



Executive Summary

Finance Committee

Held September 26, 2023

Capital Purchase Requests reviewed:

- Threshold –
 - Boilers for Inpatient Tower - \$465,000
- Non-Threshold:
 - None

Discussion Items

- Discussed moving Audit date due to Halloween Holiday.
- Presentation on Reimbursement
- Financial recovery
 - Reviewed of the 13-week cash flow projections
 - Reviewed status of payor negotiations for re-contracting
 - Update on bank discussions
 - Update on ECG work

Financial Results:

- See attached Narrative and financials
 - August 2023 is the 1st month in 31 months to show POSITIVE Operating Income!!
 - August 2023 financials showed an Operating Income of \$611 Thousand and overall income at \$456 Thousand. Operating EBIDA – POSITIVE \$1.64 Million
 - Cash and Cash equivalents balance as of August 2023 is \$67.83 million, a increase of \$1.89 Million from prior month

Next meeting:

Next Meeting – Audit Presentation



Month End Financial Narrative
For month ending August 31, 2023

Overall, Bay Area hospital made \$456K in August vs. a budgeted loss of \$1.5M and last year's loss of \$5.9M. The increase in Net Patient Revenue was the key driver of the positive earnings vs. the budgeted run rate. Gross Revenue for the month finished strong at \$58.1 Million. Below is a breakdown of the financials.

Bay Area Hospital																
Consolidated Income Statement - August 2023																
	Month to Date								Year to Date							
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %		
Total Gross Patient Revenue	58,094,481	52,195,261	5,899,220	11.3%	46,840,710	11,253,770	24.0%	111,051,557	104,340,522	6,711,035	6.4%	86,641,890	24,409,667	28.2%		
Total Deductions	37,822,577	34,415,872	(3,406,705)	-9.9%	31,309,120	(6,513,457)	-20.8%	72,926,052	68,831,744	(4,094,308)	-5.9%	57,527,130	(15,398,921)	-26.8%		
Net Healthcare Revenue	20,271,904	17,779,389	2,492,515	14.0%	15,531,590	4,740,314	30.5%	38,125,505	35,508,778	2,616,727	7.4%	29,114,759	9,010,746	30.9%		
Other Oper Revenue	215,641	126,719	88,922	70.2%	92,746	122,894	132.5%	390,421	253,438	136,983	54.0%	196,158	194,263	99.0%		
Total Net Revenue	20,487,545	17,906,108	2,581,437	14.4%	15,624,337	4,863,208	31.1%	38,515,926	35,762,216	2,753,710	7.7%	29,310,917	9,205,010	31.4%		
Net to Gross Ratio	35.3%	34.3%			33.4%			34.7%	34.3%			33.8%				
Total Operating Expenses	19,876,088	19,278,401	(597,687)	-3.1%	19,298,676	(577,411)	-3.0%	38,743,050	38,545,313	(197,737)	-0.5%	38,830,541	87,490	0.2%		
Net Operating Income	611,457	(1,372,293)	1,983,750	-144.6%	(3,674,340)	4,285,797	-116.6%	(227,124)	(2,783,097)	2,555,973	-91.8%	(9,519,624)	9,292,500	-97.6%		
Net Income	456,081	(1,522,293)	1,978,373	-130.0%	(5,941,826)	6,397,907	-107.7%	(518,273)	(3,083,097)	2,564,824	-83.2%	(9,977,584)	9,459,311	-94.8%		

VOLUMES

Inpatient Discharge

- Inpatient discharges for the month were even with budget (542 vs. 542) and 148 above last year (394). This is primarily due PSU being closed July through October last year, more Babies born this year, and the APU census up this year vs last year.

ED Visits

- ED visits were above budget and above last year (2,267 visits this month vs. 2,155 budgeted vs. 2,109 last year). 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 103 cases vs. budget of 105 and last year same month 77. Cath Lab had 8 STEMIs during the month of August, which was their highest in 2023 to date. They were on diversion two days during August due to equipment failure.
- Year -to date we had 197 cases vs. a budget of 210 and a prior year actual of 178. Dr. Kandukuri, Interventional Radiologist, schedule revision with Dr. Stroh's group – fewer days in the lab. This will continue in September resulting in somewhat lower volumes.

