



Executive Summary

Finance Committee

Held October 30, 2023

Capital Purchase Requests reviewed:

- Threshold –
 - Hugs System (infant security) - \$269,903
- Non-Threshold:
 - Labor Beds – Family Birth Center
 - IV Space Stations – ICU and IMCU
 - Orthopedic Clinic Buildout – Ortho Clinic
 - Prefontaine Move – Prefontaine Clinic
 - Remodel for Chemistry Analyzers – Lab
 - MRI Compatible Patient Monitoring System - MRI

Discussion Items

- Deschutes Investments provided an update on market conditions and the Defined Benefit Plan.
- 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
 - October 2023 Operating Loss was \$133 Thousand vs a budget profit of \$372 Thousand
 - October 2023 Overall loss at \$770 Thousand due to market loss on investments.
 - October 2023 Operating EBIDA – POSITIVE \$846 Thousand
 - Cash and Cash equivalents balance as of September 2023 is \$61.80 million

Next meeting:

December meeting is cancelled due to the Christmas Holiday

Next Meeting – January 23, 2024



Month End Financial Narrative
For month ending October 31, 2023

Overall, Bay Area hospital lost \$770K in October vs. budgeted income of \$222K and last year's loss of \$3.7M. Starting in October, the budget assumed all payer contract renegotiations would be finalized and the hospital's Net to Gross Revenue would climb to 35.7%. We are now anticipating remaining payer contract renegotiations will be finalized during December. This resulted in Net Revenue being under budget \$281K. In addition, actual expenses exceeded budgeted expenses by \$224K and we experienced a loss on investments of \$488K. Below is a breakdown of the financials.

Bay Area Hospital														
Consolidated Income Statement - October 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	58,351,628	56,427,379	1,924,249	3.4%	44,403,082	13,948,547	31.4%	224,336,113	211,857,946	12,478,167	5.9%	172,866,824	51,469,288	29.8%
Total Deductions	38,719,607	36,403,783	(2,315,824)	-6.4%	28,280,336	(10,439,272)	-36.9%	146,613,331	138,541,210	(8,072,121)	-5.8%	113,231,238	(33,382,094)	-29.5%
Net Healthcare Revenue	19,632,021	20,023,596	(391,575)	-2.0%	16,122,746	3,509,275	21.8%	77,722,781	73,316,736	4,406,045	6.0%	59,635,587	18,087,195	30.3%
Other Oper Revenue	236,850	126,719	110,131	86.9%	110,628	126,222	114.1%	863,832	506,876	356,956	70.4%	442,074	421,758	95.4%
Total Net Revenue	19,868,871	20,150,315	(281,444)	-1.4%	16,233,374	3,635,497	22.4%	78,586,613	73,823,612	4,763,001	6.5%	60,077,661	18,508,953	30.8%
Net to Gross Ratio	34.1%	35.7%			36.6%			35.0%	34.8%			34.8%		
Total Operating Expenses	20,002,167	19,778,038	(224,129)	-1.1%	19,243,165	(759,002)	-3.9%	79,385,320	76,491,848	(2,893,473)	-3.8%	75,854,833	(3,530,487)	-4.7%
Net Operating Income	(133,296)	372,277	(505,574)	-135.8%	(3,009,790)	2,876,494	-95.6%	(798,707)	(2,668,236)	1,869,528	-70.1%	(15,777,172)	14,978,465	-94.9%
Net Income	(770,476)	222,277	(992,753)	-446.6%	(3,746,959)	2,976,483	-79.4%	(2,841,392)	(3,268,236)	426,843	-13.1%	(19,587,787)	16,746,395	-85.5%

VOLUMES

Inpatient Discharge

- Inpatient discharges for the month were 28 patients ahead of budget (570 vs. 542) and 168 above last year (402). PSU was closed July through October last year. In addition, Family Birth Center was at the highest number of births it has been in the past two years.

ED Visits

- ED visits were slightly below budget and above last year (2,135 visits this month vs. 2,155 budgeted vs. 2,091 last year). ED volumes have increased over last year, with a higher percentage of the patients being admitted to the hospital.

Cardiac Cath Cases

- This month there were 96 Cath Lab cases vs. budget of 105 and last year same month 99. Cath Lab had one full day of divert on October 11th, which had a direct impact on the total procedures completed.
- Year -to date we had 399 cases vs. a budget of 417 and a prior year actual of 347.

Imaging

- Is up over the same month last year by 1,161 billed procedures (7,629 vs. 6,468), with volume growth in all areas specifically Diagnostic Radiology, Cat Scanning and Diagnostic Ultrasound.
- Year-to-date Imaging billed procedures are 11.2% ahead of last year (77,638 vs. 69,833).



