



Executive Summary

Finance Committee

Held June 27, 2023

Capital Purchase Requests reviewed:

- Threshold –
 - None
- Non-Threshold:
 - None

Discussion Items

- Graystone Consulting attended to provide an update on the Board Restricted funds, market conditions and review of investment management company
- Financial recovery
 - Review of the 13 week cash flow projections,
 - Reviewed status of payor negotiations for re-contracting
 - Reviewed list of bank discussions
 - Update on ECG work

Financial Results:

- See attached Narrative and financials
 - May 2023 financials showed an Operating loss of \$2.6 Million and overall loss at \$3.1 Million. Year to date has an Operating loss of \$31.1 million and overall loss at \$33.0 million
 - Cash and Cash equivalents balance as of May 2023 is \$65.94 million

Next meeting:

Next Meeting – July 25, 2023



Month End Financial Narrative
For month ending May 31, 2023

Overall, Bay Area hospital lost \$3.1M in May vs. a budget loss of \$508K and last year's loss of \$14.6M. One-time expenses and high benefit costs were the driver of the increased loss over run rate. Gross Revenue for the month finished strong at \$51.9 Million. Year-to-date performance of \$33.0M loss is still significantly off budget (\$28.5M); but favorable to last year-to-date loss by \$4.5M. Below is a breakdown of the financials.

Bay Area Hospital														
Consolidated Income Statement - May 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	51,929,818	46,651,873	5,277,944	11.3%	47,657,066	4,272,751	9.0%	526,142,085	504,141,212	22,000,873	4.4%	516,692,682	9,449,403	1.8%
Total Deductions	33,684,313	29,091,893	(4,592,420)	-15.8%	43,689,690	10,005,376	22.9%	342,623,012	314,380,134	(28,242,877)	-9.0%	337,944,754	(4,678,257)	-1.4%
Net Healthcare Revenue	18,245,505	17,559,980	685,524	3.9%	3,967,377	14,278,128	359.9%	183,519,073	189,761,078	(6,242,004)	-3.3%	178,747,928	4,771,145	2.7%
Other Oper Revenue	178,159	107,275	70,883	66.1%	113,871	64,287	56.5%	2,341,253	1,159,264	1,181,989	102.0%	1,258,859	1,082,393	86.0%
Total Net Revenue	18,423,663	17,667,256	756,408	4.3%	4,081,248	14,342,415	351.4%	185,860,326	190,920,342	(5,060,016)	-2.7%	180,006,787	5,853,539	3.3%
Net to Gross Ratio	35.5%	37.9%			8.6%			35.3%	37.9%			34.8%		
Total Operating Expenses	21,070,183	18,220,104	(2,850,079)	-15.6%	19,543,021	(1,527,162)	-7.8%	216,963,546	195,891,814	(21,071,732)	-10.8%	217,349,322	385,775	0.2%
Net Operating Income	(2,646,520)	(552,848)	(2,093,672)	378.7%	(15,461,772)	12,815,253	-82.9%	(31,103,220)	(4,971,472)	(26,131,748)	525.6%	(37,342,534)	6,239,314	-16.7%
Net Income	(3,065,392)	(508,152)	(2,557,239)	503.2%	(14,576,175)	11,510,784	-79.0%	(32,998,699)	(4,488,471)	(28,510,228)	635.2%	(37,456,757)	4,458,058	-11.9%

VOLUMES

Inpatient Discharge

- Inpatient discharges for the month were above budget by 81 patients (460 vs. 379) and 42 below last year (502). This is partially due to more Babies born and more Inpatient Surgeries this year vs last year.
- Year to date we remain above budget and slightly below last year (4,836 vs. 4,099 budget vs. 4,926 last year).

ED Visits

- ED visits were near budget (2,210 visits this month vs. 2,213 budget) and below last year (vs. 2,430). Compared to last year, we are seeing fewer low acuity patients.
- YTD visits are 23,551 vs. 24,994 budget vs last year-to-date of 24,822.

Cardiac Cath Cases

- This month we had 108 cases vs last year same month of 98. Cath Lab experienced a substantial drop in case volumes last May following lower case volumes in the Prefontaine Clinic.
- Year-to-date we have had 51 fewer Cath cases than last year 1,070 vs. 1,121 due to inpatient staffing issues in the fall.

Imaging

- Is up over the same month last year by 497 billed procedures (6,754 vs. 6,257), with the majority of the increase being due to outpatient volume growth in Mammography, Cat Scanning and Diagnostic Ultrasound.
- Year-to-date we are 10% ahead of last year (70,773 vs. 63,938).



