



## **Executive Summary**

Finance Committee

Held July 23, 2024

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

- Threshold: None
- Non-Threshold: None

### **Discussion Items**

- Brian Moore shared the concern of Physician Staffing levels are a large concern for both the hospital and the local clinics. There will be a meeting in late August between the hospital and the clinics to discuss.
- PRELIMINARY Monthly Financials – in June, BAH lost money from operations, higher expenses and payor mix were the driving factors. Since this was the last month of the fiscal year, many one time entries were made, including a \$2M Defined Benefit Pension Adjustment.
- Meet all Covenant Ratios for year end.

### **Financial Results:**

- See attached Narrative and financials
  - June 2024 Operating Loss was \$2.7 Million vs a budget profit of \$264 Thousand
    - Year to date \$7.75 Million Loss vs budget loss of \$412 Thousand
  - June 2024 Overall Loss at \$1.4 Million vs a budget profit of \$114 Thousand
    - Year to date \$6.0 Million Loss vs budget of \$2.2 Million Loss
  - June 2024 Operating EBIDA – \$1.5 Million Loss
    - Year to date \$3.9 Million Profit
  - June 2024 Cash and Cash equivalents balance is \$58.8 million, down \$6.7 Million from June 2023.

### **Executive Summary:**

- None

### **Next meeting:**

Next Meeting – August 27, 2024



Month End Financial Narrative  
For month ending June 30, 2024

Overall, Bay Area hospital lost \$1.38M in June vs. budgeted income of \$114K and last year's loss of \$2.1M. Gross Revenue for June dipped gain from prior month ending at \$57.7M overall, but still \$2.7M ahead of budget. Net Revenue ended the month with a Net to Gross Revenue Margin of 35.2% or \$624K above budget. The Commercial Payer mix in June dropped to 13.93%, bringing the YTD average down to of 14.36% and below the last year's average of 15.91%.

Many one-time or annual entries were made this month including: ERTC credit, annual defined benefit pension entry, dissolving BACIA, large pharmacy credit for missed 403b purchase, quarterly/annual purchasing rebates, and annual inventory counts.

Bay Area Hospital										
Consolidated Income Statement - June 2024										
	Month to Date					Year to Date				
	Actual	Budget	Var %	Prior Year	Var %	Actual	Budget	Var %	Prior Year	Var %
<b>Total Gross Patient Revenue</b>	57,662,373	54,951,395	4.9%	51,525,790	11.9%	714,209,255	656,220,557	8.8%	577,667,875	23.6%
<b>Total Deductions</b>	37,926,832	35,429,634	-7.0%	29,948,235	-26.6%	474,671,758	425,114,241	-11.7%	372,571,246	-27.4%
<b>Net Healthcare Revenue</b>	19,735,541	19,521,761	1.1%	21,577,555	-8.5%	239,537,497	231,106,316	3.6%	205,096,629	16.8%
Other Oper Revenue	592,676	126,719	367.7%	175,345	238.0%	3,612,922	1,520,628	137.6%	2,516,598	43.6%
<b>Total Net Revenue</b>	20,328,216	19,648,480	3.5%	21,752,901	-6.5%	243,150,419	232,626,944	4.5%	207,613,227	17.1%
Net to Gross Ratio	35.3%	35.8%		42.2%		34.0%	35.4%		35.9%	
<b>Total Operating Expenses</b>	23,029,531	19,384,136	-18.8%	23,461,075	1.8%	250,901,026	233,038,459	-7.7%	240,424,621	-4.4%
<b>Net Operating Income</b>	(2,701,314)	264,344	-1121.9%	(1,708,174)	58.1%	(7,750,607)	(411,515)	1783.4%	(32,811,394)	-76.4%
<b>Net Income</b>	(1,377,210)	114,344	-1304.4%	(2,100,414)	-34.4%	(5,983,774)	(2,211,515)	170.6%	(35,099,113)	-83.0%

## VOLUMES

### Inpatient Discharges & Days

- For the month, Inpatient discharges again exceeded budget, actual was 609 against the budget of 523 (16.4.5%) and 97 more than the 512 (18.9%) from last year. The largest increase from last year was Cardiology patients, Infectious Disease except Septicemia patients, and Septicemia patients. Patient days were 15.6% higher than budget (2,425 vs 2,098) and 478 above last year (1,947). The average length of stay (ALOS) was 3.98, slightly below the budget of 4.01 but above last year's 3.80.
- Year to date (YTD) discharges remain above budget and above last year (6,666 vs. 6,399 budgeted vs. 5,348 last year). YTD Patient Days are also higher than budget and last year (27,948 vs 25,597 vs 22,217). ALOS YTD is 4.19 vs 4.0 budget vs 4.15 last year.

