

# Joint Powers Commission

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## Regular Meeting- April 20, 2023

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Sierra Vista Hospital  
 Joint Powers Commission Agenda  
 April 20, 2023 @ 2:00

**Purpose:** Regular Meeting

**Location:** Sierra Vista Hospital Boardroom

**Time:** 2:00

- |                         |                                       |
|-------------------------|---------------------------------------|
| 1. Call to Order        | Travis Day, Chairperson               |
| 2. Pledge of Allegiance | Travis Day, Chairperson               |
| 3. Roll Call            | Melissa Forsythe, Recording Secretary |

**Joint Powers Commission**

**Attendees: City of Elephant Butte**

Edna Trager, Member  
 Kim Skinner, Member  
 Phillip Mortensen, Mayor  
 John Mascaro, City Manager, Ex-O

**City of T or C**

Rolf Hechler, Member  
 Destiny Mitchell, Member  
 Shelly Harrelson, Member  
 Bruce Swingle, City Manager, Ex-O

**Sierra County**

Travis Day, Chairperson  
 Jim Paxon, Member  
 Hank Hopkins, Member  
 Amber Vaughn, County Manager, Ex-O

**Village of Williamsburg**

Vacant, Member  
 Magorie Powey, Member  
 Deb Stubblefield, Vice Chair  
 Amanda Cardona, VCW, Ex-O

**Sierra Vista Hospital**

Frank Corcoran, CEO  
 Ming Huang, CFO  
 Sheila Adams, CNO  
 Bruce Swingle, Governing Board Chair

AGENDA ITEMS	PRESENTER	ACTION REQUIRED
<b>4. Approval of Agenda</b>	Travis Day, Chairperson	Action
<b>5. Approval of Minutes</b> A. October 27, 2022, Regular Meeting Minutes	Travis Day, Chairperson	Action
<b>6. Public Comment – Limit 3 minutes</b>		
<b>7. Old Business</b>	Travis Day, Chairperson	
<b>8. New Business</b>	Travis Day, Chairperson	
A. Financial Report	Ming Huang, CFO	Report/Action
B. CEO Report	Frank Corcoran, CEO	Report/Action
C. Governing Board Report	Bruce Swingle, Chair	Report/Action
D. Special Hospital District	Travis Day, Chairperson	Report/Action
1. Public Forum		

Sierra Vista Hospital  
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**9. Other**

Next Meeting- July 20, 2023 @ 2:00pm

**12. Adjournment**

Action

Sierra Vista Hospital  
Regular Joint Powers Commission Minutes  
January 26, 2023 @ 2:00pm

1. The Joint Powers Commission of Sierra Vista Hospital met January 26, 2023, at 2:00pm in the boardroom at Sierra Vista Hospital for a regular/ annual meeting. Deb Stubblefield, Vice Chair, called the meeting to order at 2:00pm.

2. **Pledge of Allegiance** Deb Stubblefield, Vice Chairperson

3. **Roll Call** Melissa Forsythe, Recorder

**Joint Powers Commission**

**Attendees: City of Elephant Butte**

Edna Trager, via phone  
Kim Skinner, via phone  
Phillip Mortensen, Mayor, via phone  
John Mascaro, City Manager, absent

**City of T or C**

Rolf Hechler, present  
Destiny Mitchell, via phone  
Shelly Harrelson, Member, absent  
Bruce Swingle, Ex-O, present

**Sierra County**

Travis Day, **Chair**, via phone  
Jim Paxon, present  
Hank Hopkins, via phone  
Amber Vaughn, County Manager Ex-O, via phone

**Village of Williamsburg**

Vacant, Member  
Magorie Powey, present  
Deb Stubblefield, **Vice Chair**, present  
Amanda Cardona, VCW, Ex-O, Absent

**Sierra Vista Hospital**

Frank Corcoran, CEO, present  
Ming Huang, CFO, present  
Sheila Adams, CNO, present  
Bruce Swingle, **Governing Board Chair**, present

**AGENDA ITEMS**

**PRESENTER**

**ACTION REQUIRED**

**4. Approval of Agenda**

Travis Day, Chairperson

Rolf Hechler motioned to approve the agenda. Jim Paxon seconded. Motion carried unanimously.

**5. Approval of Minutes**

A. October 27, 2022, Regular Meeting Minutes

Jim Paxon motioned to approve the October 27, 2022, minutes. Rolf Hechler seconded. Motion carried unanimously.