Imaging

- Is up over the same month last year by 1,085 billed procedures (7,370 vs. 6,894), with volume growth in all areas specifically Cat Scanning and Diagnostic Ultrasound.
- Year-to-date we are 30.9% ahead of last year (14,264 vs. 10,897).



Month End Financial Narrative
For month ending August 31, 2023

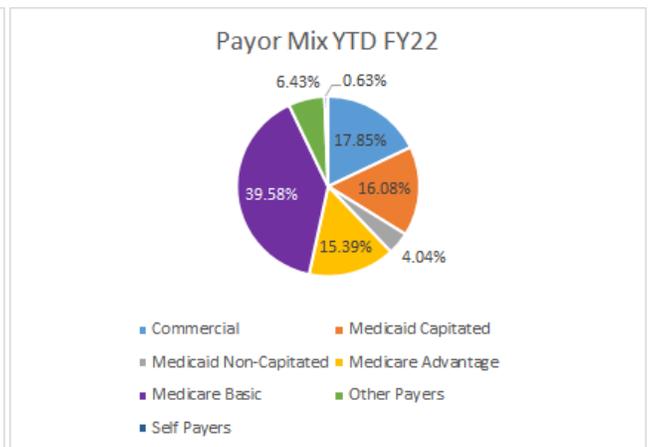
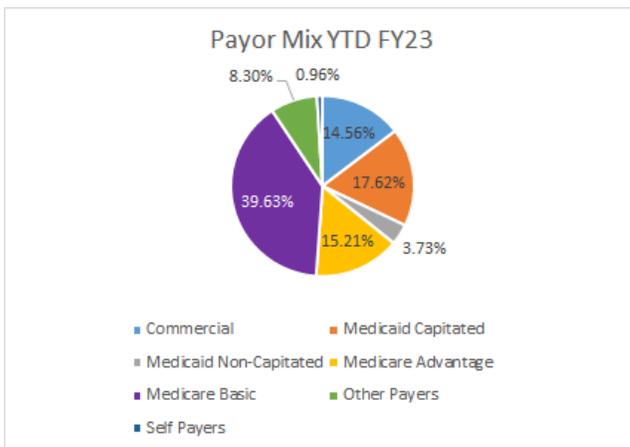
REVENUES

Gross Revenues

- August's Gross Revenues were ahead of budget \$5.9 Million or 11.3% and over last year by \$11.3M or 24.0%. Compared to budget, Inpatient Gross Revenues were \$2.1M over budget and \$4.0M above last year. Outpatient Revenues were \$3.8M over Budget and \$7.2M ahead of last year.
- Emergency Room, Imaging, Cath Lab, Pharmacy and Lab all showed favorable actual vs. budget and year to year increases. The budget and actuals do include a 6% price increase that took effect on July 1, 2023.
- Of the \$5.9M variance \$3.1M was due to volumes and \$2.8M is due to Rate. The Gross Revenue budget for August was \$5,125 per adjusted patient day and actual was \$5,434.

Deductions from Revenue

- As a %, Deductions from Revenue is slightly below budget at 64.7% vs. 65.7% (35.3% and 34.3% revenue realization rates). Overall, FY22 was 66.6% or 33.4% revenue realization rate. Trends show collection rates gradually improving over the past 12 months. Overall, net healthcare revenue was favorable to budget \$2.5M for the month.
- Year to Year Medicare and Medicare Advantage remains stable 39.6% to 39.6% and 15.2% to 15.4%, respectively (total change of 54.8 % vs 55.0% last year), Medicaid Capitated is up slightly at 16.08% last year to 17.26% this year. Commercial payors have decreased from 17.85% last year to 14.56% this year - a decline of 3.29%.



Other Revenues

- Current month actuals were \$216K vs \$127K budget vs \$93K last year. We received \$83.2K in payments for 340b retail scripts filled, and cafeteria revenue has been running higher than historical levels.
- YTD \$390K actual vs \$253K budget vs \$196K last year. We are now billing 340b Contract Pharmacy. Year to date 340b contract revenue totals \$113K.