### ED Visits

- ED visits were above budget for the month and above last year (2,307 visits this month vs. 2,108 budgeted vs. 2,213 last year). 17.4% of all ED Visits were admitted in June, compared to 13.6% in June a year ago. Chief complaints include Abdominal pain, Shortness of Breath, Chest Pain and Falls.
- Patients leaving without being seen (LWBS) remained very low at .51% in June. This marks the 6<sup>th</sup> month in a row of being under 1%. Anything under 2% is considered best practice.
- YTD visits were 27,127 vs. 25,440 budgeted vs. last year-to-date of 25,320.



Month End Financial Narrative  
For month ending June 30, 2024

**Cardiac Cath Cases**

- In June there were 97 Cath Lab cases vs. budget of 102. June of last year had 100. We had one week where the Cath lab was closed due to lack of providers.
- Despite the drop this month, our 1,244 YTD cases still exceeded our YTD budget of 1,240 and our prior year YTD actual of 1,170 cases.

**Outpatient Visits**

- OP Visits are down from budget (10,235 vs 12,544) and from the same month last year (11,654). Lab visits have seen the largest decrease followed by Radiation Oncology and Cardiac Clinic. X-Ray and OP Infusion have increased in volumes over prior year. However compared to the prior months, Medical Oncology/OP Infusion were lower than trend.
- Year-to-date outpatient visits are 2.1% behind last year (137,705 vs 140,652).

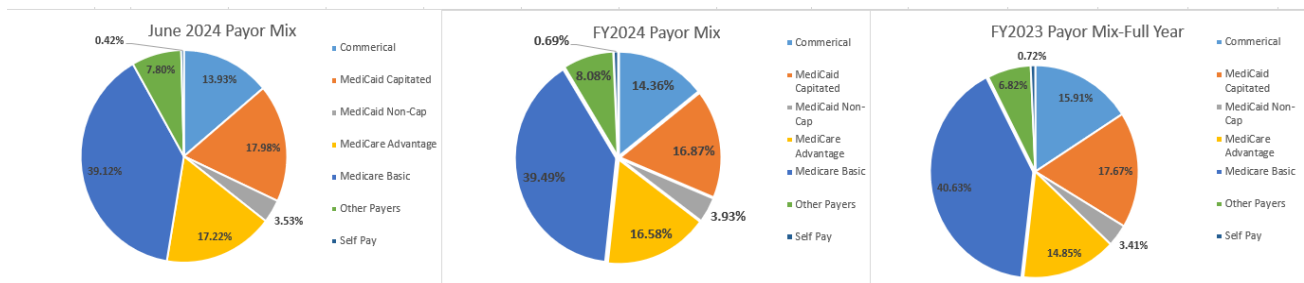
**REVENUES**

**Gross Revenues**

- June’s Gross Revenues were ahead of budget by \$2.7M (4.9%) and over last year by \$6.1M (11.9%). Approximately 6% of the variance compared to last year is due to the price increase that was completed July 2023. Pharmacy, Cat Scan, Orthopedic Physician, and Radiology Physicians all showed favorable actual vs. budget.
- Of the favorable variance \$2.7M was due to higher volumes and offset by (\$1.02M) due to rate variance. The Gross Revenue budget for June was \$11,241 per adjusted patient day and actual was \$10,888.

**Deductions from Revenue**

- As a %, Deductions from Revenue were higher than budget at 64.7% vs. 64.2% (35.3% vs 35.8% revenue realization rates). FY22 deductions rate was 60.6%/39.4% revenue realization rate. Although we have been seeing a significant decline in Commercial payor mix over the last few months, we saw an uptick of Commercial Mix in May to 14.92%, but a drop in June to 13.93%.
- This month we recognized a \$1.03M Oregon DSH Payment. Net healthcare revenue was favorable to budget \$214K for the month.
- The YTD Commercial payor mix decrease from 15.91% last year to 14.36% this fiscal year. YTD, we see the corresponding increase in the Other Payers bucket, primarily in Tricare/VA. Medicare/Medicare Advantage are even from last year, 55.5% vs 56.0% this year. Medicaid/Medicaid CCO is close to even year to year, decreasing from 21.1% last year to 20.8% this year.





Month End Financial Narrative  
For month ending June 30, 2024

## Other Revenues

- Current month actuals were \$597K vs \$127K budget vs \$175K last year. We recognized \$249K from the dissolution of the Bay Area Community Information Agency (BACIA).
- YTD \$3.6M actual vs \$1.4M budget vs \$2.3M last year. The 340B Contract Pharmacy program is the largest driver of the increase. Year to date 340B Contract Pharmacy revenue totals \$1.54M. Cafeteria and Espresso Shop sales total \$1.2M YTD.

## Net Revenue

- Net Revenue for the month was above budget by \$680K but behind last year by \$1.84M (Actual of \$20.3M vs. Budget of \$19.7M vs. Last Year of \$21.8M).
- Year-to-date Net Revenues are \$10.5M ahead of budget and \$35.5M ahead of last year (Actual of \$243.1M vs. Budget of \$232.6M vs. Last Year of \$207.6M).