Month End Financial Narrative
For month ending May 31, 2023

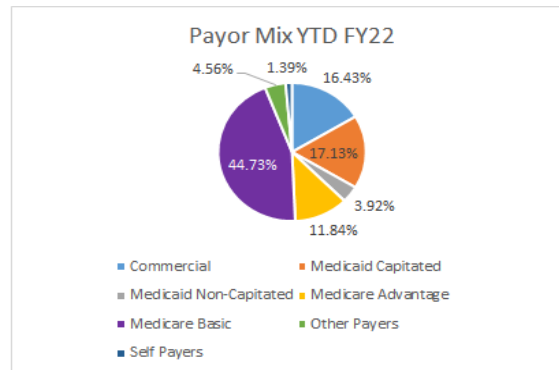
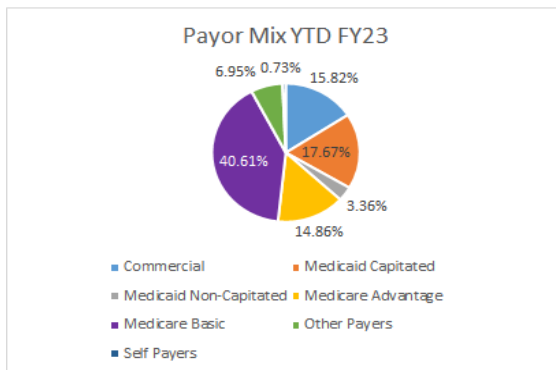
REVENUES

Gross Revenues

- May Gross Revenues were ahead of budget \$5.3M or 11.3% and over last year by \$4.3M or 9.0%. Emergency Room, Family Birth Center, Inpatient Nursing Units, Imaging, Pharmacy and Lab all showed favorable year to year increase.
- Compared to budget, Inpatient Gross Revenues were \$3.0M over budget and \$1.0M below last year. Outpatient Revenues were \$2.3M ahead of Budget and \$5.3M ahead of last year.
- Departments with the largest favorable Revenue variances year to date compared to last year were Emergency Room \$6.1M, Imaging \$4.8M, Cath Lab \$3.7M and Operating Room \$1.9M.

Deductions from Revenue

- As a %, Deductions from Revenue is higher than budget at 64.5% vs. 62.1% (35.5% and 37.9% revenue realization rates). Budget did not consider the year-end adjustments to Contractual Allowances for fiscal year 2022 (overall, FY22 was 63.8% or 36.2% revenue realization rate). The realization rate this month normalized at 35.5% (2.4% below budget); Overall, net healthcare revenue was favorable \$686K.
- Year to Date, FY23 Deductions from revenue stand at 64.7% (35.3% revenue realization). The largest driver of this change is the mix of payers away from Commercial and an increase in other governmental payors.
- YTD Medicare has decreased from 44.7% to 40.6% and Medicare Advantaged has increased from 11.84% to 14.86% (total change of 55.47% vs 56.57% last year), Capitated Medicaid is up slightly at 17.13% last year to 17.67% this year. The largest factor is that Commercial payors have decreased from 16.43% to 15.82%.



Other Revenues

- For the month actuals were \$178K vs \$107K Budget vs \$114K last year. We received \$83K in payments for 340b retail scripts filled and cafeteria revenue has been running higher than historical levels.
- YTD \$2.3M actual vs \$1.2M budget vs \$1.3M last year. We are billing for EPIC Training provided by BAH Staff and 340b Contract Pharmacy. Year to date revenue totals \$675K and \$409K respectively.



Month End Financial Narrative
For month ending May 31, 2023

Net Revenue

- Net Revenue for the month was ahead of budget by \$756K and ahead of last year by \$14.3M (Actual of \$18.4M vs. Budget of \$17.7M vs. Last Year of \$4.1M).
- Year-to-date Net Revenues are \$5.1M below budget and \$5.9M above last year (Actual of \$185.9M vs. Budget of \$190.9M vs. Last Year of \$180.0M).

EXPENSES

Salaries

- Salaries are 6.7% over budget and slightly higher than last year (Actual \$7.2M vs. Budget \$6.8M vs. Last Year \$7.0M). May salaries reflect a full month of the UFCW pay increase put into effect during April (\$230K). In addition, May saw the addition of Medical Oncology Staff with the transition from NBMC to BAH (\$64K). We also saw some conversion of contract labor staff becoming employed at BAH.

Contract labor

- Higher than budget (\$1.5M vs \$1.0M) as most contract labor was removed from the budget. Compared to last year, contract labor costs are down \$926K.
- Year to date Contract labor is more than double budget; however, it is \$1.8M lower than last year (\$24.8M vs \$11.1M vs. \$26.6M)
- The prior 3 month average for contract labor is \$2.44M, this month is down \$921K from the run rate.
- Departments with the highest amounts of contract labor variances for the month include Prefontaine Cardiology Physicians (\$106K), Anesthesia Physicians (\$94K), Diagnostic Radiology (\$102K), Intermediate Care (\$185K) and Patient Accounting (\$137K).

Benefits

- Over budget \$473K. Group Health Insurance was \$670K over budget during May and includes the receipt of \$235K of stop loss payments. Overall Benefits expense for the month was \$819K above last year (\$2.4M actual vs \$2.0M budget and \$1.6M last year).
- Year-to-date benefits are \$755K over budget (\$21.9M vs. \$21.1M) and \$1.4M ahead of last year's spend (\$20.4M).