Month End Financial Narrative
For month ending August 31, 2023

Net Revenue

- Net Revenue for the month was ahead of budget by \$2.6M and ahead of last year by \$4.9M (Actual of \$20.5M vs. Budget of \$17.9M vs. Last Year of \$15.6M).
- Year-to-date Net Revenues are \$2.8M ahead of budget and \$9.2M ahead of last year (Actual of \$38.5M vs. Budget of \$35.8M vs. Last Year of \$29.3M).
- Almost all the variance (\$2.4M) is contributed to the rate per adjusted discharge

EXPENSES

Salaries

- Salaries are 15.1% over budget and 12.8% over last year (Actual \$7.7M vs Budget \$6.7M vs Last Year \$6.8M). 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 first pay period of July 2023 per negotiated union contracts. Due to strong volumes in August, more premium pay was offered to take care of the patients. This drove-up the average hourly rate from a budget of \$1,702 per Adjusted Patient Day to \$1,786.
- Year to date salaries are \$1.3M over budget and \$272K over last year (\$14.7M vs \$13.4M vs \$14.4M).

Contract labor

- Below budget \$504K (\$2.0M vs \$2.5M). Compared to last year, contract labor costs are down \$351K. Contract labor continues to decline as we replace contract employees 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 \$1.7M.
- Year to date Contract labor is below budget \$1.6M and lower than last year (\$3.4M vs \$5.0M vs \$4.3M)

Benefits

- Overall Benefits expense for the month of August was \$229K below budget and \$62K higher than last year (\$1.8M actual vs \$2.1M budget and \$1.8M last year). The reduction in benefit costs was primarily driven by a reduction in the PTO Liability due to the Home Health Closure in August.
- Year-to-date benefits are \$450K favorable to budget (\$3.7M vs. \$4.1M) and \$322K ahead of last year's spend (\$3.4M).

Physician and Pro-fees

- Under budget \$116K and \$80K favorable to last year for the month (\$1.3M actual vs. 1.4M budget and \$1.4M last year).
- Year-to-date is under budget and slightly under the prior year (\$2.7M actual vs. \$2.8M budget and \$2.9M last year).



Month End Financial Narrative
For month ending August 31, 2023

Supplies

- Current month actual spend was \$297K unfavorable to budget and \$30K unfavorable to prior year (\$3.4M actual vs. \$3.1M budget vs. \$3.4M last year). Drug costs were \$430K over budget for the month.
- Outpatient Infusion (OPI) and Cancer Infusions treatments both heavily influence the Drug Spend. OPI volumes were 20.5% above budget this month and Cancer Infusions were up nearly the same amount. Pharmacy Revenues are also up 20.0% above budget.
- Year-to-Date spend is over budget \$533K and under last year \$36K (\$6.8M actual vs \$6.2M budget and \$6.7M last year. Drug Spend continues to be the main driver of variances.

Purchased Services

- \$67K favorable to budget for the month and \$31K favorable to last year (\$1.2M vs. \$1.2M budget vs. \$1.2M last year).
- Year-to-date we were \$151K unfavorable to budget and \$141K unfavorable to the prior year (\$2.6M vs \$2.5M budget vs. \$2.5M last year).

Lease/Rentals

- Below budget and below prior year due lower housing rental expense (\$5K vs. \$26K budget and \$30K last year).
- YTD is similar in reasons and magnitude (\$25K actual vs. \$51K budget and \$65K last year).

Depreciation

- Slightly below budget for the month by \$5K and slightly under last year (\$985K vs \$990K budget and \$995K last year).
- Year-to-date is similar (\$2.0M actual vs. \$2.0M budget and \$2.0M last year).

Other Operating expense

- Over budget by \$228K (\$1.5M Actual vs \$1.2M Budget and \$1.4M Last Year). Most of the expense is due to provider tax.
- Year-to-date we are over budget as well and slightly over last year due to Provider Tax costs (\$2.8M Actual vs. \$2.4M Budget and \$2.5M Last Year).

