

**FINANCE COMMITTEE MEETING AGENDA**

September 23, 2025 @ Bay Area Hospital, Hybrid/ TEAMS & Myrtle Conference Room

**TIME**

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- 5:15 Call to Order** **Kyle Stevens, Finance Committee Chairperson**
- Approval of the Finance Committee Minutes **ACTION ITEM**
- 

**5:20 Old Business**

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- 5:30 New Business**
- Presentation: BAH Investments – Morgan Stanley
  - CEO/Leadership Update
  - CFO Update **Doug Dickson, Interim CFO**
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- 6:00 Financial Presentation - Month End Results** **Doug Dickson, Interim CFO**
- End of Month Results Presentation
  - Key Performance Indicators (KPI) Review
  - Capital Update (*no attachment / no change since last month*)
- 

**Appendix**

- Monthly Narrative
  - Savista Update
  - Income Statement
  - Income Statement Trend
  - Balance Sheet
  - Cash Flow
  - Bank Ratios
  - Accounts Receivable Reserves Trend
- 

**7:00 Adjourn – Next Meeting Tuesday, October 28, 2025**

**FINANCE COMMITTEE MEETING MINUTES**  
**August 26, 2025, Myrtle Conference Room / Microsoft Teams**

**CALL TO ORDER**

Finance Chair Kyle Stevens called the meeting to order at 5:15 p.m. There was a quorum in attendance.

**FINANCE COMMITTEE MEMBER ATTENDANCE**

Chairperson Kyle Stevens, Tom McAndrew, Judy Moody, John Briggs, Brandon Saada

**ABSENT** (*excused*)

Barbara Taylor

**BAHD BOARD OF DIRECTORS ATTENDANCE**

Patrice Parrot, Simon Alonzo, Brandon Saada

**STAFF ATTENDANCE**

Mark Hadley, Senior Finance Analyst; Karen Miller, CFO; Mel Stibal, Interim CNO; Gretchen Nichols, COO; Tom Fredette, Dir. HR, Kelli Dion, CQO, Kelly Morgan, Interim CEO, Jeanie Ortiz, Accountant IV, Claudia Wells, Clinical Analyst and Support Specialist; Denise Bowers, Executive Assistant

**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

**PUBLIC ATTENDANCE**

The public was in Attendance

**APPROVAL OF FINANCE COMMITTEE MINUTES – Mr. Kyle Stevens, Chairperson**

**ACTION TAKEN BY THE FINANCE COMMITTEE:**

The Finance Committee reviewed and approved the hearing minutes from the previous meeting, including changes suggested by Barb Taylor. **Tom McAndrew moved** to approve minutes as presented, including the changes requested by Barb Taylor, and **Brandon Saada seconded**. There was no additional discussion, and the motion carried on call of vote.

**CHIEF EXECUTIVE OFFICER UPDATES - Kelly Morgan, Interim CEO**

**Financial Turnaround and Sustainability Plan Update**

- The organization is addressing a \$30 million financial gap.
- Expense reduction strategies are being prioritized, focusing on salaries and wages, purchased services, professional fees, and other operational expenses.
- The revenue cycle is under review, with ongoing renegotiation of contracts and collaboration with Advanced Health for potential opportunities.
- Recruitment of additional physicians is part of the long-term strategy for growth.
- Town hall meetings with staff are scheduled for tomorrow and Thursday to provide updates like those shared at the last board meeting.
- The full financial plan is expected to be finalized in the coming weeks and will be presented to the board for implementation.

**CHIEF FINANCIAL OFFICER UPDATES – Doug Dickson, Interim CFO****Financials**

- Discharges were 9% below target; average length of stay was 3.75 days, 14% below target, indicating some operational efficiencies.
- Emergency room visits and operating room cases were reported, with surgery volumes showing improvement.
- Outpatient visits were slightly above budget, contributing to a 2.9% increase in income.
- Net revenue for the month was \$946,000 below budget; staffing costs were up by \$1.4 million, supplies were under budget by \$321,000, and other expenses were over by \$231,000.
- Total operating expenses exceeded budget by \$1.3 million, resulting in net operating income below budget.
- Commercial payer mix improved, with each 1% increase in commercial payers estimated to add \$4 million in cash collections.
- Provider tax was discussed; the hospital pays 6% of revenue to the state, which is matched by CMS and reimbursed through enhanced Medicaid rates.
- Accounts receivable days remain stable; cash collections for the month were \$19.2 million.
- Cost to collect has increased from 5.5% to 7%, with efforts underway to reduce this expense.
- The revenue cycle process was reviewed, highlighting areas for improvement in charge master maintenance, coding, and denial management.

**Revenue Cycle and Contracting**

- The committee discussed the importance of accurate charge master maintenance and regular audits to ensure proper documentation and billing.
- Denial management was identified as a key area for collaboration with Advanced Health, with ongoing negotiations to improve contract terms and reduce denials.
- Credentialing and privileging delays for new physicians were noted, with legislative changes requiring payers to allow retroactive privileging from the application date. The local CCO's compliance with this requirement remains an issue.

**Epic System Contract Update**

- The hospital's contract with St. Charles for the Epic system (Community Connect) expires in February 2027.
- St. Charles has requested migration off Community Connect by the end of 2027, which would require significant financial investment and operational disruption.
- Discussions are ongoing with St. Charles and Epic corporate regarding possible extensions and support for connectivity issues.
- The committee is exploring alternative partners and solutions for the hospital's electronic health record system.

**Capital Acquisitions**

- Updates were provided on network switches, pneumatic tube system maintenance, and temperature management system purchases.
- Actual capital expenditures were reported at \$347,000 versus a budgeted \$504,000.

**Grant Writer Update**

- The hospital has recently hired a part-time grant writer for the Kids Hope Center, with potential to support additional grant opportunities for the hospital.

**GOOD OF THE ORDER**

The next meeting will be on September 23, 2025, at 5:15 p.m.

**ADJOURNMENT**

There being no further business, the Finance Committee was adjourned at 6:08 p.m.

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Kyle Stevens, Chairperson

Date: September 23, 2025

## Holdings Report

Base Currency: USD As of 08/31/2025

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ZFIM-Bay Area Hospital (448658)

Dated: 09/16/2025

### Cash

Currency													
Description	State	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
Cash	---	CCYUSD	---	0 0.000	08/31/2025	Aaa AAA	Cash ---	0.00 1.00	0.00	0.00 0.00	---	0.00 ---	0.00%
Receivable	---	CCYUSD	---	29,093 0.000	08/31/2025	Aaa AAA	Cash ---	29,092.66 1.00	0.00	0.00 0.00	---	0.00 ---	0.09%
---	---	CCYUSD	---	29,093 0.000	08/31/2025	Aaa AAA	Cash ---	29,092.66 1.00	0.00	0.00 0.00	---	0.00 ---	0.09%

### MMFund

MM Fund													
Description	State	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
FIRST AMER:GVT OBLG Y	MN	31846V203	08/28/2025	54,054 3.900	08/31/2025	Aaa AAAm	Cash ---	54,054.43 1.00	0.00	3.91 3.91	---	0.00 ---	0.17%
<b>FIRST AMER:GVT OBLG Y</b>	<b>MN</b>	<b>31846V203</b>	<b>08/28/2025</b>	<b>54,054 3.900</b>	<b>08/31/2025</b>	<b>Aaa AAAm</b>	<b>Cash ---</b>	<b>54,054.43 1.00</b>	<b>0.00</b>	<b>3.91 3.91</b>	<b>---</b>	<b>0.00 ---</b>	<b>0.17%</b>

### Fixed Income

Agency													
Description	State	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
FEDERAL FARM CREDIT BANKS FUNDING CORP	US	3133ERV3	12/11/2024	2,000,000 4.900	04/01/2031 09/06/2025	Aa1 AA+	Sovereign Agency ---	2,040,873.33 100.00	8,826.28	4.99 4.72	4.99 4.72	0.02 ---	6.25%
<b>FEDERAL FARM CREDIT BANKS FUNDING CORP</b>	<b>US</b>	<b>3133ERV3</b>	<b>12/11/2024</b>	<b>2,000,000 4.900</b>	<b>04/01/2031 09/06/2025</b>	<b>Aa1 AA+</b>	<b>Sovereign Agency ---</b>	<b>2,040,873.33 100.00</b>	<b>8,826.28</b>	<b>4.99 4.72</b>	<b>4.99 4.72</b>	<b>0.02 ---</b>	<b>6.25%</b>

### Fixed Income

Agency MBS													
Description	State	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
FH G00559	US	31283GTQ0	07/19/2024	5 7.000	10/01/2026	Aa1 AA+	FGLMC Single Family 30yr ---	4.91 105.22	0.17	0.66 0.66	---	0.27 ---	0.00%
<b>FH G00559</b>	<b>US</b>	<b>31283GTQ0</b>	<b>07/19/2024</b>	<b>5 7.000</b>	<b>10/01/2026</b>	<b>Aa1 AA+</b>	<b>FGLMC Single Family 30yr ---</b>	<b>4.91 105.22</b>	<b>0.17</b>	<b>0.66 0.66</b>	<b>---</b>	<b>0.27 ---</b>	<b>0.00%</b>

### Fixed Income

US Gov													
Description	State	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
UNITED STATES TREASURY	US	912797QM2	08/06/2025	5,000,000 0.000	09/02/2025	P-1 A-1+	Sovereign ---	5,000,000.00 100.00	594.52	4.35 4.35	4.35 0.00	0.01 ---	15.31%
UNITED STATES TREASURY	US	912797MH7	08/20/2025	5,000,000 0.000	09/04/2025	P-1 A-1+	Sovereign ---	4,998,850.00 99.98	613.55	4.30 1.40	4.30 1.40	0.02 ---	15.31%
UNITED STATES TREASURY	US	912797QT7	08/25/2025	5,000,000 0.000	09/09/2025	P-1 A-1+	Sovereign ---	4,995,850.00 99.92	563.34	4.31 2.76	4.31 2.76	0.03 ---	15.30%

## Holdings Report

Base Currency: USD As of 08/31/2025

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ZFIM-Bay Area Hospital (448658)

Dated: 09/16/2025

Description	Stat e	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys , S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
UNITED STATES TREASURY	US	912797PW1	08/28/2025	4,330,000 0.000	09/11/2025 ---	P-1 A-1+	Sovereign ---	4,325,410.20 99.89	503.98	4.30 2.98	4.30 2.98	0.04 ---	13.25%
UNITED STATES TREASURY	US	91282CDQ1	07/19/2024	4,595,000 1.250	12/31/2026 ---	Aa1 AA+	Sovereign ---	4,456,046.95 96.76	-118,854.79	1.75 3.75	1.75 3.75	1.30 ---	13.65%
UNITED STATES TREASURY	US	912828Z78	07/19/2024	1,390,000 1.500	01/31/2027 ---	Aa1 AA+	Sovereign ---	1,349,084.44 96.93	-37,010.59	1.80 3.74	1.80 3.74	1.38 ---	4.13%
UNITED STATES TREASURY	US	91282CEC1	07/19/2024	1,825,000 1.875	02/28/2027 ---	Aa1 AA+	Sovereign ---	1,776,403.53 97.33	-35,643.20	2.36 3.71	2.36 3.71	1.45 ---	5.44%
UNITED STATES TREASURY	US	91282CDY4	07/19/2024	2,430,000 1.875	02/15/2032 ---	Aa1 AA+	Sovereign ---	2,155,133.39 88.60	-155,108.99	2.73 3.89	2.73 3.89	5.97 ---	6.60%
UNITED STATES TREASURY	US	91282CLF6	10/17/2024	1,500,000 3.875	08/15/2034 ---	Aa1 AA+	Sovereign ---	1,473,150.12 98.03	-4,572.65	4.10 4.14	4.10 4.14	7.47 ---	4.51%
<b>UNITED STATES TREASURY</b>	<b>US</b>	<b>---</b>	<b>---</b>	<b>31,070,000 0.688</b>	<b>12/08/2026 ---</b>	<b>Aaa AAA</b>	<b>Sovereign ---</b>	<b>30,529,928.63 ---</b>	<b>-348,914.84</b>	<b>3.58 3.23</b>	<b>3.58 2.52</b>	<b>1.16 ---</b>	<b>93.50%</b>

### Summary

Description	Stat e	CUSIP	Trade Date	Par, Coupon	Maturity, Next Redemption	Moodys , S&P	Source of Revenue, Type	Total Market Value, Price	Unreal. G/L	Yld at Cost, Yld at Mkt	TEY at Cost, TEY at Mkt	Mod Dur, Eff Duration	% Held
---	---	---	---	33,153,152 0.952	03/14/2027 ---	Aaa AAA	---	32,653,953.97 ---	-340,088.39	3.66 3.32	3.67 2.66	1.09 ---	100.00%

\* Grouped by: Asset Type -> Security Type Category. \* Groups Sorted by: Duration -> Duration. \* Weighted by: Base Book Value + Accrued. \* Holdings Displayed by: Position.

\* Total Market Value = [Market Value]+[Accr Int], Summary Calculation: Sum.

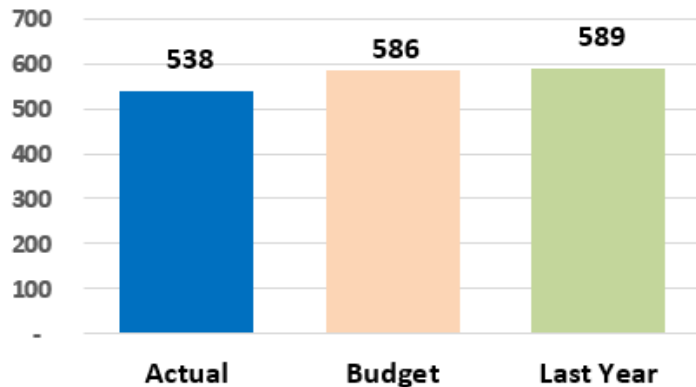
# Bay Area Hospital

August 2025 Month End Results

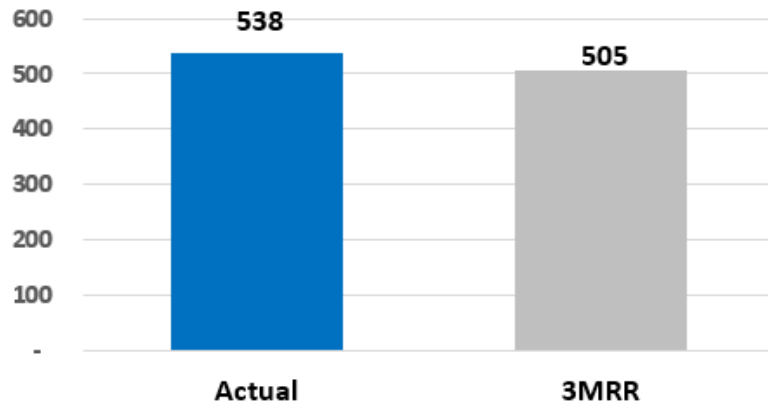


# Patient Discharges

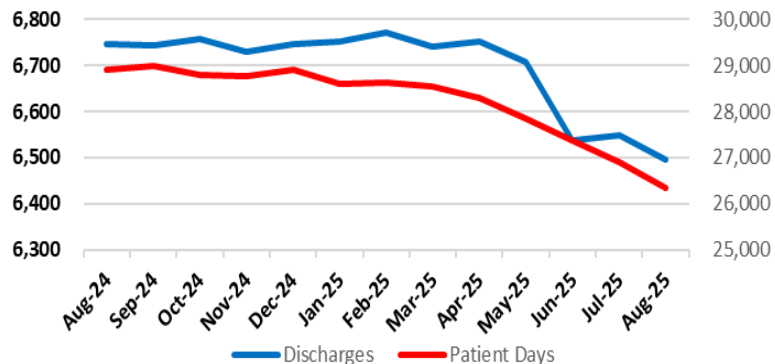
**Patient Discharges (not including Newborn) - MTD**



