



Bay Area Hospital District Joint Board and Finance Committee Meeting Agenda

August 18, 2026 @ Bay Area Hospital, Myrtle Conference Room

TIME

- | | | |
|-------------|--|---|
| <div></div> | | |
| 5:00 | Call to Order | Simon Alonzo, Chairperson |
| | <ul style="list-style-type: none">Public Input—3 minutes per speaker | |
| <div></div> | | |
| 5:02 | Blazing Stars | Simon Alonzo, Chairperson |
| <div></div> | | |
| 5:10 | Patient Success Story | Simon Alonzo, Chairperson |
| <div></div> | | |
| 5:15 | Quarterly Risk Management Report | Quinn Myers, Risk Manager |
| <div></div> | | |
| 5:25 | Consent Agenda | Simon Alonzo, Chairperson |
| | <ul style="list-style-type: none">Minutes of BOD/Finance meetingApproved Minutes of MEC meetingApproved Minutes of QPSC meeting | |
| <div></div> | | |
| 5:30 | Report of the Chief Nursing Officer | Jennifer Culbertson, CNO |
| | <ul style="list-style-type: none">Patient Experience | |
| <div></div> | | |
| 5:40 | Report of the Chief Executive Officer | Gretchen Nichols, CEO |
| <div></div> | | |
| 5:55 | Quality and Patient Safety Committee Report (QPSC) | Patrice Parrott, Secretary |
| | <ul style="list-style-type: none">Executive Summary | |
| <div></div> | | |
| 6:10 | Finance Committee Business | Kyle Stevens, Treasurer |
| | <ul style="list-style-type: none">Financial Update | |
| <div></div> | | |
| 7:00 | Bank Signing Authority | ACTION ITEM |
| <div></div> | | |
| 7:05 | Executive Session ORS 192.660(2) | |
| | <ul style="list-style-type: none">Medical Staff ReportCredentialing and Privileging Report | Hammad Qadir, MC, Chief of Staff
Derrick Oaxaca, CMO |
| | <i>(c) to consider matters pertaining to the function of the medical staff at a public hospital</i>
<i>(f) to consider information or records that are exempt by law from public inspection</i> | |
| <div></div> | | |
| 7:00 | Board Actions | Simon Alonzo, Chairperson |
| | <ul style="list-style-type: none">Medical Staff ReportCredentialing and Privileging Report | ACTION ITEM
ACTION ITEM |

7:10 Board Member Comments**Simon Alonzo, Chairperson**

- Report of the Chairperson
 - Board Member Comments
-

7:20 Adjourn – next regular meeting - Tuesday, September 22, 2026

Joint Board of Directors and Finance Committee Meeting Minutes

July 21, 2026, Myrtle Conference Room and Teams

Call to Order

Board Chair called the meeting to order at 5:01 p.m.

Public Comment

No public comments were received from attendees in person or online.

Quarterly Compliance Report

Chief Compliance Officer Mel [last name not stated] presented the Second Quarter Compliance Report for the period ending June 30, 2026.

Key report highlights included:

- Overall compliance status remained manageable with no significant enforcement actions.
- Six reportable HIPAA breaches were identified and reported to the Office for Civil Rights, including:
 - Three misdirected communications
 - One unauthorized access incident
 - Two phishing-related privacy events
- Cybersecurity continues to be a primary organizational risk due to increasing phishing attempts and other AI-generated threats.
- Workforce compliance education has been revised to include scenario-based training and competency testing.
- Compliance audits, business associate agreement reviews, access audits, and exclusion-list monitoring are current.

The Board discussed ongoing compliance improvements and the benefits of maintaining internal compliance oversight. No action was required.

Blazing Star Employee Recognition Program

The Board received an update regarding the reinstated Blazing Star recognition program.

- Approximately 100 employee recognitions have been submitted over the past two months.
- Quarterly Silver Star recognitions and annual Gold Star recognition will be selected by the Board.
- Recognition presentations were postponed to a future meeting due to the recipient's scheduling conflicts.

Consent Agenda

A motion was made and seconded to approve the Consent Agenda.

Motion: Approve Consent Agenda

Result: Passed unanimously.

Chief Executive Officer Report

CEO Gretchen Nichols presented organizational updates and strategic priorities for Fiscal Year 2027.

Review and Report on BAH Strategic Goals

The organization is monitoring performance in five key areas:

- Quality and Patient Safety
- Patient Experience
- Employee and Physician Engagement
- Finance
- Growth

Operational Highlights

- May readmission rate was reported at 7%, below the annual target of 11%. Cath Lab volume growth remains a strategic objective with a target increase of 400 annual procedures. Specialty Pharmacy has completed a soft opening.

Funding Updates

- Bay Area Hospital received a direct Rural Health Transformation Program (RHTP) award totaling approximately \$1.4 million.
- The organization did not receive a Catalyst Award through the RHTP process.
- Congressional funding requests for the second cardiac catheterization laboratory and CT scanner remain pending.

Orthopedic Service Line Update

- Bay Area Hospital is transitioning orthopedic services from the Synergy arrangement to direct hospital management.
- Dr. Wade Van Cise has joined as a contracted orthopedic physician.
- Dr. Krnacik will relocate his reconstruction practice to Coos Bay later in 2026.
- Additional physician recruitment efforts are ongoing. **Oncology Update**
- Radiation Oncology has expanded with the employment of physicians Dr. Gay and Dr. Thurman.
- An offer has been extended to a fellowship-trained hematologist-oncologist.
- Efforts continue to establish a comprehensive local oncology program.

Quality and Patient Safety Committee Board Member Patrice [last name not stated] reported that the committee had not yet met for the month.

Dr. Uno was appointed as the second Board representative to the Quality and Patient Safety Committee.

Finance Committee Meeting

Finance leadership presented year-end unaudited Fiscal Year 2026 financial results.

Highlights included:

- Operating loss improved significantly to approximately \$6 million compared to prior projections.
- Volumes increased approximately 0.8% year-over-year.
- Net revenue increased approximately 5.6%.
- Days cash on hand ended the fiscal year at approximately 60 days.
- Leadership expressed confidence in achieving break-even operating performance during Fiscal Year 2027.