Bay Area Hospital

Consolidated Income Statement - August 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														
Inpatient Revenue	23,058,662	20,961,952	2,096,709	10.0%	19,036,683	4,021,978	21.1%	45,341,411	41,903,824	3,437,587	8.2%	35,876,575	9,464,835	26.4%
Outpatient Revenue	35,035,819	31,233,309	3,802,510	12.2%	27,804,027	7,231,792	26.0%	65,710,146	62,436,698	3,273,448	5.2%	50,765,314	14,944,832	29.4%
Total Gross Patient Revenue	58,094,481	52,195,261	5,899,220	11.3%	46,840,710	11,253,770	24.0%	111,051,557	104,340,522	6,711,035	6.4%	86,641,890	24,409,667	28.2%
Deductions	37,710,946	33,885,198	(3,825,747)	-11.3%	30,623,410	(7,087,536)	-23.1%	72,111,017	67,770,397	(4,340,620)	-6.4%	55,868,224	(16,242,793)	-29.1%
Bad Debt	(130,292)	265,337	395,629	149.1%	(394,368)	(264,076)	67.0%	495,166	530,674	35,507	6.7%	191,049	(304,118)	-159.2%
Charity	241,923	265,337	23,414	8.8%	1,080,078	838,155	77.6%	319,869	530,674	210,805	39.7%	1,467,858	1,147,989	78.2%
Total Deductions	37,822,577	34,415,872	(3,406,705)	-9.9%	31,309,120	(6,513,457)	-20.8%	72,926,052	68,831,744	(4,094,308)	-5.9%	57,527,130	(15,398,921)	-26.8%
Net Healthcare Revenue	20,271,904	17,779,389	2,492,515	14.0%	15,531,590	4,740,314	30.5%	38,125,505	35,508,778	2,616,727	7.4%	29,114,759	9,010,746	30.9%
Other Oper Revenue	215,641	126,719	88,922	70.2%	92,746	122,894	132.5%	390,421	253,438	136,983	54.0%	196,158	194,263	99.0%
Total Net Revenue	20,487,545	17,906,108	2,581,437	14.4%	15,624,337	4,863,208	31.1%	38,515,926	35,762,216	2,753,710	7.7%	29,310,917	9,205,010	31.4%
Net to Gross Ratio	35.3%	34.3%			33.4%			34.7%	34.3%			33.8%		
Salaries	7,722,158	6,707,643	(1,014,516)	-15.1%	6,843,560	(878,598)	-12.8%	14,728,127	13,415,285	(1,312,841)	-9.8%	14,455,926	(272,200)	-1.9%
Contract Labor	1,979,237	2,483,329	504,093	20.3%	2,330,260	351,023	15.1%	3,388,950	4,966,658	1,577,708	31.8%	4,268,014	879,064	20.6%
Benefits	1,838,697	2,067,612	228,915	11.1%	1,776,365	(62,332)	-3.5%	3,684,761	4,135,224	450,463	10.9%	3,362,535	(322,226)	-9.6%
Physician & Prof Fee	1,290,550	1,406,595	116,045	8.3%	1,370,986	80,436	5.9%	2,715,110	2,813,190	98,080	3.5%	2,924,438	209,328	7.2%
Supplies	3,425,040	3,128,297	(296,743)	-9.5%	3,394,317	(30,723)	-0.9%	6,781,462	6,248,606	(532,856)	-8.5%	6,745,630	(35,832)	-0.5%
Purchased Services	1,174,580	1,241,497	66,917	5.4%	1,206,051	31,471	2.6%	2,633,925	2,482,994	(150,932)	-6.1%	2,492,467	(141,458)	-5.7%