**Patient Discharges (not including Newborn) - 3MRR**



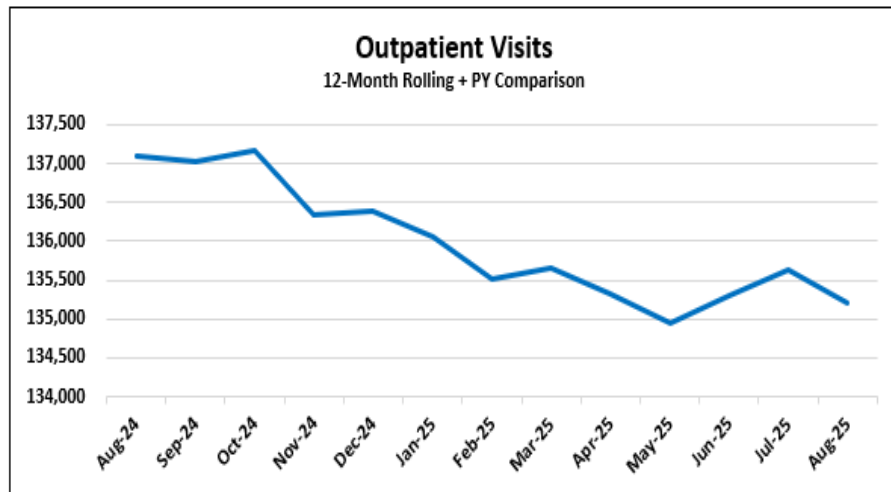
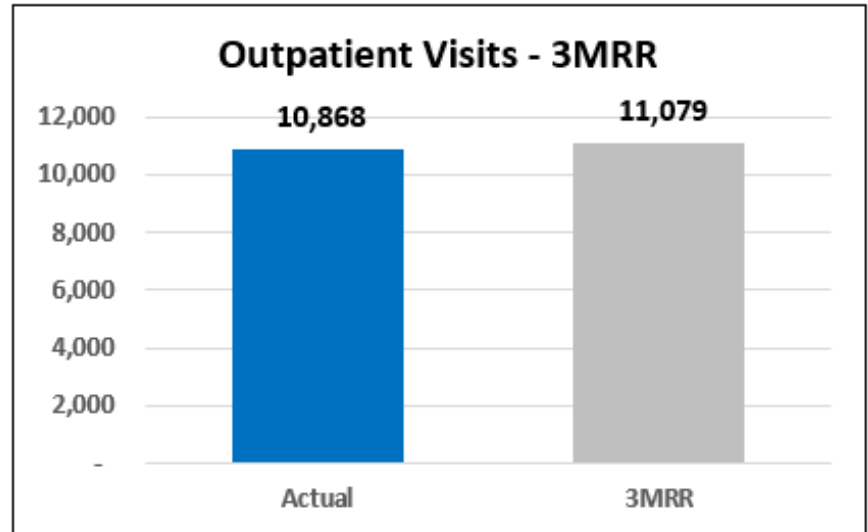
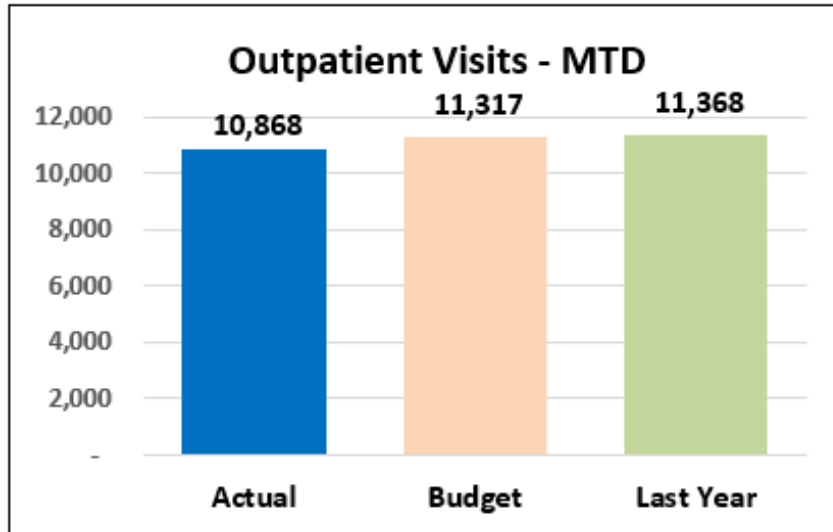
**12-Month Patient Days vs Discharges**



- Acute discharges were down vs budget by 48 and down 51 compared to the prior year.
- Acute discharges were up 33 patients when compared to the three-month run rate.
- Fewer admissions and shorter stays are driving lower patient volumes, reducing both patient days and discharges.



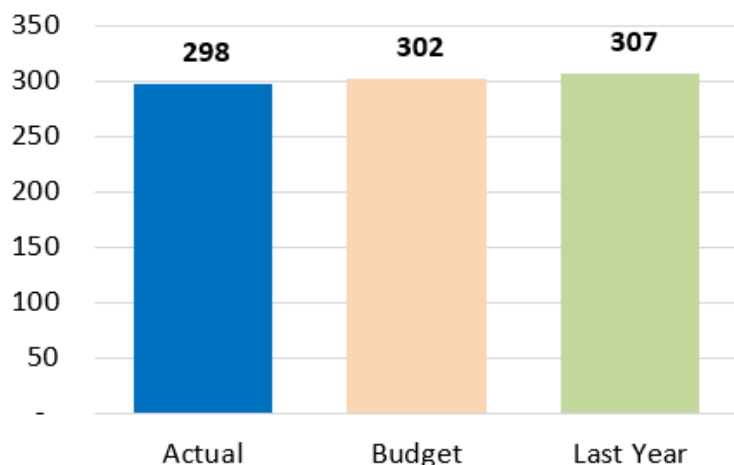
# Outpatient Visits



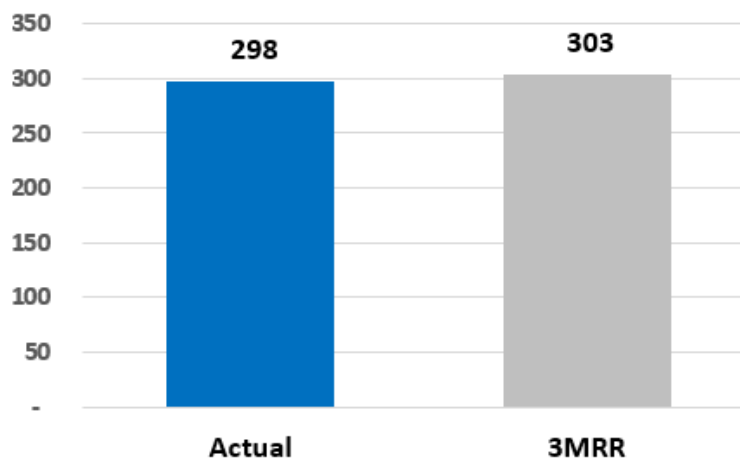
- August visits are down 449 compared to budget, and down 500 compared to prior year. Decrease to prior year primarily driven by Med Onc. 190 visits, Cardiology 105 visits, Lab 239 visits, CT 72 visits partially offset by ED 261 visits and Orthopedics 108 visits.
- Outpatient visits decreased 211 when compared to the 3-month run rate. Decrease primarily driven by Lab 249 visits, CT 55 visits and Rad Onc. 55 visits partially offset by ED 79 visits, and Mammo 50 visits.

# Operating Room

**Operating Room- MTD**

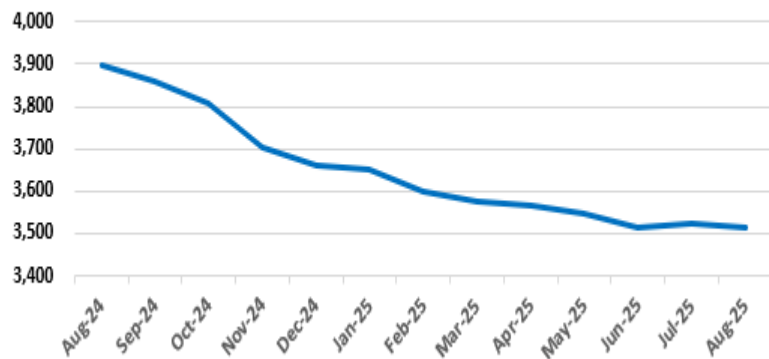


**Operating Room - 3MRR**



**Total Operating Room Cases**

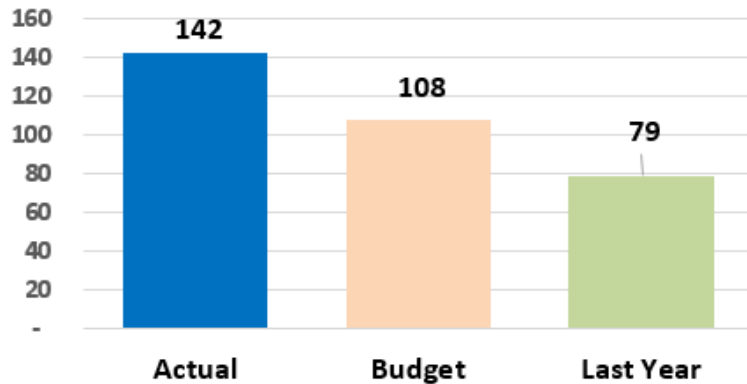
12-Month Rolling + PY Comparison



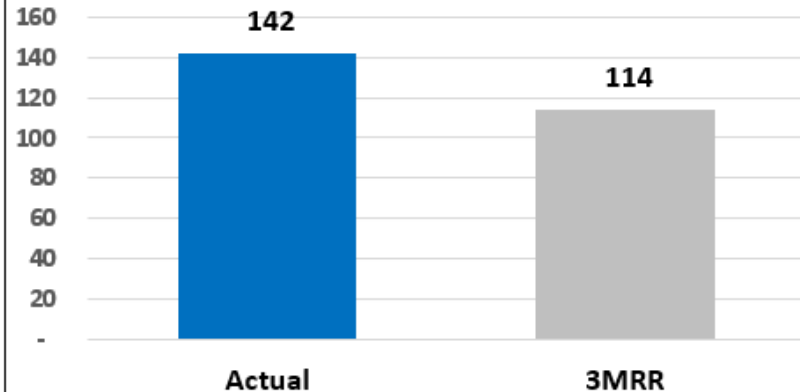
- Volume decreased by 1.3% compared to budget and 2.9% compared to the prior year. Decrease from prior year was primarily driven by 19 cases Urology and 8 cases in General surgery, partially offset by 11 cases in Gynecology.
- Volume decreased 1.7% when compared to the three-month run rate. Primary drivers are decrease 21 cases in Orthopedics partially offset by increase 6 cases in gynecology and 4 cases in podiatry.

# Cardiac Cath Lab

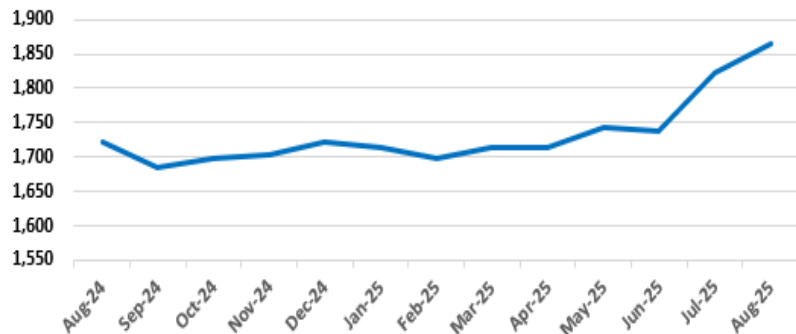
**Cardiac Cath Lab (# of patients) - MTD**



**Cardiac Cath Lab (# of patients) - 3MRR**

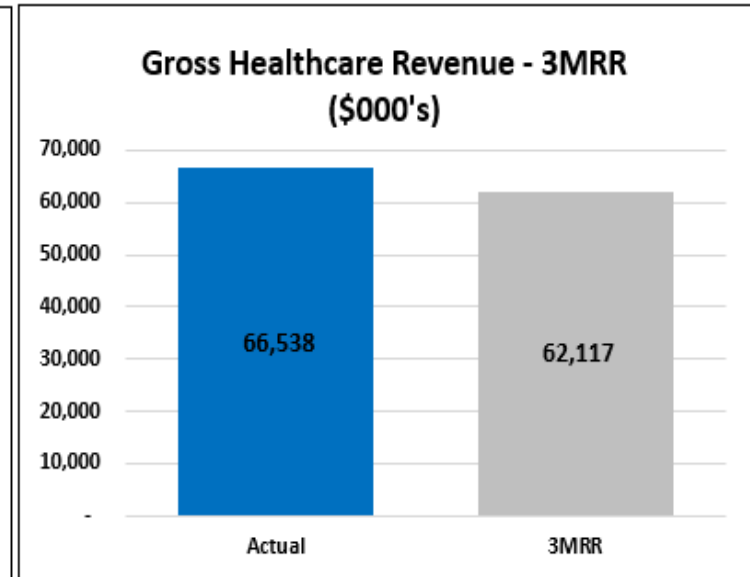
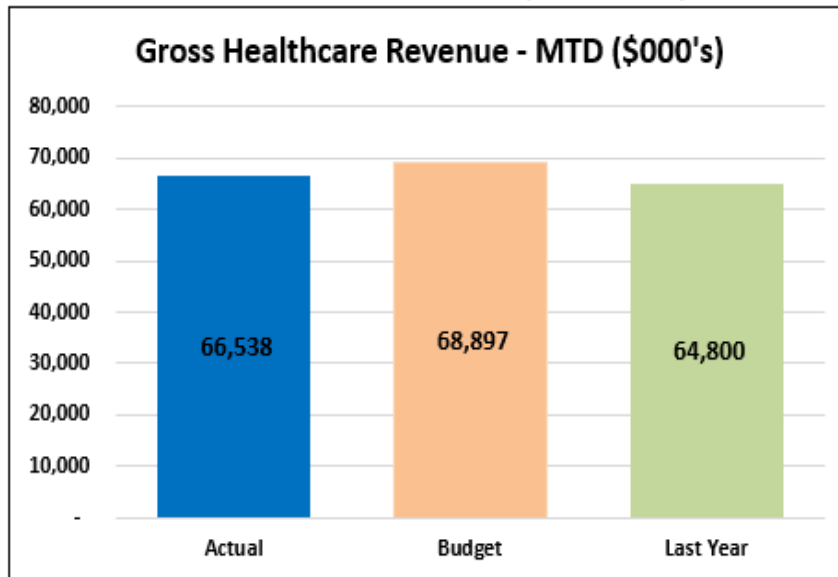


**Total CCL Procedures**  
12-Month Rolling + PY Comparison



- Compared to budget Cath cases increased 34 and vs. three-month run rate up 28 and are up 63 visits compared to the prior year.

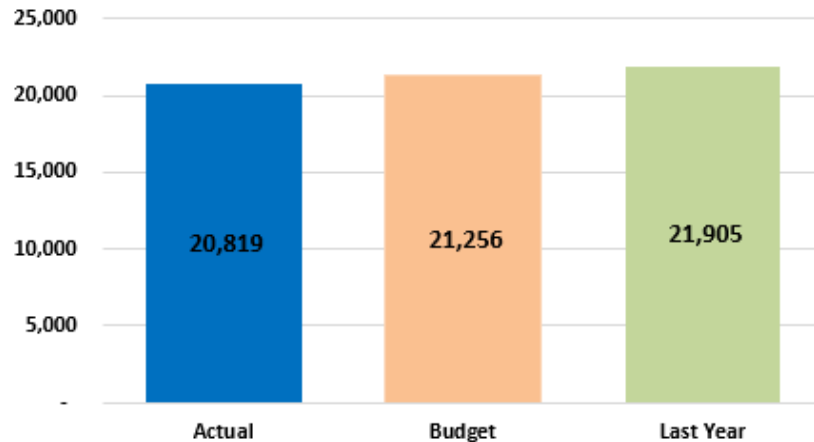
# Gross Healthcare Revenue



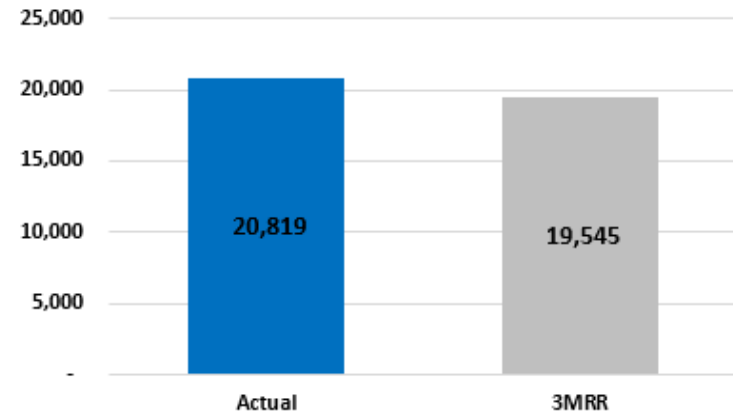
- Inpatient Gross Revenue is down 9.6% compared to budget and down 5.7% compared to the prior year. Outpatient Gross Revenue is up 0.9% compared to budget and 8.8% to prior year.
- Overall Gross Revenue is 3.4% below budget and increased 2.7% to prior year.
- Volume decrease resulted in an unfavorable impact of \$9.7M, while rate impact from payer mix provided uplift of \$7.3M, this was not sufficient to offset the volume decline resulting in a total impact of \$2.4M loss in GPR.