Epic Community Connect Project Approval

Finance leadership presented a proposal to transition the hospital's Epic electronic health record platform to Providence Community Connect.

Project benefits discussed included:

- Improved operational efficiency
- Standardized workflows
- Enhanced support structure
- Estimated annual operating savings of approximately \$2.5 million

The Finance Committee voted to recommend approval to the Board.

Board Motion: Approve the Epic Community Connect project and the associated capital request.

Result: Motion carried unanimously.

Tablo Hemodialysis System Approval

Administration presented a proposal to purchase and implement the Tablo inpatient hemodialysis system.

Key benefits discussed:

- Allows inpatient dialysis services to be provided locally.
- Reduces transfers to outside facilities.
- Improves patient and family experience.
- Generates positive financial return and operational efficiencies.

The Finance Committee voted to recommend approval to the Board.

Board Motion: Approve purchase and implementation of the Tablo Hemodialysis System.

Result: Motion carried unanimously.

Medical Executive Committee Report

The Board reviewed the Medical Executive Committee (MEC) report.

Motion: Approve the MEC report.

Result: Motion carried unanimously.

Executive Session

The Board entered Executive Session pursuant to:

- ORS 192.662(2)(c)
- ORS 192.662(2)(f)

for matters pertaining to medical staff functions and confidential records are exempt from public disclosure.

Adjournment

The public portion of the meeting concluded at approximately **6:49 p.m.**

BAY AREA HOSPITAL DISTRICT

Resolution No. 2026-08-18

WHEREAS, the Bay Area Hospital District ("District") is a municipal corporation organized as a health district under ORS 440.305 to 440.410 that does business as Bay Area Hospital; and

WHEREAS, the District maintains one or more accounts with Morgan Stanley Smith Barney LLC ("Morgan Stanley"); and

WHEREAS, Morgan Stanley has requested a formal designation of the Authorized Persons with regard to such accounts.

NOW THEREFORE,

BE IT RESOLVED by the Bay Area Hospital District Board of Directors that Gretchen Nichols, CEO, and Patrick Banks, CFO, are the Authorized Persons who may act on behalf of the District with respect to its business with Morgan Stanley.

Approved and adopted by the Bay Area Hospital District Board of Directors, this 18th day of August, 2026.

Simon Alonzo, Chairperson

ATTEST:

_ Patrice Parrott, Secretary

The logo graphic for Bay Area Hospital features a series of overlapping, wavy lines in shades of teal and light blue, creating a sense of movement and depth. The lines are smooth and fluid, with some areas appearing more saturated than others, giving it a modern, organic feel.

BAY AREA HOSPITAL

Unaudited Financial Statements

for

1 months ended July 31, 2026

Prepared
Thursday, August 13, 2026

Finance Committee Chair
Kyle Stevens

Chief Financial Officer
Patrick Banks

TABLE OF CONTENTS

TABLE OF CONTENTS	Page 2
EXECUTIVE SUMMARY	Page 3
KEY FINANCIAL RATIOS	Page 4
PATIENT STATISTICS DATA	Page 5
STATEMENT OF OPERATIONS - CURRENT MONTH	Page 6
STATEMENT OF OPERATIONS - YEAR-TO-DATE	Page 7
BALANCE SHEET	Page 8
STATEMENT OF CASH FLOWS	Page 9
REVENUE CYCLE REPORT	Page 10
PAYER MIX ANALYSIS	Page 11
CAPITAL PURCHASES REPORT	Page 12
DEBT COVENANTS COMPLIANCE TRACKING	Page 13
STATEMENT OF OPERATIONS - 13 MONTH TREND	Page 14 (2 sheets)

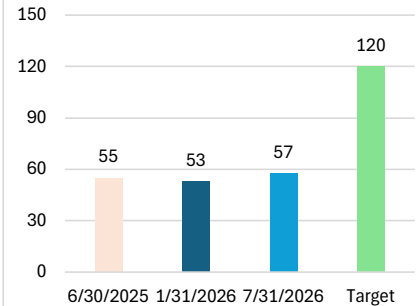
BAY AREA HOSPITAL

MONTH END:7/31/2026

BALANCE SHEET

	YTD 7/31/2026	Prior FYE 7/31/2025
ASSETS		
Current Assets	\$ 56,406,717	\$ 48,475,551
Investments	28,527,300	32,402,288
Capital Assets (Net)	57,656,041	64,539,978
Other Assets	5,591,531	3,806,720
Total Unrestricted Assets	\$ 148,181,588	\$ 149,224,537
Defined Benefit Pension Asset	6,005,032	6,005,032
Total Assets	\$ 154,186,620	\$ 155,229,569
LIABILITIES & NET POSITION		
Current Liabilities	\$ 37,009,105	\$ 31,964,509
Long-Term Debt	44,944,776	45,481,529
Other Long-Term Liabilities	14,276,894	14,111,516
Total Liabilities	\$ 96,230,776	\$ 91,557,554
Net Position	57,955,845	63,672,015
Total Liabilities & Net Position	\$ 154,186,620	\$ 155,229,569