Sierra Vista Hospital  
Regular Joint Powers Commission Minutes  
January 26, 2023 @ 2:00pm

**6. Public Comment- 3-minute limit**

None

**7. Old Business**

None

Deb Stubblefield, Vice Chairperson

**8. New Business**

Deb Stubblefield, Vice Chairperson

**A. Financial Report-** Ming Huang, CFO, reported the following,

Correction to be made on page 10, Bond Coverage Ratio in December was 148%, not 370%.

Page 12, Income Statement by month – October Gross Patient Revenue – 5.1 Million. Net revenue is 2.5 Million. Operation Expense 2.3 Million.

EBITDA – (Earnings before interest, taxes, depreciation, amortization)

October - positive EBITDA \$211,000. Net loss \$192,000 after subtracting depreciation expenses, interests, taxes.

November – Gross Patient Revenue is 5.3 Million. Net Operating Revenue is almost 2.9 Million. Operating Expenses is 2.4 Million. EBITDA is \$415,000. Ending with Net Income \$2,000.

December – Gross Patient Revenue is 4.7 Million. Net Operation Revenue is 2.6 Million. Operating Expenses is 2.5 Million. EBITDA is \$111,000. Net loss of \$303,000 after subtracting depreciation expenses, interests, taxes.

Year-to-date – EBITDA 1.2 Million from July – end of December 2022.

Next, page 14. Balance Sheet – Total cash end of December \$10,770,000. Under construction, we finished the Tunnel Project for 1.1 Million – we still have \$100,000 to be completed on the project.

Bruce Swingle reported – October Gross Revenue was 5.1 Million, November Gross Revenue was 5.3 Million, it's possibly the highest the hospitals ever received in revenue.

Magorie Powey motioned to approve financial report. Jim Paxon seconded. Motion carried unanimously.

**B. CEO Report** – Frank Corcoran, CEO, reported the following.

Capital Outlay Funds/Legislative Meeting:

Plan A - Capital Outlay Funds have been requested to replace the old building. 25 Million requested. Behavior Health was not included at this time. Focusing on replacing the building first. SVH does not

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have the funds or tax support to take on the project ourselves. Can't cut our way to profitability, looking to generate revenue and get the funds.

Plan B – Senate Bill 7, Senator Stuffonix pushing. Same Bill or similar Bill as last year for hospitals that want to start up new service lines, needs capital to offset operational losses till up and running. This bill will help us add the Behavior Health piece.

Frank heading up in two weeks for legislative meetings. Meet with the Hospital Association, meet with our legislators. Focuses on couple of Health Bills, Rural Health Senate Bill 7. Bill for CRNA's – help keep them independent. CRNA is like a Nurse Practitioner, but in the anesthesia world. If we had to add an anesthesiologist, cost goes up, cost reimbursement does not cover anesthesiologist. Med Malpractice Cap, 7 Million range. We're trying to get that repealed. Right now as a public hospital we do not fall into that, we're at the 3 Million Cap. Someone is pushing to have public hospitals in the 7 Million dollar Cap. Three insurance companies covering the state right now. Number of independent physicians leaving the state right now due to Malpractice being so high. State trying to recruit in or bring service lines in. Hard to get insurance coverage.

Back up plan – at some point the Fire Marshall is going to say we can't use the building if we can't get it up to code. We can't spend the money to negate all the asbestos in here we'd have to move to portable buildings if we have to. Fire Marshal was told the governor in support and trying to get us some funds. Fire Marshall gave us a grace period.

RHC Provider Update: Surgery Services have started. Dr. Walker has performed surgery the last two weeks. His procedures are on Wednesdays, clinic on Tues and Thursdays. In a month or two we may pick up another day of surgery, cause we're getting busier. Our two new providers are doing well. Nurse practitioner is doing well. We are trying to hire another behavior health practitioner, waiting on credentials. Our current nurse practitioner has only been here a couple of months and she's already at the 75th percentile. Schedule filing up quickly.

#### Tunnel Project:

Have to disconnect and reconnect some fiberoptics that's running through the old tunnel, next step excavate the old tunnel, fill it in, cap off and put in new sidewalk.

COVID 19 – New policy in place. Monitor transmission levels in our area. If levels less than 15% then mask optional. If greater than 15% then full mask for everyone. We are at 4% now and tends to be dropping. Policy working well. COVID, Flu, RSV seem to be declining in the State. Predicting 2<sup>nd</sup> wave of Flu towards the end of the Flu cycle.