Leases/Rentals	5,132	25,653	20,521	80.0%	29,679	24,547	82.7%	24,618	51,305	26,687	52.0%	65,480	40,862	62.4%
Depreciation	985,298	990,000	4,702	0.5%	994,783	9,484	1.0%	1,967,854	1,980,000	12,146	0.6%	1,992,590	24,736	1.2%
Other Oper Expense	1,455,396	1,227,775	(227,621)	-18.5%	1,352,675	(102,721)	-7.6%	2,818,244	2,452,051	(366,193)	-14.9%	2,523,460	(294,784)	-11.7%
Total Operating Expenses	19,876,088	19,278,401	(597,687)	-3.1%	19,298,676	(577,411)	-3.0%	38,743,050	38,545,313	(197,737)	-0.5%	38,830,541	87,490	0.2%
Net Operating Income	611,457	(1,372,293)	1,983,750	-144.6%	(3,674,340)	4,285,797	-116.6%	(227,124)	(2,783,097)	2,555,973	-91.8%	(9,519,624)	9,292,500	-97.6%
Investment Income	(159,061)	-	(159,061)	0.0%	(2,219,478)	2,060,416	-92.8%	(137,658)	-	(137,658)	0.0%	(408,025)	270,367	-66.3%
Other Nonop Inc(Exp)	205,581	50,000	155,581	311.2%	97,400	108,181	111.1%	251,362	100,000	151,362	151.4%	228,710	22,652	9.9%
Interest Expense	(201,896)	(200,000)	(1,896)	0.9%	(145,409)	(56,487)	38.8%	(404,854)	(400,000)	(4,854)	1.2%	(278,647)	(126,207)	45.3%
Net Income	456,081	(1,522,293)	1,978,373	-130.0%	(5,941,826)	6,397,907	-107.7%	(518,273)	(3,083,097)	2,564,824	-83.2%	(9,977,584)	9,459,311	-94.8%
Bad Debt % of GR	-0.2%	0.5%	-0.7%	-0.8%	-0.7%	0.5%	-0.1%	0.4%	0.5%	-0.2%	-0.1%	0.2%	0.2%	0.2%
Bad Debt % of NR	-0.6%	1.5%	-2.1%	-2.1%	-2.5%	1.3%	0.7%	1.3%	1.5%	-0.2%	0.7%	1.9%	1.9%	1.9%
Bad Debt/Charity % of GR	0.2%	1.0%	-0.8%	-0.8%	1.5%	0.7%	0.3%	0.7%	1.0%	-0.3%	1.9%	1.9%	1.9%	1.9%
Contractual %	-65.1%	-65.9%	0.8%	0.8%	-66.8%	-65.7%	-66.0%	-65.7%	-66.0%	0.3%	-66.4%	-66.4%	-66.4%	-66.4%
Operating Margin	3.0%	-7.7%	10.6%	-138.9%	-23.5%	26.5%	-0.6%	-7.8%	7.2%	-92.4%	-32.5%	31.89%	-98.2%	-98.2%
Net Margin %	2.2%	-8.5%	10.7%	-126.2%	-38.0%	40.3%	-1.3%	-8.6%	7.3%	-84.4%	-34.0%	32.69%	-96.0%	-96.0%
Operating EBIDTA	1,596,755	(382,293)	1,988,451	-520.1%	(2,679,557)	4,276,313	-159.6%	1,740,730	(803,097)	2,568,120	-319.8%	(7,527,034)	9,267,764	-123.1%
Operating EBIDTA %	7.8%	-2.1%	9.9%	-465.1%	-17.1%	24.9%	-4.5%	-2.2%	6.8%	-301.3%	-25.7%	30.20%	-117.6%	-117.6%
EBIDTA	1,643,275	(332,293)	1,984,971	-597.4%	(4,801,634)	6,444,909	-134.2%	1,854,434	(703,097)	2,581,824	-367.2%	(7,706,348)	9,560,782	-124.1%
EBIDTA %	8.0%	-1.9%	9.9%	-532.2%	-30.7%	38.8%	4.8%	-2.0%	6.8%	-344.9%	-26.3%	31.11%	-118.3%	-118.3%