Month End Financial Narrative
For month ending October 31, 2023

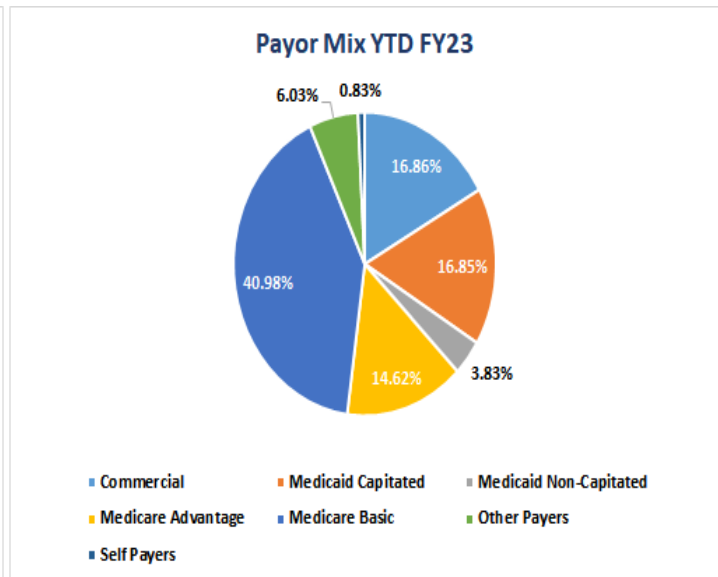
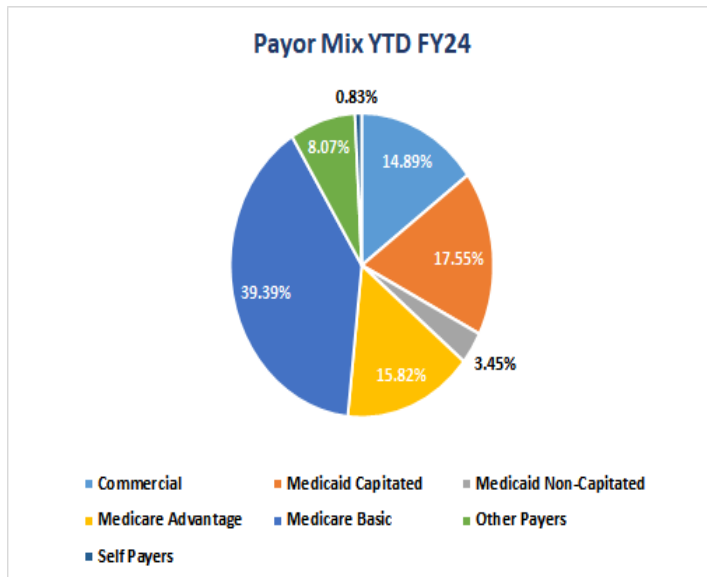
REVENUES

Gross Revenues

- October’s Gross Revenues were ahead of budget \$1.9 Million or 3.4% and over last year by \$13.9M or 31.4%. Compared to budget, Inpatient Gross Revenues were \$1.4M over budget and \$6.8M above last year. Outpatient Revenues were \$480K over Budget and \$7.1M ahead of last year.
- Emergency Room, Inpatient Nursing Units, Imaging, Pharmacy and Lab all showed favorable actual vs. budget and year to year increases. The budget and actuals include a 6% price increase that took effect on July 1, 2023.
- Of the \$1.9M variance \$6.3M was due to higher volumes and a \$4.4M unfavorable due to rate. The Gross Revenue budget for October was \$11,218 per adjusted patient day and actual was \$10,237.

Deductions from Revenue

- As a %, Deductions from Revenue were higher than budget at 65.9% vs. 64.3 (34.1% and 35.7% revenue realization rates). Overall, FY22 was 63.4% or 36.6% revenue realization rate. Trends show collection rates gradually improving over the past 12 months. The budget assumed renegotiation of all payer contracts would be complete by October 2023; however, current expectation is completion by December 2023. Overall, net healthcare revenue was unfavorable to budget \$392K for the month.
- Year to Year Medicare and Medicare Advantage remains stable 39.4% to 41.0% and 15.8% to 14.6%, respectively (combined total of 55.2 % vs 55.6% last year), Medicaid is up slightly at 21.0% this year compared to 20.7% last year. Commercial payors have decreased from 16.9% last year to 14.9% this year - a decline of 2.0%.





Month End Financial Narrative
For month ending October 31, 2023

Other Revenues

- Current month actuals were \$237K vs \$127K budget vs \$111K last year. We received \$80K in payments for 340B retail scripts filled. We also received \$53K in purchase rebates from Health Future.
- YTD \$864K actual vs \$507K budget vs \$442K last year. We are now billing 340B Contract Pharmacy. Year to date 340B contract revenue totals \$333K. Cafeteria and Espresso Shop Sales total \$393K YTD.

Net Revenue

- Net Revenue for the month was below budget by \$281K and ahead of last year by \$3.6M (Actual of \$19.9M vs. Budget of \$20.2M vs. Last Year of \$16.2M).
- Year-to-date Net Revenues are \$4.8M ahead of budget and \$18.5M ahead of last year (Actual of \$78.6M vs. Budget of \$73.8M vs. Last Year of \$60.1M).

EXPENSES

Salaries

- Salaries are 6.0% over budget and 5.9% over last year (Actual \$7.2M vs Budget \$6.8M vs Last Year \$6.8M). We continue to hire staff and reduce our reliance on Contract labor. Patient volumes remain strong and are ahead of budget. As a result, we continue to offer premium pay to take care of the higher volume of patients. The actual rate per Adjusted Patient Day of \$1,256 is below the budgeted rate of \$1,343 per Adjusted Patient Day.
- Year to date salaries were \$2.6M over budget and \$1.1M over last year (\$29.0M vs \$26.3M vs \$27.8M).