Physician and Pro-fees

- Over budget \$260K and unfavorable to last year for the month (\$1.7M actual vs. 1.4M budget and \$1.6M last year). During the month of May, we incurred \$320K in Cardiology Physician contract labor buyout cost.
- Year-to-date is over budget and prior year (\$17.0M actual vs. \$15.6M budget and \$16.2M last year) due to consulting fees.

Supplies

- This month actual spend was \$3.8M vs \$3.1M budget vs \$3.7M last year:
 - Inventory write-off – Laundry/Linen \$280K.
 - Cardiac/Vascular/Ortho/Other Implants \$167K over budget for the month and even with last year.



Month End Financial Narrative
For month ending May 31, 2023

- Drugs/Radiopharmaceuticals \$83K over budget.
- Year-to-Date spend is over budget \$2.2M and under last year \$3.0M (\$36.2M actual vs \$34.0M budget and \$39.2M last year). Decreased Drug Spend is the main driver of the decrease from last year (\$3.2M).

Purchased Services

- \$404K unfavorable to budget for the month and due to payment of prior year expense not previously accrued (\$253K), recruitment expense (\$120K) and Management Services expense (\$123K). \$353K unfavorable to last year (\$1.8M vs. \$1.4M budget vs \$1.4M last year)
- Year-to-date we were \$428K unfavorable to budget and \$1.5M favorable to last year (\$15.3M vs \$14.9M budget vs. \$16.8M last year). We have spent \$1.4M less on Maintenance Costs this year compared to last year.

Lease/Rentals

- Below budget and below prior year due to Newmark and Bright Beginning leases being re-classified to amortization for the new Accounting rules (GASB 87) and lower housing rental expense (\$21K vs. \$94K budget and \$33K last year).
- YTD is similar in reasons and magnitude (\$214K vs \$1.0M budget and \$776K last year).

Depreciation

- Slightly ahead of budget for the month by \$168K and over last year (\$1.1M vs \$983K budget and \$953K last year) due to placing assets in service during the month of May.
- The offset for the lower Lease expense is an increase for the Newmark and Bright Beginning Leases in this category. This fiscal year includes Subscription Amortization as well.
- Year-to-date is similar (\$11.1M actual vs. \$10.6M budget and \$10.3M last year).

Other Operating expense

- Under budget by \$23K (\$1.4M Actual vs \$1.4M Budget and \$722K Last Year). The majority of the expense is due to provider tax.
- Year-to-date we are below budget and slightly ahead of last year due to Insurance and Provider Tax costs (\$14.9M Actual vs. \$15.5M Budget and \$14.7M Last Year).