## EXPENSES

### Salaries

- Salaries were 12.9% over budget and 7.7% over last year (Actual \$7.5M vs Budget \$6.7M vs Last Year \$6.98M). While above budget, wages in June are lower than the prior 3 months. We continue to hire staff and reduce our reliance on Contract labor. Patient volumes remain strong and ahead of budget. The average hourly rate of \$55.32 is below the budgeted rate of \$58.84, due to a reduction of the higher per-hour contract labor.
- Year to date salaries is \$7.0M over budget and \$4.5M over last year (\$87.0M vs \$80.0M vs \$82.6M).

### Contract labor

- Below budget \$542K (\$1.9M vs \$2.4M), and below last year by \$435K (\$1.9M vs. \$2.3M).
- Year to date Contract labor is below budget \$5.6M and \$3.3M lower than last year (\$23.8M vs. \$29.4M vs. \$27.1M).

### Benefits

- Overall Benefits expense for the month of June was \$3.4M, above budget by \$1.27M, and \$402K favorable to last year (\$3.4M actual vs \$2.1M budget and \$3.8M last year). An annual pension true-up, for the defined benefit plan, contributed over \$2.0M to the overage.
- Year-to-date benefits are \$1.3M unfavorable to budget (\$26.86M vs. \$25.53M) and \$1.2M over last year's actual (\$25.7M).

Overall, Salary/Wages/Benefits/Contract labor per Adjusted Patient Day for the month is \$2,418 above the budget of \$2,296 but below last year of \$2,694. The YTD amounts are \$2,113 actual vs \$2,231 budget and \$2,583 prior year. In addition, the FTE per Adjusted Occupied bed is 5.63, above the budget of 5.54 but below last year's rate of 6.01. YTD FTE per Adjusted Occupied bed is 5.43 below budget of 5.45 and prior year of 6.50.



Month End Financial Narrative  
For month ending June 30, 2024

### Physician and Pro-fees

- Over budget by \$491K and \$237K unfavorable to last year for the month (\$1.92M actual vs. \$1.43M budget and \$1.69M last year). Unbudgeted services of Radiology Physicians (\$251K) and Orthopedic Physicians (\$154K) are driving the overage.
- Year-to-date is over budget and over the prior year (\$19.4M actual vs. \$17.2M budget and \$18.7M last year) for the same reasons as the MTD variance.

### Supplies

- Current month actual spend was \$102K unfavorable to budget but \$1.36M favorable to prior year (\$3.19M actual vs. \$3.08M budget vs. \$4.55M last year). Pharmacy-Infusion (Oncology drugs), Pharmacy, Cath Lab (Device Implants), and OR (Orthopedic Implants) continue as the areas with the largest dollar spend. The Supply Cost per Adjusted Patient Day was \$602, below budget of \$631 or 4.6% and below prior year of \$935 or 35.6%.
- Year-to-Date spend is over budget \$7.4M and \$3.9M over last year (\$44.7M actual vs \$37.3M budget and \$40.7M last year). YTD Supply expense as % of Gross Revenues is 6.3% this year vs 7.1% 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

- \$866K unfavorable to budget for the month and \$473K unfavorable to last year (\$2.1M actual vs. \$1.28M budget vs. \$1.67M last year). Overage includes the accrual for the consultants hired for the ERTC work, Management fees for APU, Increased EPIC Fees, and website redesign.
- Year-to-date we were \$3.7M unfavorable to budget and \$2.0M unfavorable to the prior year (\$19.0M vs. \$15.3M budget and \$17.0M last year). Of the budget variance \$836K is due to IT Purchased Services, \$627K due to Revenue Cycle, \$536K due to Imaging Services, \$305K APU, and \$199K Marketing.

### Lease/Rentals

- Under budget and over prior year (\$15K actual vs. \$25K budget and \$15K last year) primarily due to copier lease costs.
- YTD is \$118K favorable to budget and \$43K favorable to prior year due to overall reduction in lease rental costs (\$186K actual vs. \$304K budget and \$229K last year).

### Depreciation

- Above budget for the month by \$214K and \$205K over last year (\$1.2M vs \$990K budget and \$998K last year). Due to capitalization of many of the FY24 Capital purchases. This includes YTD depreciation catch-up.
- YTD is \$197K under budget and \$379K under last year (\$11.7M vs \$11.9M vs \$12.1M).



Month End Financial Narrative  
For month ending June 30, 2024

### Other Operating expense

- Over budget by \$400K (\$1.75M Actual vs \$1.35M Budget and \$1.44M last year). The unfavorable variance in provider tax expense and utilities. We continue to pay more in provider tax expense month to month due to higher Net Patient Revenue. (Tax is 6% of Net Patient Revenue)
- Year-to-date we are over budget as well and over last year due to Provider Tax costs (\$18.3M actual vs. \$16.0M budget and \$16.3M last year).