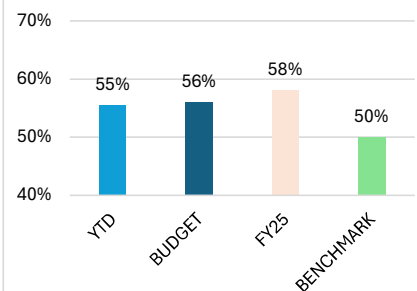
Days Cash On Hand



STATEMENT OF REVENUE AND EXPENSES - YTD

	MONTH OF 7/31/2026		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Gross Patient Revenues	\$ 87,036,189	\$ 84,950,333	\$ 87,036,189	\$ 84,950,333
Deductions From Revenue	(65,490,642)	(63,556,306)	(65,490,642)	(63,556,306)
Bad Debt & Charity Write-Offs	(991,395)	(1,361,827)	(991,395)	(1,361,827)
Net Patient Revenues	\$ 20,554,151	\$ 20,032,200	\$ 20,554,151	\$ 20,032,200
Other Operating Revenues	934,062	2,174,930	934,062	2,174,930
Total Operating Revenues	\$ 21,488,213	\$ 22,207,130	\$ 21,488,213	\$ 22,207,130
Salaries, Benefits & Contr. Lbr	\$ 11,402,361	\$ 11,230,441	\$ 11,402,361	\$ 11,230,441
Purchased Serv & Phys Fees	4,077,063	3,966,712	4,077,063	3,966,712
Supplies	3,644,301	4,009,270	3,644,301	4,009,270
Other Operating Expenses	1,562,750	2,196,671	1,562,750	2,196,671
Depreciation	715,312	703,664	715,312	703,664
Total Expenses	\$ 21,401,787	\$ 22,106,759	\$ 21,401,787	\$ 22,106,759
Net Operating Surplus (Loss)	\$ 86,426	\$ 100,372	\$ 86,426	\$ 100,372
Non-Operating Income (Expense)	(209,998)	(135,642)	(209,998)	(135,642)
TOTAL NET SURPLUS (LOSS)	\$ (123,572)	\$ (35,271)	\$ (123,572)	\$ (35,271)

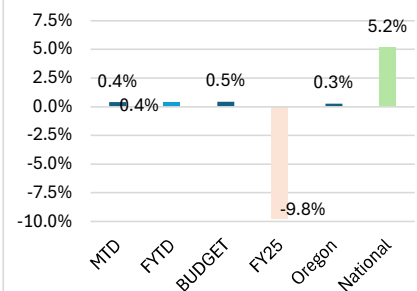
Compensation Costs %



KEY STATISTICS AND RATIOS

	7/31/2026		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Total Discharges	499	565	499	565
Acute ALOS (Non-Psych)	3.87	3.74	3.87	3.74
Emergency Room Visits	2,608	2,556	2,608	2,556
Total Outpatient Visits	11,608	11,124	11,608	11,124
Operating Room Cases	252	311	252	311
Cath Lab Cases	129	130	129	130
Total Worked FTEs	746	765	746	765
Total Paid FTEs	843	863	843	863
EBIDA	4.0%	4.2%	4.0%	4.2%
Adjusted EBIDA	4.3%	4.5%	4.3%	4.5%
Current Ratio	n/a	n/a	1.5	n/a
Total Adult ADC	61.6	66.9	61.6	66.9

Operating Margins



BAY AREA HOSPITAL

MONTH END: 7/31/2026

	Year to Date	Prior FYE
	7/31/2026	6/30/2026
Profitability:		
Operating Margin	0.4%	-1.6%
Total Net Surplus (Loss) Margin	-0.6%	-2.1%
EBIDA Margin	4.0%	2.6%
Deductions from Revenue Percentage	76.4%	71.2%
Outpatient Factor	2.85	2.68
Liquidity:		
Days Cash On Hand, All Sources	57	60
Net Days in Accounts Receivable	43	42
Average Payment Period	25	25
Current Ratio	1.52	1.50
Capital Structure:		
Age of Plant (Annualized, in Years)	18.21	15.94
Debt to Assets Ratio	0.82	0.82
Debt Service Coverage Ratio	1.94	2.08
Productivity and Efficiency:		
Worked FTE/AOB	4.24	4.31
Paid FTE/AOB	4.79	4.87
SWB & Contr. Labor as a % of Net Patient Revenue	55%	58%
Salary Expense per Paid FTE (annualized)	\$132,735	\$169,007
Supply Expense Per Adj Discharge	\$2,776	\$2,939
Bad Debt Write-off %	0.88%	0.78%
Charity Care Write-off %	0.26%	0.40%
Other Ratios:		
Gross Days in Accounts Receivable	48.92	48.92
Net Revenue per Adjusted Discharge	\$15,091	\$14,960
Operating Expense per Adjusted Discharge	\$15,031	\$15,203

BAY AREA HOSPITAL

MONTH END: 7/31/2026

Current Month									Year-To-Date			
Actual	Budget	Variance	Prior Year	STATISTICS					Actual	Budget	Variance	Prior Year
7/31/2026	7/31/2026		7/31/2025	Discharge					7/31/2026	7/31/2026		7/31/2025
438	491	(53)	503	Medical, Surgical, ICU, and IMCU					438	491	(53)	503
22	28	(6)	23	Psychiatric					22	28	(6)	23
460	519	(59)	526	Total Adult Discharges					460	519	(59)	526
39	46	(7)	46	Newborn					39	46	(7)	46
499	565	(66)	572	Total Discharges					499	565	(66)	572
				Patient Days								
1,693	1,837	(144)	1,794	Medical, Surgical, ICU, and IMCU					1,693	1,837	(144)	1,794
218	238	(20)	199	Psychiatric					218	238	(20)	199
1,911	2,075	(164)	1,993	Total Adult Patient Days					1,911	2,075	(164)	1,993
72	92	(20)	85	Newborn					72	92	(20)	85
1,983	2,167	(184)	2,078	Total Patient Days					1,983	2,167	(184)	2,078
				Average Length of Stay (ALOS)								
3.87	3.74	0.12	3.57	Medical, Surgical, ICU, and IMCU					3.87	3.74	0.12	3.57
9.91	8.50	1.41	8.65	Psychiatric					9.91	8.50	1.41	8.65
4.15	4.00	0.16	3.79	Total Adult ALOS					4.15	4.00	0.16	3.79
1.85	2.00	(0.15)	1.85	Newborn ALOS					1.85	2.00	(0.15)	1.85
				Average Daily Census (ADC)								
55	59	(5)	58	Medical, Surgical, ICU, and IMCU					55	59	(5)	58
7	8	(1)	6	Psychiatric					7	8	(1)	6
62	67	(5)	64	Total Adult ADC					62	67	(5)	64
2	3	(1)	3	Newborn					2	3	(1)	3
				Emergency Room Statistics								
372	423	(51)	388	ER Visits - Admitted					372	423	(51)	388
2,236	2,143	93	2,199	ER Visits - Discharged					2,236	2,143	93	2,199
2,608	2,556	52	2,587	Total ER Visits					2,608	2,556	52	2,587
14.26%	16.55%	(2.29%)	15.00%	% of ER Visits Admitted					14.26%	16.55%	(2.29%)	15.00%
80.87%	81.50%	(0.63%)	73.76%	ER Admissions as a % of Total Admissions					80.87%	81.50%	(0.63%)	73.76%
				Other Statistics								
11,608	11,124	484	11,578	Total Outpatients Visits					11,608	11,124	484	11,578
131	105	26	76	Observation Bed Days					134	105	29	76
2,423	2,340	83	2,286	Clinic Visits - Specialty Clinics					2,423	2,340	83	2,286
79	93	(14)	103	IP Surgical Cases					79	93	(14)	103
173	218	(45)	224	OP Surgical Cases					173	218	(45)	224
129	130	(1)	137	Cath Lab Cases					129	130	(1)	137
				Productivity Statistics								
723	731	(8)	751	FTE Worked (Excluding Providers)					723	731	(8)	751
817	826	(9)	849	FTE Paid (Excluding Providers)					817	826	(9)	849
23	34	(11)	33	FTE Worked (Providers)					23	34	(11)	33
26	37	(11)	36	FTE Paid (Providers)					26	37	(11)	36
1.6198	1.5953	0.0245	1.5918	Case Mix Index - Medicare					1.6198	1.5953	0.0245	1.5918
1.4430	1.5832	(0.1402)	1.5469	Case Mix Index - All Payers					1.4430	1.5832	(0.1402)	1.5469