Bay Area Hospital

Consolidated Income Statement - May 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	19,986,049	17,027,010	2,959,038	17.4%	21,010,538	(1,024,490)	-4.9%		224,283,831	184,001,560	40,282,271	21.9%	218,764,827	5,519,004	2.5%	
Outpatient Revenue	31,943,769	29,624,863	2,318,906	7.8%	26,646,528	5,297,241	19.9%		301,858,254	320,139,651	(18,281,398)	-5.7%	297,927,855	3,930,398	1.3%	
Total Gross Patient Revenue	51,929,818	46,651,873	5,277,944	11.3%	47,657,066	4,272,751	9.0%		526,142,085	504,141,212	22,000,873	4.4%	516,692,682	9,449,403	1.8%	
Deductions	33,282,812	28,546,058	(4,736,754)	-16.6%	38,107,150	4,824,338	12.7%		336,309,811	308,481,593	(27,828,218)	-9.0%	326,663,468	(9,646,343)	-3.0%	
Bad Debt	135,463	365,575	230,113	62.9%	5,518,632	5,383,169	97.5%		2,839,160	3,950,570	1,111,410	28.1%	9,480,534	6,641,374	70.1%	
Charity	266,039	180,260	(85,779)	-47.6%	63,908	(202,131)	-316.3%		3,474,040	1,947,972	(1,526,069)	-78.3%	1,800,752	(1,673,289)	-92.9%	
Total Deductions	33,684,313	29,091,893	(4,592,420)	-15.8%	43,689,690	10,005,376	22.9%		342,623,012	314,380,134	(28,242,877)	-9.0%	337,944,754	(4,678,257)	-1.4%	
Net Healthcare Revenue	18,245,505	17,559,980	685,524	3.9%	3,967,377	14,278,128	359.9%		183,519,073	189,761,078	(6,242,004)	-3.3%	178,747,928	4,771,145	2.7%	
Other Oper Revenue	178,159	107,275	70,883	66.1%	113,871	64,287	56.5%		2,341,253	1,159,264	1,181,989	102.0%	1,258,859	1,082,393	86.0%	
Total Net Revenue	18,423,663	17,667,256	756,408	4.3%	4,081,248	14,342,415	351.4%		185,860,326	190,920,342	(5,060,016)	-2.7%	180,006,787	5,853,539	3.3%	
Net to Gross Ratio	35.5%	37.9%			8.6%				35.3%	37.9%			34.8%			
Salaries	7,224,173	6,768,939	(455,234)	-6.7%	7,023,276	(200,897)	-2.9%		75,589,800	72,145,354	(3,444,446)	-4.8%	72,379,101	(3,210,699)	-4.4%	
Contract Labor	1,515,548	1,025,497	(490,051)	-47.8%	2,441,608	926,060	37.9%		24,788,499	11,081,984	(13,706,516)	-123.7%	26,594,879	1,806,380	6.8%	
Benefits	2,427,019	1,953,984	(473,035)	-24.2%	1,607,539	(819,479)	-51.0%		21,870,717	21,115,929	(755,087)	-3.6%	20,428,884	(1,441,833)	-7.1%	
Physician & Prof Fee	1,702,490	1,442,887	(259,603)	-18.0%	1,654,872	(47,618)	-2.9%		17,025,378	15,592,487	(1,432,891)	-9.2%	16,190,727	(834,650)	-5.2%	
Supplies	3,838,565	3,142,218	(696,347)	-22.2%	3,677,373	(161,193)	-4.4%		36,191,335	33,956,232	(2,235,103)	-6.6%	39,182,903	2,991,568	7.6%	
Purchased Services	1,783,110	1,379,242	(403,868)	-29.3%	1,430,411	(352,698)	-24.7%		15,332,753	14,904,711	(428,041)	-2.9%	16,790,704	1,457,951	8.7%	
Leases/Rentals	21,397	94,429	73,032	77.3%	33,378	11,982	35.9%		214,365	1,020,438	806,073	79.0%	775,615	561,250	72.4%	
Depreciation	1,150,360	982,556	(167,804)	-17.1%	952,545	(197,815)	-20.8%		11,064,016	10,617,942	(446,075)	-4.2%	10,283,930	(780,087)	-7.6%	
Other Oper Expense	1,407,522	1,430,353	22,831	1.6%	722,018	(685,503)	-94.9%		14,886,684	15,457,036	570,352	3.7%	14,722,579	(164,105)	-1.1%	
Total Operating Expenses	21,070,183	18,220,104	(2,850,079)	-15.6%	19,543,021	(1,527,162)	-7.8%		216,963,546	195,891,814	(21,071,732)	-10.8%	217,349,322	385,775	0.2%	
Net Operating Income	(2,646,520)	(552,848)	(2,093,672)	378.7%	(15,461,772)	12,815,253	-82.9%		(31,103,220)	(4,971,474)	(26,131,748)	525.6%	(37,342,534)	6,239,314	-16.7%	
Investment Income	(348,569)	7,042	(355,611)	-5049.5%	711,830	(1,060,399)	-149.0%		(703,408)	76,104	(779,512)	-1024.3%	(6,314,108)	5,610,700	-88.9%	
Other Nonop Inc(Exp)	134,018	145,509	(11,491)	-7.9%	284,413	(150,395)	-52.9%		1,146,322	1,572,436	(426,113)	-27.1%	7,408,858	(6,262,535)	-84.5%	