Contract labor

- Below budget \$781K (\$1.7M vs \$2.5M). Compared to last year, contract labor costs are down \$398K. 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 \$1.9M. Contract labor is expected to increase in the last quarter due to sustained increased level of patient volumes.
- Year to date Contract labor is below budget \$1.8M and lower than last year (\$5.4M vs \$7.2M vs \$5.9M)

Benefits

- Overall Benefits expense for the month of October was \$54K unfavorable to budget and \$400K higher than last year (\$2.2M actual vs \$2.2M budget and \$1.8M last year).
- Year-to-date benefits are \$435K favorable to budget (\$7.7M vs. \$8.3M) and \$927K over last year's spend (\$6.9M).

Physician and Pro-fees

- Over budget \$342K and \$391K unfavorable to last year for the month (\$1.8M actual vs. 1.5M budget and \$1.4M last year). This overage includes a \$214K accrual for Pediatric Hospitalists incentive payments.
- Year-to-date is over budget and over the prior year (\$6.3M actual vs. \$5.6M budget and \$5.8M last year).



Month End Financial Narrative
For month ending October 31, 2023

Supplies

- Current month actual spend was \$23K unfavorable to budget and \$142K favorable to prior year (\$3.2M actual vs. \$3.2M budget vs. \$3.3M last year).
- Year-to-Date spend is over budget \$1.3M and \$1.1M over last year (\$13.6M actual vs \$12.3M budget and \$12.5M last year).
- Drug Spend continues to be the main driver of variances. Year over year we have 3 drugs that are used to treat various types of cancer and one drug that treats Multiple Sclerosis that have doubled in usage. The prices have only increased 2-8% but the doubling of usage has driven supply costs higher than budget. Unfortunately, the largest increase is for a drug that treats Lung cancer and has no alternative form that is less expensive.

Purchased Services

- \$225K unfavorable to budget for the month and \$204K unfavorable to last year (\$1.5M vs. \$1.3M budget vs. \$1.3M last year). Current month activity includes a \$76K Title Fees related to BMO loan closing and an increase for St. Charles EPIC Contract support.
- Year-to-date we were \$840K unfavorable to budget and \$467K unfavorable to the prior year (\$5.8M vs. \$5.0M budget vs. \$5.4M last year).

Lease/Rentals

- Below budget and below prior year (\$16K vs. \$26K budget and \$25K last year).
- YTD is similar due to reduction in lease rental costs (\$60K actual vs. \$102K budget and \$108K last year).

Depreciation

- Slightly below budget for the month by \$10K and slightly under last year (\$980K vs \$990K budget and \$996K last year).
- Year-to-date is similar (\$3.9M actual vs. \$4.0M budget and \$4.0M last year).

Other Operating expense

- Under budget by \$25K (\$1.4M Actual vs \$1.4M Budget and \$1.4M Last Year).
- Year-to-date we are over budget as well and slightly over last year due to Provider Tax costs (\$5.7M Actual vs. \$5.1M Budget and \$5.2M Last Year).