# Net Healthcare Revenue

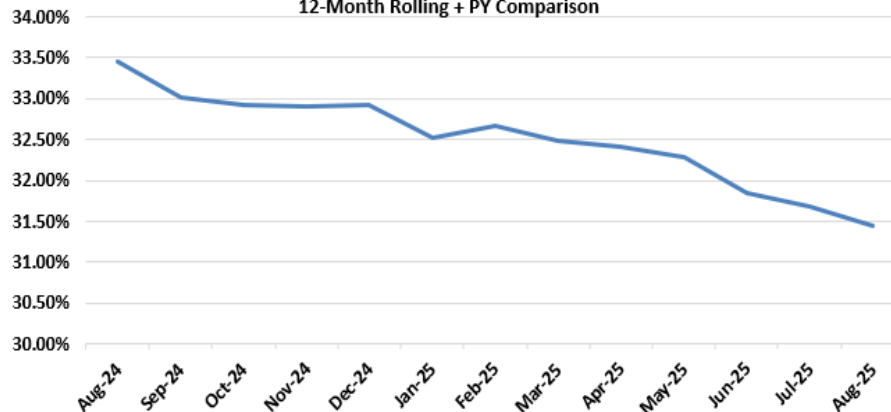
**Net Healthcare Revenue - MTD**



**Net Healthcare Revenue - 3MRR**

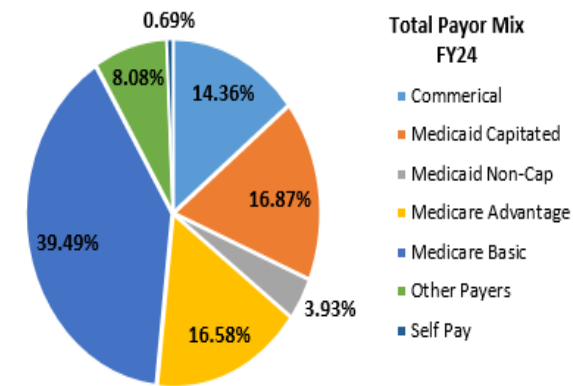
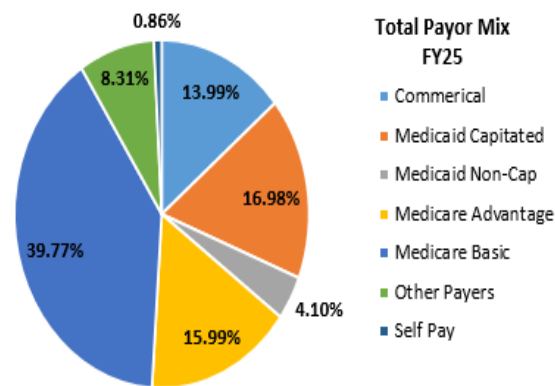
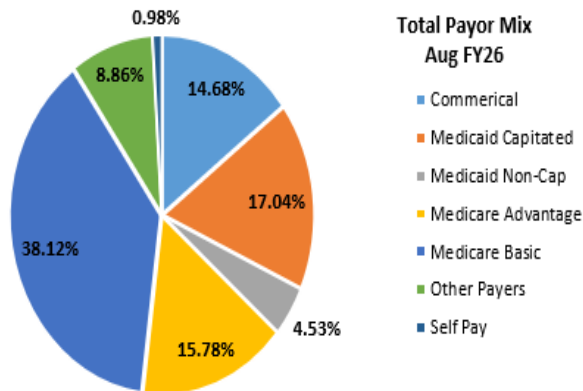


**Charges vs Payments**  
12-Month Rolling + PY Comparison



- Net Healthcare Revenues were down \$437K to budget and down \$1.1M to prior year.
- Net Revenue margin for the month improved to 32.0% vs. a budgeted 31.3% and is unfavorable to prior years' 34.1%.

# Payor Mix



- Overall, Gross Charges compared to the prior three-month run rate increased \$4.4M. Commercial volumes increased 0.15% vs 3MRR resulting in a gross charge pickup of \$737K. Total Medicaid increase of 0.82% resulting in gross charge pickup of \$728K, Total Medicare decreased 1.15%, however resulted in gross charge pickup of \$1.7M when compared to three-month run rate. Self Pay and Other Payors also resulted in increased revenue of \$532K.
- Commercial payor mix increased to 14.68% in August.
  - FY22: 16.40%
  - FY23: 15.91%
  - FY24: 14.36%
  - FY25: 13.99%.

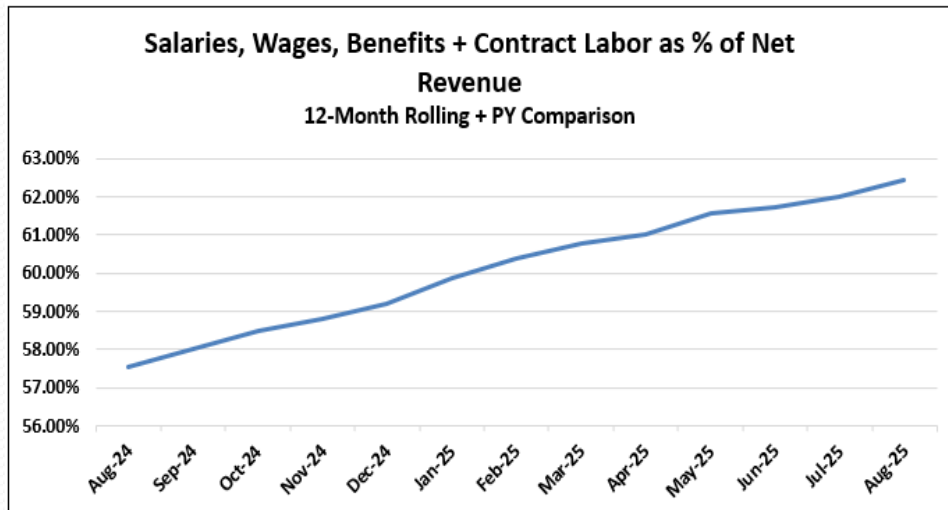
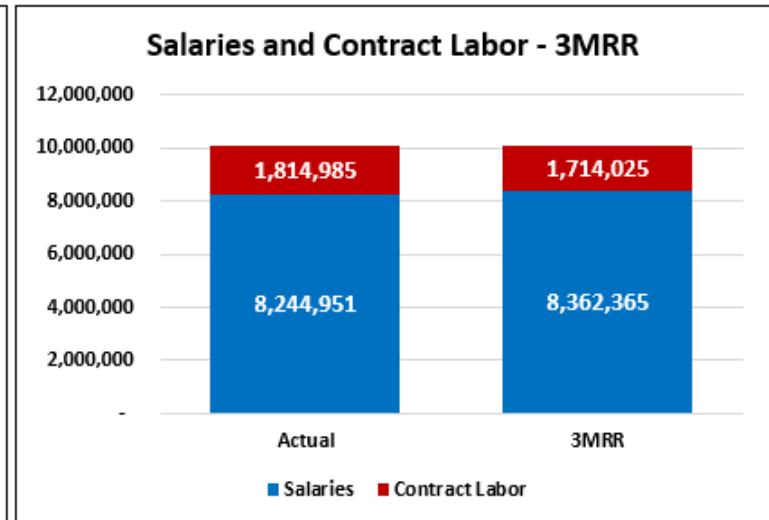
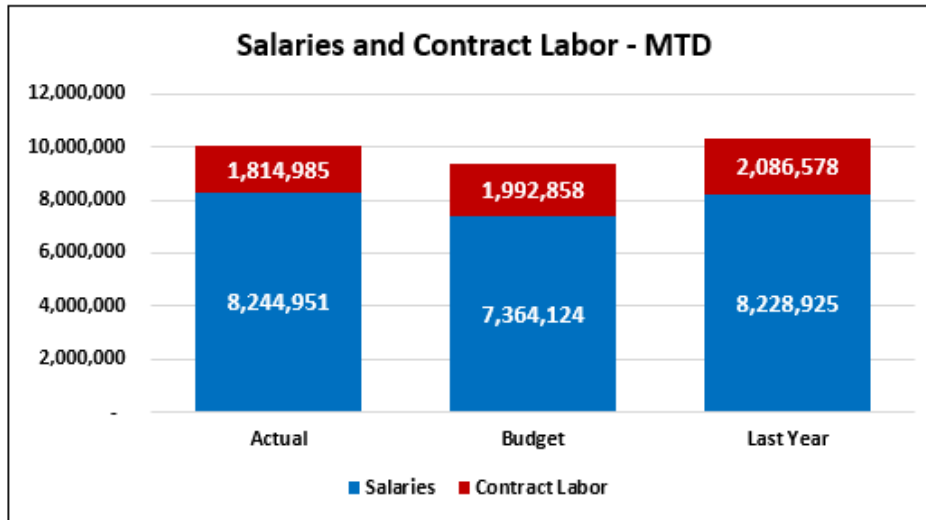
# Operating Income

Bay Area Hospital										
Consolidated Income Statement - August 2025										
in '000										
	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
<b>Gross Patient Revenue</b>	<b>66,538</b>	<b>68,897</b>	<b>(2,359)</b>	<b>64,800</b>	<b>1,739</b>	<b>133,232</b>	<b>137,795</b>	<b>(4,563)</b>	<b>125,923</b>	<b>7,309</b>
Total Deductions	45,720	47,642	1,922	42,895	(2,824)	92,123	95,283	3,160	84,252	(7,871)
<b>Net Healthcare Revenue</b>	<b>20,819</b>	<b>21,256</b>	<b>(437)</b>	<b>21,905</b>	<b>(1,086)</b>	<b>41,109</b>	<b>42,512</b>	<b>(1,403)</b>	<b>41,671</b>	<b>(562)</b>
Other Oper Revenue	469	331	138	219	249	819	662	157	464	355
<b>Total Net Revenue</b>	<b>21,287</b>	<b>21,587</b>	<b>(299)</b>	<b>22,124</b>	<b>(836)</b>	<b>41,928</b>	<b>43,173</b>	<b>(1,245)</b>	<b>42,135</b>	<b>(207)</b>
Salaries/ Wages & Benefits	11,012	9,493	(1,519)	10,387	(625)	22,293	18,896	(3,397)	20,479	(1,815)
Contract Labor	1,815	1,993	178	2,087	272	3,413	4,072	659	3,977	564
Depreciation	765	750	(14)	938	174	15,039	15,025	(14)	1,881	377
Other Expense	8,943	9,396	453	9,287	344	4,771	5,314	543	17,465	(841)
<b>Total Operating Expenses</b>	<b>22,535</b>	<b>21,633</b>	<b>(902)</b>	<b>22,699</b>	<b>164</b>	<b>45,516</b>	<b>43,308</b>	<b>(2,208)</b>	<b>43,801</b>	<b>(1,715)</b>
<b>Net Operating Income</b>	<b>(1,247)</b>	<b>(46)</b>	<b>(1,201)</b>	<b>(575)</b>	<b>(672)</b>	<b>(3,588)</b>	<b>(134)</b>	<b>(3,454)</b>	<b>(1,667)</b>	<b>(1,921)</b>
Non Operating Income/(Loss)	(64)	(284)	221	290	(353)	(253)	(569)	316	970	(1,223)
<b>Net Income</b>	<b>(1,311)</b>	<b>(330)</b>	<b>(980)</b>	<b>(285)</b>	<b>(1,026)</b>	<b>(3,841)</b>	<b>(703)</b>	<b>(3,138)</b>	<b>(697)</b>	<b>(3,144)</b>
Net To Gross	32.0%	31.3%	0.7%	34.1%	-2.1%	31.5%	31.3%	0.1%	33.5%	-2.0%
Operating EBIDTA	(483)	704	(1,187)	363	(846)	(2,084)	1,368	(3,452)	214	(2,298)
Operating EBIDTA %	-2.3%	3.3%	-5.5%	1.6%	-3.9%	-5.0%	3.2%	-8.1%	0.5%	-5.5%
EBIDTA	(263)	745	(1,008)	836	(1,099)	(1,788)	1,450	(3,238)	1,545	(3,333)
EBIDTA %	-1.2%	3.5%	-4.7%	3.8%	-5.0%	-4.3%	3.4%	-7.6%	3.7%	-7.9%

- Net Operating Income: (\$1.2M) vs (\$0.5M) budget
- Operating Margin: -5.9% vs -0.2% budget
- Net Income: (\$1.3M) vs (\$0.3M) budget
- Outpatient Revenue: \$40.8M, favorable \$0.4M to budget
- Inpatient Volume: 538 discharges, -8.2% to budget
- ALOS 3.87 vs 4.18 budget
- Supplies: \$534K favorable
- Labor Costs: \$1.5M unfavorable (Salaries + Benefits)
- Paid FTEs: 913 vs 856 budget (+6.6%)

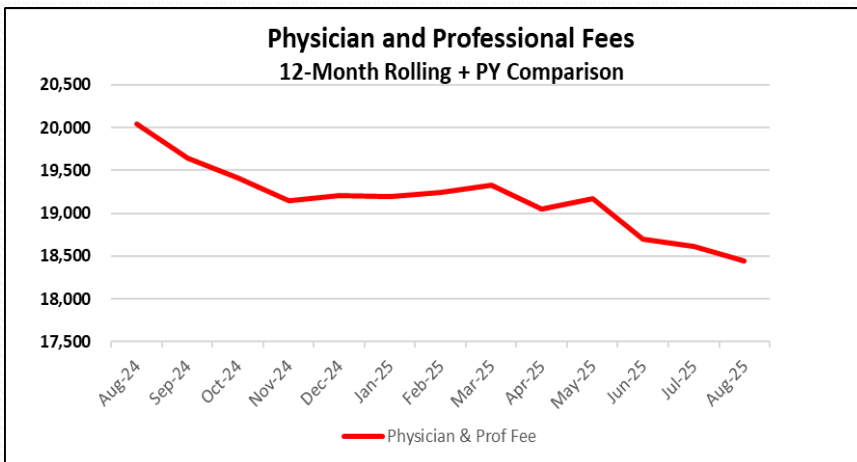
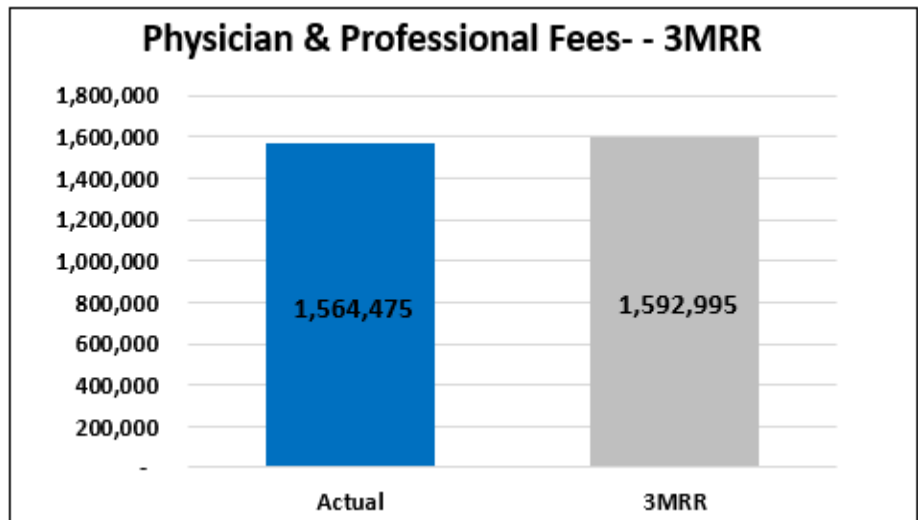
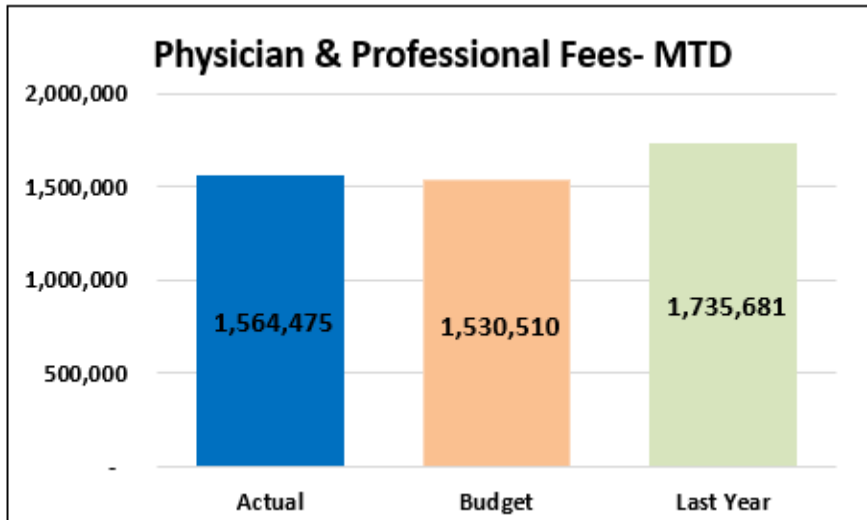


# Salary/Contract Labor



- MTD Salaries were unfavorable 12% to budget and unfavorable 0.2% to prior year; Contract Labor favorable to budget by 8.9% and favorable to prior year by 13%. Rolling 12-month SWB+C reflect an upward trend that includes hourly rate market adjustments, annual increases and severance payments.