Interest Expense	(204,321)	(107,856)	(96,465)	89.4%	(110,646)	(93,675)	84.7%		(2,338,393)	(1,165,538)	(1,172,855)	100.6%	(1,208,973)	(1,129,420)	93.4%	
Net Income	(3,065,392)	(508,152)	(2,557,239)	503.2%	(14,576,175)	11,510,784	-79.0%		(32,998,699)	(4,488,471)	(28,510,228)	635.2%	(37,456,757)	4,458,058	-11.9%	
Bad Debt % of GR	0.3%	0.8%	-0.5%		11.6%				0.5%	0.8%	-0.2%		1.8%			
Bad Debt % of NR	0.7%	2.1%	-1.3%		139.1%				1.5%	2.1%	-0.5%		5.3%			
Bad Debt/Charity % of GR	0.8%	1.2%	-0.4%		11.7%				1.2%	1.2%	0.0%		2.2%			
Contractual %	-64.9%	-62.4%	-2.5%		-91.7%				-65.1%	-62.4%	-2.8%		-65.4%			
Operating Margin	-14.4%	-3.1%	-11.2%	359.1%	-378.8%	364.5%			-16.7%	-2.6%	-14.1%	542.7%	-20.7%	4.01%	-19.3%	
Net Margin %	-16.6%	-2.9%	-13.8%	478.5%	-357.1%	340.5%	-95.3%		-17.8%	-2.4%	-15.4%	655.2%	-20.8%	3.05%	-14.7%	
Operating EBIDTA	(1,496,160)	429,708	(2,261,476)	-526.3%	(14,509,228)	13,013,068	-89.7%		(20,039,203)	5,646,470	(26,577,823)	-470.7%	(27,058,604)	7,019,401	-25.9%	
Operating EBIDTA %	-8.1%	2.4%	-10.6%	-433.9%	-355.5%	347.4%			-10.8%	3.0%	-13.7%	-464.6%	-15.0%	4.25%	-28.3%	
EBIDTA	(1,710,711)	582,259	(2,628,578)	-451.4%	(13,512,984)	11,802,273	-87.3%		(19,596,289)	7,295,009	(27,783,448)	-380.9%	(25,963,855)	6,367,565	-24.5%	
EBIDTA %	-9.3%	3.3%	-12.6%	-381.7%	-331.1%	321.8%			-10.5%	3.8%	-14.4%	-375.9%	-14.4%	3.88%	-26.9%	
Discharges	460	379	81	21.4%	502	(42)	-8.4%		4,836	4,099	737	18.0%	4,926	(90)	-1.8%	
Patient Days	1,760	1,520	240	15.8%	2,108	(348)	-16.5%		20,270	16,426	3,844	23.4%	23,877	(3,607)	-15.1%	
Adjusted Days	4,573	4,165	408	9.8%	4,781	(208)	-4.4%		47,551	45,005	2,546	5.7%	56,394	(8,843)	-15.7%	
Adjusted Discharges	1,195	1,038	157	15.1%	1,139	57	5.0%		11,345	11,231	114	1.0%	11,635	(290)	-2.5%	
Per Adjusted Day	3.83	4.01	2.96	0.74	4.20				3.859	4.216	(357)	-8.5%	3.170	690	21.8%	
Net Rev Incl BD/APD	3,990	4,216	(227)	-5.4%	830	3,160	380.9%		3,859	4,216	(357)	-8.5%	3,170	690	21.8%	
SWB/APD	2,442	2,341	(101)	-4.3%	2,316	126	5.4%		2,571	2,318	(252)	-10.9%	2,117	454	21.4%	
Salary/APD	1,911	1,872	(40)	-2.1%	1,979	(68)	-3.5%		2,111	1,849	(262)	-14.2%	1,755	356	20.3%	
Supply Cost/APD	839	755	(85)	-11.3%	769	70	9.1%		761	754	(7)	-0.9%	695	66	9.5%	
Other Expense/APD	680	690	10	1.4%	497	183	36.8%		671	690	19	2.7%	548	123	22.4%	
Per Adjusted Discharge																
Net Rev Incl BD/Adj DC	15,265	16,910	(1,645)	-9.7%	3,484	11,781	338.1%		16,177	16,897	(720)	-4.3%	15,364	813	5.3%	
SWB/Adj DC	9,343	9,388	45	0.5%	9,724	(381)	-3.9%		10,776	9,291	(1,485)	-16.0%	10,263	513	5.0%	
Salary/Adj DC	7,312	7,506	194	2.6%	8,312	(1,000)	-12.0%		8,848	7,411	(1,437)	-19.4%	8,507	341	4.0%	
Supply Cost/Adj DC	3,212	3,026	(186)	-6.1%	3,230	(18)	-0.6%		3,190	3,024	(167)	-5.5%	3,368	(178)	-5.3%	
Other Expense/Adj DC	2,602	2,767	165	6.0%	2,087	515	24.7%		2,813	2,765	(48)	-1.7%	2,657	156	5.9%	
Pct of Net Revenue																
SWB	61.2%	55.5%	-5.7%		279.1%	217.9%			66.6%	55.0%	-11.6%		66.8%	0.2%		
Supplies	21.0%	17.9%	-3.1%		92.7%	71.7%			19.7%	17.9%	-1.8%		21.9%	2.2%		
Other Expense	17.0%	16.4%	-0.7%		59.9%	42.9%			17.4%	16.4%	-1.0%		17.3%	-0.1%		
FTE's																
Total Salary FTE's	865.01	853.19	(11.82)	-1.4%	795.40	(69.61)	-8.8%		845.79	853.19	7.40	0.9%	890.33	44.54	5.0%	
Total Contract FTE's	67.69	53.97	(13.71)	-25.4%	79.86	12.17	15.2%		86.90	53.98	(32.92)	-61.0%	75.67	(11.23)	-14.8%	
Total Facility Paid FTE's	932.69	907.16	(25.53)	-2.8%	875.26	(57.44)	-6.6%		932.68	907.16	(25.52)	-2.8%	965.99	33.31	3.4%	
Paid FTE per AOB	6.32	6.75	0.43	6.4%	5.67	(0.65)	-11.4%		6.57	6.75	0.18	2.7%	5.74	(0.83)	-14.5%	
Average Hourly Rate	\$ 53.04	\$ 48.64	(4.41)	-9.1%	\$ 61.05	8.00	13.1%		\$ 56.38	\$ 48.06	(8.32)	-17.3%	\$ 53.52	(2.85)	-5.3%	