Bay Area Hospital

Consolidated Income Statement - October 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	25,765,588	24,322,146	1,443,442	5.9%	18,947,417	6,818,171	36.0%	95,027,817	86,744,061	8,283,756	9.5%	71,376,358	23,651,459	33.1%
Outpatient Revenue	32,586,040	32,105,233	480,807	1.5%	25,455,664	7,130,375	28.0%	129,308,296	125,113,885	4,194,410	3.4%	101,490,466	27,817,830	27.4%
Total Gross Patient Revenue	58,351,628	56,427,379	1,924,249	3.4%	44,403,082	13,948,547	31.4%	224,336,113	211,857,946	12,478,167	5.9%	172,866,824	51,469,288	29.8%
Total Deductions														
Deductions	39,809,926	35,871,377	(3,938,550)	-11.0%	27,819,136	(11,990,791)	-43.1%	145,411,532	136,433,901	(8,977,630)	-6.6%	110,258,237	(35,153,294)	-31.9%
Bad Debt	(1,272,295)	266,203	1,538,498	577.9%	278,332	1,550,627	557.1%	560,527	1,053,654	493,127	46.8%	1,238,871	678,344	54.8%
Charity	181,976	266,203	84,227	31.6%	182,868	892	0.5%	641,273	1,053,654	412,382	39.1%	1,734,129	1,092,857	63.0%
Total Deductions	38,719,607	36,403,783	(2,315,824)	-6.4%	28,280,336	(10,439,272)	-36.9%	146,613,331	138,541,210	(8,072,121)	-5.8%	113,231,238	(33,382,094)	-29.5%
Net Healthcare Revenue	19,632,021	20,023,596	(391,575)	-2.0%	16,122,746	3,509,275	21.8%	77,722,781	73,316,736	4,406,045	6.0%	59,635,587	18,087,195	30.3%
Other Oper Revenue	236,850	126,719	110,131	86.9%	110,628	126,222	114.1%	863,832	506,876	356,956	70.4%	442,074	421,758	95.4%
Total Net Revenue	19,868,871	20,150,315	(281,444)	-1.4%	16,233,374	3,635,497	22.4%	78,586,613	73,823,612	4,763,001	6.5%	60,077,661	18,508,953	30.8%
Net to Gross Ratio	34.1%	35.7%			36.6%			35.0%	34.8%			34.8%		
Salaries	7,162,219	6,757,409	(404,810)	-6.0%	6,764,373	(397,846)	-5.9%	28,951,731	26,346,520	(2,605,211)	-9.9%	27,896,059	(1,055,672)	-3.8%
Contract Labor	1,721,116	2,501,754	780,638	31.2%	2,163,593	442,478	20.5%	7,123,761	9,754,238	2,630,477	27.0%	8,097,619	973,858	12.0%
Benefits	2,219,463	2,165,386	(54,077)	-2.5%	1,819,103	(400,361)	-22.0%	7,866,482	8,301,497	435,014	5.2%	6,939,044	(927,438)	-13.4%
Physician & Prof Fee	1,815,527	1,473,111	(342,416)	-23.2%	1,424,163	(391,364)	-27.5%	6,299,784	5,647,522	(652,262)	-11.5%	5,769,957	(529,827)	-9.2%
Supplies	3,189,337	3,166,674	(22,663)	-0.7%	3,331,031	141,693	4.3%	13,578,948	12,318,098	(1,260,850)	-10.2%	12,493,881	(1,085,067)	-8.7%
Purchased Services	1,538,667	1,313,182	(225,485)	-17.2%	1,335,105	(203,562)	-15.2%	5,835,847	4,996,319	(839,528)	-16.8%	5,368,609	(467,238)	-8.7%
Leases/Rentals	15,832	25,653	9,821	38.3%	25,035	9,202	36.8%	59,744	101,784	42,040	41.3%	108,048	48,304	44.7%
Depreciation	979,692	990,000	10,308	1.0%	996,124	16,432	1.6%	3,927,825	3,960,000	32,175	0.8%	3,984,907	57,082	1.4%
Other Oper Expense	1,360,314	1,384,869	24,555	1.8%	1,384,639	24,235	1.8%	5,741,199	5,065,870	(675,329)	-13.3%	5,196,709	(544,491)	-10.5%
Total Operating Expenses	20,002,167	19,778,038	(224,129)	-1.1%	19,243,165	(759,002)	-3.9%	79,385,320	76,491,848	(2,893,473)	-3.8%	75,854,833	(3,530,487)	-4.7%
Net Operating Income	(133,296)	372,277	(505,574)	-135.8%	(3,009,790)	2,876,494	-95.6%	(798,707)	(2,668,236)	1,869,528	-70.1%	(15,777,172)	14,978,465	-94.9%
Investment Income	(488,294)	-	(488,294)	0.0%	(672,723)	184,429	-27.4%	(1,588,122)	-	(1,588,122)	0.0%	(3,606,692)	2,018,570	-56.0%
Other Nonop Inc(Exp)	58,352	50,000	8,352	16.7%	85,883	(27,531)	-32.1%	353,171	200,000	153,171	76.6%	367,230	(14,059)	-3.8%
Interest Expense	(207,238)	(200,000)	(7,238)	3.6%	(150,328)	(56,909)	37.9%	(807,734)	(800,000)	(7,734)	1.0%	(571,154)	(236,581)	41.4%