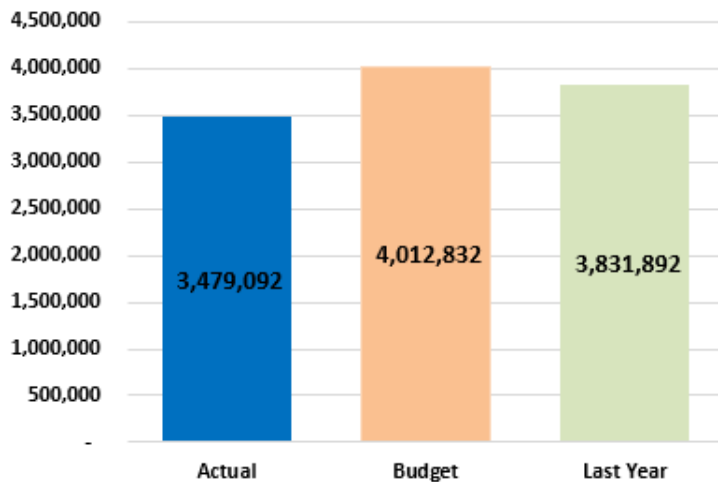
# Physician & Professional Fees



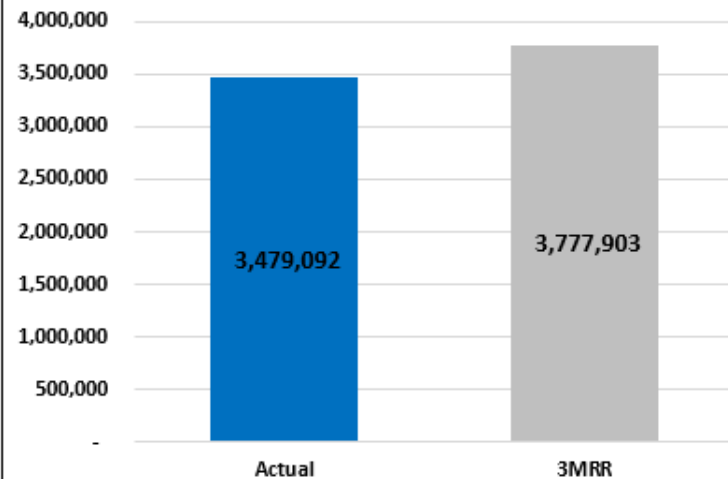
- MTD Phys & Profees are up 2.2% to budget and down 9.9% to prior year. Variance from the prior year was primarily due to a \$146K reduction in physician contract services, \$88K in legal expenses, and \$8K in education services not incurred this year. These decreases were partially offset by a \$76K increase in medical and consulting services.

# Supplies

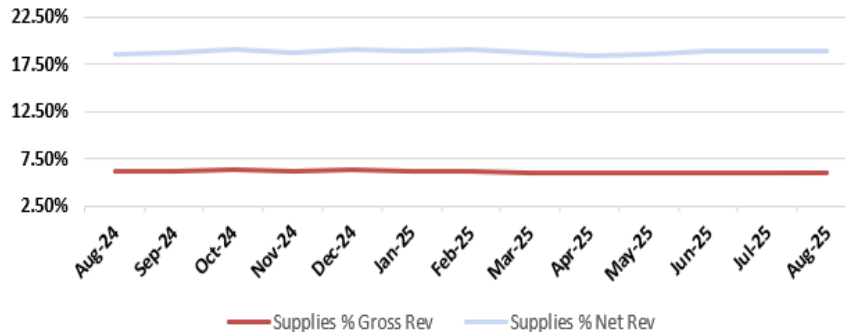
**Supplies - MTD**



**Supplies - 3MRR**



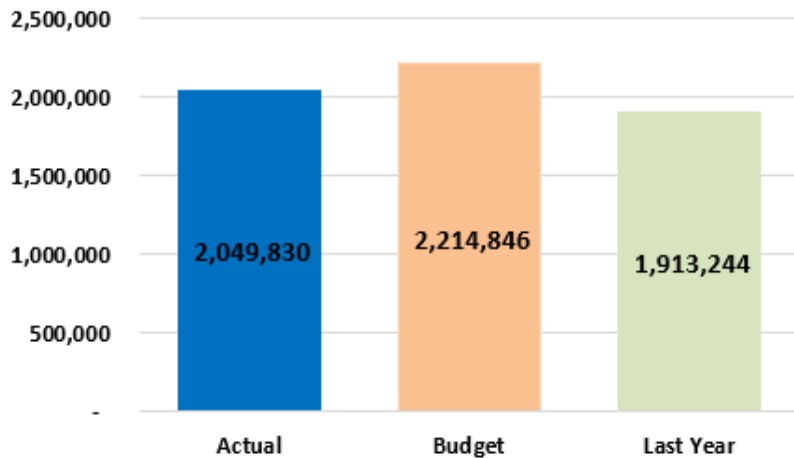
**12 Month Rolling Supply Expense as % of Gross and Net Revenue**  
12-Month Rolling + PY Comparison



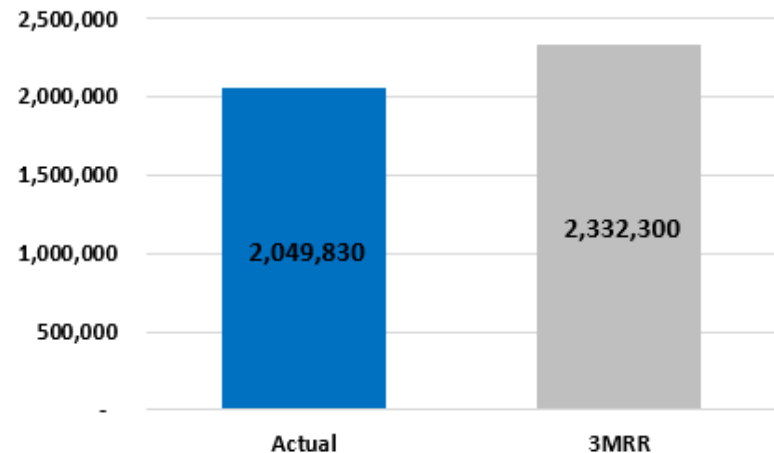
- MTD Supplies are down 13.3% to budget and down 9.2% to prior year. As a percentage of Net Revenue, supplies are down 0.6% to budget and down to prior year by .7%.
- Compared to three-month run rate, supplies are down \$299K.
- Variance from the prior year reflects decreases of \$190K in pharmaceuticals, \$125K in medical supplies, \$63K in robotic supplies, and \$50K in general supplies, partially offset by increases of \$61K in vascular implants and \$42K in lab supplies.

# Purchased Services

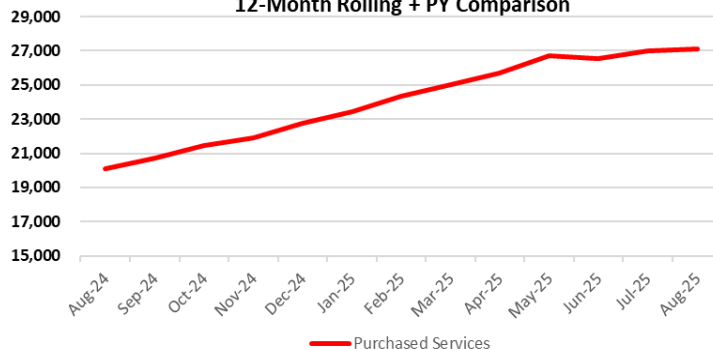
**Purchased Services - MTD**



**Purchased Services- 3MRR**

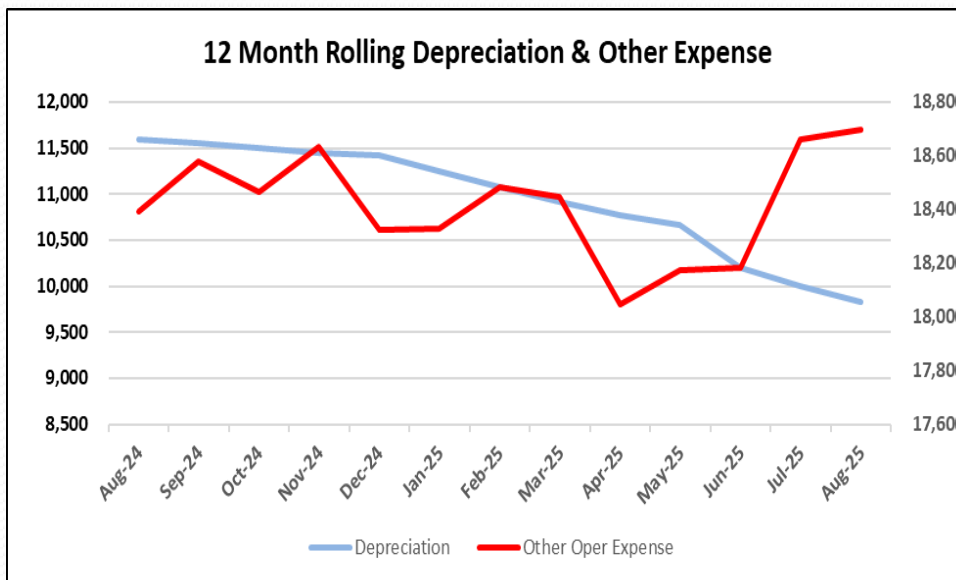
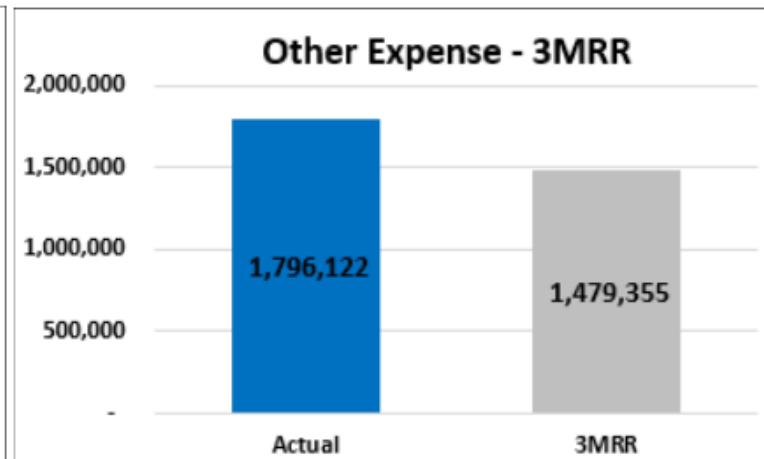
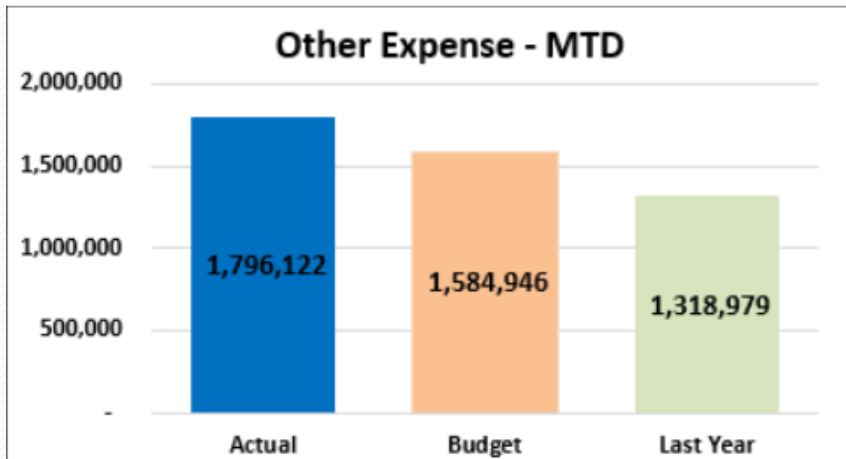


**Purchased Services  
12-Month Rolling + PY Comparison**



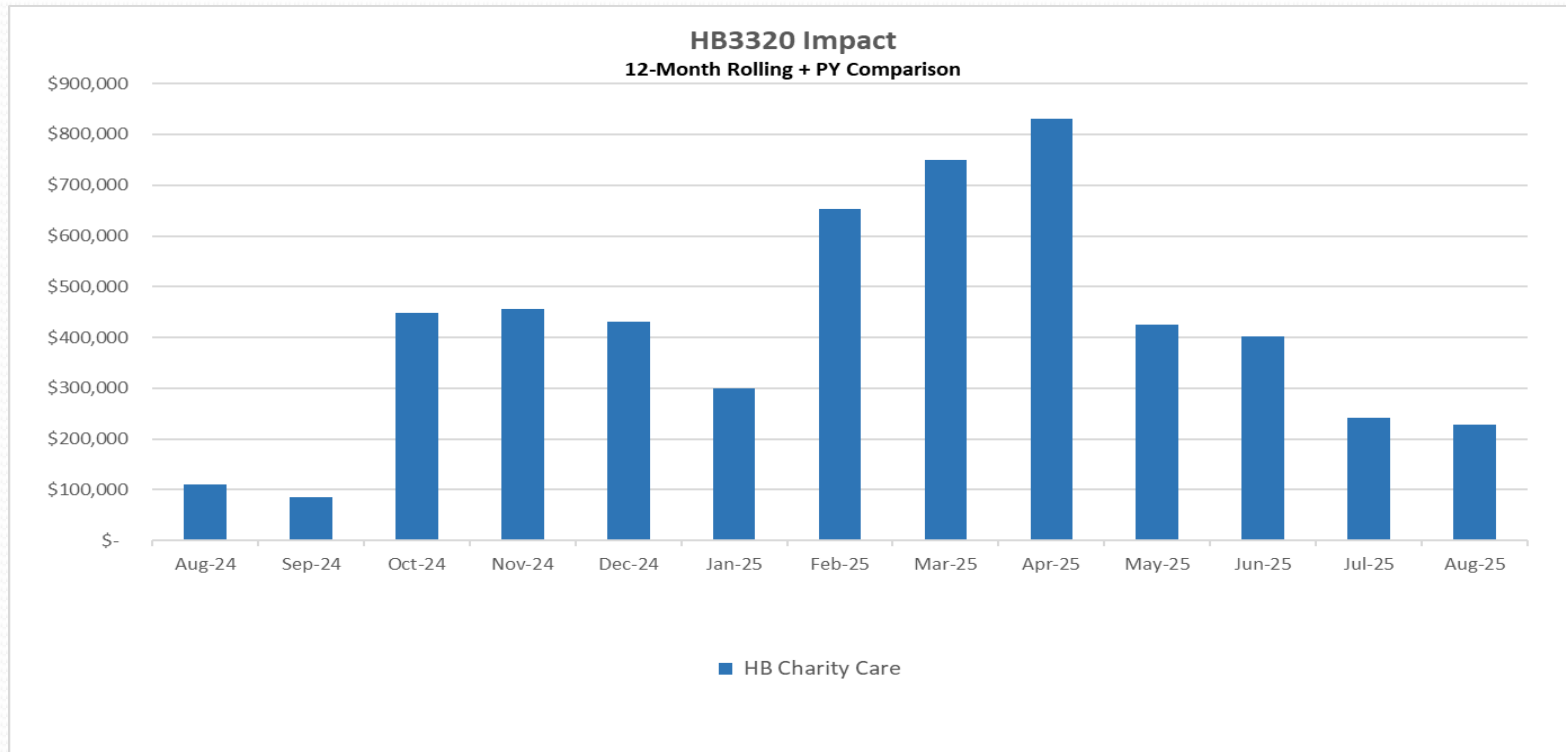
- MTD Purchased services are down 7.5% to budget and up 7.1% to prior year. Variance from the prior year was mainly driven by a \$77K increase in software licensing and subscriptions (including a \$30K prior-year credit not repeated in the current year), along with increases of \$24K in recruitment and \$21K in management services.