Discharges	542	542	(0)	0.0%	394	148	37.6%	1,036	1,084	(48)	-4.4%	779	257	33.0%
Patient Days	2,156	2,168	(12)	-0.6%	1,521	635	41.7%	4,056	4,336	(280)	-6.5%	3,029	1,027	33.9%
Adjusted Days	5,432	5,399	33	0.6%	3,742	1,689	45.1%	9,934	10,797	(863)	-8.0%	7,315	2,619	35.8%
Adjusted Discharges	1,366	1,350	16	1.2%	969	396	40.9%	2,537	2,699	(162)	-6.0%	1,881	656	34.9%
Per Adjusted Day	3.98	4.00	484.00	121.00	3.86			3,838	3,289	549	16.7%	3,980	(142)	-3.6%
Net Rev Incl BD/APD	3,732	3,293	439	13.3%	4,150	(418)	-10.1%	3,838	3,289	549	16.7%	3,980	(142)	-3.6%
SWB/APD	2,125	2,085	(39)	-1.9%	2,926	(801)	-27.4%	2,195	2,085	(109)	-5.2%	3,019	(825)	-27.3%
Salary/APD	1,786	1,702	(84)	-4.9%	2,451	(665)	-27.1%	1,824	1,702	(121)	-7.1%	2,560	(736)	-28.8%
Supply Cost/APD	631	579	(51)	-8.8%	907	(276)	-30.5%	683	579	(104)	-18.0%	922	(240)	-26.0%
Other Expense/APD	506	488	(18)	-3.6%	728	(222)	-30.5%	557	488	(69)	-14.2%	745	(188)	-25.2%
Per Adjusted Discharge														
Net Rev Incl BD/Adj DC	14,845	13,173	1,672	12.7%	16,021	(1,175)	-7.3%	15,025	13,155	1,871	14.2%	15,476	(451)	-2.9%
SWB/Adj DC	8,451	8,342	(109)	-1.3%	11,295	(2,844)	-25.2%	8,592	8,342	(250)	-3.0%	11,740	(3,148)	-26.8%
Salary/Adj DC	7,105	6,810	(295)	-4.3%	9,463	(2,358)	-24.9%	7,140	6,810	(330)	-4.8%	9,953	(2,813)	-28.3%
Supply Cost/Adj DC	2,508	2,318	(190)	-8.2%	3,501	(993)	-28.4%	2,673	2,315	(358)	-15.5%	3,586	(913)	-25.5%
Other Expense/Adj DC	2,011	1,952	(59)	-3.0%	2,809	(799)	-28.4%	2,181	1,951	(230)	-11.8%	2,896	(715)	-24.7%
Pct of Net Revenue														
SWB	56.9%	63.3%	6.4%	6.4%	70.5%	13.6%	13.6%	57.2%	63.4%	6.2%	6.2%	75.9%	18.7%	18.7%
Supplies	16.9%	17.6%	0.7%	0.7%	21.9%	5.0%	5.0%	17.8%	17.6%	-0.2%	-0.2%	23.2%	5.4%	5.4%
Other Expense	13.5%	14.8%	1.3%	1.3%	17.5%	4.0%	4.0%	14.5%	14.8%	0.3%	0.3%	18.7%	4.2%	4.2%
FTE's														
Total Salary FTE's	904.36	834.53	(69.83)	-8.4%	851.68	(52.68)	-6.2%	878.39	834.37	(44.02)	-5.3%	857.14	(21.25)	-2.5%
Total Contract FTE's	93.22	64.60	(28.62)	-44.3%	76.60	(16.63)	-21.7%	78.90	64.77	(14.13)	-21.8%	77.42	(1.48)	-1.9%
Total Facility Paid FTE's	997.58	899.13	(98.45)	-10.9%	928.27	(69.31)	-7.5%	957.29	899.13	(58.15)	-6.5%	934.55	(22.73)	-2.4%
Paid FTE per AOB	5.69	5.16	(0.53)	-10.3%	7.69	2.00	26.0%	5.97	5.16	(0.81)	-15.7%	7.92	1.95	24.6%
Average Hourly Rate	\$ 55.05	\$ 57.86	2.81	4.9%	\$ 55.79	0.74	1.3%	\$ 53.57	\$ 57.86	4.30	7.4%	\$ 56.55	2.99	5.3%