### Non-Operating Income and Expense

- \$1.5M higher than Budget (\$1.3M vs \$150K loss) due to recognizing \$1.1M in ERTC credits and \$323K portfolio increase in the Board Designated Funds.

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### Balance Sheet

Cash and Cash Equivalents were \$10.8M at the end of June and Assets limited to use are \$47.9M. Overall cash increased \$3.4M over last month and is down \$6.7M compared to June 2023. Current liabilities increased by \$3.6M compared to last month and increased \$3.3M vs a year ago, mainly due to an increase in Accounts Payable.

Cash flows for the month of June show an increase of \$3.05M but YTD decrease of \$1.2M. Of the YTD decrease, \$2.6M was used for Debt payments

Capital Assets decreased \$827K due to depreciation/amortizations and Lease & Subscriptions decreased \$237K.

Net Position is \$87.8M vs \$93.8M a year ago.

**Bay Area Hospital**

Consolidated Income Statement - June 2024

	Month to Date							Year to Date					
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance
<b>Gross Patient Revenue</b>													
Inpatient Revenue	26,403,707	23,584,290	2,819,418	12.0%	20,626,783	5,776,924	28.0%	306,255,773	277,568,723	28,697,050	10.3%	244,910,615	61,345,158
Outpatient Revenue	31,258,666	31,367,105	(108,440)	-0.3%	30,899,007	359,659	1.2%	407,953,482	378,661,834	29,291,648	7.7%	332,757,260	75,196,221
<b>Total Gross Patient Revenue</b>	<b>57,662,373</b>	<b>54,951,395</b>	<b>2,710,978</b>	<b>4.9%</b>	<b>51,525,790</b>	<b>6,136,583</b>	<b>11.9%</b>	<b>714,209,255</b>	<b>656,220,557</b>	<b>57,988,698</b>	<b>8.8%</b>	<b>577,667,875</b>	<b>136,541,380</b>
Deductions	37,231,718	34,904,481	(2,327,237)	-6.7%	29,963,512	(7,268,206)	-24.3%	466,974,531	418,775,300	(48,199,231)	-11.5%	366,273,323	(100,701,208)
Bad Debt	1,136,185	262,576	(873,608)	-332.7%	(241,594)	(1,377,779)	570.3%	5,486,780	3,169,471	(2,317,309)	-73.1%	2,597,566	(2,889,213)
Charity	(441,071)	262,576	703,647	268.0%	226,317	667,387	294.9%	2,210,447	3,169,471	959,023	30.3%	3,700,557	1,489,910
<b>Total Deductions</b>	<b>37,926,832</b>	<b>35,429,634</b>	<b>(2,497,198)</b>	<b>-7.0%</b>	<b>29,948,235</b>	<b>(7,978,598)</b>	<b>-26.6%</b>	<b>474,671,758</b>	<b>425,114,241</b>	<b>(49,557,517)</b>	<b>-11.7%</b>	<b>372,571,246</b>	<b>(102,100,512)</b>
<b>Net Healthcare Revenue</b>	<b>19,735,541</b>	<b>19,521,761</b>	<b>213,780</b>	<b>1.1%</b>	<b>21,577,555</b>	<b>(1,842,015)</b>	<b>-8.5%</b>	<b>239,537,497</b>	<b>231,106,316</b>	<b>8,431,181</b>	<b>3.6%</b>	<b>205,096,629</b>	<b>34,440,868</b>
Other Oper Revenue	592,676	126,719	465,957	367.7%	175,345	417,331	238.0%	3,612,922	1,520,628	2,092,294	137.6%	2,516,598	1,096,324
<b>Total Net Revenue</b>	<b>20,328,216</b>	<b>19,648,480</b>	<b>679,736</b>	<b>3.5%</b>	<b>21,752,901</b>	<b>(1,424,684)</b>	<b>-6.5%</b>	<b>243,150,419</b>	<b>232,626,944</b>	<b>10,523,475</b>	<b>4.5%</b>	<b>207,613,227</b>	<b>35,537,192</b>
Net to Gross Ratio	35.3%	35.8%			42.2%			34.0%	35.4%			35.9%	
Salaries	7,518,598	6,659,687	(858,911)	-12.9%	6,978,563	(540,035)	-7.7%	87,043,162	80,077,550	(6,965,612)	-8.7%	82,568,363	(4,474,800)