Telemedicine: Applied for FCC grant for Telemedicine availability. We have a grant already with FCC to help with Broadband and infostructure, they give us a discount. Other part of that is Telemedicine carts. We have one cart right now, it's like a tablet, helps with a Telehealth visits with patients and providers. We are trying to get three more carts. Two for the Clinic and one for the ED with more of a bigger monitor, with a stethoscope, pulse ox, EKG. Comes with a platform, any of our providers can use them. Cost about \$18,000 fully loaded. If the grant is not approved then SVH will purchase one of

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the carts for about \$13,000. Any patient brought into our clinic that needs to see a specialist out side of our clinic such as psychology, internal medicine, neurology. Trying to get pulmonology on board.

Surgical Services talked about earlier. Trying to get a marketing campaign going. February is colon/rectal surgery month, getting together brochures to hand out. May is skin cancer month.

IT Replacement: Switching from Athena to Cerner. Kick off is April, go live is October, November 2023. Bringing in project management team to lead. We will see revenues drop because of the switch. AR is now at 40 days and will go to 90/120days. This means how long it's taking you to get your money in the bank. Working with a couple of companies to do the revenue cycle, which is the billing and collections. We have 3 billers now, but Athena does the posting. When we switch, they will not be doing that any longer. Rough days till we get through the process. Resolution, we've worked with prior. R-1, from Cerner are two of the companies we're looking at.

Compliance Officer – Zachary Heard is our new compliance officer. He will be working closely with Heather Johnson.

340B Update – We made \$430,000 from the program.

Chartspan Udpate – Company we use to do the monitoring of patients at home. Patients sign up- they bill Medicare – 20 minute phone call, it's a way for someone to monitor our patients (Remote monitoring). We made \$120,000, net \$50,000 after paying the company. Looking for revenue generating programs, Surgery, Sleep Study, Cardiologist (1 day a week, soon). Looking to partner with wound care program.

Rolf Hechler motioned to approve CEO's report. Jim Paxon seconded. Motion carried unanimously.

- C. Governing Board Petition passed. Each board member committed to 25 signatures. 100 days cash on hand good place to be. We are now at 140 days cash on hand. Welcomed couple new board members. Great relationship with QHR. Committee is 3 board members and chair attending all the committee meeting. Group would love to have 4 board members attending. Adding to next agenda. Review the bylaws now. Denim and Diamond coming up April 15, 2023. Board fundraiser for the Hospital. James Bond is the theme.

Jim Paxon motioned to approve Governing Board report. Rolf Hechler seconded. Motion carried unanimously.

- D. Special Hospital District – The Creation of the District. 492 signatures, confirmed by Shelly Trujillo, Clerk. If every of JPC and Governing Board were to get 25 sign, we'd exceed that number. Travis Day working on handout materials addressing the concerns we

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encountered at the last referendum. There will be public meetings schedule for April and May and advertised through the Sentinel. The deadline for signature July 14, 2023 to be in

to the clerk. Hand deliver or to Travis Day. Clerk then to verify all signatures are valid. Melissa Forsythe to adjust the petition to lines to make more room for signature. Petition adjusted and passed out to JPC members.

Jim Paxon motioned to accept Travis Day's report on the Creation of the District. Rolf Hechler seconded. Motion carried unanimously.

**E. Mill Levy** – Mill Levy passed. Good for another 8 years. Make sure the Mill Levy message continues to be positive.

Rolf Hechler motioned to accept Travis Day's report on the Mill Levy. Jim Paxon seconded. Motion carried unanimously.

**9. Executive Session** – In accordance with Open Meetings Act, **NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 9** the JPC will vote to close the meeting to discuss the following item

No Executive Session had

**10. Other**

Next meeting- April 20, 2023, at 2:00.

**11. Adjournment**

Jim Paxon motioned to adjourn; Rolf Hechler seconded.

Motion carried unanimously.

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Travis Day, **Chair**, via phone

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Deb Stubblefield, JPC Vice Chairperson





## **Financial Analysis**

**January 31<sup>st</sup>, 2023**

**Days Cash on Hand** for January 2023 are 134

**Accounts Receivable Net** days are 28

**Accounts Payable** days are 28

### **Hospital Excess Revenue over Expense**

The **Net Income** for the month of January was \$119,670 vs. a Budget Income of (\$44,598).

**Hospital Gross Revenue** for January was \$5,165,758 or \$524,641 more than budget. Patient Days were 160 – 36 more than December. RHC visits were 831 – 115 more than December, Outpatient Visits were 960 – 143 less than December.

**Revenue Deductions** for January were \$2,418,114 or \$273,058 more than budget. Recorded Medicare receivable of \$350,000 which reduced contractual allowances.

**Other Operating Revenue** was \$122,435.

**Non-Operating Revenue** was \$162,827, including donation of \$47,024.95 from Development Organization for anesthesia machine.

**Hospital Operating Expenses** for January were \$2,522,434. Compared to Budget, salaries and benefits expenses were over budget by \$117,734.