Bay Area Hospital
Balance Sheet (Including Foundation)
August 2023

	<u>Aug-23</u>	<u>Jul-23</u>	<u>Preliminary Jun-23</u>	<u>Audited Jun-22</u>
Assets And Deferred Outflows Of Resources				
Current Assets				
Cash & Cash Equivalents	18,588,996	13,714,825	12,030,483	17,016,994
Accounts Receivable (Net)	22,025,818	18,654,070	19,921,642	24,465,619
Inventory	5,230,828	5,192,868	5,205,080	6,261,727
Other Current Assets	3,866,985	5,475,274	4,530,204	4,410,739
Total Current Assets	49,712,628	43,037,036	41,687,409	52,155,080
Assets Limited As to Use	49,241,054	53,418,644	53,401,226	87,331,596
Capital Assets				
Depreciable Capital Assets (Net)	84,414,594	85,399,892	86,321,793	91,510,791
Nondepreciable Capital Assets	1,729,003	1,709,502	1,690,791	4,142,630
Total Capital Assets (Net)	86,143,597	87,109,394	88,012,584	95,653,420
Other Non Current Assets	1,099,511	1,107,103	1,096,420	1,135,685
Total Assets	186,196,790	184,672,177	184,197,639	236,275,781
Deferred Outflows Of Resources	13,585,354	13,585,354	13,585,354	17,878,901
Total Assets And Deferred Outflows	199,782,144	198,257,531	197,782,993	254,154,682
Liabilities, Deferred Inflows of Resources, And Net Position				
Current Liabilities				
Accounts Payable	(7,781,672)	(7,447,314)	(7,192,828)	(11,140,688)
Accrued Liabilities				
Payroll, payroll taxes, withholdings	(3,926,529)	(3,796,661)	(3,580,718)	(3,092,600)
Paid Time Off	(4,927,544)	(5,083,033)	(5,389,005)	(5,393,829)
Other	(6,925,639)	(7,451,657)	(5,890,925)	(4,338,632)
3rd Party Settlements Payable (net)	(5,392,649)	(5,310,847)	(5,310,727)	(6,229,262)
Revolving Line of Credit	0	0	0	(8,000,000)
Long-Term Debt in Default Classified as Current	(46,085,710)	(46,212,894)	(46,339,829)	(47,876,185)
Long-Term Obligations - Current Portion	(3,535,830)	(3,535,830)	(3,545,686)	(3,308,573)
Deferred Revenue	(1,739,259)	(333,336)	(416,669)	
Medicare accelerated payments				(7,156,518)
Total Current Liabilities	(80,314,832)	(79,171,570)	(77,666,386)	(96,536,287)
Long Term Obligations (Net of Current Portion)	(5,472,406)	(5,539,543)	(5,606,518)	(6,454,886)
Other Noncurrent Liabilities	(3,096,481)	(3,104,073)	(3,093,390)	(4,468,637)
Net Pension Liability	(7,133,416)	(7,133,416)	(7,133,416)	(8,910,885)
Total Liabilities	(96,017,135)	(94,948,602)	(93,499,710)	(116,370,695)
Deferred Inflows Of Resources	(10,155,902)	(10,155,902)	(10,155,902)	(8,923,732)
Total Liabilities & Deferred Cash Inflows	(106,173,037)	(105,104,504)	(103,655,612)	(125,294,427)
Net Position	(94,127,381)	(94,127,381)	(128,860,256)	(189,017,386)
Net Income/Loss	518,273	974,354	34,732,875	60,157,130
Total Liabilities, Deferred Inflows, Net Position	(199,782,144)	(198,257,531)	(197,782,993)	(254,154,683)

Bay Area Hospital
Statement of Cash Flows
August 2023

	<u>Current</u> <u>Month</u>	<u>Year</u> <u>to Date</u>
Cash flows from operating activities:		
Excess of revenues over expenses	456,081	(518,273)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	985,298	1,967,854
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(3,371,748)	(2,104,176)
Inventory of supplies	(37,960)	(25,748)
Other current assets	1,608,288	663,219
Net Pension Liability	0	0
Other non current assets/liabilities	0	0
Current liabilities (excluding debt & deferred revenue)	(135,478)	1,589,831
Deferred Revenue	1,405,923	1,322,590
	<hr/>	<hr/>
Net cash provided by operating activities	910,404	2,895,295
Cash flows from investing activities:		
Purchase of property, plant & equipment	(19,501)	(98,867)
Change in Value of Investments	177,590	160,172
Transfer Investments to Cash	4,000,000	4,000,000
	<hr/>	<hr/>
Net cash provided by investing activities	4,158,089	4,061,305
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources	0	0
Debt/Subscription Principle Payments	(194,321)	(398,087)
Increase in Capital Lease Obligations		0
Revolving Line of Credit Payment		0
	<hr/>	<hr/>
Net cash provided by financing activities	(194,321)	(398,087)
	<hr/>	<hr/>
Net increase (decrease) in cash	4,874,172	6,558,513
	<hr/>	<hr/>
Beginning Cash Balance	13,714,825	12,030,483
	<hr/>	<hr/>
Ending Cash Balance	18,588,996	18,588,996