# Other Operating Expense



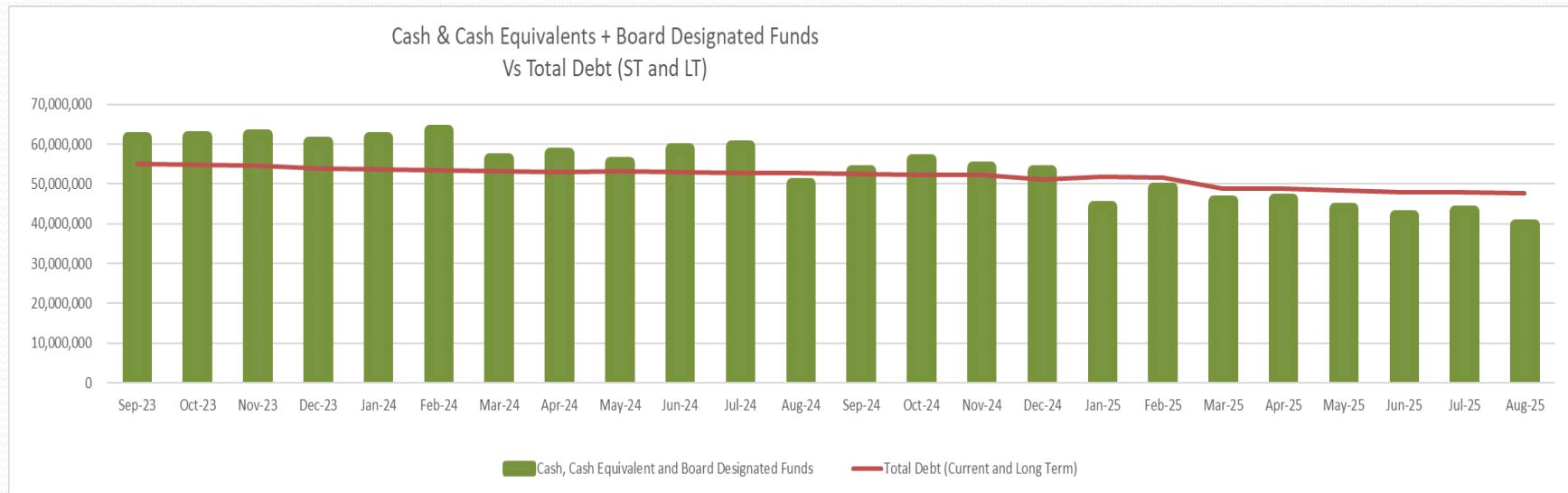
- Other Operating Expenses increased compared to budget \$207K, prior year \$36K and three-month run rate \$168K, Increase to budget and prior year primarily driven by Provider Tax increase of 1.48% a \$272K impact.

# Presumptive Charity (HB3320)



- August reflected a decrease of 36.03% over the previous 3 month run rate.
- Estimated FY26 annual impact of \$2.8M. We anticipate a \$2.2M decrease compared to the prior year because of changes in the qualification process. This change included hiring a dedicated employee to conduct eligibility screenings.

# Cash/Investments and Total Debt

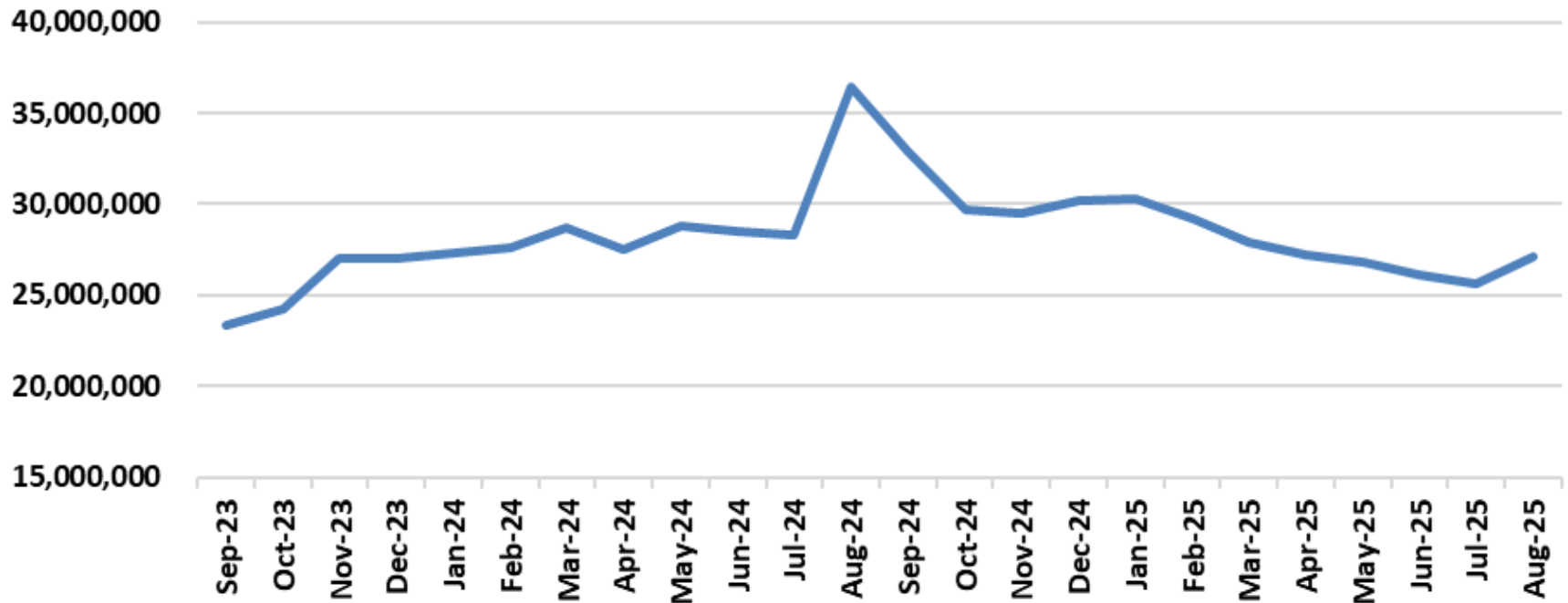


- Total cash & cash equivalent + board designated funds (BDF) was \$39.6M a \$10.5M decrease from prior year and \$3.3M to 3 month run rate. Total outstanding debt is \$47.6 million, consisting of a \$45 million bank loan and the remainder in capitalized leases and subscription liabilities.
- Current Ratio is 2.52
- Debt to Capitalization is 44.3%, up 6.85% to prior year.
- Days Cash on Hand is 56 days.



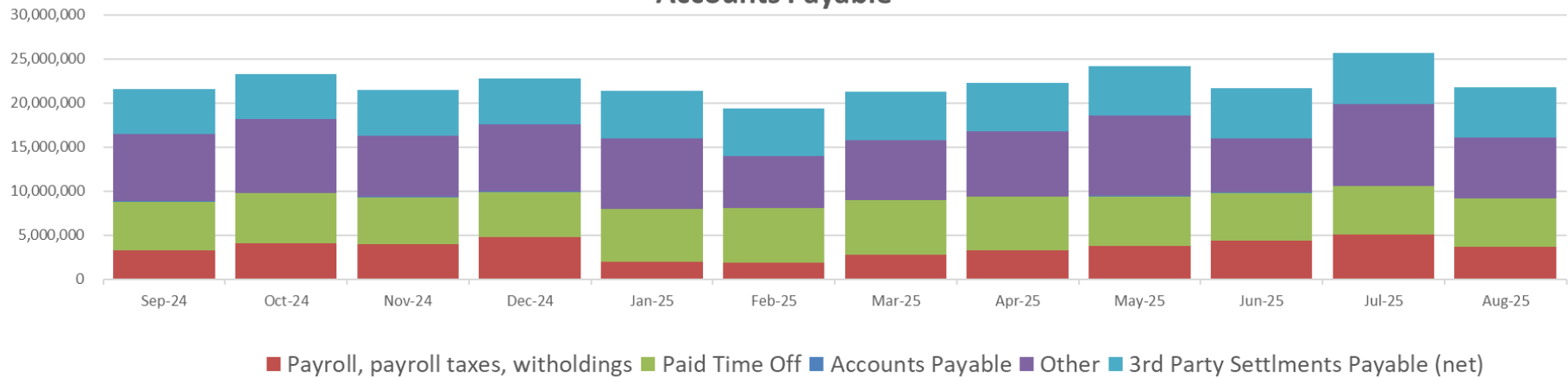
# Accounts Receivable

**Accounts Receivable - Net  
24-Month Rolling**



# Current Liabilities

## Accounts Payable



- August liabilities \$28M
- Decrease of \$4M to 3 month run rate.
  - \$1.6M Accounts Payable — vendor payments timed earlier
  - \$1.3M Other — lower accruals & true-ups
  - \$705K Payroll/PTO — reduced contract labor & PTO payout

Bay Area Hospital KPI Review	Industry Bench- marks	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	FY23 YTD Actual	FY24 YTD Actual	FY25 YTD Actual	FY26 YTD Actual
Charges		54,836,698	66,044,235	61,917,714	63,895,481	59,133,918	61,786,391	67,788,622	59,771,605	57,721,008	64,488,206	58,793,523	59,124,181	66,693,128	66,538,480	577,661,143	702,923,452	735,301,582	133,231,608
Net Pt Revenue		19,766,355	21,904,658	18,763,688	20,295,027	18,039,746	20,399,980	20,989,450	19,888,773	18,923,187	19,625,247	19,316,068	17,827,296	20,289,947	20,818,938	205,462,867	239,746,746	235,739,474	41,108,885
Provider Tax		973,155	1,290,758	1,279,014	947,664	971,049	1,057,276	1,132,520	1,068,188	1,015,076	1,050,610	1,023,998	909,741	1,339,781	1,374,703	10,898,689	13,038,230	12,719,048	2,714,484
Net Pt Rev less Provider Tax		18,793,199	20,613,901	17,484,674	19,347,363	17,068,697	19,342,704	19,856,930	18,820,584	17,908,111	18,574,637	18,292,070	16,917,555	18,950,166	19,444,234	194,564,178	226,708,516	223,020,425	38,394,401
Cash Collected		19,045,868	12,133,965	21,725,026	22,136,352	17,173,989	18,196,526	19,558,139	20,317,077	18,923,889	19,207,028	18,391,833	16,396,706	19,198,685	17,702,576	196,654,713	215,172,426	223,206,398	36,901,261
Net to Gross		36.0%	33.2%	30.3%	31.8%	30.5%	33.0%	31.0%	33.3%	32.8%	30.4%	32.9%	30.2%	30.4%	31.3%	35.57%	34.1%	32.1%	30.9%
Net to Gross w/o provider tax		34.27%	31.21%	28.24%	30.28%	28.86%	31.31%	29.29%	31.49%	31.03%	28.80%	31.11%	28.61%	28.41%	29.22%	33.68%	32.25%	30.33%	28.82%
Net Collections	86-100%	101.3%	58.9%	124.3%	114.4%	100.6%	94.1%	98.5%	108.0%	105.7%	103.4%	100.5%	96.9%	101.3%	91.0%	101.07%	94.9%	100.1%	96.1%
Net Collections-90day	95-98%	101.3%	61.6%	114.6%	116.1%	92.2%	99.4%	103.5%	431.8%	206.1%	138.9%	100.0%	91.5%	105.6%	96.2%	101.07%	94.9%	100.1%	96.1%
AR Balance		67,916,303	76,537,629	71,204,669	63,798,702	65,758,125	56,722,188	58,825,934	54,988,057	51,143,332	50,562,733	47,517,632	50,927,142	49,970,120	50,529,029	58,337,069	64,535,044	50,927,142	50,529,029
Epic AR 90days+		17,031,533	18,083,460	17,734,192	17,726,614	18,911,134	16,139,457	16,609,827	14,693,461	14,643,773	14,448,870	13,289,320	12,750,993	12,383,774	12,092,356	12,226,248	15,191,837	12,750,993	12,092,356
% AR 90+Days	15-30%	25.1%	23.6%	24.9%	27.8%	28.8%	28.5%	28.2%	26.7%	28.6%	28.6%	28.0%	25.0%	24.8%	23.9%	21.0%	23.5%	25.0%	23.9%
HB DNFB Days	3.00	17.30	12.10	9.50	7.90	8.60	9.30	7.70	7.20	5.80	4.90	6.00	6.90	6.30	7.30	7.2	7.90	6.90	7.30
EB AR Days	30-60	36.60	39.80	36.00	30.60	32.40	28.30	28.60	26.30	24.80	24.40	24.00	25.40	24.90	24.20	34.9	33.10	25.40	24.20
Pre-Service Cash Collection	5-35%	5.7%	3.0%	3.0%	4.2%	4.8%	4.1%	12.0%	8.2%	9.8%	6.4%	6.9%	7.5%	10.8%	12.8%	6.3%	13.7%	7.5%	12.8%
Registration Collection		50,746	24,464	35,794	28,792	50,452	31,910	73,361	63,015	84,168	54,119	47,184	93,894	102,992	100,923	63,655	1,209,828	637,899	203,915
HB Clean Claims	90-95%	83.0%	82.0%	79.0%	78.0%	79.0%	78.0%	78.0%	77.0%	76.0%	76.0%	74.0%	75.0%	74.0%	77.0%	75.8%	79.3%	75.00%	77.00%
PB Clean Claim	90-95%	30.0%	34.0%	25.0%	19.0%	22.0%	16.0%	21.0%	23.0%	22.0%	22.0%	23.0%	25.0%	23.0%	26.0%	37.7%	22.7%	25.00%	26.00%
HB Overall Denial	5-10%	9.4%	8.0%	8.3%	8.0%	9.1%	9.1%	10.3%	12.5%	12.7%	10.0%	10.1%	9.7%	9.7%	9.4%	12.0%	10.3%	9.70%	9.40%
PB Overall Denial	5-10%	5.5%	9.4%	8.1%	7.2%	10.1%	9.4%	8.3%	12.3%	11.2%	11.9%	11.2%	21.8%	58.6%	8.3%	11.4%	8.3%	21.80%	8.30%
HB Charges on time	98%	97.0%	93.0%	92.0%	96.0%	95.0%	94.0%	93.0%	95.0%	95.0%	95.0%	96.0%	95.0%	95.0%	94.0%	95.6%	96.5%	94.7%	94.5%
Cash Aging Buckets (age of account when cash was collected)-Does not include CCO capitated payments																			
<90		16,328,660	10,615,900	20,739,977	20,196,650	15,901,525	15,822,607	17,838,505	17,586,251	17,136,418	16,883,270	17,772,025	15,696,373	16,650,446	16,593,112	151,866,499	194,849,733	202,518,162	33,243,558
90-119		687,397	556,433	512,846	682,921	569,463	674,098	376,731	993,332	428,539	709,228	417,126	336,289	598,753	630,621	5,921,231	5,832,541	6,944,405	1,229,374
120-179		484,789	639,348	748,177	896,315	388,404	608,446	705,681	810,631	693,691	463,475	342,908	427,030	750,759	275,878	6,324,303	5,534,260	7,208,894	1,026,637
180-269		111,701	13,351	444,651	696,867	125,408	325,095	277,696	1,018,518	165,721	159,280	192,816	120,766	263,476	131,488	5,545,254	3,176,123	3,651,867	394,964
270-364		138,940	31,028	59,619	205,286	132,114	198,282	131,769	261,688	288,983	78,963	175,738	52,225	47,010	68,774	2,648,997	1,478,021	1,754,635	115,784
365+		(10,563)	104,126	120,340	93,521	57,596	155,620	93,849	215,402	(99,033)	7,315	362,384	300,234	185,534	187,719	3,487,385	1,802,563	1,400,791	373,254
% of Cash Collected by Account Age Bucket																			
<90		92.04%	88.76%	91.67%	88.69%	92.59%	88.97%	91.84%	84.20%	92.06%	92.25%	92.26%	92.70%	90.02%	92.76%	86.39%	91.62%	90.62%	91.37%
90-119		3.87%	4.65%	2.27%	3.00%	3.32%	3.79%	1.94%	4.76%	2.30%	3.88%	2.17%	1.99%	3.24%	3.53%	3.37%	2.74%	3.11%	3.38%
120-179		2.73%	5.35%	3.31%	3.94%	2.26%	3.42%	3.63%	3.88%	3.73%	2.53%	1.78%	2.52%	4.06%	1.54%	3.60%	2.60%	3.23%	2.82%
180-269		0.63%	0.11%	1.97%	3.06%	0.73%	1.83%	1.43%	4.88%	0.89%	0.87%	1.00%	0.71%	1.42%	0.74%	3.15%	1.49%	1.63%	1.09%
270-364		0.78%	0.26%	0.26%	0.90%	0.77%	1.11%	0.68%	1.25%	1.55%	0.43%	0.91%	0.31%	0.25%	0.38%	1.51%	0.69%	0.79%	0.32%
365+		-0.06%	0.87%	0.53%	0.41%	0.34%	0.88%	0.48%	1.03%	-0.53%	0.04%	1.88%	1.77%	1.00%	1.05%	1.98%	0.85%	0.63%	1.03%