**EBITDA** for January was \$513,869 vs. a Budget of \$372,488. YTD EBITDA is \$1,756,999 vs. a Budget of \$2,583,383.

The **Bond Coverage Ratio** in January was 180% vs. an expected ratio of 130%.



## **Financial Analysis**

**February 28<sup>th</sup>, 2023**

**Days Cash on Hand** for February 2023 are 138

**Accounts Receivable Net** days are 27

**Accounts Payable** days are 29

### **Hospital Excess Revenue over Expense**

The **Net Income** for the month of February was (\$312,564) vs. a Budget Income of (\$40,282).

**Hospital Gross Revenue** for February was \$4,549,211 or \$357,234 more than budget. Patient Days were 98 – 62 less than January. RHC visits were 697 – 134 less than January, Outpatient Visits were 930 – 30 less than January, and ER visits were 573 – 100 less than January.

**Revenue Deductions** for February were \$2,100,450 or \$162,980 more than budget.

**Other Operating Revenue** was \$143,649.

**Non-Operating Revenue** was \$114,504.

**Hospital Operating Expenses** for February were \$2,606,248. Compared to Budget, Contract Services expenses were over budget due to the payment for surgery program of \$134,875. Repairs/Maintenance expenses were over budget by \$37,469 for Endoscopy room and sewer line.