Bay Area Hospital
 Compliance Certification
 as of August 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>Aug-23</u>
A. Income Available for Debt Service					
Excess Revenue over Expenses	\$ (60,157,130)	\$ (74,405,957)	\$ (79,533,450)	\$ (34,743,226)	\$ (25,283,915)
Add:					
Interest Expense	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,535,806	\$ 2,662,013
Depreciation	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,062,287	\$ 12,037,550
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	\$ 1,332,337
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring - EPIC/Workday Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
(A.1) Income Available for Debt Service	\$ (39,820,935)	\$ (50,261,989)	\$ (57,370,291)	\$ (19,929,469)	\$ (9,252,014)
(A.2) Debt Service Requirements (MADS) [BOW Amort Schedule]	\$ 2,643,610	\$ 2,643,610	\$ 2,643,610	\$ 2,643,610	\$ 2,643,610
(A.3) Ratio of Line A.1 to Line A.2	-15.06x	-19.01x	-21.70x	-7.54x	-3.50x
(A.4) Line A.3 must not be less than	1.15x	1.15x	1.15x	1.15x	1.15x
(A.5) Borrower is in Compliance (Yes/No)	No	No	No	No	No
B.1 Days Cash on Hand (break out per definition)					
Cash & Equivalents	\$ 17,016,994	\$ 12,311,096	\$ 14,336,899	\$ 12,030,483	\$ 18,588,996
Add: Marketable Securities/Board designated Funds	\$ 87,331,596	\$ 69,453,715	\$ 52,553,195	\$ 53,401,226	\$ 49,241,054
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	\$ -	\$ -	\$ -	\$ -	\$ -
Cash & Equivalents	\$ 96,348,590	\$ 73,764,811	\$ 66,890,094	\$ 65,431,709	\$ 67,830,050
B.2 Cash Operating Expenses					
Total Operating Expenses	\$ 242,583,589	\$ 279,579,437	\$ 244,544,729	\$ 240,434,970	\$ 240,347,479
Add: Interest Expenses	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,535,806	\$ 2,662,013
Less: Depreciation & Amortization	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,062,287	\$ 12,037,550
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Operating Expenses	\$ 231,989,270	\$ 267,002,894	\$ 232,924,699	\$ 230,908,490	\$ 230,971,943
B.3 Line B2 divided by 365	\$ 635,587	\$ 731,515	\$ 638,150	\$ 632,626	\$ 632,800
B.4 Ratio of Line B.1 to Line B3	152	101	105	103	107
B.5 Line B.4 must not be less than	75	75	75	75	75
B.6 Borrower is in Compliance (Yes/No)	Yes	Yes	Yes	Yes	Yes
C.1 Unrestricted Liquid Funds					
Cash & Equivalents			\$ 14,336,899	\$ 12,226,105	\$ 18,588,996
Add: Marketable Securities/Board designated Funds			\$ 52,553,195	\$ 53,712,636	\$ 49,241,054
Unrestricted Liquid Funds			\$ 66,890,094	\$ 65,938,741	\$ 67,830,050
C.2 Line C.1 must not be less than			\$ 52,000,000	\$ 52,000,000	\$ 52,000,000
C.3 Borrower is in Compliance (Yes/No)			Yes	Yes	Yes
Note: Realized (Gains) or Loss on marketable securities	\$ 78,083	\$ 1,575,942	\$ 1,785,605	\$ 701,746	\$ (680,227)

Signature of Bay Area Hospital:

Name: Mary Lu Tate
 Title: CFO