Bay Area Hospital

Consolidated Income Statement Trend - May 2023

	2022	2022	2022	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023
	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	
Gross Patient Revenue														
Inpatient Revenue	21,010,538	17,745,825	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	
Outpatient Revenue	26,646,528	29,023,494	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	
Total Gross Patient Revenue	47,657,066	46,769,320	39,801,179	46,840,710	41,821,853	44,403,082	49,034,046	51,379,826	51,870,982	48,354,214	52,116,907	48,589,469	51,929,818	
Deductions	38,107,150	49,343,338	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	
Bad Debt	5,518,632	(5,953,801)	585,416	(394,368)	769,491	278,332	(22,457)	837,064	283,391	(405,605)	1,035,073	(262,640)	135,463	
Charity	63,908	178,521	387,780	1,080,078	83,403	182,868	101,534	208,473	321,876	209,505	300,082	332,402	266,039	
Total Deductions	43,689,690	43,568,057	26,218,010	31,309,120	27,423,772	28,280,336	32,275,684	33,178,480	33,970,507	32,239,373	34,407,385	29,636,032	33,684,313	
Net Healthcare Revenue	3,967,377	3,201,262	13,583,169	15,531,590	14,398,081	16,122,746	16,758,362	18,201,346	17,900,475	16,114,841	17,709,522	18,953,437	18,245,505	
Other Oper Revenue	113,871	128,330	103,411	92,746	135,288	110,628	84,050	280,086	80,957	818,583	253,437	203,908	178,159	
Total Net Revenue	4,081,248	3,329,592	13,686,580	15,624,337	14,533,370	16,233,374	16,842,412	18,481,431	17,981,432	16,933,424	17,962,959	19,157,345	18,423,663	
Expenses	8.6%	7.1%	34.4%	33.4%	34.8%	36.6%	34.3%	36.0%	34.7%	35.0%	34.5%	39.4%	35.5%	
Salaries	7,023,276	6,684,246	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	
Contract Labor	2,441,608	4,058,682	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	
Benefits	1,607,539	1,766,848	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	
Physician & Prof Fee	1,654,872	1,911,323	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	
Supplies	3,677,373	3,632,098	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	3,838,565	
Purchased Services	1,430,411	1,479,068	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	
Leases/Rentals	33,378	(144,935)	35,801	29,679	17,533	25,035	1,180	24,039	28,105	14,397	7,127	10,073	21,397	
Depreciation	952,545	1,655,964	997,807	994,783	996,194	996,124	982,344	983,634	981,041	1,020,995	988,299	972,436	1,150,360	
Other Oper Expense	722,018	869,300	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	
Total Operating Expenses	19,543,021	21,912,594	19,531,864	19,298,676	17,781,128	19,243,165	20,571,549	19,995,012	21,005,197	18,767,036	19,801,833	19,897,905	21,070,183	
Net Operating Income	(15,461,772)	(18,583,001)	(5,845,284)	(3,674,340)	(3,247,758)	(3,009,790)	(3,729,137)	(1,513,581)	(3,023,765)	(1,833,612)	(1,838,874)	(740,559)	(2,646,520)	
Investment Income	711,830	(923,590)	1,811,454	(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)	
Other Nonop Inc(Exp)	284,413	1,109,298	131,310	97,400	52,636	85,883	78,779	244,666	45,254	57,550	71,775	147,051	134,018	
Interest Expense	(110,646)	(169,179)	(133,237)	(145,409)	(142,178)	(150,328)	(142,058)	(613,800)	(203,032)	(197,762)	(206,012)	(200,255)	(204,321)	