**EBITDA** for February was \$102,138 vs. a Budget of \$336,441. YTD EBITDA is \$1,859,137 vs. a Budget of \$2,919,824.

**The Bond Coverage Ratio** in February was 167% vs. an expected ratio of 130%.

**Sierra Vista Hospital  
INCOME STATEMENT  
February 28, 2023**

MONTH					YEAR TO DATE					
Actual 2/28/23	Budget 2/28/23	Variance to Budget	Prior Year 2/28/22	Variance to Prior Year	DESCRIPTION	Actual 2/28/23	Budget 2/28/23	Variance to Budget	Prior Year 2/28/22	Variance to Prior Year
\$ 4,549,211	\$ 4,191,977	\$ 357,234	\$ 3,575,083	\$974,128	<b>Gross Patient Revenue</b>	\$ 38,673,702	\$ 36,380,370	\$ 2,293,333	\$ 33,964,253	\$4,709,449
\$ 1,814,723	1,761,313	53,410	1,831,356	(\$16,633)	Revenue Deductions					
\$ 188,500	121,672	66,829	124,185	\$64,316	Contractual Allowances	17,734,349	15,285,683	2,448,666	13,732,263	\$4,002,086
\$ 97,226	54,485	42,741	34,833	\$62,394	Bad Debt	1,669,778	1,055,937	613,841	1,086,539	\$583,240
\$ 2,100,450	\$ 1,937,470	\$ 162,980	\$ 1,990,374	\$ 110,076	Other Deductions	807,122	472,854	334,268	453,874	353,248
\$ 1,472	16,404	(14,933)	2,439	(\$967)	<b>Total Revenue Deductions</b>	\$ 20,211,249	\$ 16,814,475	\$ 3,396,775	\$ 15,272,675	\$ 4,938,574
\$ 2,450,232	\$ 2,270,911	\$ 179,322	\$1,587,148	\$863,085	Other Patient Revenue	19,875	142,364	(122,489)	10,030	9,845
54%	54%	(0%)	44%	9%	<b>Net Patient Revenue</b>	\$ 18,482,328	\$ 19,708,259	\$ (1,225,931)	\$ 18,701,609	\$ (219,281)
\$ 143,649	188,065	(44,416)	407,705	(\$264,056)	<b>Gross to Net %</b>	48%	54%	(6%)	55%	(7%)
\$ 114,504	158,887	(44,383)	126,373	(\$11,868)	Other Operating Revenue	1,414,376	1,632,132	(217,756)	2,094,554	(680,178)
\$ 2,708,386	\$ 2,617,862	\$ 90,523	\$ 2,121,225	\$ 587,161	Non-Operating Revenue	1,248,504	1,378,913	(130,409)	2,458,670	(1,210,166)
					<b>Total Operating Revenue</b>	\$ 21,145,208	\$ 22,719,304	\$ (1,574,096)	\$ 23,254,832	(2,109,624)
					<b>Expenses</b>					
\$ 1,208,507	\$1,082,942	\$125,564	\$1,090,915	\$117,592	Salaries & Benefits	\$9,362,214	\$9,398,394	(36,179)	\$8,700,019	\$662,195
\$ 1,005,741	907,709	98,032	935,149	70,592	Salaries	7,666,289	7,877,620	(211,331)	7,321,146	345,143
\$ 185,073	157,856	27,218	150,964	34,110	Benefits	1,521,975	1,369,962	152,013	1,266,748	255,227
\$ 17,692	17,377	315	4,802	12,890	Other Salary & Benefit Expense	173,950	150,812	23,138	112,125	61,825
\$ 145,574	173,497	(27,922)	145,782	(207)	Supplies	1,243,050	1,505,704	(262,654)	1,311,770	(\$68,720)
\$ 824,458	638,389	186,069	581,223	243,235	Contract Services	5,493,761	5,540,305	(46,544)	4,264,471	\$1,229,290
\$ 177,452	193,820	(16,367)	174,511	2,941	Professional Fees	1,443,086	1,682,078	(238,992)	1,417,529	\$25,557
\$ 10,606	6,978	3,628	3,103	7,503	Leases/Rentals	70,939	60,558	10,381	55,496	\$15,443
\$ 32,531	33,160	(629)	32,989	(458)	Utilities	304,993	287,784	17,210	292,778	\$12,215
\$ 86,468	49,000	37,469	94,507	(8,039)	Repairs / Maintenance	454,718	425,246	29,471	500,351	(\$45,633)
\$ 79,176	69,242	9,933	68,149	11,027	Insurance	591,473	600,924	(9,451)	523,952	\$67,522
\$ 41,476	34,394	7,082	33,489	\$7,987	Other Operating Expenses	321,837	298,487	23,350	364,144	(\$42,307)
\$2,606,248	\$2,281,421	\$324,827	2,224,667	\$381,581	<b>Total Operating Expenses</b>	\$19,286,071	\$19,799,480	(\$513,408)	\$17,430,510	\$1,855,561
\$102,138	\$336,441	(\$234,303)	(\$103,442)	\$205,579.74	<b>EBITDA</b>	\$1,859,137	\$2,919,824	(\$1,060,687)	\$5,824,323	(\$3,965,186)
4%	13%	(9%)	(5%)	9%	<b>EBITDA Margin</b>	9%	13%	(4%)	25%	(16%)
					<b>Non - Operating Expenses</b>					
\$ 286,443	\$265,773	\$20,669	\$288,723	(\$2,280)	Depreciation and Amortization	2,283,052	\$2,306,534	(23,482)	\$2,306,794	(\$23,742)
\$ 75,095	68,309	\$6,786	73,451	\$1,643	Interest	588,874	592,821	(3,948)	\$592,865	(\$3,992)
\$ 53,165	42,641	\$10,524	44,305	\$8,860	Tax/Other	379,992	370,061	9,931	\$373,624	\$6,367
\$414,702	\$376,723	\$37,979	\$406,479	\$8,223	<b>Total Non Operating Expense</b>	\$3,251,917	\$3,269,416	(\$17,499)	\$3,273,284	(\$21,367)
(\$312,564)	(\$40,282)	(\$272,282)	(\$509,921)	\$197,357	<b>NET INCOME (LOSS)</b>	(\$1,392,780)	(\$349,592)	(\$1,043,188)	\$2,551,039	(\$3,943,819)
(12%)	(2%)	(10%)	(24%)	12%	<b>Net Income Margin</b>	(7%)	(2%)	(5%)	11%	(18%)