BAY AREA HOSPITAL

MONTH END:7/31/2026

	Month to Date						
	7/31/2026	Budget	Variance	Var %	7/31/2025	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	\$ 30,501,949	\$ 32,539,349	\$ (2,037,400)	-6.3%	\$ 25,067,912	\$ 5,434,037	21.7%
Outpatient Revenue	56,534,240	52,410,984	4,123,256	7.9%	41,625,217	14,909,023	35.8%
Total Gross Patient Revenue	\$ 87,036,189	\$ 84,950,333	\$ 2,085,855	2.5%	\$ 66,693,128	\$ 20,343,060	30.5%
Deductions	\$ 65,490,642	\$ 63,556,306	\$ (1,934,336)	-3.0%	\$ 47,507,475	\$ (17,983,167)	-37.9%
Bad Debt	765,341	789,828	24,487	3.1%	154,851	(610,490)	-394.2%
Charity	226,054	571,999	345,945	60.5%	415,079	189,025	45.5%
Total Deductions	\$ 66,482,037	\$ 64,918,133	\$ (1,563,904)	-2.4%	\$ 48,077,405	\$ (18,404,632)	-38.3%
Net Patient Revenue	\$ 20,554,151	\$ 20,032,200	\$ 521,951	2.6%	\$ 18,615,723	\$ 1,938,428	10.4%
Supplemental Payments	1,161,146	1,755,278	(594,132)	-33.8%	1,674,225	(513,079)	-30.6%
Other Oper Revenue	(227,085)	419,652	(646,737)	-154.1%	350,424	(577,509)	-164.8%
Total Net Revenue	\$ 21,488,213	\$ 22,207,130	\$ (718,918)	-3.2%	\$ 20,640,372	\$ 847,841	4.1%
Net to Gross Patitent Rev Ratio	23.6%	23.6%			27.9%		
Operating Expenses							
Salaries	\$ 8,251,709	\$ 8,214,257	\$ (37,453)	-0.5%	\$ 8,945,952	\$ 694,242	7.8%
Contract Labor	820,710	926,718	106,008	11.4%	1,597,850	777,140	48.6%
Benefits	2,329,942	2,089,467	(240,475)	-11.5%	2,335,181	5,239	0.2%
Physician & Prof Fee	1,577,199	1,647,490	70,290	4.3%	1,577,921	722	0.0%
Supplies	3,644,301	4,009,270	364,969	9.1%	3,734,160	89,858	2.4%
Purchased Services	2,499,864	2,319,223	(180,641)	-7.8%	2,238,543	(261,321)	-11.7%
Leases/Rentals	15,180	25,954	10,774	41.5%	16,288	1,108	6.8%
Depreciation	715,312	703,664	(11,648)	-1.7%	739,369	24,057	3.3%
Provider Tax Expense	1,172,758	1,759,066	586,308	33.3%	1,657,482	484,724	29.2%
Other Oper Expense	374,812	411,651	36,839	8.9%	138,640	(236,172)	-170.3%
Total Operating Expenses	\$ 21,401,787	\$ 22,106,759	\$ 704,972	3.2%	\$ 22,981,385	\$ 1,579,598	6.9%
Net Operating Income	\$ 86,426	\$ 100,372	\$ (13,946)	-13.9%	\$ (2,341,013)	\$ 2,427,439	-103.7%
Investment Income	57,979	70,000	(12,021)	-17.2%	58,410	(430)	-0.7%
Other Nonop Inc(Exp)	1,879	51,024	(49,145)	-96.3%	18,846	(16,967)	-90.0%
Interest Expense	(269,856)	(256,667)	(13,190)	5.1%	(266,282)	(3,574)	1.3%
Net Surplus (Loss)	\$ (123,572)	\$ (35,271)	\$ (88,302)	250.4%	\$ (2,530,040)	\$ 2,406,467	-95.1%