Contract Labor	1,883,188	2,425,687	542,499	22.4%	2,318,163	434,975	18.8%	23,794,604	29,404,602	5,609,997	19.1%	27,106,663	3,312,058
Benefits	3,403,158	2,137,851	(1,265,307)	-59.2%	3,805,555	402,396	10.6%	26,855,407	25,532,082	(1,322,965)	-5.2%	25,676,271	(1,178,776)
Physician & Prof Fee	1,924,953	1,433,691	(491,262)	-34.3%	1,688,136	(236,817)	-14.0%	19,364,100	17,243,950	(2,120,150)	-12.3%	18,713,514	(650,586)
Supplies	3,186,611	3,084,656	(101,955)	-3.3%	4,545,658	1,359,047	29.9%	44,679,639	37,286,512	(7,393,127)	-19.8%	40,736,993	(3,942,646)
Purchased Services	2,143,477	1,277,169	(866,308)	-67.8%	1,670,425	(473,052)	-28.3%	19,039,875	15,329,875	(3,710,000)	-24.2%	17,003,178	(2,036,697)
Leases/Rentals	15,055	25,097	10,041	40.0%	15,000	(55)	-0.4%	186,175	304,515	118,340	38.9%	229,365	43,191
Depreciation	1,203,660	990,000	(213,660)	-21.6%	998,274	(205,386)	-20.6%	11,683,412	11,880,000	196,588	1.7%	12,062,291	378,879
Other Oper Expense	1,750,829	1,350,297	(400,532)	-29.7%	1,441,300	(309,529)	-21.5%	18,255,012	15,979,373	(2,275,639)	-14.2%	16,327,984	(1,927,028)
<b>Total Operating Expenses</b>	<b>23,029,531</b>	<b>19,384,136</b>	<b>(3,645,395)</b>	<b>-18.8%</b>	<b>23,461,075</b>	<b>431,544</b>	<b>1.8%</b>	<b>250,901,026</b>	<b>233,038,459</b>	<b>(17,862,567)</b>	<b>-7.7%</b>	<b>240,424,621</b>	<b>(10,476,405)</b>
<b>Net Operating Income</b>	<b>(2,701,314)</b>	<b>264,344</b>	<b>(2,965,659)</b>	<b>-1121.9%</b>	<b>(1,708,174)</b>	<b>(993,140)</b>	<b>58.1%</b>	<b>(7,750,607)</b>	<b>(411,515)</b>	<b>(7,339,092)</b>	<b>1783.4%</b>	<b>(32,811,394)</b>	<b>25,060,787</b>
Investment Income	323,131	-	323,131	0.0%	(388,514)	711,645	-183.2%	1,702,251	-	1,702,251	0.0%	(1,091,923)	2,794,174
Interest	-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-
Other Nonop Inc(Exp)	1,121,324	50,000	1,071,324	2142.6%	193,689	927,635	478.9%	2,477,150	600,000	1,877,150	312.9%	1,340,012	1,137,138
Interest Expense	(120,350)	(200,000)	79,650	-39.8%	(197,414)	77,064	-39.0%	(2,412,568)	(2,400,000)	(12,568)	0.5%	(2,535,808)	123,239
<b>Net Income</b>	<b>(1,377,210)</b>	<b>114,344</b>	<b>(1,491,554)</b>	<b>-1304.4%</b>	<b>(2,100,414)</b>	<b>723,204</b>	<b>-34.4%</b>	<b>(5,983,774)</b>	<b>(2,211,515)</b>	<b>(3,772,259)</b>	<b>170.6%</b>	<b>(35,099,113)</b>	<b>29,115,339</b>
Bad Debt % of GR	2.0%	0.5%	1.5%	-0.5%				0.8%	0.5%	0.3%		0.4%	
Bad Debt % of NR	5.8%	1.3%	4.4%	-1.1%				2.3%	1.4%	0.9%		1.3%	
Bad Debt/Charity % of GR	1.2%	1.0%	0.2%	0.0%				1.1%	1.0%	0.1%		1.1%	
Contractual %	-65.8%	-64.5%	-1.3%	-58.1%				-66.5%	-64.8%	-1.7%		-64.5%	
<b>Operating Margin</b>	<b>-13.3%</b>	<b>1.3%</b>	<b>-14.6%</b>	<b>-1087.7%</b>	<b>-7.9%</b>	<b>-5.4%</b>	<b>-3.2%</b>	<b>-0.2%</b>	<b>-3.0%</b>	<b>1701.9%</b>	<b>-15.8%</b>	<b>12.62%</b>	<b>12.62%</b>
<b>Net Margin %</b>	<b>-6.8%</b>	<b>0.6%</b>	<b>-7.4%</b>	<b>-1264.2%</b>	<b>-9.7%</b>	<b>2.9%</b>	<b>-2.5%</b>	<b>-1.0%</b>	<b>-1.5%</b>	<b>158.9%</b>	<b>-16.9%</b>	<b>14.45%</b>	<b>14.45%</b>
<b>Operating EBITDA</b>	<b>(1,497,654)</b>	<b>1,254,344</b>	<b>(2,751,999)</b>	<b>-219.4%</b>	<b>(709,900)</b>	<b>(877,754)</b>	<b>111.0%</b>	<b>3,932,805</b>	<b>11,468,485</b>	<b>(7,535,680)</b>	<b>-65.7%</b>	<b>(20,749,104)</b>	<b>24,681,909</b>