**Sierra Vista Hospital**  
**INCOME STATEMENT by Month**  
**February 28, 2023**

Description	Month Ending 6/30/2023	Month Ending 5/31/2023	Month Ending 4/30/2023	Month Ending 3/31/2023	Month Ending 2/28/2023	Month Ending 1/31/2023	Month Ending 12/31/2022	Month Ending 11/30/2022	Month Ending 10/31/2022	Month Ending 9/30/2022	Month Ending 8/31/2022	Month Ending 7/31/2022
<b>Revenues</b>												
Gross Patient Revenue					\$ 4,549,211	\$ 5,165,758	\$ 4,667,505	\$ 5,314,315	\$ 5,093,059	\$ 4,273,541	\$ 4,897,013	\$ 4,713,901
<b>Revenue Deductions</b>												
Contractual Allowances					1,814,723	2,120,473	2,210,856	2,412,093	2,495,591	1,975,761	2,464,567	2,240,286
Bad Debt					188,500	227,839	90,154	283,657	263,472	202,078	216,838	197,240
Other Deductions					97,226	69,802	142,331	88,865	128,587	51,025	140,839	88,447
<b>Total Revenue Deductions</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,100,450	\$ 2,418,114	\$ 2,443,341	\$ 2,784,615	\$ 2,887,649	\$ 2,228,864	\$ 2,822,244	\$ 2,525,973
Other Patient Revenue					1,472	3,356	5,352	27	2,202	4,366	3,043	58
<b>Net Patient Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,450,232	\$ 2,751,000	\$ 2,229,516	\$ 2,529,727	\$ 2,207,611	\$ 2,049,043	\$ 2,077,812	\$ 2,187,386
<b>Gross to Net %</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	54%	53%	48%	48%	43%	48%	42%	46%
Other Operating Revenue					143,649	122,435	161,664	168,134	142,078	322,559	183,822	170,035
Non-Operating Revenue					114,504	162,867	213,425	156,372	135,314	31,923	285,973	148,126
<b>Total Operating Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,708,386	\$ 3,036,303	\$ 2,604,604	\$ 2,854,233	\$ 2,485,004	\$ 2,403,525	\$ 2,547,607	\$ 2,505,546
<b>Expenses</b>												
<b>Salaries &amp; Benefits</b>	\$0	\$0	\$0	\$0	\$1,208,507	\$1,316,706	\$1,165,013	\$1,107,334	\$1,164,042	\$1,180,350	\$1,099,943	\$1,120,320
Salaries					1,005,741	1,085,374	963,610	897,576	959,534	928,471	891,515	934,466
Benefits					185,073	209,913	183,709	186,701	190,504	220,894	185,721	159,461
Other Salary & Benefit Expense					17,692	21,418	17,694	23,057	14,004	30,985	22,707	26,393
Supplies					145,574	159,611	216,154	170,929	143,508	127,032	150,029	130,212
Contract Services					824,458	644,493	680,378	759,436	631,234	735,150	583,126	635,487
Professional Fees					177,452	183,930	178,636	184,377	180,160	177,798	180,366	180,368
Leases/Rentals					10,606	9,203	9,334	5,400	7,514	9,050	9,411	10,421
Utilities					32,531	32,041	29,350	32,695	46,475	38,432	42,610	50,859
Repairs / Maintenance					86,468	67,748	54,759	73,937	34,975	57,920	48,769	30,142
Insurance					79,176	77,715	76,549	76,743	45,873	78,159	79,477	77,783
Other Operating Expenses					41,476	30,987	82,661	27,562	20,073	46,932	45,241	26,905
<b>Total Operating Expenses</b>	\$0	\$0	\$0	\$0	\$2,606,248	\$2,522,434	\$2,492,833	\$2,438,413	\$2,273,853	\$2,450,824	\$2,238,971	\$2,262,496
<b>EBITDA</b>	\$0	\$0	\$0	\$0	\$102,138	\$513,869	\$111,771	\$415,820	\$211,151	(\$47,299)	\$308,636	\$243,051
<b>EBITDA Margin</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	4%	17%	4%	15%	8%	-2%	12%	10%
<b>Non - Operating Expenses</b>												
Depreciation and Amortization					\$286,443	\$286,009	\$285,517	\$285,517	\$285,285	\$285,258	\$284,522	\$284,500
Interest					75,095	73,349	73,359	71,474	73,377	73,387	75,427	73,406
Tax/Other					53,165	34,842	56,135	56,785	45,182	48,047	43,713	42,123
<b>Total Non Operating Expenses</b>	\$0	\$0	\$0	\$0	\$414,702	\$394,200	\$415,011	\$413,777	\$403,844	\$406,692	\$403,662	\$400,029
<b>NET INCOME (LOSS)</b>	\$0	\$0	\$0	\$0	(\$312,564)	\$119,670	(\$303,240)	\$2,043	(\$192,693)	(\$453,991)	(\$95,027)	(\$156,978)
<b>Net Income Margin</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(12%)	4%	(12%)	0%	(8%)	(19%)	(4%)	(6%)