Net Income	(14,576,175)	(18,566,473)	(4,035,758)	(5,941,826)	(5,863,244)	(3,746,959)	(1,877,304)	(2,033,763)	(1,908,404)	(3,138,236)	(910,061)	(477,752)	(3,065,392)	
Operating Margin %	-378.8%	-558.1%	-42.7%	-23.5%	-22.3%	-18.5%	-22.1%	-8.2%	-16.8%	-10.8%	-10.2%	-3.9%	-14.4%	
Net Margin %	-357.1%	-557.6%	-29.5%	-38.0%	-40.3%	-23.1%	-11.1%	-11.0%	-10.6%	-18.5%	-5.1%	-2.5%	-16.6%	
Operating EBIDA	(14,509,228)	(16,927,037)	(4,847,477)	(2,679,557)	(2,251,564)	(2,013,667)	(2,746,793)	(529,947)	(2,042,723)	(812,617)	(850,575)	231,877	(1,496,160)	
Operating EBIDA %	-355.5%	-508.4%	-35.4%	-17.1%	-15.5%	-12.4%	-16.3%	-2.9%	-11.4%	-4.8%	-4.7%	1.2%	-8.1%	
EBBITA Margin	-331.1%	-502.8%	-21.2%	-30.7%	-32.5%	-16.0%	-4.5%	-2.4%	-4.0%	-11.3%	1.6%	3.6%	-9.3%	
Discharges	502	424	385	394	374	402	403	496	498	452	494	478	460	
Patient Days	2,108	1,689	1,508	1,521	1,512	1,736	2,026	2,270	2,261	1,798	1,936	1,942	1,760	
Adjusted Days	4,781	4,451	3,564	3,742	3,820	4,068	4,527	4,865	4,814	4,198	4,784	4,528	4,573	
Adjusted Discharges	1,139	1,117	910	969	945	942	900	1,063	1,060	1,055	1,221	1,115	1,195	
Per Adjusted Day						4.32	5.03	4.58	4.54	3.98	3.92	4.06	3.83	
Net Revenue/APD	830	719	3,811	4,150	3,769	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	
Net Rev Incl BD/APD	830	719	3,811	4,150	3,769	3,963	3,702	3,741	3,718	3,839	3,701	4,186	3,990	
SWB/APD	2,316	2,810	3,125	2,926	2,644	2,642	2,685	2,267	2,417	2,524	2,459	2,423	2,442	
Salary/APD	1,979	2,413	2,679	2,451	2,184	2,195	2,242	1,911	1,956	2,031	1,991	1,928	1,911	
Supply Cost/APD	769	816	940	907	633	819	737	695	717	790	640	732	839	
Other Expense/APD	497	625	764	728	709	690	609	677	687	626	575	684	680	
Per Adjusted Discharge														
Net Revenue/Adj DC	3,484	2,865	14,927	16,021	15,237	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	
Net Rev Incl BD/Adj DC	3,484	2,865	14,927	16,021	15,237	17,114	18,612	17,123	16,882	15,270	14,506	17,006	15,265	
SWB/Adj DC	9,724	11,195	12,238	11,295	10,687	11,408	13,500	10,373	10,974	10,039	9,635	9,846	9,343	
Salary/Adj DC	8,312	9,614	10,495	9,463	8,828	9,477	11,271	8,747	8,881	8,079	7,804	7,832	7,312	
Supply Cost/Adj DC	3,230	3,250	3,683	3,501	2,558	3,536	3,704	3,181	3,253	3,143	2,508	2,974	3,212	
Other Expense/Adj DC	2,087	2,488	2,994	2,809	2,868	2,981	3,060	3,101	3,121	2,489	2,252	2,780	2,602	
Pct of Net Revenue														
SWB	279.1%	390.8%	82.0%	70.5%	70.1%	66.7%	72.5%	60.6%	65.0%	65.7%	66.4%	57.9%	61.2%	
Supplies	92.7%	113.5%	24.7%	21.9%	16.8%	20.7%	19.9%	18.6%	19.3%	20.6%	17.3%	17.5%	21.0%	
Other Expense	59.9%	86.9%	20.1%	17.5%	18.8%	17.4%	16.4%	18.1%	18.5%	16.3%	15.5%	16.3%	17.0%	
FTE's														
Total Salary FTE's	795.40	814.96	862.60	851.68	855.92	711.61	867.19	858.85	856.18	857.68	851.85	851.48	865.01	
Total Contract FTE's	79.86	139.15	78.24	76.60	57.82	68.81	109.89	87.29	91.36	97.43	118.33	102.17	67.69	
Total Facility Paid FTE's	875.26	954.12	940.84	928.27	913.74	780.42	977.08	946.14	947.53	955.11	970.18	953.65	932.69	
Paid FTE per AOB	5.67	6.43	8.18	7.69	7.18	5.95	6.48	6.03	6.10	6.37	6.29	6.32	6.32	
Average Hourly Rate	\$ 61.05	\$ 65.68	\$ 57.30	\$ 55.79	\$ 53.25	\$ 64.58	\$ 60.59	\$ 55.48	\$ 56.10	\$ 55.95	\$ 55.59	\$ 53.54	\$ 53.04	