<b>Operating EBITDA %</b>	<b>-7.4%</b>	<b>6.4%</b>	<b>-13.8%</b>	<b>-215.4%</b>	<b>-3.3%</b>	<b>-4.1%</b>	<b>1.6%</b>	<b>4.9%</b>	<b>-3.3%</b>	<b>-67.2%</b>	<b>-10.0%</b>	<b>11.61%</b>	<b>11.61%</b>
<b>EBITDA</b>	<b>(53,200)</b>	<b>1,304,344</b>	<b>(1,357,544)</b>	<b>-104.1%</b>	<b>(904,725)</b>	<b>851,525</b>	<b>-94.1%</b>	<b>8,112,207</b>	<b>12,068,485</b>	<b>(3,956,279)</b>	<b>-32.8%</b>	<b>(20,501,015)</b>	<b>28,613,221</b>
<b>EBITDA %</b>	<b>-0.3%</b>	<b>6.6%</b>	<b>-6.9%</b>	<b>-103.9%</b>	<b>-4.2%</b>	<b>3.9%</b>	<b>3.3%</b>	<b>5.2%</b>	<b>-1.9%</b>	<b>-35.7%</b>	<b>-9.9%</b>	<b>13.21%</b>	<b>13.21%</b>
Discharges	609	523	86	16.4%	512	97	18.9%	6,666	6,399	267	4.2%	5,348	1,318
Patient Days	2,425	2,098	327	15.6%	1,947	478	24.6%	27,946	25,597	2,351	9.2%	22,217	5,731
Adjusted Days	5,296	4,888	408	8.3%	4,864	432	8.9%	65,177	60,518	4,658	7.7%	52,403	12,774
Adjusted Discharges	1,330	1,219	111	9.1%	1,279	51	4.0%	15,546	15,129	417	2.8%	12,614	2,931
<b>Per Adjusted Day</b>	<b>3.98</b>	<b>4.01</b>	<b>3.80</b>	<b>0.95</b>	<b>3.80</b>								
Net Rev Incl BD/APD	3,727	3,994	(267)	-6.7%	4,437	(710)	-16.0%	3,675	3,819	(144)	-3.8%	3,914	(239)
SWB/APD	2,418	2,296	(122)	-5.3%	2,694	(276)	-10.2%	2,113	2,231	118	5.3%	2,583	(470)
Salary/APD	1,775	1,859	83	4.5%	1,911	(136)	-7.1%	1,701	1,809	108	6.0%	2,093	(392)
Supply Cost/APD	602	631	29	4.6%	935	(333)	-35.6%	686	616	(69)	-11.3%	777	(92)
Other Expense/APD	694	570	(125)	-21.9%	643	51	7.9%	577	549	(28)	-5.1%	669	(92)
<b>Per Adjusted Discharge</b>													
Net Rev Incl BD/Adj DC	14,839	16,020	(1,181)	-7.4%	16,871	(2,032)	-12.0%	15,409	15,276	133	0.9%	16,259	(850)
SWB/Adj DC	9,628	9,210	(418)	-4.5%	10,244	(616)	-6.0%	8,857	8,924	67	0.7%	10,730	(1,873)
Salary/Adj DC	7,069	7,456	387	5.2%	7,269	(200)	-2.7%	7,130	7,237	107	1.5%	8,695	(1,565)
Supply Cost/Adj DC	2,396	2,531	135	5.3%	3,554	(1,158)	-32.6%	2,874	2,465	(410)	-16.6%	3,229	(355)
Other Expense/Adj DC	2,764	2,285	(479)	-21.0%	2,447	317	13.0%	2,420	2,196	(224)	-10.2%	2,778	(358)
<b>Pct of Net Revenue</b>													
SWB	64.9%	57.5%	-7.4%		60.7%	-4.2%		57.5%	58.4%	0.9%		66.0%	8.5%
Supplies	16.1%	15.8%	-0.3%		21.1%	4.9%		18.7%	16.1%	-2.5%		19.9%	1.2%
Other Expense	18.6%	14.3%	-4.4%		14.5%	-4.1%		15.7%	14.4%	-1.3%		17.1%	1.4%
<b>FTE's</b>													
Total Salary FTE's	910.69	841.80	(68.89)	-8.2%	872.64	(38.05)	-4.4%	867.13	838.79	(28.35)	-3.4%	845.87	(21.27)
Total Contract FTE's	83.34	61.44	(21.89)	-35.6%	101.81	18.48	18.1%	99.69	63.18	(36.51)	-57.8%	87.90	(11.79)
<b>Total Facility Paid FTE's</b>	<b>994.03</b>	<b>903.24</b>	<b>(90.79)</b>	<b>-10.1%</b>	<b>974.46</b>	<b>(19.57)</b>	<b>-2.0%</b>	<b>966.82</b>	<b>901.96</b>	<b>(64.86)</b>	<b>-7.2%</b>	<b>933.77</b>	<b>(33.05)</b>
Paid FTE per AOB	5.63	5.54	(0.09)	-1.6%	6.01	0.38	6.3%	5.43	5.45	0.03	0.5%	6.50	1.07
Average Hourly Rate	\$ 55.32	\$ 58.84	3.51	6.0%	\$ 55.65	0.33	0.6%	\$ 54.97	\$ 58.20	3.23	5.6%	\$ 56.31	1.35
Employed Avg Hourly R	\$ 48.29	\$ 46.28	(2.02)	-4.4%	\$ 46.65	(1.64)	-3.5%	\$ 48.13	\$ 45.77	(2.36)	-5.1%	\$ 46.80	(1.33)