**Sierra Vista Hospital**  
**TWELVE MONTH INCOME STATEMENT**  
**February 28, 2023**

Description	Month Ending 2/28/2023	Month Ending 1/31/2023	Month Ending 12/31/2022	Month Ending 11/30/2022	Month Ending 10/31/2022	Month Ending 9/30/2022	Month Ending 8/31/2022	Month Ending 7/31/2022	Month Ending 6/30/2022	Month Ending 5/31/2022	Month Ending 4/30/2022	Month Ending 3/31/2022
<b>Revenues</b>												
Gross Patient Revenue	\$ 4,549,211	\$ 5,165,758	\$ 4,667,505	\$ 5,314,315	\$ 5,093,059	\$ 4,273,541	\$ 4,897,013	\$ 4,713,301	\$ 4,213,781	\$ 4,711,436	\$ 4,225,491	\$ 4,116,284
<b>Revenue Deductions</b>												
Contractual Allowances	1,814,723	2,120,473	2,210,856	2,412,093	2,495,591	1,975,761	2,464,567	2,240,286	1,934,982	2,148,729	2,054,060	1,733,039
Bad Debt	188,500	227,839	90,154	283,657	263,472	202,078	216,838	197,240	180,600	77,177	107,657	52,445
Other Deductions	97,226	69,802	142,331	88,865	128,587	51,025	140,839	88,447	132,022	108,432	58,653	101,839
<b>Total Revenue Deductions</b>	<b>\$ 2,100,450</b>	<b>\$ 2,418,114</b>	<b>\$ 2,443,341</b>	<b>\$ 2,784,615</b>	<b>\$ 2,887,649</b>	<b>\$ 2,228,864</b>	<b>\$ 2,822,244</b>	<b>\$ 2,525,973</b>	<b>\$ 2,247,604</b>	<b>\$ 2,334,337</b>	<b>\$ 2,220,370</b>	<b>\$ 1,887,323</b>
Other Patient Revenue	1,472	3,356	5,352	27	2,202	4,366	3,043	58	471	12	202,366	761
<b>Net Patient Revenue</b>	<b>\$ 2,450,232</b>	<b>\$ 2,751,000</b>	<b>\$ 2,229,516</b>	<b>\$ 2,529,727</b>	<b>\$ 2,207,611</b>	<b>\$ 2,049,043</b>	<b>\$ 2,077,812</b>	<b>\$ 2,187,386</b>	<b>\$ 1,966,649</b>	<b>\$ 2,377,111</b>	<b>\$ 2,207,487</b>	<b>\$ 2,229,722</b>
<b>Gross to Net %</b>	<b>54%</b>	<b>53%</b>	<b>48%</b>	<b>48%</b>	<b>43%</b>	<b>48%</b>	<b>42%</b>	<b>46%</b>	<b>46.7%</b>	<b>50%</b>	<b>52%</b>	<b>54%</b>
Other Operating Revenue	143,649	122,435	161,664	168,134	142,078	322,559	183,822	170,035	244,617	(764,593)	253,020	229,154
Non-Operating Revenue	114,504	162,867	213,425	156,372	135,314	31,923	285,973	148,126	321,334	538,200	207,887	210,151
<b>Total Operating Revenue</b>	<b>\$ 2,708,386</b>	<b>\$ 3,036,303</b>	<b>\$ 2,604,604</b>	<b>\$ 2,854,233</b>	<b>\$ 2,485,004</b>	<b>\$ 2,403,525</b>	<b>\$ 2,547,607</b>	<b>\$ 2,505,546</b>	<b>\$ 2,532,599</b>	<b>\$ 2,150,719</b>	<b>\$ 2,668,394</b>	<b>\$ 2,669,027</b>
<b>Expenses</b>												
Salaries & Benefits	1,208,507	1,316,706	1,165,013	1,107,334	1,164,042	1,180,350	1,099,943	1,120,320	1,016,942	1,075,424	1,130,204	1,071,947
Salaries	1,005,741	1,085,374	963,610	897,576	959,534	928,471	891,515	934,466	827,216	883,393	841,508	884,152
Benefits	185,073	209,913	183,709	186,701	190,504	220,894	185,721	159,461	165,628	172,534	251,025	174,881
Other Salary & Benefit Expense	17,692	21,418	17,694	23,057	14,004	30,985	22,707	26,393	24,098	19,497	37,671	12,915
Supplies	145,574	159,611	216,154	170,929	143,508	127,032	150,029	130,212	191,130	123,361	137,324	186,932
Contract Services	824,458	644,493	680,378	759,436	631,234	735,150	583,126	635,487	720,752	820,249	797,908	713,877
Professional Fees	177,452	183,930	178,636	184,377	180,160	177,798	180,366	180,368	178,417	180,370	178,417	180,370
Leases/Rentals	10,606	9,203	9,334	5,400	7,514	9,050	9,411	10,421	9,125	4,921	9,571	11,210
Utilities	32,531	32,041	29,350	32,695	46,475	38,432	42,610	50,859	49,790	48,261	36,822	30,623
Repairs / Maintenance	86,468	67,748	54,759	73,937	34,975	57,920	48,769	30,142	63,485	60,516	41,785	56,795
Insurance	79,176	77,715	76,549	76,743	45,873	78,159	79,477	77,783	67,825	68,149	68,351	67,827
Other Operating Expenses	41,476	30,987	82,661	27,562	20,073	46,932	45,241	26,905	43,903	46,048	40,398	36,002
<b>Total Operating Expenses</b>	<b>\$2,606,248</b>	<b>\$2,522,434</b>	<b>\$2,492,833</b>	<b>\$2,438,413</b>	<b>\$2,273,853</b>	<b>\$2,450,824</b>	<b>\$2,238,971</b>	<b>\$2,262,496</b>	<b>\$2,341,368</b>	<b>\$2,427,299</b>	<b>\$2,440,778</b>	<b>\$2,355,583</b>
<b>EBITDA</b>	<b>\$102,138</b>	<b>\$513,869</b>	<b>\$111,771</b>	<b>\$415,820</b>	<b>\$211,151</b>	<b>(\$47,299)</b>	<b>\$308,636</b>	<b>\$243,051</b>	<b>\$191,231</b>	<b>(\$276,579)</b>	<b>\$227,616</b>	<b>\$313,444</b>
<b>EBITDA Margin</b>	<b>4%</b>	<b>17%</b>	<b>4%</b>	<b>15%</b>	<b>8%</b>	<b>-2%</b>	<b>12%</b>	<b>10%</b>	<b>7.6%</b>	<b>-13%</b>	<b>9%</b>	<b>12%</b>
<b>Non - Operating Expenses</b>												
Depreciation and Amortization	286,443	286,009	285,517	285,517	285,285	285,258	284,522	284,500	309,965	290,430	290,430	289,899
Interest	75,095	73,349	73,359	71,474	73,377	73,387	75,427	73,406	73,415	75,591	75,735	73,442
Tax/Other	53,165	34,842	56,135	56,785	45,182	48,047	43,713	42,123	54,948	44,937	42,004	47,582
<b>Total Non Operating Expenses</b>	<b>\$414,702</b>	<b>\$394,200</b>	<b>\$415,011</b>	<b>\$413,777</b>	<b>\$403,844</b>	<b>\$406,692</b>	<b>\$403,662</b>	<b>\$400,029</b>	<b>\$438,327</b>	<b>\$410,958</b>	<b>\$408,169</b>	<b>\$410,923</b>
<b>NET INCOME (LOSS)</b>	<b>(\$312,564)</b>	<b>\$119,670</b>	<b>(\$303,240)</b>	<b>\$2,043</b>	<b>(\$192,693)</b>	<b>(\$453,991)</b>	<b>(\$95,027)</b>	<b>(\$156,978)</b>	<b>(\$247,096)</b>	<b>(\$687,537)</b>	<b>(\$180,554)</b>	<b>(\$97,479)</b>
<b>Net Income Margin</b>	<b>(12%)</b>	<b>4%</b>	<b>(12%)</b>	<b>0%</b>	<b>(8%)</b>	<b>(19%)</b>	<b>(4%)</b>	<b>(6%)</b>	<b>(9.8%)</b>	<b>(32%)</b>	<b>(7%)</b>	<b>(4%)</b>