BAY AREA HOSPITAL

MONTH END: 7/31/2026

	Year to Date						
	7/31/2026	Budget	Variance	Var %	7/31/2025	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	\$ 30,501,949	\$ 32,539,349	\$ (2,037,400)	-6.3%	\$ 25,067,912	\$ 5,434,037	21.7%
Outpatient Revenue	56,534,240	52,410,984	4,123,256	7.9%	41,625,217	14,909,023	35.8%
Total Gross Patient Revenue	\$ 87,036,189	\$ 84,950,333	\$ 2,085,855	2.5%	\$ 66,693,128	\$ 20,343,060	30.5%
Deductions							
Deductions	\$ 65,490,642	\$ 63,556,306	\$ (1,934,336)	-3.0%	\$ 47,507,475	\$ (17,983,167)	-37.9%
Bad Debt	765,341	789,828	24,487	3.1%	154,851	(610,490)	-394.2%
Charity	226,054	571,999	345,945	60.5%	415,079	189,025	45.5%
Total Deductions	\$ 66,482,037	\$ 64,918,133	\$ (1,563,904)	-2.4%	\$ 48,077,405	\$ (18,404,632)	-38.3%
Net Patient Revenue	\$ 20,554,151	\$ 20,032,200	\$ 521,951	2.6%	\$ 18,615,723	\$ 1,938,428	10.4%
Supplemental Payments	1,161,146	1,755,278	(594,132)	-33.8%	1,674,225	(513,079)	-30.6%
Other Oper Revenue	(227,085)	419,652	(646,737)	-154.1%	350,424	(577,509)	-164.8%
Total Net Revenue	\$ 21,488,213	\$ 22,207,130	\$ (718,918)	-3.2%	\$ 20,640,372	\$ 847,841	4.1%
<i>Net to Gross Ratio</i>	30.1%	29.6%			28.6%		
Operating Expenses							
Salaries	\$ 8,251,709	\$ 8,214,257	\$ (37,453)	-0.5%	\$ 8,945,952	\$ 694,242	7.8%
Contract Labor	820,710	926,718	106,008	11.4%	1,597,850	777,140	48.6%
Benefits	2,329,942	2,089,467	(240,475)	-11.5%	2,335,181	5,239	0.2%
Physician & Prof Fee	1,577,199	1,647,490	70,290	4.3%	1,577,921	722	0.0%
Supplies	3,644,301	4,009,270	364,969	9.1%	3,734,160	89,858	2.4%
Purchased Services	2,499,864	2,319,223	(180,641)	-7.8%	2,238,543	(261,321)	-11.7%
Leases/Rentals	15,180	25,954	10,774	41.5%	16,288	1,108	6.8%
Depreciation	715,312	703,664	(11,648)	-1.7%	739,369	24,057	3.3%
Provider Tax Expense	1,172,758	1,759,066	586,308	33.3%	1,657,482	484,724	29.2%
Other Oper Expense	374,812	411,651	36,839	8.9%	138,640	(236,172)	-170.3%
Total Operating Expenses	\$ 21,401,787	\$ 22,106,759	\$ 704,972	3.2%	\$ 22,981,385	\$ 1,579,598	6.9%
Net Operating Income	\$ 86,426	\$ 100,372	\$ (13,946)	-13.9%	\$ (2,341,013)	\$ 2,427,439	-103.7%
Investment Income	57,979	70,000	(12,021)	-17.2%	58,410	(430)	-0.7%
Other Nonop Inc(Exp)	1,879	51,024	(49,145)	-96.3%	18,846	(16,967)	-90.0%
Interest Expense	(269,856)	(256,667)	(13,190)	5.1%	(266,282)	(3,574)	1.3%
Net Surplus (Loss)	\$ (123,572)	\$ (35,271)	\$ (88,302)	250.4%	\$ (2,530,040)	\$ 2,406,467	-95.1%

BAY AREA HOSPITAL

MONTH END:7/31/2026

Assets And Deferred Outflows Of Resources	7/31/2026	6/30/2026	6/30/2025
Current Assets			
Cash & Cash Equivalents	\$ 8,808,112	\$ 10,808,724	\$ 9,388,266
Accounts Receivable, net	28,059,576	27,874,641	26,128,118
Inventory	4,169,012	4,179,989	4,347,042
Other Current Assets	15,370,016	14,705,911	8,612,125
Total Current Assets	\$ 56,406,717	\$ 57,569,265	\$ 48,475,551
Investments	\$ 28,527,300	\$ 28,485,325	\$ 32,402,288
Capital Assets			
Depreciable Capital Assets, net	\$ 55,495,051	\$ 56,046,266	\$ 62,170,275
Nondepreciable Capital Assets	2,160,990	1,951,386	2,369,704
Total Capital Assets, net	\$ 57,656,041	\$ 57,997,652	\$ 64,539,978
Leases and Subscriptions, net	\$ 4,594,095	\$ 4,757,842	\$ 2,986,273
Other Non Current Assets	997,436	997,436	820,446
Total Assets	\$ 148,181,588	\$ 149,807,520	\$ 149,224,537
Deferred Outflows Of Resources	6,005,032	6,005,032	6,005,032
Total Assets And Deferred Outflows	\$ 154,186,620	\$ 155,812,552	\$ 155,229,569
Liabilities, Deferred Inflows of Resources, And Net Position	7/31/2026	6/30/2026	6/30/2025
Current Liabilities			
Accounts Payable	\$ 6,601,557	\$ 7,159,401	\$ 7,788,748
Accrued Payroll and Payroll Taxes	2,044,031	4,806,731	4,414,629
Accrued Paid Time Off	5,192,467	5,225,436	5,407,083
Other Accrued Liabilities	15,117,860	13,289,696	6,138,963
3rd Party Settlements Payable, net	5,507,466	5,278,050	5,706,639
Current Portion of Long Term Obligations	2,545,725	2,545,725	2,508,447
Total Current Liabilities	\$ 37,009,105	\$ 38,305,038	\$ 31,964,509
Long Term Obligations, net of current portion	\$ 44,944,776	\$ 45,151,157	\$ 45,481,529
Other Noncurrent Liabilities	3,119,496	3,119,496	2,942,506
Net Pension Liability	630,964	630,964	630,964
Total Liabilities	\$ 85,704,342	\$ 87,206,655	\$ 81,019,508
Deferred Inflows Of Resources	\$ 10,542,073	\$ 10,542,073	\$ 10,542,073
Inter Fund Receivables (Payables)	(15,639)	(15,596)	(4,027)
Total Liabilities & Deferred Cash Inflows	\$ 96,230,776	\$ 97,733,132	\$ 91,557,554
Net Position	\$ 57,955,845	\$ 58,079,420	\$ 63,672,014
Total Liabilities, Deferred Inflows, Net Position	\$ 154,186,620	\$ 155,812,552	\$ 155,229,568