Month End Financial and Operational Narrative  
For month ending August 31, 2025

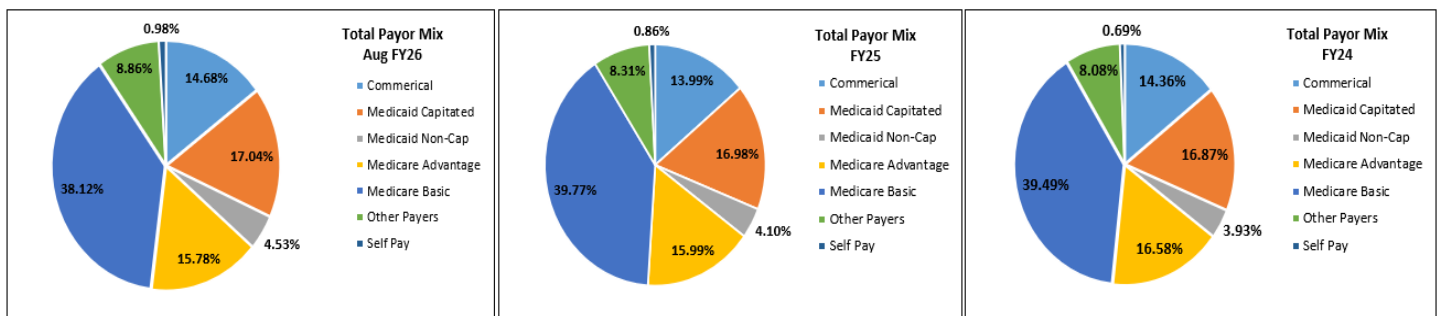
## Executive Summary

August 2025 performance highlighted both favorable and unfavorable trends. Patient revenue came in below budget due to lower-than-budgeted volumes, though rate improvements helped partially offset the decline. Operating expenses tracked closely to budget, with cost containment initiatives helping to mitigate volume-driven revenue pressures. Overall, BAH realized an unfavorable variance in margin -5.9% compared to budget 0.2%, with an overall Net Income loss of \$1.3M. Compared to 3-Month Run Rate (3MRR), Net Revenue and Net Income have improved \$1.7M.

Bay Area Hospital Consolidated Income Statement - August 2025 in '000										
	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
<b>Gross Patient Revenue</b>	<b>66,538</b>	<b>68,897</b>	<b>(2,359)</b>	<b>64,800</b>	<b>1,739</b>	<b>133,232</b>	<b>137,795</b>	<b>(4,563)</b>	<b>125,923</b>	<b>7,309</b>
Total Deductions	45,720	47,642	1,922	42,895	(2,824)	92,123	95,283	3,160	84,252	(7,871)
<b>Net Healthcare Revenue</b>	<b>20,819</b>	<b>21,256</b>	<b>(437)</b>	<b>21,905</b>	<b>(1,086)</b>	<b>41,109</b>	<b>42,512</b>	<b>(1,403)</b>	<b>41,671</b>	<b>(562)</b>
Other Oper Revenue	469	331	138	219	249	819	662	157	464	355
<b>Total Net Revenue</b>	<b>21,287</b>	<b>21,587</b>	<b>(299)</b>	<b>22,124</b>	<b>(836)</b>	<b>41,928</b>	<b>43,173</b>	<b>(1,245)</b>	<b>42,135</b>	<b>(207)</b>
Salaries/ Wages & Benefits	11,012	9,493	(1,519)	10,387	(625)	22,293	18,896	(3,397)	20,479	(1,815)
Contract Labor	1,815	1,993	178	2,087	272	3,413	4,072	659	3,977	564
Depreciation	765	750	(14)	938	174	15,039	15,025	(14)	1,881	377
Other Expense	8,943	9,396	453	9,287	344	4,771	5,314	543	17,465	(841)
<b>Total Operating Expenses</b>	<b>22,535</b>	<b>21,633</b>	<b>(902)</b>	<b>22,699</b>	<b>164</b>	<b>45,516</b>	<b>43,308</b>	<b>(2,208)</b>	<b>43,801</b>	<b>(1,715)</b>
<b>Net Operating Income</b>	<b>(1,247)</b>	<b>(46)</b>	<b>(1,201)</b>	<b>(575)</b>	<b>(672)</b>	<b>(3,588)</b>	<b>(134)</b>	<b>(3,454)</b>	<b>(1,667)</b>	<b>(1,921)</b>
Non Operating Income/(Loss)	(64)	(284)	221	290	(353)	(253)	(569)	316	970	(1,223)
<b>Net Income</b>	<b>(1,311)</b>	<b>(330)</b>	<b>(980)</b>	<b>(285)</b>	<b>(1,026)</b>	<b>(3,841)</b>	<b>(703)</b>	<b>(3,138)</b>	<b>(697)</b>	<b>(3,144)</b>
Net To Gross	32.0%	31.3%	0.7%	34.1%	-2.1%	31.5%	31.3%	0.1%	33.5%	-2.0%
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Operating EBIDTA %	-2.3%	3.3%	-5.5%	1.6%	-3.9%	-5.0%	3.2%	-8.1%	0.5%	-5.5%
EBIDTA	(263)	745	(1,008)	836	(1,099)	(1,788)	1,450	(3,238)	1,545	(3,333)
EBIDTA %	-1.2%	3.5%	-4.7%	3.8%	-5.0%	-4.3%	3.4%	-7.6%	3.7%	-7.9%

## Patient Revenue

August gross patient revenue totaled \$66.5M coming in below budget \$68.9M, primarily due to volume decline in Pharmacy, Med/Surg Units and Radiation Therapy versus budgeted levels, reflecting an impact of \$9.7M reduced gross charges. While rate impact from payer mix provided uplift of \$7.3M, this was not sufficient to offset the volume decline resulting in a total impact of \$2.4M loss in Gross Patient Revenue. Compared to the 3MRR basis, August is showing a pickup in overall patient revenue of \$4.4M primarily driven by the July rate increase.



## Operating Expenses

Operating expenses remained largely consistent with budget with an overall unfavorable variance of 4.2% and compared to prior year, delivered an improvement of \$164K. Salaries and wages are up 12% to budget primarily driven by total FTE increase of 5.7% along with a one-time severance expense. Contract labor usage was limited, reflecting a favorable



Month End Financial and Operational Narrative  
For month ending August 31, 2025

variance of \$178K. Benefits expense unfavorable to budget 30% driven by unbudgeted payment for a stop-loss claim. The reimbursement accrual was recorded conservatively and may still result in a favorable pickup in a future month. Supply expense aligned with lower case volumes, while purchased services and other discretionary costs were managed tightly.

### Staffing & FTEs

In August, total hours including contract labor were 161,203, which was unfavorable to budget 151,188. This translated to 913 FTEs, compared to a budget of 856. August adjusted patient days (APD) were 5,108, below the budget of 6,217, driving a \$464 unfavorable variance per APD, a total impact of \$470K. While the additional staffing ensured adequate patient coverage, the mismatch between labor utilization and APD highlights the need for stronger productivity alignment and workforce management.

### Volumes

STAT	Aug-24	3MRR	Aug-25	VAR to PY	VAR to 3MRR
Total Acute Patient Days	2522	1986	1974	-548	-12
Average Daily Census (Acute + Obs.)	86	67	67	-19	0
Total Admissions - Acute IP	554	495	541	-13	46
Total Admissions - Newborn	35	44	63	28	19
Total Admissions	589	538	604	15	66
Total Discharges - Acute IP	589	503	538	-51	35
Total Discharges - Newborn	42	44	61	19	17
Total Discharges	631	548	599	-32	51
Adjusted Patient Days	5991	5254	5108	-883	-146
ED Visits - IP Admits	461	388	404	-57	16
ED Visits - OP Visits	2092	2136	2213	121	77
Total ED Visits	2553	2524	2617	64	93
Surgery Cases - IP Surgeries	110	101	93	-17	-8
Surgery Cases - OP Surgeries	197	202	205	8	3
Total Surgery Cases	307	303	298	-9	-5
Cath Lab Cases (per EPIC)	117	114	142	25	28
Endo Procedures	39	41	40	1	-1
Med/Surg CMI - Overall	1.6302	1.5686	1.5549	-0.0753	-0.0137

### Balance Sheet & Cash Flow

- Cash and Cash Equivalents were \$7M at the end of August and assets limited to use were \$32.6M for an overall cash balance of \$40M. Overall cash and investments decreased \$3.8M to prior month.
- Account Receivable (net) increased \$1.5M from prior month to close at \$27M for August.
- Current liabilities decreased \$5.4M compared to prior month and \$3.7M compared to three-month run rate.
- The Current Ratio is 2.52 and Debt to Capitalization is 44.3%.

# Finance Committee

## REVENUE CYCLE

SEPTEMBER 2025

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### Financial Performance

August's insurance cash collections reached 90.4% of target (\$17.7M vs. \$19.5M)

- **Moderately lower insurance volume:** Gross charges decreased \$3M, or 4%, vs prior month, while volume remained relatively unchanged at 23K discharges/encounters (slight decrease in outpatient volume)
- **Nominally lower claim volume:** down 1% from July; however, 3.6% higher versus historical YTD average (\$89.4M vs. \$86.2M YTD average)
- **Days in AR improved:** 24.2 days vs. 24.9 days prior month

### Operational Highlights

#### Patient Financial Clearance

**Insurance Verification Rate:** 96% (above 95% target), maintaining consistent performance, supporting accurate net revenue and patient financial experience.

**Authorization Rate:** Remains high at 90% (YTD range 91–92%). Opportunities for improvement in Oncology (41.9%) and Internal Med (86%, and improved from 84% prior month). Sleep Center improved to 100% and Orthopedic improved to 96%. High insurance authorization rates decrease the risk of denials and increase cash flow.

**Low Primary Denial Rate for Authorization:** 0.50% in August (Epic top quartile: 0.50%; median: 0.61%), protecting cash flow.

#### Pre-Bill Performance and Coding

**Charge Lag Days:** Maintaining a 90-day upward trend away from 3-day target (12.3 days). This is the average length of time between the service and charge posting. Low lag days help reduce AR days and increase cash flow.

**Discharged Not Final Billed (DNFB):** Increased to 7.3 days from 6.4 days prior month. Collaborative work with departments to resolve missing documentation and support for charge input.

## Accounts Receivable

**Receivable Aging:** Aged hospital (HB) receivables decreased by 2.4% (\$232K). Aged physician (PB) receivables increased 7.5% (\$31K); however, the proportion of aged physician receivables over 90 days decreased to 13.6%.

Medicare, Blue Cross, and United for hospital receivables and Medicare, Veterans Administration, and Advanced Health for physician receivables are payors comprising the highest volume of aged receivables.

### **Denial Rates:**

- *Hospital:* 9.4% (target: 6.2%; Epic top quartile: 9.4%), \$6.3M in denials (↓21% vs. July and 6-month average). Decreases driven by Non-Covered Charges, Bundled, Miscellaneous, Authorization, and Requests for Additional Information. Healthnet MA, Medicare, Blue Cross, United, and Advanced Health represent 60% of denials.
- *Physician:* recovered from the prior month spike to 8.3% (very near 12-month low) (↓66% vs. July; ↓44% vs. 6-month average).

## Clinical Documentation Integrity

Strong physician query response and physician agreement rates (both 92%) support accurate DRG assignment and revenue. Nominal decrease from prior month (94%); however, both exceeding goal of 90%.

## **September Focus**

Focused execution to help resolve coding deferrals driven by missing documentation to reduce physician billing pre-AR days.

Accelerate Clinical & Technical Appeals to address denial volume.

Continued execution of Epic payor contract builds to recover underpayments.

Improve Oncology authorization rate through education and process adoption.

Reverse unfavorable charge lag trend.



