(254,154,683)</u></b>



**Bay Area Hospital**  
**Statement of Cash Flows**  
**July 2023**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year</u></b> <b><u>to Date</u></b>
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses	(974,354)	(974,354)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	982,555	982,555
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	1,267,572	1,267,572
Inventory of supplies	12,212	12,212
Other current assets	(945,070)	(945,070)
Net Pension Liability	0	0
Other non current assets/liabilities	0	0
Current liabilities (excluding debt & deferred revenue)	1,725,309	1,725,309
Deferred Revenue	(83,333)	(83,333)
	<hr/>	<hr/>
Net cash provided by operating activities	1,984,891	1,984,891
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(79,365)	(79,365)
Change in Value of Investments	(17,418)	(17,418)
Transfer Investments to Cash		0
	<hr/>	<hr/>
Net cash provided by investing activities	(96,783)	(96,783)
<b>Cash flows from financing activities:</b>		
Deferred Inflows/Outflows of Resources	0	0
Debt/Subscription Principle Payments	(203,766)	(203,766)
Increase in Capital Lease Obligations		0
Revolving Line of Credit Payment		0
	<hr/>	<hr/>
Net cash provided by financing activities	(203,766)	(203,766)
	<hr/>	<hr/>
<b>Net increase (decrease) in cash</b>	1,684,342	1,684,342
	<hr/>	<hr/>
<b>Beginning Cash Balance</b>	12,030,483	12,030,483
	<hr/>	<hr/>
<b>Ending Cash Balance</b>	13,714,825	13,714,825

Bay Area Hospital  
Compliance Certification  
as of July 31, 2023

	Audited FYE <u>Jun-22</u>	TTM <u>Sep-22</u>	TTM <u>Dec-22</u>	Preliminary TTM <u>Jun-23</u>	TTM <u>Jul-23</u>
<b>A. Income Available for Debt Service</b>					
Excess Revenue over Expenses	\$ (60,157,130)	\$ (74,405,957)	\$ (79,533,450)	\$ (34,743,226)	\$ (31,381,822)
Add:					
Interest Expense	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,535,806	\$ 2,605,527
Depreciation	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,062,287	\$ 12,047,035
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on extinguishment of debt	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on discontinued operations	\$ -	\$ -	\$ -	\$ -	\$ -
Adj. to value of assets or liabilities (accounting adjustments)	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized (Gains) or Loss on marketable securities	\$ 6,980,288	\$ 8,195,904	\$ 6,472,228	\$ 215,664	\$ 1,966,616
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring - EPIC/Workday Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
<b>(A.1) Income Available for Debt Service</b>	<b>\$ (39,820,935)</b>	<b>\$ (50,261,989)</b>	<b>\$ (57,370,291)</b>	<b>\$ (19,929,469)</b>	<b>\$ (14,762,644)</b>
<b>(A.2) Debt Service Requirements (MADS) [BOW Amort Schedule]</b>	<b>\$ 2,643,610</b>	<b>\$ 2,643,610</b>	<b>\$ 2,643,610</b>	<b>\$ 2,643,610</b>	<b>\$ 2,643,610</b>
<b>(A.3) Ratio of Line A.1 to Line A.2</b>	<b>-15.06x</b>	<b>-19.01x</b>	<b>-21.70x</b>	<b>-7.54x</b>	<b>-5.58x</b>
(A.4) Line A.3 must not be less than	1.15x	1.15x	1.15x	1.15x	1.15x
<b>(A.5) Borrower is in Compliance (Yes/No)</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>B.1 Days Cash on Hand (break out per definition)</b>					
Cash & Equivalents	\$ 17,016,994	\$ 12,311,096	\$ 14,336,899	\$ 12,030,483	\$ 13,714,825
Add: Marketable Securities/Board designated Funds	\$ 87,331,596	\$ 69,453,715	\$ 52,553,195	\$ 53,401,226	\$ 53,418,644
Less: Trustee Held funds	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on short term debt	\$ (8,000,000)	\$ (8,000,000)	\$ -	\$ -	\$ -
Less: Proceeds from A/R factoring	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Collateral Posting for Interest Rate Agreements	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on Put Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash &amp; Equivalents</b>	<b>\$ 96,348,590</b>	<b>\$ 73,764,811</b>	<b>\$ 66,890,094</b>	<b>\$ 65,431,709</b>	<b>\$ 67,133,469</b>
<b>B.2 Cash Operating Expenses</b>					
Total Operating Expenses	\$ 242,583,589	\$ 279,579,437	\$ 244,544,729	\$ 240,434,970	\$ 239,770,068
Add: Interest Expenses	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,535,806	\$ 2,605,527
Less: Depreciation & Amortization	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,062,287	\$ 12,047,035
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Operating Expenses</b>	<b>\$ 231,989,270</b>	<b>\$ 267,002,894</b>	<b>\$ 232,924,699</b>	<b>\$ 230,908,490</b>	<b>\$ 230,328,560</b>
B.3 Line B2 divided by 365	\$ 635,587	\$ 731,515	\$ 638,150	\$ 632,626	\$ 631,037
B.4 Ratio of Line B.1 to Line B3	152	101	105	103	106
B.5 Line B.4 must not be less than	75	75	75	75	75
<b>B.6 Borrower is in Compliance (Yes/No)</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>C.1 Unrestricted Liquid Funds</b>					
Cash & Equivalents			\$ 14,336,899	\$ 12,226,105	\$ 12,030,483
Add: Marketable Securities/Board designated Funds			\$ 52,553,195	\$ 53,712,636	\$ 53,401,226
<b>Unrestricted Liquid Funds</b>			<b>\$ 66,890,094</b>	<b>\$ 65,938,741</b>	<b>\$ 65,431,709</b>
C.2 Line C.1 must not be less than			\$ 52,000,000	\$ 52,000,000	\$ 52,000,000
<b>C.3 Borrower is in Compliance (Yes/No)</b>			<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
Note: Realized (Gains) or Loss on marketable securities	\$ 78,083	\$ 1,575,942	\$ 1,785,605	\$ 701,746	\$ 744,253

Signature of Bay Area Hospital:

Name: Mary Su Lati  
Title: CFO