BAY AREA HOSPITAL

MONTH END:7/31/2026

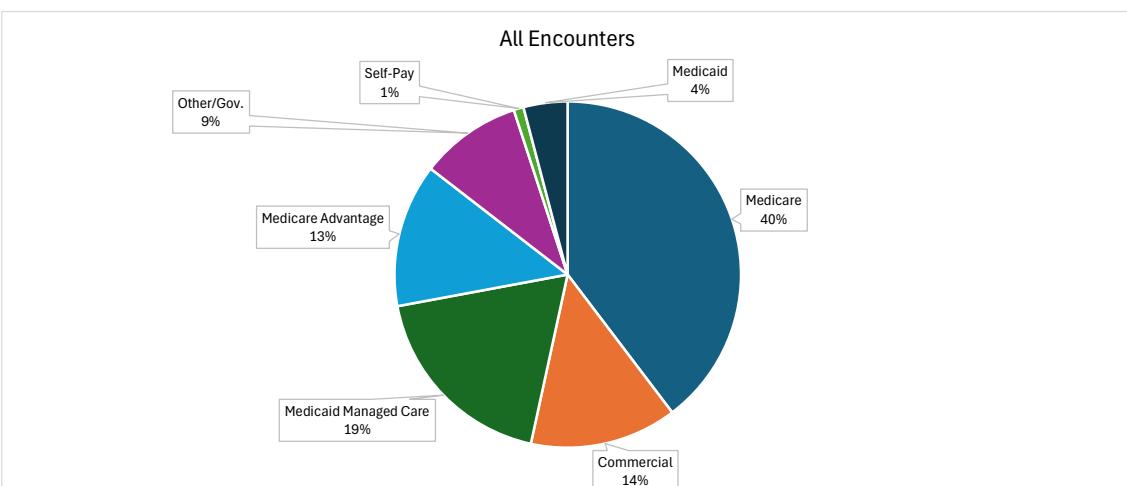
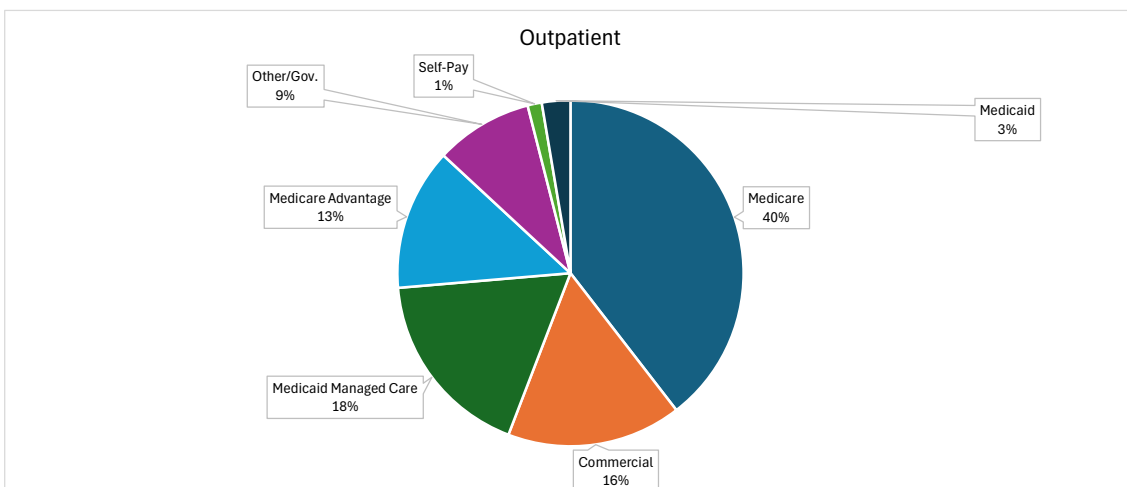
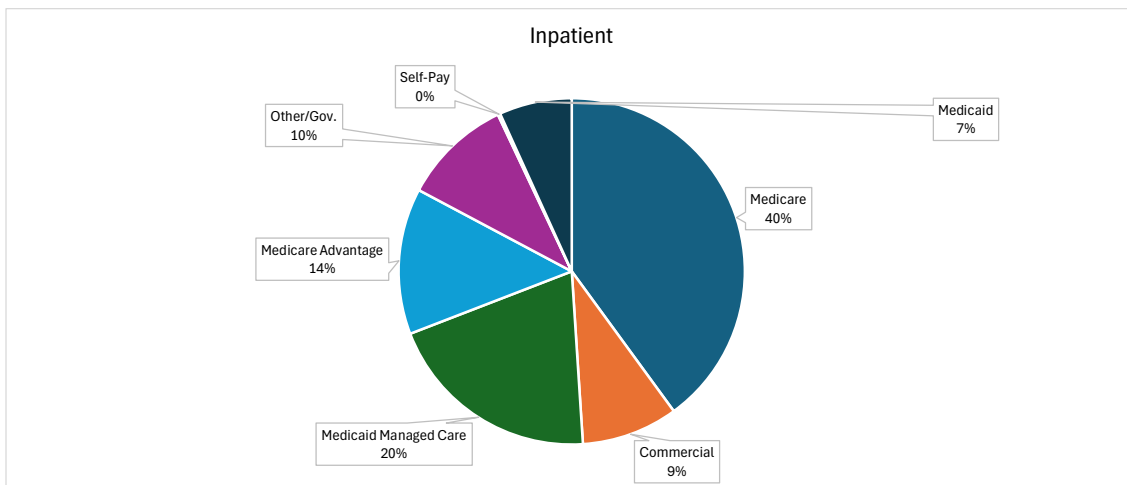
	Month	Year to Date
Cash Flows from Operating Activities:		
Net Income / (loss)	\$ (123,572)	\$ (123,572)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Change in Value of Investments	\$ (41,975)	\$ (41,975)
Depreciation & Amortization	715,312	715,312
Decreases (Increases) In:		
Receivables	(184,935)	(184,935)
Inventories of Supplies	10,977	10,977
Other Current Assets	(664,105)	(664,105)
Net Pension Asset and Liability	-	-
Other Noncurrent Assets	-	-
Increases (Decreases) In:		
Accounts Payable	(557,844)	(557,844)
Accrued Payroll and Payroll Taxes	(2,762,700)	(2,762,700)
Accrued Paid Time Off	(32,969)	(32,969)
Other Current Liabilities	1,828,165	1,828,165
Estimated 3rd Party Settlements	229,416	229,416
Other Noncurrent Liabilities	-	-
Net cash provided by operating activities	\$ (1,584,232)	\$ (1,584,232)
Cash flows from investing activities:		
Purchase of PP&E & Subscriptions	\$ (135,014)	\$ (135,014)
Leases and Other Subscription Arrangements in Capital	(74,943)	(74,943)
Transfers of Investments to Cash	-	0
Net cash provided by investing activities	\$ (209,957)	\$ (209,957)
Cash flows from financing activities:		
Changes in Interfund Payables/Receivables	\$ (43)	\$ (43)
Principle Payments on Debt and Leases	(206,380)	(206,380)
Net cash provided by financing activities	\$ (206,424)	\$ (206,424)
Net increase (decrease) in cash	\$ (2,000,613)	\$ (2,000,613)
Beginning Cash Balance	\$ 10,808,724	\$ 10,808,724
Ending Cash Balance	\$ 8,808,112	\$ 8,808,112