Net Income	(770,476)	222,277	(992,753)	-446.6%	(3,746,959)	2,976,483	-79.4%	(2,841,392)	(3,268,236)	426,843	-13.1%	(19,587,787)	16,746,395	-85.5%
Bad Debt % of GR	-2.2%	0.5%	-2.7%	0.6%	0.7%	0.2%	0.2%	0.5%	-0.2%	0.7%	0.2%	0.2%	0.7%	0.2%
Bad Debt % of NR	-6.5%	1.3%	-7.8%	1.7%	1.7%	0.7%	1.4%	-0.7%	2.1%	1.7%	1.7%	2.1%	1.7%	
Bad Debt/Charity % of GR	-1.9%	0.9%	-2.8%	1.0%	1.0%	0.7%	1.0%	-0.5%	1.7%	1.7%	1.7%	2.1%	1.7%	
Contractual %	-66.4%	-64.5%	-1.8%	-63.7%	-63.7%	-65.4%	-65.4%	0.0%	-65.5%	-65.5%	-65.5%	-65.5%	-65.5%	
Operating Margin	-0.7%	1.8%	-2.5%	-136.3%	-18.5%	17.9%	-1.0%	-3.6%	2.6%	-71.9%	-26.3%	25.24%	-96.1%	
Net Margin %	-3.9%	1.1%	-5.0%	-451.5%	-23.1%	19.2%	-83.2%	-3.6%	-4.4%	0.8%	-18.3%	-32.6%	28.99%	-88.9%
Operating EBIDTA	846,396	1,362,277	(495,266)	-36.4%	(2,013,667)	2,860,063	-142.0%	3,129,118	1,291,764	1,901,703	147.2%	(11,792,265)	14,921,383	-126.5%
Operating EBIDTA %	4.3%	6.8%	-2.5%	-37.0%	-12.4%	16.7%	-4.0%	4.0%	1.7%	2.2%	127.6%	-19.6%	23.61%	-120.3%
EBIDTA	416,454	1,412,277	(975,208)	-69.1%	(2,600,507)	3,016,961	-116.0%	1,894,167	1,491,764	466,752	31.3%	(15,031,726)	16,925,893	-112.6%
EBIDTA %	2.1%	7.0%	-4.9%	-70.1%	-16.0%	18.1%	2.4%	2.0%	0.4%	19.3%	-25.0%	27.43%	-109.6%	
Discharges	570	542	28	5.2%	402	168	41.8%	2,130	2,151	(21)	-1.0%	1,555	575	37.0%
Patient Days	2,517	2,168	349	16.1%	1,736	781	45.0%	8,847	8,602	245	2.8%	6,277	2,570	40.9%
Adjusted Days	5,700	5,030	670	13.3%	4,068	1,632	40.1%	20,885	21,010	(124)	-0.6%	15,202	5,683	37.4%
Adjusted Discharges	1,291	1,257	33	2.7%	942	349	37.0%	5,028	5,253	(225)	-4.3%	3,766	1,262	33.5%
Per Adjusted Day	4.42	4.00	12.46	3.12	4.32									
Net Rev Incl BD/APD	3,444	3,981	(537)	-13.5%	3,963	(519)	-13.1%	3,721	3,490	232	6.6%	3,923	(201)	-5.1%
SWB/APD	1,948	2,271	324	14.2%	2,642	(694)	-26.3%	2,104	2,113	9	0.4%	2,824	(720)	-25.5%
Salary/APD	1,558	1,841	282	15.3%	2,195	(636)	-29.0%	1,727	1,718	(9)	-0.5%	2,368	(640)	-27.0%
Supply Cost/APD	560	630	70	11.1%	819	(259)	-31.7%	650	586	(64)	-10.9%	822	(172)	-20.9%
Other Expense/APD	557	568	11	1.9%	690	(133)	-19.3%	577	510	(67)	-13.1%	721	(145)	-20.1%
Per Adjusted Discharge														
Net Rev Incl BD/Adj DC	15,208	15,924	(716)	-4.5%	17,114	(1,906)	-11.1%	15,457	13,956	1,501	10.8%	15,835	(378)	-2.4%
SWB/Adj DC	8,601	9,086	485	5.3%	11,408	(2,807)	-24.6%	8,739	8,452	287	3.4%	11,400	(2,661)	-23.3%
Salary/Adj DC	6,882	7,364	482	6.5%	9,477	(2,595)	-27.4%	7,174	6,872	(303)	-4.4%	9,557	(2,383)	-24.9%
Supply Cost/Adj DC	2,471	2,518	48	1.9%	3,536	(1,065)	-30.1%	2,700	2,345	(356)	-15.2%	3,317	(617)	-18.6%
Other Expense/Adj DC	2,460	2,273	(187)	-8.2%	2,981	(521)	-17.5%	2,395	2,039	(356)	-17.4%	2,912	(517)	-17.8%
Pct of Net Revenue														
SWB	56.6%	57.1%	0.5%	66.7%	10.1%	56.5%	60.6%	4.0%	72.0%	15.5%	56.5%	60.6%	4.0%	
Supplies	16.2%	15.8%	-0.4%	20.7%	4.4%	17.5%	16.8%	-0.7%	21.0%	3.5%	17.5%	16.8%	-0.7%	
Other Expense	16.2%	14.3%	-1.9%	17.4%	1.2%	15.5%	14.6%	-0.9%	18.4%	2.9%	15.5%	14.6%	-0.9%	
FTE's														
Total Salary FTE's	851.98	839.78	(12.20)	-1.5%	711.61	(140.37)	-19.7%	863.91	835.17	(28.73)	-3.4%	820.16	(43.74)	-5.3%
Total Contract FTE's	91.98	63.96	(28.02)	-43.8%	68.81	(23.17)	-33.7%	83.08	64.44	(18.64)	-28.9%	70.47	(12.61)	-17.9%
Total Facility Paid FTE's	943.96	903.74	(40.22)	-4.5%	780.42	(163.54)	-21.0%	946.99	899.62	(47.37)	-5.3%	890.63	(56.36)	-6.3%
Paid FTE per AOB	5.13	5.57	0.44	7.8%	5.95	0.81	13.7%	5.58	5.27	(0.31)	-5.9%	7.21	1.63	22.6%
Average Hourly Rate	\$ 53.27	\$ 58.00	4.72	8.1%	\$ 64.58	11.31	17.5%	\$ 54.35	\$ 57.25	2.90	5.1%	\$ 57.50	3.15	5.5%