Bay Area Hospital

Consolidated Income Statement Trend -

6/30/2023 7/30/2023 8/30/2023 9/30/2023 10/31/2023 11/18/2023 12/16/2023 1/13/2024 2/10/2024 3/9/2024 4/6/2024 5/4/2024 6/1/2024
149 150 151 152 153 154 155 156 157 158 159 160 161

Table with 14 columns representing months from JunMTD 2023 to JunMTD 2024. Rows include: Gross Patient Revenue (Inpatient, Outpatient, Total), Total Gross Patient Revenue, Deductions (Bad Debt, Charity, Total), Net Healthcare Revenue, Total Net Revenue, Expenses (Salaries, Contract Labor, Benefits, etc., Total Operating Expenses), Net Operating Income, Net Income, Operating Margin %, Net Margin %, Operating EBIDA, Operating EBIDA %, EBDITA Margin, Discharges, Patient Days, Adjusted Days, Adjusted Discharges, Per Adjusted Day (Net Revenue/APD, Net Rev Incl BD/APD, SWB/APD, Salary/APD, Supply Cost/APD, Other Expense/APD), Per Adjusted Discharge (Net Revenue/Adj DC, Net Rev Incl BD/Adj DC, SWB/Adj DC, Salary/Adj DC, Supply Cost/Adj DC, Other Expense/Adj DC), Pct of Net Revenue (SWB, Supplies, Other Expense), and FTE's (Total Salary FTE's, Total Contract FTE's, Total Facility Paid FTE's, Paid FTE per AOB, Average Hourly Rate, Employed Avg Hourly R \$).



**Bay Area Hospital**  
**Balance Sheet (Including Foundation)**  
**June 2024**

	<u>Jun-24</u>	<u>May-24</u>	<u>Audited Jun-23</u>
<b>Assets And Deferred Outflows Of Resources</b>			
Current Assets			
Cash & Cash Equivalents	10,815,061	7,766,921	12,030,483
Accounts Receivable (Net)	28,457,202	28,838,022	19,921,642
Inventory	5,131,308	5,437,667	5,205,080
Other Current Assets	7,779,891	5,289,829	4,530,204
<b>Total Current Assets</b>	<b>52,183,462</b>	<b>47,332,438</b>	<b>41,687,409</b>
Assets Limited As to Use	47,940,908	47,633,474	53,401,226
Capital Assets			
Depreciable Capital Assets (Net)	69,238,682	66,977,808	74,844,553
Nondepreciable Capital Assets	1,410,340	4,497,835	1,690,791
<b>Total Capital Assets (Net)</b>	<b>70,649,022</b>	<b>71,475,643</b>	<b>76,535,344</b>
Leases and Subscriptions (Net)	9,455,681	9,692,316	11,477,240
Other Non Current Assets	684,051	623,661	1,096,420
<b>Total Assets</b>	<b>180,913,122</b>	<b>176,757,532</b>	<b>184,197,639</b>
Deferred Outflows Of Resources	13,520,529	13,527,007	13,585,354
<b>Total Assets And Deferred Outflows</b>	<b>194,433,651</b>	<b>190,284,539</b>	<b>197,782,993</b>
<b>Liabilities, Deferred Inflows of Resources, And Net Position</b>			
Current Liabilities			
Accounts Payable	(9,872,801)	(6,313,375)	(7,192,828)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(4,234,648)	(3,918,122)	(3,580,718)
Paid Time Off	(5,770,522)	(5,757,687)	(5,389,005)
Other	(6,902,414)	(6,168,627)	(5,890,925)
3rd Party Settlements Payable (net)	(4,649,228)	(5,623,697)	(5,676,967)
Long-Term Obligations - Current Portion	(3,551,281)	(3,542,401)	(3,545,686)
Deferred Revenue	0	0	(416,669)
<b>Total Current Liabilities</b>	<b>(34,980,896)</b>	<b>(31,323,908)</b>	<b>(31,692,797)</b>
Long Term Obligations (Net of Current Portion)	(49,503,478)	(49,710,836)	(51,946,347)
Other Noncurrent Liabilities	(3,105,933)	(3,089,733)	(3,093,390)
Net Pension Liability	(9,225,450)	(7,133,416)	(7,133,416)
<b>Total Liabilities</b>	<b>(96,815,757)</b>	<b>(91,257,894)</b>	<b>(93,865,950)</b>
Deferred Inflows Of Resources	(9,840,528)	(9,872,069)	(10,155,902)
<b>Total Liabilities &amp; Deferred Cash Inlows</b>	<b>(106,656,285)</b>	<b>(101,129,963)</b>	<b>(104,021,852)</b>
Net Position	(93,761,140.42)	(93,761,140.07)	(128,860,256)
Net Income/Loss	5,983,773.59	4,606,563.74	35,099,115
<b>Total Liabilities, Deferred Inflows, Net Position</b>	<b>(194,433,651)</b>	<b>(190,284,539)</b>	<b>(197,782,993)</b>