Bay Area Hospital
Balance Sheet (Including Foundation)
May 2023

Audited
Jun-22

May-23 Apr-23

Assets And Deferred Outflows Of Resources

Current Assets			
Cash & Cash Equivalents	12,226,105	13,083,740	17,016,994
Accounts Receivable (Net)	17,168,119	16,945,124	24,465,619
Inventory	5,881,252	6,123,079	6,261,727
Other Current Assets	6,059,127	5,120,755	4,410,739
Total Current Assets	41,334,603	41,272,697	52,155,080
Assets Limited As to Use	53,712,636	54,079,871	87,331,596
Capital Assets			
Depreciable Capital Assets (Net)	87,131,274	83,746,623	91,510,791
Nondepreciable Capital Assets	1,510,530	5,724,199	4,142,630
Total Capital Assets (Net)	88,641,804	89,470,822	95,653,420
Other Non Current Assets	1,107,129	1,110,026	1,135,685
Total Assets	184,796,172	185,933,417	236,275,781
Deferred Outflows Of Resources	17,878,901	17,878,901	17,878,901
Total Assets And Deferred Outflows	202,675,073	203,812,318	254,154,682

Liabilities, Deferred Inflows of Resources, And Net Position

Current Liabilities			
Accounts Payable	(6,609,192)	(5,654,127)	(11,140,688)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(3,040,665)	(2,257,821)	(3,092,600)
Paid Time Off	(5,500,779)	(5,605,562)	(5,393,829)
Other	(7,883,709)	(6,597,397)	(4,338,632)
3rd Party Settlements Payable (net)	(5,310,727)	(5,314,727)	(6,229,262)
Revolving Line of Credit	0	0	(8,000,000)
Long-Term Debt in Default Classified as Current	(46,502,092)	(46,628,534)	(47,876,185)
Long-Term Obligations - Current Portion	(3,308,572)	(3,715,038)	(3,308,573)
Deferred Revenue	(500,002)	(583,335)	
Medicare accelerated payments			(7,156,518)
Total Current Liabilities	(78,655,738)	(76,356,541)	(96,536,287)
Long Term Obligations (Net of Current Portion)	(5,853,082)	(6,221,233)	(6,454,886)
Other Noncurrent Liabilities	(4,470,081)	(4,472,978)	(4,468,637)
Net Pension Asset	(8,910,885)	(8,910,885)	(8,910,885)
Total Liabilities	(97,889,786)	(95,961,637)	(116,370,695)
Deferred Inflows Of Resources	(8,923,732)	(8,923,732)	(8,923,732)
Total Liabilities & Deferred Cash Inflows	(106,813,518)	(104,885,369)	(125,294,427)
Net Position	(128,860,256)	(128,860,256)	(189,017,386)
Net Income/Loss	32,998,700	29,933,308	60,157,130
Total Liabilities, Deferred Inflows, Net Position	(202,675,073)	(203,812,318)	(254,154,683)

Bay Area Hospital
Statement of Cash Flows
May 2023

	<u>Current</u> <u>Month</u>	<u>Year</u> <u>to Date</u>
Cash flows from operating activities:		
Excess of revenues over expenses	(3,065,393)	(32,998,700)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	1,150,360	11,064,016
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(222,995)	7,297,501
Inventory of supplies	241,827	380,475
Other current assets	(938,372)	(1,648,388)
Net Pension Asset	0	0
Other non current assets/liabilities	0	30,000
Current liabilities (excluding debt & deferred revenue)	2,915,437	(9,006,459)
Deferred Revenue	(83,333)	500,002
	<hr/>	<hr/>
Net cash provided by operating activities	(2,469)	(24,381,552)
Cash flows from investing activities:		
Purchase of property, plant & equipment	(321,342)	(4,052,400)
Change in Value of Investments	367,235	618,960
Transfer Investments to Cash		33,000,000
	<hr/>	<hr/>
Net cash provided by investing activities	45,893	29,566,559
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources	0	0
Debt/Subscription Principle Payments	(901,058)	(3,199,408)
Increase in Capital Lease Obligations		1,223,511
Revolving Line of Credit Payment		(8,000,000)
	<hr/>	<hr/>
Net cash provided by financing activities	(901,058)	(9,975,897)
	<hr/>	<hr/>
Net increase (decrease) in cash	(857,635)	(4,790,890)
	<hr/>	<hr/>
Beginning Cash Balance	13,083,740	17,016,994
	<hr/>	<hr/>
Ending Cash Balance	12,226,105	12,226,105

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

	Audited FYE	TTM	TTM	TTM
	<u>Jun-22</u>	<u>Sep-22</u>	<u>Dec-22</u>	<u>May-23</u>
A. Income Available for Debt Service				
Excess Revenue over Expenses	\$ (60,157,130)	\$ (74,405,957)	\$ (79,533,450)	\$ (55,699,072)
Add:				
Interest Expense	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,510,215
Depreciation	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,755,201
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	\$ 670,391
(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)	\$ (39,763,265)
(A.2) Debt Service Requirements (MADS) [BOW Amort Schedule]	\$ 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	-15.04x
(A.4) Line A.3 must not be less than	1.15x	1.15x	1.15x	1.15x
(A.5) Borrower is in Compliance (Yes/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	\$ 12,226,105
Add: Marketable Securities/Board designated Funds	\$ 87,331,596	\$ 69,453,715	\$ 52,553,195	\$ 53,712,636
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	\$ 65,938,741
B.2 Cash Operating Expenses				
Total Operating Expenses	\$ 242,583,589	\$ 279,579,437	\$ 244,544,729	\$ 242,197,814
Add: Interest Expenses	\$ 1,380,794	\$ 1,685,760	\$ 2,035,451	\$ 2,510,215
Less: Depreciation & Amortization	\$ 11,975,113	\$ 14,262,304	\$ 13,655,480	\$ 12,755,201
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	\$ 231,952,828
B.3 Line B2 divided by 365	\$ 635,587	\$ 731,515	\$ 638,150	\$ 635,487
B.4 Ratio of Line B.1 to Line B3	152	101	105	104
B.5 Line B.4 must not be less than	75	75	75	75
B.6 Borrower is in Compliance (Yes/No)	Yes	Yes	Yes	Yes
C.1 Unrestricted Liquid Funds				
Cash & Equivalents			\$ 14,336,899	\$ 12,226,105
Add: Marketable Securities/Board designated Funds			\$ 52,553,195	\$ 53,712,636
Unrestricted Liquid Funds			\$ 66,890,094	\$ 65,938,741
C.2 Line C.1 must not be less than			\$ 52,000,000	\$ 52,000,000
C.3 Borrower is in Compliance (Yes/No)			Yes	Yes
Note: Realized (Gains) or Loss on marketable securities	\$ 78,083	\$ 1,575,942	\$ 1,785,605	\$ 827,979

Signature of Bay Area Hospital:

Name: _____

Title: _____