Bay Area Hospital

Consolidated Income Statement Trend - October 2023

	2022	2022	2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD	2023
Gross Patient Revenue														
Inpatient Revenue	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	23,058,662	23,920,818	25,765,588	
Outpatient Revenue	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	35,035,819	31,012,110	32,586,040	
Total Gross Patient Revenue	44,403,082	49,034,046	51,379,826	51,870,982	48,354,214	52,116,907	48,589,469	51,929,818	51,525,787	52,957,076	58,094,481	54,932,928	58,351,628	
Deductions	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	37,710,946	33,490,589	39,809,926	
Bad Debt	278,332	(22,457)	837,064	283,391	(405,605)	1,035,073	(262,640)	135,463	(241,594)	625,458	(130,292)	1,337,656	(1,272,295)	
Charity	182,868	101,534	208,473	321,876	209,505	300,082	332,402	266,039	226,317	77,946	241,923	139,427	181,976	
Total Deductions	28,280,336	32,275,684	33,178,480	33,970,507	32,239,373	34,407,385	29,636,032	33,684,313	29,581,994	35,103,475	37,822,577	34,967,673	38,719,607	
Net Healthcare Revenue	16,122,746	16,758,362	18,201,346	17,900,475	16,114,841	17,709,522	18,953,437	18,245,505	21,943,792	17,853,601	20,271,904	19,965,255	19,632,021	
Other Oper Revenue	110,628	84,050	280,086	80,957	818,583	253,437	203,908	178,159	175,343	174,781	215,641	236,561	236,850	
Total Net Revenue	16,233,374	16,842,412	18,481,431	17,981,432	16,933,424	17,962,959	19,157,345	18,423,663	22,119,135	18,028,382	20,487,545	20,201,816	19,868,871	
Expenses	36.6%	34.3%	36.0%	34.7%	35.0%	34.5%	39.4%	35.5%	42.9%	34.0%	35.3%	36.8%	34.1%	
Salaries	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	7,722,158	7,061,385	7,162,219	
Contract Labor	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	1,979,237	2,013,695	1,721,116	
Benefits	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	1,838,697	1,962,258	2,219,463	
Physician & Prof Fee	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	1,290,550	1,769,147	1,815,527	
Supplies	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	3,425,040	3,608,148	3,189,337	
Purchased Services	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	1,174,580	1,663,255	1,538,667	
Leases/Rentals	25,035	1,180	24,039	28,105	14,397	7,127	10,073	21,397	15,000	19,486	5,132	19,294	15,832	
Depreciation	996,124	982,344	983,634	981,041	1,020,995	988,299	972,436	1,150,360	998,270	982,555	985,298	980,279	979,692	
Other Oper Expense	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	1,455,396	1,562,641	1,360,314	
Total Operating Expenses	19,243,165	20,571,549	19,995,012	21,005,197	18,767,036	19,801,833	19,897,905	21,070,161	23,296,768	18,866,962	19,876,088	20,640,103	20,002,167	
Net Operating Income	(3,009,790)	(3,729,137)	(1,513,581)	(3,023,765)	(1,833,612)	(1,838,874)	(740,559)	(2,646,498)	(1,177,633)	(838,581)	611,457	(438,287)	(133,296)	
Investment Income	(672,723)	1,915,113	(151,049)	1,273,138	(1,164,412)	1,063,500	316,012	(348,569)	(352,429)	21,403	(159,061)	(962,170)	(488,294)	
Other Nonop Inc(Exp)	85,883	78,779	244,666	45,254	57,550	71,775	147,051	134,018	193,689	45,781	205,581	43,457	58,352	
Interest Expense	(150,328)	(142,058)	(613,800)	(203,032)	(197,762)	(206,012)	(200,255)	(204,321)	(197,413)	(202,958)	(201,896)	(195,643)	(207,238)	
Net Income	(3,746,959)	(1,877,304)	(2,033,763)	(1,908,404)	(3,138,236)	(910,061)	(477,752)	(3,065,370)	(1,533,786)	(974,354)	456,081	(1,552,643)	(770,476)	
Operating Margin %	-18.5%	-22.1%	-8.2%	-16.8%	-10.8%	-10.2%	-3.9%	-14.4%	-5.3%	-4.7%	3.0%	-2.2%	-0.7%	
Net Margin %	-23.1%	-11.1%	-11.0%	-10.6%	-18.5%	-5.1%	-2.5%	-16.6%	-6.9%	-5.4%	2.2%	-7.7%	-3.9%	
Operating EBIDA	(2,013,667)	(2,746,793)	(529,947)	(2,042,723)	(812,617)	(850,575)	231,877	(1,496,138)	(179,363)	143,974	1,596,755	541,992	846,396	
Operating EBIDA %	-12.4%	-16.3%	-2.9%	-11.4%	-4.8%	-4.7%	1.2%	-8.1%	-0.8%	0.8%	7.8%	2.7%	4.3%	
EBDITA Margin	-16.0%	-4.5%	-2.4%	-4.0%	-11.3%	1.6%	3.6%	-9.3%	-1.5%	1.2%	8.0%	-1.9%	2.1%	
Discharges	402	403	496	498	452	494	478	460	512	491	539	530	570	
Patient Days	1,736	2,026	2,270	2,261	1,798	1,936	1,942	1,760	1,947	1,900	2,157	2,273	2,517	
Adjusted Days	4,068	4,527	4,865	4,814	4,198	4,784	4,528	4,573	4,864	4,516	5,434	5,220	5,700	
Adjusted Discharges	942	900	1,063	1,060	1,055	1,221	1,115	1,195	1,279	1,167	1,358	1,217	1,291	
Per Adjusted Day						3.92	4.06	3.83	3.80	3.87	4.00	4.29	4.42	
Net Revenue/APD	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	4,512	3,954	3,730	3,825	3,444	
Net Rev Incl BD/APD	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	4,512	3,954	3,730	3,825	3,444	
SWB/APD	2,642	2,685	2,267	2,417	2,524	2,459	2,423	2,442	2,703	2,273	2,124	2,115	1,948	
Salary/APD	2,195	2,242	1,911	1,956	2,031	1,991	1,928	1,911	1,893	1,864	1,785	1,739	1,558	
Supply Cost/APD	819	737	695	717	790	640	732	839	932	743	630	691	560	
Other Expense/APD	690	609	677	687	626	575	684	680	603	617	505	638	557	
Per Adjusted Discharge														
Net Revenue/Adj DC	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	17,157	15,300	14,928	16,404	15,208	
Net Rev Incl BD/Adj DC	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	17,157	15,300	14,928	16,404	15,208	
SWB/Adj DC	11,408	13,500	10,373	10,974	10,039	9,635	9,846	9,343	10,280	8,794	8,498	9,068	8,601	
Salary/Adj DC	9,477	11,271	8,747	8,881	8,079	7,804	7,832	7,312	7,198	7,212	7,144	7,456	6,882	
Supply Cost/Adj DC	3,536	3,704	3,181	3,253	3,143	2,508	2,974	3,212	3,544	2,876	2,522	2,965	2,471	
Other Expense/Adj DC	2,981	3,060	3,101	3,121	2,489	2,252	2,780	2,602	2,294	2,389	2,022	2,737	2,460	
Pct of Net Revenue														
SWB	66.7%	72.5%	60.6%	65.0%	65.7%	66.4%	57.9%	61.2%	59.9%	57.5%	56.9%	55.3%	56.6%	
Supplies	20.7%	19.9%	18.6%	19.3%	20.6%	17.3%	17.5%	21.0%	20.7%	18.8%	16.9%	18.1%	16.2%	
Other Expense	17.4%	16.4%	18.1%	18.5%	16.3%	15.5%	16.3%	17.0%	13.4%	15.6%	13.5%	16.7%	16.2%	
FTE's														
Total Salary FTE's	711.61	867.19	858.85	856.18	855.33	849.52	849.15	862.64	872.64	852.41	904.36	846.31	851.98	
Total Contract FTE's	68.81	109.89	87.29	91.36	97.16	118.01	101.89	67.50	101.81	64.57	93.22	82.53	91.98	
Total Facility Paid FTE's	780.42	977.08	946.14	947.53	952.49	967.52	951.04	930.14	974.46	916.99	997.58	928.84	943.96	
Paid FTE per AOB	5.95	6.48	6.03	6.10	6.35	6.27	6.30	6.31	6.01	6.30	5.69	5.34	5.13	
Average Hourly Rate	\$ 64.58	\$ 60.59	\$ 55.48	\$ 56.10	\$ 55.95	\$ 55.59	\$ 53.54	\$ 53.04	\$ 55.11	\$ 51.95	\$ 55.05	\$ 57.15	\$ 53.27	