REVENUE CYCLE REPORT
Page 10
BAY AREA HOSPITAL
MONTH END: 7/31/2026

		Actual	Target
Net Days in Accounts Receivable		42.79	< 50
Gross Days in Unbilled Revenue - Discharges Not Final Billed		6.00	< 3.5
Gross Days in Credit Balances		0.58	< 1.0
Charity Care as a % of Gross Patient Revenue	Current Month	0.26%	~ 0%
	Year- To-Date	0.26%	~ 0%
Bad Debts as a % of Gross Patient Revenue	Current Month	0.88%	~ 1%
	Year- To-Date	0.88%	~ 1%
Collections as a Percentage of Net Patient Revenue	Current Month	97.57%	>= 100%
	Year- To-Date	97.57%	>= 100%
Percentage of Accounts Receivable > 90 Days	Medicare	10%	< 6%
	Commercial	21%	< 15%
	Medicare Advantage	23%	< 15%
	Advanced Health	10%	< 15%
	State Medicaid	11%	< 20%
	Other Payors	24%	< 25%
% of Claims Initially Denied - Partial or Zero Pay	Current Month	11.20%	< 3%
	Year- To-Date	11.20%	< 3%
% Denials Resolved	Current Month	98.86%	100%
% of Patient Responsibility Collected at Point of Service	Current Month	8.20%	20% or >
	Year- To-Date	8.20%	20% or >
Cost to Collect as a % of Cash Collections	Current Month	7.68%	< 5%
	Year- To-Date	7.68%	< 5%
Late Charges as a % of Total Charges	Current Month	3.53%	0%
	Year- To-Date	3.53%	0%
% of Insurance Registrations Verified	Current Month	96.80%	100%
	Year- To-Date	96.80%	100%
% of Accounts Pre-Authorized for Service	Current Month	96.14%	100%
	Year- To-Date	96.14%	100%

BAY AREA HOSPITAL

MONTH END: 7/31/2026



BAY AREA HOSPITAL

MONTH END: 7/31/2026

Current Month Purchases	Cost	Budgeted
24-121 UKG WorkForce Dimensions Impl.	\$ 61,518	√
26-022 GYNO Cart	\$ 10,269	√
26-024 Laproscopic Instrument	\$ 54,798	√
26-023 TeleDoc Cart	\$ 7,284	√
26-018 Teledoc Capital Lease	\$ 1,145	√
Capital Expenditure, Current Month	\$ 135,014	
Previously Purchased in Current Fiscal Year:		
Capital Expenditure, Previously Purchased	\$ -	
Total Capital Expenditure, Fiscal YTD	\$ 135,014	