Bay Area Hospital

Consolidated Income Statement - August 2025

	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	25,712,601	28,449,190	(2,736,589)	-9.6%	27,276,721	(1,564,120)	-5.7%	50,780,513	56,898,380	(6,117,867)	-10.8%	52,630,110	(1,849,597)	-3.5%
Outpatient Revenue	40,825,879	40,448,239	377,640	0.9%	37,523,031	3,302,849	8.8%	82,451,096	80,896,479	1,554,617	1.9%	73,292,455	9,158,641	12.5%
Total Gross Patient Revenue	66,538,480	68,897,429	(2,358,949)	-3.4%	64,799,752	1,738,728	2.7%	133,231,608	137,794,859	(4,563,250)	-3.3%	125,922,564	7,309,044	5.8%
Deductions	45,256,463	46,678,628	1,422,165	3.0%	42,283,339	(2,973,125)	-7.0%	91,089,715	93,357,257	2,267,542	2.4%	82,517,000	(8,572,715)	-10.4%
Bad Debt	390,753	217,845	(172,908)	-79.4%	(10,576)	(401,329)	3794.7%	545,604	435,689	(109,915)	-25.2%	852,703	307,099	36.0%
Charity	72,326	745,066	672,740	90.3%	622,331	550,005	88.4%	487,405	1,490,134	1,002,729	67.3%	881,849	394,444	44.7%
Total Deductions	45,719,543	47,641,539	1,921,997	4.0%	42,895,094	(2,824,449)	-6.6%	92,122,724	95,283,080	3,160,356	3.3%	84,251,551	(7,871,172)	-9.3%
Net Healthcare Revenue	20,818,938	21,255,890	(436,952)	-2.1%	21,904,658	(1,085,721)	-5.0%	41,108,885	42,511,779	(1,402,894)	-3.3%	41,671,013	(562,128)	-1.3%
Other Oper Revenue	468,529	330,756	137,773	41.7%	219,268	249,261	113.7%	818,953	661,512	157,442	23.8%	463,647	355,306	76.6%
Total Net Revenue	21,287,467	21,586,646	(299,179)	-1.4%	22,123,926	(836,460)	-3.8%	41,927,838	43,173,291	(1,245,453)	-2.9%	42,134,660	(206,822)	-0.5%
Net to Gross Ratio	32.0%	31.3%			34.1%			31.5%	31.3%			33.5%		
Salaries	8,244,951	7,364,124	(880,828)	-12.0%	8,228,925	(16,026)	-0.2%	17,190,903	14,641,676	(2,549,226)	-17.4%	16,226,008	(964,894)	-5.9%
Contract Labor	1,814,985	1,992,858	177,873	8.9%	2,086,578	271,593	13.0%	3,412,835	4,072,317	659,482	16.2%	3,976,799	563,965	14.2%
Benefits	2,767,300	2,129,029	(638,272)	-30.0%	2,158,386	(608,914)	-28.2%	5,102,481	4,254,631	(847,850)	-19.9%	4,252,518	(849,963)	-20.0%
Physician & Prof Fee	1,564,475	1,530,510	(33,964)	-2.2%	1,735,681	171,206	9.9%	3,142,396	3,067,121	(75,275)	-2.5%	3,392,666	250,269	7.4%
Supplies	3,479,092	4,012,832	533,740	13.3%	3,831,892	352,800	9.2%	7,213,252	8,067,984	854,732	10.6%	7,218,469	5,217	0.1%
Purchased Services	2,049,830	2,214,846	165,016	7.5%	1,913,244	(136,586)	-7.1%	4,288,374	4,461,689	173,315	3.9%	3,713,433	(574,940)	-15.5%
Leases/Rentals	21,281	17,067	(4,214)	-24.7%	14,262	(7,019)	-49.2%	37,569	33,634	(3,935)	-11.7%	30,104	(7,465)	-24.8%
Depreciation	764,537	750,541	(14,086)	-1.9%	938,047	173,510	18.5%	1,503,906	1,502,500	(1,406)	-0.1%	1,880,835	376,929	20.0%
Other Oper Expense	1,828,147	1,621,067	(207,080)	-12.8%	1,791,651	(36,496)	-2.0%	3,624,269	3,206,013	(418,255)	-13.0%	3,110,630	(513,639)	-16.5%
Total Operating Expenses	22,534,599	21,632,784	(901,815)	-4.2%	22,698,666	164,067	0.7%	45,515,984	43,307,565	(2,208,419)	-5.1%	43,801,462	(1,714,522)	-3.9%
Net Operating Income	(1,247,133)	(46,138)	(1,200,994)	2603.0%	(574,740)	(672,393)	117.0%	(3,588,146)	(134,274)	(3,453,872)	2572.3%	(1,666,802)	(1,921,344)	115.3%
Investment Income	197,536	-	197,536	0.0%	427,800	(230,264)	-53.8%	255,946	-	255,946	0.0%	1,199,790	(943,844)	-78.7%
Other Nonop Inc(Exp)	21,601	40,718	(19,117)	-47.0%	44,413	(22,812)	-51.4%	40,446	81,436	(40,990)	-50.3%	130,979	(90,533)	-69.1%
Interest Expense	(282,780)	(325,000)	42,220	-13.0%	(182,692)	(100,088)	54.8%	(549,062)	(650,000)	100,938	-15.5%	(360,848)	(188,214)	52.2%
Net Income	(1,310,776)	(330,420)	(980,356)	296.7%	(285,220)	(1,025,556)	359.6%	(3,840,816)	(702,838)	(3,137,978)	446.5%	(696,881)	(3,143,935)	451.1%
Contractual %	-68.7%	-69.1%	0.4%		-66.2%			-69.1%	-69.1%	0.0%		-66.9%		
Operating Margin	-5.9%	-0.2%	-5.6%	2641.0%	-2.6%	-3.3%		-8.6%	-0.3%	-8.2%	2651.6%	-4.0%	-4.60%	116.3%
Operating EBITDA	(482,596)	704,313	(1,186,908)	-168.5%	363,307	(845,903)	-232.8%	(2,084,240)	1,368,226	(3,452,466)	-252.3%	214,033	(2,298,274)	-1073.8%
Operating EBITDA %	-2.3%	3.3%	-5.5%	-169.5%	1.6%	-3.9%		-5.0%	3.2%	-8.1%	-256.9%	0.5%	-5.48%	-1078.6%
EBITDA	(263,459)	745,031	(1,008,490)	-135.4%	835,520	(1,098,979)	-131.5%	(1,787,848)	1,449,661	(3,237,509)	-223.3%	1,544,803	(3,332,650)	-215.7%
EBITDA %	-1.2%	3.5%	-4.7%	-135.9%	3.8%	-5.0%		-4.3%	3.4%	-7.6%	-227.0%	3.7%	-7.93%	-216.3%
Key Stats														
Discharges	538	586	(48)	-8.2%	589	(51)	-8.7%	1,069	1,172	(103)	-8.8%	1,109	(40)	-3.6%
Patient Days	1,974	2,567	(593)	-23.1%	2,522	(548)	-21.7%	3,975	5,134	(1,159)	-22.6%	5,004	(1,029)	-20.6%
LOS	3.67	4.38	(0.71)	-16.3%	4.28	(0.61)	-14.3%	3.72	4.38	(0.66)	-15.1%	4.51	(0.79)	-17.6%
Adjusted Days	5,108	6,217	(1,109)	-17.8%	5,991	(883)	-14.7%	10,429	12,434	(2,005)	-16.1%	11,973	(1,543)	-12.9%
Adjusted Discharges	1,392	1,419	(27)	-1.9%	1,399	(7)	-0.5%	2,805	2,838	(33)	-1.2%	2,653	151	5.7%
Per Adjusted Day														
Net Revenue/APD	4,076	3,419	656	19.2%	3,656	420	11.5%	3,942	3,419	523	15.3%	3,481	461	13.3%
SWB+CL/APD	2,511	1,848	(664)	-35.9%	2,082	429	20.6%	2,465	1,847	(618)	-33.4%	2,043	422	20.7%
Salary+CL/APD	1,969	1,505	(464)	-30.8%	1,722	248	14.4%	1,976	1,505	(470)	-31.3%	1,687	288	17.1%
Supply Cost/APD	681	645	(36)	-5.5%	640	42	6.5%	692	649	(43)	-6.6%	603	89	14.7%
Other Expense/APD	664	507	(157)	-31.0%	589	75	12.8%	649	505	(144)	-28.6%	543	106	19.4%
Per Adjusted Discharge														
Net Revenue/Adj DC	14,954	14,980	(27)	-0.2%	15,655	(701)	-4.5%	14,657	14,980	(323)	-2.2%	15,705	(1,048)	-6.7%
SWB+CL/Adj DC	9,213	8,095	(1,119)	-13.8%	8,915	299	3.4%	9,165	8,094	(1,072)	-13.2%	9,217	(51)	-0.6%
Salary+CL/Adj DC	7,226	6,594	(631)	-9.6%	7,372	(146)	-2.0%	7,346	6,594	(752)	-11.4%	7,614	(268)	-3.5%
Supply Cost/Adj DC	2,499	2,828	329	11.6%	2,739	(240)	-8.7%	2,572	2,843	271	9.5%	2,720	(149)	-5.5%
Other Expense/Adj DC	2,437	2,221	(216)	-9.7%	2,521	(84)	-3.3%	2,413	2,211	(202)	-9.1%	2,451	(38)	-1.6%
Pct of Net Revenue														
SWB+CL	61.6%	54.0%	-7.6%		56.9%	-4.7%		62.5%	54.0%	-8.5%		58.7%	-3.8%	
Supplies	16.7%	18.9%	2.2%		17.5%	0.8%		17.5%	19.0%	1.4%		17.3%	-0.2%	
Other Expense	16.3%	14.8%	-1.5%		16.1%	-0.2%		16.5%	14.8%	-1.7%		15.6%	-0.9%	
Bad Debt % of GR	0.6%	0.3%	0.3%		0.0%	-0.6%		0.4%	0.3%	0.1%		0.7%	0.3%	
Bad Debt & Charity	2.2%	4.5%	2.3%		2.8%	0.6%		2.5%	4.5%	2.0%		4.2%	1.6%	
Bad Debt/Charity % of GR	0.7%	1.4%	0.7%		0.9%			0.8%	1.4%	0.6%		1.4%		
FTE's														
Total Salary Hours	149,765	141,701	(8,064)	-5.7%	159,625	9,861	6.2%	300,187	283,096	(17,091)	-6.0%	322,932	22,745	7.0%
Total Contract Hours	11,438	9,487	(1,951)	-20.6%	19,198	19,198	100.0%	21,480	18,971	(2,509)	-13.2%	36,210	14,730	40.7%
Total Salary FTE's	847.77	802.12	(45.64)	-5.7%	901.11	53.34	5.9%	849.63	801.26	(48.37)	-6.0%	911.50	61.87	6.8%
Total Contract FTE's	64.75	53.70	(11.05)	-20.6%	108.38	43.63	40.3%	60.79	53.69	(7.10)	-13.2%	102.20	41.41	40.5%
Total Facility Paid FTEs	912.52	855.83	(56.69)	-6.6%	1,009.49	96.97	9.6%	910.42	854.95	(55.47)	-6.5%	1,013.71	103.28	10.2%
Paid FTE per Adj Day	5.54	4.27	(1.27)	-29.8%	5.22	(0.31)	-6.0%	5.41	4.26	(1.15)	-27.0%	5.25	(0.16)	-3.1%
Average Hourly Rate	\$ 62.41	\$ 61.89	0.52	-0.8%	\$ 57.69	(4.72)	-8.2%	\$ 64.05	\$ 61.95	(2.10)	-3.4%	\$ 56.25	(7.80)	-13.9%
Employed Avg Hourly Rate	\$ 55.05	\$ 51.97	(3.08)	-5.9%	\$ 51.55	(3.50)	-6.8%	\$ 57.27	\$ 51.72	(5.55)	-10.7%	\$ 50.25	(7.02)	-14.0%

# Bay Area Hospital

Consolidated Income Statement Trend - August 2025

	2024 AugMTD	2024 SepMTD	2024 OctMTD	2024 NovMTD	2024 DecMTD	2025 JanMTD	2025 FebMTD	2025 MarMTD	2025 AprMTD	2025 MayMTD	2025 JunMTD	2025 JulMTD	2025 AugMTD
<b>Gross Patient Revenue</b>													
Inpatient Revenue	27,276,721	25,382,904	24,051,678	23,614,135	25,694,463	29,469,328	24,746,364	25,768,844	25,314,375	23,510,008	21,889,108	25,067,912	25,712,601
Outpatient Revenue	37,523,031	35,779,035	37,718,112	33,375,687	36,795,512	37,779,051	34,088,451	36,979,463	37,584,034	37,023,474	37,235,073	41,625,217	40,825,879
<b>Total Gross Patient Revenue</b>	<b>64,799,752</b>	<b>61,161,939</b>	<b>61,769,790</b>	<b>56,989,822</b>	<b>62,489,975</b>	<b>67,248,378</b>	<b>58,834,815</b>	<b>62,748,306</b>	<b>62,898,409</b>	<b>60,533,482</b>	<b>59,124,181</b>	<b>66,693,128</b>	<b>66,538,480</b>
Deductions	42,283,339	41,207,637	41,050,061	37,639,433	41,112,167	45,425,365	38,901,551	42,813,281	42,338,031	40,820,822	40,344,193	45,833,251	45,256,463
Bad Debt	(10,576)	731,038	300,119	476,057	310,298	406,037	(1,038,403)	11,883	(87,907)	(166,025)	753,585	154,851	390,753
Charity	622,331	388,681	398,581	834,586	667,530	427,527	1,082,894	999,956	1,023,039	562,617	199,108	415,079	72,326
<b>Total Deductions</b>	<b>42,895,094</b>	<b>42,327,355</b>	<b>41,748,761</b>	<b>38,950,076</b>	<b>42,089,995</b>	<b>46,258,929</b>	<b>38,946,042</b>	<b>43,825,120</b>	<b>43,273,162</b>	<b>41,217,414</b>	<b>41,296,885</b>	<b>46,403,181</b>	<b>45,719,543</b>
Net Healthcare Revenue	21,904,658	18,834,583	20,021,029	18,039,746	20,399,980	20,989,450	19,888,773	18,923,187	19,625,247	19,316,068	17,827,296	20,289,947	20,818,938
Other Oper Revenue	219,268	468,640	273,998	305,755	521,874	651,119	405,859	120,242	576,185	494,088	358,227	350,424	468,529
<b>Total Net Revenue</b>	<b>22,123,926</b>	<b>19,303,223</b>	<b>20,295,027</b>	<b>18,345,501</b>	<b>20,921,854</b>	<b>21,640,569</b>	<b>20,294,632</b>	<b>19,043,429</b>	<b>20,201,432</b>	<b>19,810,155</b>	<b>18,185,523</b>	<b>20,640,371</b>	<b>21,287,467</b>
<b>Expenses</b>	<b>34.1%</b>	<b>31.6%</b>	<b>32.9%</b>	<b>32.2%</b>	<b>33.5%</b>	<b>32.2%</b>	<b>34.5%</b>	<b>30.3%</b>	<b>32.1%</b>	<b>32.7%</b>	<b>30.8%</b>	<b>30.9%</b>	<b>32.0%</b>
Salaries	8,228,925	7,990,088	8,110,716	8,504,800	8,703,884	8,290,688	7,531,899	8,184,820	7,944,501	8,422,402	7,718,741	8,945,952	8,244,951
Contract Labor	2,086,578	2,084,154	1,826,306	1,303,577	1,489,725	1,679,801	1,657,777	1,386,190	1,917,651	1,727,271	1,816,954	1,597,850	1,814,985
Benefits	2,158,386	1,495,905	2,540,363	1,530,651	2,116,212	3,250,180	2,326,422	2,624,358	2,406,065	2,381,375	2,013,796	2,335,181	2,767,300
Physician & Prof Fee	1,735,681	1,374,740	1,577,395	1,429,296	1,575,795	1,584,947	1,533,512	1,584,515	1,441,414	1,746,562	1,454,501	1,577,921	1,564,475
Supplies	3,831,892	3,926,175	4,263,386	3,146,847	4,033,969	3,457,835	3,742,160	3,292,867	3,634,029	4,338,049	3,261,502	3,734,160	3,479,092
Purchased Services	1,913,244	2,250,529	2,282,321	1,995,417	2,296,703	2,363,672	2,333,839	2,338,573	2,223,000	2,748,281	2,010,074	2,238,543	2,049,830
Leases/Rentals	14,262	17,292	14,710	15,475	14,455	26,319	19,892	24,782	26,427	16,944	10,788	16,288	21,281
Depreciation	938,047	939,915	923,445	923,747	918,484	773,830	766,642	764,352	766,089	798,927	743,521	739,369	764,537
Other Oper Expense	1,791,651	1,749,701	1,246,141	1,638,267	1,471,925	1,582,981	1,520,649	1,423,841	1,254,969	1,579,023	1,604,075	1,796,122	1,828,147
<b>Total Operating Expenses</b>	<b>22,698,666</b>	<b>21,828,500</b>	<b>22,784,783</b>	<b>20,488,079</b>	<b>22,621,152</b>	<b>23,010,252</b>	<b>21,432,792</b>	<b>21,624,297</b>	<b>21,614,146</b>	<b>23,758,834</b>	<b>20,633,952</b>	<b>22,981,385</b>	<b>22,534,599</b>
<b>Net Operating Income</b>	<b>(574,740)</b>	<b>(2,525,277)</b>	<b>(2,489,756)</b>	<b>(2,142,578)</b>	<b>(1,699,298)</b>	<b>(1,369,684)</b>	<b>(1,138,160)</b>	<b>(2,580,868)</b>	<b>(1,412,713)</b>	<b>(3,948,679)</b>	<b>(2,448,430)</b>	<b>(2,341,013)</b>	<b>(1,247,133)</b>
Investment Income	427,800	488,055	(726,631)	320,385	(152,390)	211,196	446,682	71,188	154,156	39,127	172,596	58,410	197,536
Other Nonop Inc(Exp)	44,413	294,853	643,244	35,468	108,818	39,529	17,321	(1,850,477)	69,440	27,254	2,089	18,846	21,601
Interest Expense	(182,692)	(166,666)	(176,301)	(176,160)	(170,428)	(20,250)	(156,710)	(376,996)	(278,947)	(176,794)	(294,464)	(266,282)	(282,780)
<b>Net Income</b>	<b>(285,220)</b>	<b>(1,909,035)</b>	<b>(2,749,444)</b>	<b>(1,962,885)</b>	<b>(1,913,298)</b>	<b>(1,139,208)</b>	<b>(830,867)</b>	<b>(4,737,154)</b>	<b>(1,468,065)</b>	<b>(4,059,093)</b>	<b>(2,568,209)</b>	<b>(2,530,040)</b>	<b>(1,310,776)</b>
<b>Operating Margin %</b>	<b>-2.6%</b>	<b>-13.1%</b>	<b>-12.3%</b>	<b>-11.7%</b>	<b>-8.1%</b>	<b>-6.3%</b>	<b>-5.6%</b>	<b>-13.6%</b>	<b>-7.0%</b>	<b>-19.9%</b>	<b>-13.5%</b>	<b>-11.3%</b>	<b>-5.9%</b>
<b>Operating EBIDA</b>	<b>363,307</b>	<b>(1,585,362)</b>	<b>(1,566,311)</b>	<b>(1,218,831)</b>	<b>(780,814)</b>	<b>(595,854)</b>	<b>(371,518)</b>	<b>(1,816,516)</b>	<b>(646,624)</b>	<b>(3,149,752)</b>	<b>(1,704,908)</b>	<b>(1,601,644)</b>	<b>(482,596)</b>
<b>Operating EBIDA %</b>	<b>1.6%</b>	<b>-8.2%</b>	<b>-7.7%</b>	<b>-6.6%</b>	<b>-3.7%</b>	<b>-2.8%</b>	<b>-1.8%</b>	<b>-9.5%</b>	<b>-3.2%</b>	<b>-15.9%</b>	<b>-9.4%</b>	<b>-7.8%</b>	<b>-2.3%</b>
<b>EBIDTA</b>	<b>835,520</b>	<b>(802,454)</b>	<b>(1,649,698)</b>	<b>(862,978)</b>	<b>(824,386)</b>	<b>(345,129)</b>	<b>92,485</b>	<b>(3,595,806)</b>	<b>(423,029)</b>	<b>(3,083,372)</b>	<b>(1,530,224)</b>	<b>(1,524,389)</b>	<b>(263,459)</b>
<b>EBDITA Margin</b>	<b>3.8%</b>	<b>-4.2%</b>	<b>-8.1%</b>	<b>-4.7%</b>	<b>-3.9%</b>	<b>-1.6%</b>	<b>0.5%</b>	<b>-18.9%</b>	<b>-2.1%</b>	<b>-15.6%</b>	<b>-8.4%</b>	<b>-7.4%</b>	<b>-1.2%</b>
<b>Key Stats</b>													
Days in Month	31	30	31	30	31	31	28	31	30	31	30	31	31
Adj Factor	2.38	2.41	2.57	2.41	2.43	2.28	2.38	2.44	2.48	2.57	2.70	2.66	2.59
Discharges	589	525	581	526	587	585	553	536	552	543	540	531	538
Patient Days	2,522	2,379	2,291	2,335	2,487	2,372	2,292	2,150	2,109	1,999	1,955	2,001	1,974
LOS	4.28	4.53	3.94	4.44	4.24	4.05	4.14	4.01	3.82	3.68	4.44	3.77	3.67
Adjusted Days	5,991	5,732	5,884	5,635	6,048	5,413	5,449	5,235	5,240	5,147	5,281	5,324	5,108
Adjusted Discharges	1,399	1,265	1,492	1,269	1,428	1,335	1,315	1,305	1,372	1,398	1,188	1,413	1,392
<b>Per Adjusted Day</b>													
Net Revenue/APD	3,656	3,286	3,403	3,201	3,373	3,878	3,650	3,615	3,745	3,753	3,376	3,811	4,076
SWB+CL/APD	2,082	2,018	2,121	2,012	2,035	2,442	2,113	2,329	2,341	2,435	2,187	2,419	2,511
Salary+CL/APD	1,722	1,757	1,689	1,741	1,685	1,842	1,686	1,828	1,882	1,972	1,806	1,981	1,969
Supply Cost/APD	640	685	725	558	667	639	687	629	693	843	618	701	681
Other Expense/APD	589	545	480	544	504	585	560	575	515	646	579	634	664
<b>Per Adjusted Discharge</b>													
Net Revenue/Adj DC	15,655	14,889	13,418	14,211	14,290	15,723	15,127	14,498	14,309	13,816	15,000	14,362	14,954
SWB+CL/Adj DC	8,915	9,146	8,362	8,932	8,623	9,903	8,759	9,344	8,945	8,963	9,718	9,116	9,213
Salary+CL/Adj DC	7,372	7,964	6,660	7,727	7,140	7,469	6,990	7,333	7,191	7,260	8,023	7,463	7,226
Supply Cost/Adj DC	2,739	3,104	2,857	2,479	2,826	2,590	2,846	2,523	2,650	3,103	2,744	2,643	2,499
Other Expense/Adj DC	2,521	2,470	1,892	2,416	2,135	2,373	2,323	2,305	1,966	2,379	2,574	2,388	2,437
<b>Pct of Net Revenue</b>													
SWB	56.9%	61.4%	62.3%	62.9%	60.3%	63.0%	57.9%	64.4%	62.5%	64.9%	64.8%	63.5%	61.6%
Supplies	17.5%	20.8%	21.3%	17.4%	19.8%	16.5%	18.8%	17.4%	18.5%	22.5%	18.3%	18.4%	16.7%
Other Expense	16.1%	16.6%	14.1%	17.0%	14.9%	15.1%	15.4%	15.9%	13.7%	17.2%	17.2%	16.6%	16.3%
Bad Debt & Charity	2.8%	5.9%	3.5%	7.3%	4.8%	4.0%	0.2%	5.3%	4.8%	2.1%	5.3%	2.8%	2.2%
<b>FTE's</b>													
Total Salary FTE's	901.11	905.73	900.32	907.34	917.92	916.71	910.57	885.98	916.26	852.42	857.97	851.49	847.77
Total Contract FTE's	108.38	77.59	74.82	51.12	61.26	51.80	69.53	52.32	76.23	58.04	27.23	56.84	64.75
Total Facility Paid FTE's	1,009.49	983.32	975.14	958.46	979.18	968.50	980.10	938.30	992.49	910.47	885.20	908.33	912.52
Paid FTE per AOB	5.22	5.15	5.14	5.10	5.02	5.55	5.04	5.56	5.68	5.48	5.03	5.29	5.54
Average Hourly Rate	\$ 57.69	\$ 59.76	\$ 57.53	\$ 59.70	\$ 58.77	\$ 58.12	\$ 58.60	\$ 57.58	\$ 57.96	\$ 63.10	\$ 63.01	\$ 65.71	\$ 62.41
Employed Avg Hourly R	\$ 51.55	\$ 51.46	\$ 50.86	\$ 54.68	\$ 53.53	\$ 51.05	\$ 51.70	\$ 52.15	\$ 50.58	\$ 55.93	\$ 52.62	\$ 59.47	\$ 55.05