Bay Area Hospital
Balance Sheet (Including Foundation)
October 2023

Audited
Oct-23 Sep-23 Jun-23

Assets And Deferred Outflows Of Resources

Current Assets			
Cash & Cash Equivalents	14,009,932	13,117,050	12,030,483
Accounts Receivable (Net)	24,272,814	23,361,229	19,921,642
Inventory	5,343,134	5,241,202	5,205,080
Other Current Assets	6,083,489	6,207,076	4,530,204
Total Current Assets	49,709,369	47,926,557	41,687,409
Assets Limited As to Use	47,793,630	48,303,977	53,401,226
Capital Assets			
Depreciable Capital Assets (Net)	71,871,996	72,603,795	74,844,553
Nondepreciable Capital Assets	2,043,945	1,932,831	1,690,791
Total Capital Assets (Net)	73,915,941	74,536,626	76,535,344
Leases and Subscriptions (Net)	10,524,386	10,763,157	11,477,240
Other Non Current Assets	1,110,643	1,084,024	1,096,420
Total Assets	183,053,969	182,614,340	184,197,639
Deferred Outflows Of Resources	13,572,388	13,578,871	13,585,354
Total Assets And Deferred Outflows	196,626,357	196,193,211	197,782,993

Liabilities, Deferred Inflows of Resources, And Net Position

Current Liabilities			
Accounts Payable	(6,579,348)	(6,745,154)	(7,192,828)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(3,523,831)	(2,516,587)	(3,580,718)
Paid Time Off	(4,951,916)	(4,855,910)	(5,389,005)
Other	(8,188,302)	(7,186,378)	(5,890,925)
3rd Party Settlements Payable (net)	(5,921,299)	(5,839,481)	(5,676,967)
Long-Term Obligations - Current Portion	(3,562,333)	(3,627,514)	(3,545,686)
Deferred Revenue	(1,339,802)	(2,038,737)	(416,669)
Total Current Liabilities	(34,066,831)	(32,809,760)	(31,692,797)
Long Term Obligations (Net of Current Portion)	(51,306,804)	(51,354,894)	(51,946,347)
Other Noncurrent Liabilities	(3,106,729)	(3,080,552)	(3,093,390)
Net Pension Liability	(7,133,416)	(7,133,416)	(7,133,416)
Total Liabilities	(95,613,781)	(94,378,623)	(93,865,950)
Deferred Inflows Of Resources	(10,092,828)	(10,124,365)	(10,155,902)
Total Liabilities & Deferred Cash Inflows	(105,706,609)	(104,502,988)	(104,021,852)
Net Position	(93,761,140)	(93,761,140)	(128,860,256)
Net Income/Loss	2,841,392	2,070,917	35,099,115
Total Liabilities, Deferred Inflows, Net Position	(196,626,357)	(196,193,211)	(197,782,993)