BAY AREA HOSPITAL

MONTH END: 7/31/2026

CovenantStatus

1) TTM Income Available for Debt Service > \$5,000,000

\$ 8,823,810

2) Days Cash On Hand > 75

57.4

3) Unrestricted Liquid Funds > \$50,000,000

\$ 37,335,412

BAY AREA HOSPITAL

MONTH END: 7/31/2026

	Month to Date						
	7/31/2026	6/30/2026	5/31/2026	4/30/2026	3/31/2026	2/28/2026	1/31/2026
Gross Patient Revenue							
Inpatient Revenue	\$ 30,501,949	\$ 24,402,714	\$ 22,665,808	\$ 24,253,268	\$ 27,718,013	\$ 24,785,270	\$ 25,285,811
Outpatient Revenue	56,534,240	45,261,265	41,183,016	45,882,317	48,055,032	40,043,628	42,203,815
Total Gross Patient Revenue	\$ 87,036,189	\$ 69,663,979	\$ 63,848,824	\$ 70,135,585	\$ 75,773,045	\$ 64,828,898	\$ 67,489,626
Deductions							
Deductions	\$ 65,490,642	\$ 47,644,944	\$ 44,194,096	\$ 49,201,875	\$ 53,160,373	\$ 45,076,087	\$ 47,381,190
Bad Debt	765,341	891,567	548,926	(518,513)	969,179	498,518	705,872
Charity	226,054	161,406	300,477	531,244	203,881	273,183	261,151
Total Deductions	\$ 66,482,037	\$ 48,697,916	\$ 45,043,499	\$ 49,214,606	\$ 54,333,433	\$ 45,847,788	\$ 48,348,214
Net Patient Revenue	\$ 20,554,151	\$ 20,966,063	\$ 18,805,325	\$ 20,920,979	\$ 21,439,613	\$ 18,981,110	\$ 19,141,412
Supplemental Payments	1,161,146	1,860,396	1,654,526	1,578,204	1,914,746	1,686,583	1,676,398
Other Oper Revenue	(227,085)	139,822	249,054	99,065	349,576	513,838	899,461
Total Net Revenue	\$ 21,488,213	\$ 22,966,281	\$ 20,708,905	\$ 22,598,248	\$ 23,703,934	\$ 21,181,531	\$ 21,717,271
<i>Net to Gross Patient Rev Ratio</i>	23.6%	30.1%	29.5%	29.8%	28.3%	29.3%	28.4%
Operating Expenses							
Salaries	\$ 8,251,709	\$ 7,778,160	\$ 8,241,018	\$ 7,734,115	\$ 8,107,901	\$ 7,350,047	\$ 7,933,015
Contract Labor	820,710	1,300,126	1,014,745	892,120	865,999	1,057,989	1,126,720
Benefits	2,329,942	2,738,721	1,633,313	3,063,878	2,125,341	1,758,927	1,512,921
Physician & Prof Fee	1,577,199	1,483,253	1,584,349	1,723,043	1,977,458	1,531,129	2,008,633
Supplies	3,644,301	4,238,817	3,002,740	4,774,497	4,488,361	4,635,729	3,924,063
Purchased Services	2,499,864	2,283,195	2,215,907	1,587,683	2,811,916	1,784,481	2,375,422
Leases/Rentals	15,180	22,206	22,370	22,944	35,056	15,262	38,036
Depreciation	715,312	718,521	761,446	759,992	769,694	770,547	863,605
Provider Tax Expense	1,172,758	1,879,000	1,671,071	1,593,986	1,933,893	1,703,449	1,693,162
Other Oper Expense	374,812	454,196	443,042	369,252	401,240	465,466	167,886
Total Operating Expenses	\$ 21,401,787	\$ 22,896,195	\$ 20,590,001	\$ 22,521,510	\$ 23,516,862	\$ 21,073,027	\$ 21,643,463
Net Operating Income	\$ 86,426	\$ 70,086	\$ 118,904	\$ 76,738	\$ 187,073	\$ 108,504	\$ 73,808
Investment Income	57,979	92,713	78,765	69,847	9,619	137,692	64,439
Other Nonop Inc(Exp)	1,879	97,607	62,103	25,633	155,989	179,432	30,652
Interest Expense	(269,856)	(272,931)	(271,827)	(272,484)	(256,406)	(283,115)	(292,764)
Net Surplus (Loss)	\$ (123,572)	\$ (12,525)	\$ (12,054)	\$ (100,266)	\$ 96,275	\$ 142,513	\$ (123,865)

BAY AREA HOSPITAL

MONTH END: 7/31/2026

	Month to Date					
	12/31/2025	11/30/2025	10/31/2025	9/30/2025	8/31/2025	7/31/2025
Gross Patient Revenue						
Inpatient Revenue	\$ 27,533,675	\$ 24,794,900	\$ 26,626,663	\$ 26,728,010	\$ 25,712,601	\$ 25,067,912
Outpatient Revenue	42,929,314	39,172,236	45,309,041	41,227,365	40,825,879	41,625,217
Total Gross Patient Revenue	\$ 70,462,989	\$ 63,967,137	\$ 71,935,704	\$ 67,955,375	\$ 66,538,480	\$ 66,693,128
Deductions						
Deductions	\$ 48,583,922	\$ 45,505,698	\$ 51,088,823	\$ 47,460,525	\$ 46,951,840	\$ 47,507,475
Bad Debt	1,565,159	731,546	257,324	209,021	390,753	154,851
Charity	61,263	191,298	429,919	376,122	72,326	415,079
Total Deductions	\$ 50,210,344	\$ 46,428,542	\$ 51,776,066	\$ 48,045,667	\$ 47,414,919	\$ 48,077,405
Net Patient Revenue	\$ 20,252,644	\$ 17,538,595	\$ 20,159,638	\$ 19,909,708	\$ 19,123,561	\$ 18,615,723
Supplemental Payments	1,802,141	1,534,499	1,767,538	1,679,725	1,695,376	1,674,225
Other Oper Revenue	(63,067)	802,893	343,466	56,187	468,529	350,424
Total Net Revenue	\$ 21,991,719	\$ 19,875,987	\$ 22,270,643	\$ 21,645,620	\$ 21,287,466	\$ 20,640,372
<i>Net to Gross Patient Rev Ratio</i>	<i>28.7%</i>	<i>27.4%</i>	<i>28.0%</i>	<i>29.3%</i>	<i>28.7%</i>	<i>27.9%</i>
Operating Expenses						
Salaries	\$ 7,896,929	\$ 8,161,024	\$ 7,915,210	\$ 8,363,855	\$ 8,244,951	\$ 8,945,952
Contract Labor	901,445	726,015	1,607,600	1,503,921	1,814,985	1,597,850
Benefits	1,917,631	1,837,150	2,296,902	1,972,668	2,767,300	2,335,181
Physician & Prof Fee	1,521,919	1,347,277	1,461,946	1,613,154	1,564,475	1,577,921
Supplies	3,994,123	3,450,109	3,865,979	3,232,610	3,479,092	3,734,160
Purchased Services	2,003,334	1,812,019	2,300,742	2,415,248	2,049,830	2,238,543
Leases/Rentals	28,830	16,790	26,442	33,513	21,281	16,288
Depreciation	705,876	708,467	708,889	719,449	764,537	739,369
Provider Tax Expense	1,820,163	1,549,844	1,785,213	1,679,725	1,695,376	1,657,482
Other Oper Expense	1,037,336	587,523	597,781	948,860	132,771	138,640
Total Operating Expenses	\$ 21,827,587	\$ 20,196,218	\$ 22,566,704	\$ 22,483,004	\$ 22,534,599	\$ 22,981,385
Net Operating Income	\$ 164,132	\$ (320,231)	\$ (296,061)	\$ (837,384)	\$ (1,247,133)	\$ (2,341,013)
Investment Income	75,553	136,471	125,137	126,043	197,536	58,410
Other Nonop Inc(Exp)	24,726	88,187	13,195	62,855	21,601	18,846
Interest Expense	(252,906)	(297,114)	(272,313)	(282,150)	(282,780)	(266,282)
Net Surplus (Loss)	\$ 11,505	\$ (392,686)	\$ (430,042)	\$ (930,635)	\$ (1,310,776)	\$ (2,530,040)