Income Statement 2026 - 2025-08 - August

9/11/2025 10:05

**Bay Area Hospital**  
**Balance Sheet (Including Foundation)**  
**8/31/2025**

	<u>Aug-25</u>	<u>Jul-25</u>	<u>Preliminary Jun-25</u>	<u>Audited Jun-24</u>
<b>Assets And Deferred Outflows Of Resources</b>				
Current Assets				
Cash & Cash Equivalents	6,949,933	10,709,504	9,388,266	10,815,033
Accounts Receivable (Net)	27,116,936	25,666,273	26,145,606	28,459,041
Inventory	5,383,135	5,315,041	4,347,042	5,131,308
Other Current Assets	4,913,891	9,120,392	8,174,998	7,400,592
Total Current Assets	44,363,895	50,811,210	48,055,912	51,805,974
Assets Limited As to Use	32,636,958	32,449,639	32,402,288	47,940,908
Capital Assets				
Depreciable Capital Assets (Net)	60,856,966	61,525,067	62,170,275	69,238,682
Nondepreciable Capital Assets	2,518,873	2,426,683	2,369,704	1,410,340
Total Capital Assets (Net)	63,375,839	63,951,750	64,539,978	70,649,022
Leases and Subscriptions (Net)	2,797,951	2,892,112	2,986,273	9,455,681
Other Non Current Assets	820,446	820,446	820,446	684,051
<b>Total Assets</b>	<b>143,995,090</b>	<b>150,925,158</b>	<b>148,804,898</b>	<b>180,535,634</b>
Deferred Outflows Of Resources	9,489,130	9,489,130	9,491,095	9,489,130
<b>Total Assets And Deferred Outflows</b>	<b>153,484,220</b>	<b>160,414,288</b>	<b>158,295,993</b>	<b>190,024,764</b>
<b>Liabilities, Deferred Inflows of Resources, And Net Position</b>				
Current Liabilities				
Accounts Payable	(6,257,991)	(7,829,011)	(7,565,297)	(9,869,356)
Accrued Liabilities				
Payroll, payroll taxes, withholdings	(3,725,656)	(5,120,886)	(4,414,629)	(4,234,648)
Paid Time Off	(5,433,355)	(5,468,094)	(5,407,083)	(5,770,522)
Other	(6,844,105)	(9,252,181)	(6,138,963)	(6,483,501)
3rd Party Settlements Payable (net)	(5,781,639)	(5,781,639)	(5,706,639)	(3,750,353)
Long-Term Obligations - Current Portion	(2,508,447)	(2,508,447)	(2,508,447)	(3,551,281)
Deferred Revenue	0	0	0	0
Total Current Liabilities	(30,551,193)	(35,960,258)	(31,741,059)	(33,659,662)
Long Term Obligations (Net of Current Portion)	(45,113,488)	(45,295,715)	(45,481,529)	(49,503,478)
Other Noncurrent Liabilities	(3,138,612)	(3,138,612)	(2,942,506)	(3,010,944)
Net Pension Liability	(3,304,177)	(3,332,177)	(630,964)	(3,652,580)
<b>Total Liabilities</b>	<b>(82,107,470)</b>	<b>(87,726,762)</b>	<b>(80,796,058)</b>	<b>(89,826,663)</b>
Deferred Inflows Of Resources	(11,397,373)	(11,397,373)	(11,368,351)	(11,397,373)
Inter Fund Payables/Receivables	4,363	4,363	4,027	
<b>Total Liabilities &amp; Deferred Cash Inflows</b>	<b>(93,500,479)</b>	<b>(99,119,772)</b>	<b>(92,160,381)</b>	<b>(101,224,036)</b>
Net Position	(63,824,557)	(63,824,557)	(88,800,728)	(93,761,140)
Net Income/Loss	3,840,816	2,530,040	22,665,116	4,960,412
<b>Total Liabilities, Deferred Inflows, Net Position</b>	<b>(153,484,220)</b>	<b>(160,414,288)</b>	<b>(158,295,993)</b>	<b>(190,024,764)</b>

**Bay Area Hospital**  
**Statement of Cash Flows**  
**August 2025**

	<b><u>Current Month</u></b>	<b><u>Year to Date</u></b>
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses	(1,310,776)	(3,840,816)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	764,537	1,503,906
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(1,450,664)	(1,030,461)
Inventory of supplies	(68,094)	(52,710)
Other current assets	4,206,501	3,261,107
Net Pension Asset and Liability	(28,000)	0
Other non current assets	0	0
Accounts Payable	(1,571,020)	(1,383,449)
Estimated 3rd Party Settlements	0	75,000
Other current liabilities	(3,838,045)	(216,418)
Other noncurrent liabilities	0	0
Deferred Revenue	0	0
Net cash provided by operating activities	<u>(3,295,561)</u>	<u>(1,683,841)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(94,465)	(151,444)
Change in Value of Investments	(187,319)	(234,670)
Transfer Investments to Cash		0
Net cash provided by investing activities	<u>(281,783)</u>	<u>(386,114)</u>
<b>Cash flows from financing activities:</b>		
Deferred Inflows/Outflows of Resources/Interfund	0	(336)
Debt/Subscription Principle Payments	(182,227)	(368,041)
Increase in Capital Lease Obligations		0
Business Asset Disposal Gain/Loss		0
Net cash provided by financing activities	<u>(182,227)</u>	<u>(368,377)</u>
<b>Net increase (decrease) in cash</b>	<u>(3,759,571)</u>	<u>(2,438,333)</u>
<b>Beginning Cash Balance</b>	<u>10,709,504</u>	<u>9,388,266</u>
<b>Ending Cash Balance</b>	<u>6,949,933</u>	<u>6,949,933</u>

**Bay Area Hospital  
Compliance Certification  
as of Aug 2025**

**A&D. Income Available for Debt Service (Quarterly)**

	TTM <u>Dec-24</u>	TTM <u>Mar-25</u>	Preliminary TTM <u>Jun-25</u>	TTM <u>Aug-25</u>
Excess Revenue over Expenses	\$ (12,852,178)	\$ (19,099,626)	\$ (22,665,116)	\$ (25,809,052)
Add:				
Interest Expense	\$ 2,225,235	\$ 2,139,060	\$ 2,354,563	\$ 2,542,778
Depreciation	\$ 11,416,116	\$ 10,919,991	\$ 10,199,790	\$ 9,822,860
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	\$ (2,260,096)	\$ (3,192,340)	\$ (3,175,478)	\$ (2,068,466)
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,916,405	\$ -	\$ -	\$ -
<b>(D.1) Income Available for Debt Service</b>	<b>\$ 445,482</b>	<b>\$ (9,232,915)</b>	<b>\$ (13,286,241)</b>	<b>\$ (15,511,880)</b>
<b>(A.2) Debt Service Requirements (MADS)</b>	<b>\$ 3,904,267</b>	<b>\$ 3,904,267</b>	<b>\$ 3,904,267</b>	<b>\$ 4,742,230</b>
<b>(A.3) Ratio of Line D.1 to Line A.2</b>	<b>0.11</b>	<b>(2.36)</b>	<b>(3.40)</b>	<b>(3.27)</b>
<b>(D.2) Line D.1 must not be less than</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
<b>(D.3) Borrower is in Compliance (Yes/No)</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

**B.1 Days Cash on Hand (Monthly)**

Cash & Equivalents	\$ 10,298,563	\$ 9,093,507	\$ 9,388,266	\$ 6,949,933
Add: Marketable Securities/Board designated Funds	\$ 42,849,887	\$ 36,542,696	\$ 32,402,288	\$ 32,636,958
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>\$ 53,148,450</b>	<b>\$ 45,636,202</b>	<b>\$ 41,790,553</b>	<b>\$ 39,586,891</b>

**B.2 Cash Operating Expenses**

Total Operating Expenses	\$ 261,584,751	\$ 264,882,179	\$ 262,288,357	\$ 264,002,879
Add: Interest Expenses	\$ 2,225,235	\$ 2,139,060	\$ 2,354,563	\$ 2,542,778
Less: Depreciation & Amortization	\$ 11,416,116	\$ 10,919,991	\$ 10,199,790	\$ 9,822,860
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Operating Expenses</b>	<b>\$ 252,393,870</b>	<b>\$ 256,101,248</b>	<b>\$ 254,443,130</b>	<b>\$ 256,722,797</b>

B.3 Line B2 divided by 365	\$ 691,490	\$ 701,647	\$ 697,104	\$ 703,350
B.4 Ratio of Line B.1 to Line B3	77	65	60	56
B.5 Line B.4 must not be less than	70	70	70	70

**B.6 Borrower is in Compliance (Yes/No)**

Yes	No	No	No
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**C.1 Unrestricted Liquid Funds (Monthly)**

Cash & Equivalents	\$ 10,298,563	\$ 9,093,507	\$ 9,388,266	\$ 6,949,933
Add: Marketable Securities/Board designated Funds	\$ 42,849,887	\$ 36,542,696	\$ 32,402,288	\$ 32,636,958
<b>Unrestricted Liquid Funds</b>	<b>\$ 53,148,450</b>	<b>\$ 45,636,202</b>	<b>\$ 41,790,553</b>	<b>\$ 39,586,891</b>

<b>C.2 Line C.1 must not be less than</b>	<b>\$ 45,000,000</b>	<b>\$ 45,000,000</b>	<b>\$ 45,000,000</b>	<b>\$ 45,000,000</b>
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**C.3 Borrower is in Compliance (Yes/No)**

Yes	Yes	No	No
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Signature of Bay Area Hospital:

Name: 

Title: Chief Financial Officer

Date: September 17, 2025

Bay Area Hospital

Accounts Receivable Reserves Trend - August 2025

	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025
	JUN-Audited	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	June - Prelim	JULY	AUGUST
Gross Accounts Receivable	72,023,528	81,246,343	86,052,486	81,084,656	71,429,050	70,875,603	64,774,618	63,241,779	57,984,659	58,666,428	55,711,176	53,896,384	56,483,284	54,093,305	55,553,849
Allowances (ALL)	(42,739,413)	(52,330,006)	(50,588,600)	(48,231,855)	(41,436,583)	(41,354,346)	(34,589,406)	(32,994,981)	(28,769,962)	(30,104,696)	(27,895,165)	(26,581,198)	(33,863,152)	(28,129,959)	(28,241,549)
Net Accounts Receivable	29,284,115	28,916,338	35,463,885	32,852,801	29,992,467	29,521,257	30,185,212	30,246,798	29,214,696	28,561,733	27,816,011	27,315,186	22,620,131	25,963,346	27,312,300
Accounts Receivable Net to Gross	40.7%	35.6%	41.2%	40.5%	42.0%	41.7%	46.6%	47.8%	50.4%	48.7%	49.9%	50.7%	40.0%	48.0%	49.2%