Bay Area Hospital
Statement of Cash Flows
October 2023

	Current Month	Year to Date
Cash flows from operating activities:		
Excess of revenues over expenses	(770,476)	(2,841,393)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	979,692	3,927,825
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(911,586)	(4,351,172)
Inventory of supplies	(101,932)	(138,054)
Other current assets	123,587	(1,553,285)
Net Pension Asset and Liability	0	0
Other non current assets	(26,619)	(14,223)
Accounts Payable	(165,806)	(613,480)
Estimated 3rd Party Settlements	81,818	244,332
Other current liabilities	2,105,175	1,803,402
Other noncurrent liabilities	26,177	13,339
Deferred Revenue	(698,935)	923,133
Net cash provided by operating activities	<u>641,096</u>	<u>(2,599,575)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(120,236)	(455,568)
Change in Value of Investments	510,347	1,607,596
Transfer Investments to Cash		4,000,000
Net cash provided by investing activities	<u>390,111</u>	<u>5,152,028</u>
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources	(25,054)	(50,108)
Debt/Subscription Principle Payments	(113,271)	(622,896)
Increase in Capital Lease Obligations		0
Business Asset Disposal Gain/Loss		100,000
Net cash provided by financing activities	<u>(138,325)</u>	<u>(573,004)</u>
Net increase (decrease) in cash	<u>892,882</u>	<u>1,979,449</u>
Beginning Cash Balance	<u>13,117,050</u>	<u>12,030,483</u>
Ending Cash Balance	<u>14,009,932</u>	<u>14,009,932</u>

**Bay Area Hospital
Compliance Certification
as of October 31, 2023**

	TTM <u>Jun-23</u>	TTM <u>Sep-23</u>	TTM <u>Oct-23</u>
<u>D. Income Available for Debt Service (Quarterly)</u>			
Excess Revenue over Expenses	\$ (35,099,115)	\$ (21,329,204)	
Add:			
Interest Expense	\$ 2,535,806	\$ 2,715,478	
Depreciation	\$ 12,062,287	\$ 12,021,636	
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	\$ 215,664	\$ (207,689)	
(Gains) or Losses - M2M derivatives	\$ -	\$ -	
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,763,144	\$ 2,901,268	
(D.1) Income Available for Debt Service	\$ (18,522,214)	\$ (3,898,511)	
 (D.2) Line D.1 must not be less than	 \$ (25,000,000)	 \$ (15,000,000)	
 (D.3) Borrower is in Compliance (Yes/No)	 Yes	 Yes	
 B.1 Days Cash on Hand (Monthly)			
Cash & Equivalents	\$ 13,117,050	\$ 14,009,932	
Add: Marketable Securities/Board designated Funds	\$ 48,303,977	\$ 47,793,630	
Less: Trustee Held funds	\$ -	\$ -	
Less: Outstanding Principal on short term debt	\$ -	\$ -	
Less: Proceeds from A/R factoring	\$ -	\$ -	
Less: Collateral Posting for Interest Rate Agreements	\$ -	\$ -	
Less: Outstanding Principal on Put Indebtedness	\$ -	\$ -	
Cash & Equivalents	\$ 61,421,027	\$ 61,803,562	
 B.2 Cash Operating Expenses			
Total Operating Expenses	\$ 243,196,104	\$ 243,955,106	
Add: Interest Expenses	\$ 2,715,478	\$ 2,772,387	
Less: Depreciation & Amortization	\$ 12,021,636	\$ 12,005,204	
Less: Non-cash expenses	\$ -	\$ -	
Less: Losses on refinancing debt	\$ -	\$ -	
Less: Provision for uncollectable accounts	\$ -	\$ -	
Total Cash Operating Expenses	\$ 233,889,947	\$ 234,722,290	
 B.3 Line B2 divided by 365	 \$ 640,794	 \$ 643,075	
B.4 Ratio of Line B.1 to Line B3		96	96
B.5 Line B.4 must not be less than		70	70
 B.6 Borrower is in Compliance (Yes/No)	 N/A	 Yes	 Yes
 C.1 Unrestricted Liquid Funds (Monthly)			
Cash & Equivalents	\$ 13,117,050	\$ 14,009,932	
Add: Marketable Securities/Board designated Funds	\$ 48,303,977	\$ 47,793,630	
Unrestricted Liquid Funds	\$ 61,421,027	\$ 61,803,562	
 C.2 Line C.1 must not be less than		 \$ 45,000,000	 \$ 45,000,000
 C.3 Borrower is in Compliance (Yes/No)	 N/A	 Yes	 Yes
Note: Realized (Gains) or Loss on marketable securities	\$ 701,746	\$ (689,772)	\$ (687,649)

Signature of Bay Area Hospital:

Name: _____

Title: _____