**Bay Area Hospital  
Compliance Certification  
as of June 2024**

	TTM Jun-23	TTM Sep-23	TTM Dec-23	TTM Mar-24	TTM May-24	TTM Jun-24
<b>A&amp;D. Income Available for Debt Service (Quarterly)</b>						
Excess Revenue over Expenses	\$ (35,099,115)	\$ (21,329,204)	\$ (12,940,039)	\$ (7,443,119)	\$ (6,706,979)	\$ (5,983,774)
Add:						
Interest Expense	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,479,855	\$ 2,489,631	\$ 2,412,568
Depreciation	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,775,739	\$ 11,478,022	\$ 11,683,412
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)	\$ (1,162,258)	\$ (1,597,199)	\$ (1,787,150)	\$ (2,447,475)
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,708,941	\$ 2,974,112	\$ 3,328,489	\$ 4,754,999	\$ 4,134,534	\$ 3,933,734
<b>(D.1) Income Available for Debt Service</b>	<b>\$ (18,576,417)</b>	<b>\$ (3,825,668)</b>	<b>\$ 3,637,848</b>	<b>\$ 9,970,275</b>	<b>\$ 9,608,058</b>	<b>\$ 9,598,466</b>
(A.2) Debt Service Requirements (MADS)	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267
<b>(A.3) Ratio of Line D.1 to Line A.2</b>	<b>(4.76)</b>	<b>(0.98)</b>	<b>0.93</b>	<b>2.55</b>	<b>2.46</b>	<b>2.46</b>
(D.2) Line D.1 must not be less than	\$ (25,000,000)	\$ (15,000,000)	\$ (5,000,000)	\$ 2,000,000	\$ 2,000,000	\$ 5,000,000
<b>(D.3) Borrower is in Compliance (Yes/No)</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>B.1 Days Cash on Hand (Monthly)</b>						
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 5,514,827	\$ 7,766,921	\$ 10,815,061
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,606,776	\$ 47,633,474	\$ 47,940,908
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash &amp; Equivalents</b>	<b>\$ 65,431,709</b>	<b>\$ 61,421,027</b>	<b>\$ 60,408,866</b>	<b>\$ 56,121,603</b>	<b>\$ 55,400,395</b>	<b>\$ 58,755,969</b>
<b>B.2 Cash Operating Expenses</b>						
Total Operating Expenses	\$ 240,424,619	\$ 243,196,104	\$ 244,669,983	\$ 247,865,831	\$ 251,332,567	\$ 250,901,026
Add: Interest Expenses	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,479,855	\$ 2,489,631	\$ 2,412,568
Less: Depreciation & Amortization	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,775,739	\$ 11,478,022	\$ 11,683,412
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Operating Expenses</b>	<b>\$ 230,898,139</b>	<b>\$ 233,889,947</b>	<b>\$ 235,151,388</b>	<b>\$ 238,569,947</b>	<b>\$ 242,344,177</b>	<b>\$ 241,630,182</b>
B.3 Line B2 divided by 365	\$ 632,598	\$ 640,794	\$ 644,250	\$ 653,616	\$ 663,957	\$ 662,000
B.4 Ratio of Line B.1 to Line B3	103	96	94	86	83	89
B.5 Line B.4 must not be less than	75	70	70	70	70	70
<b>B.6 Borrower is in Compliance (Yes/No)</b>	<b>N/A</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>C.1 Unrestricted Liquid Funds (Monthly)</b>						
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 5,514,827	\$ 7,766,921	\$ 10,815,061
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,606,776	\$ 47,633,474	\$ 47,940,908
<b>Unrestricted Liquid Funds</b>	<b>\$ 65,431,709</b>	<b>\$ 61,421,027</b>	<b>\$ 60,408,866</b>	<b>\$ 56,121,603</b>	<b>\$ 55,400,395</b>	<b>\$ 58,755,969</b>
C.2 Line C.1 must not be less than	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000
<b>C.3 Borrower is in Compliance (Yes/No)</b>	<b>N/A</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Signature of Bay Area Hospital:

Name: Mary Lou Icke  
 Title: CFO  
 Date: 07/16/2024