**Sierra Vista Hospital  
BALANCE SHEET  
February 28, 2023**

February 28, 2023 (Unaudited)	DESCRIPTION	June 30, 2022
	<b>Assets</b>	
	<b>Current Assets</b>	
\$ 10,960,321	Cash and Liquid Capital	\$ 11,860,878
\$ 101,326	US Bank Clearing	\$ 535,046
\$ 11,061,647	<b>Total Cash</b>	\$ 12,395,924
\$ 6,649,322	Accounts Receivable - Gross	\$ 5,393,178
\$ 4,605,885	Contractual Allowance	\$ 3,689,594
\$ 2,043,437	<b>Total Accounts Receivable, Net of Allowance</b>	\$ 1,703,584
\$ 1,656,763	Other Receivables	\$ 843,919
\$ 430,178	Inventory	\$ 389,634
\$ 404,390	Prepaid Expense	\$ 183,210
\$ 15,596,415	<b>Total Current Assets</b>	\$ 15,516,271
	<b>Long Term Assets</b>	
\$ 53,601,807	Fixed Assets	\$ 53,822,297
\$ 16,772,667	Accumulated Depreciation	\$ 15,063,598
\$ 1,123,717	Construction in Progress	\$ 954,129
\$ 37,952,857	<b>Total Fixed Assets, Net of Depreciation</b>	\$ 39,712,828
\$ 37,952,857	<b>Total Long Term Assets</b>	\$ 39,712,828
\$ 3,074,402	New Hospital Loan	\$ 2,104,724
\$ 56,623,674	<b>Total Assets</b>	\$ 57,333,823
	<b>Liabilities &amp; Equity</b>	
	<b>Current Liabilities</b>	
\$ 1,182,745	Account Payable	\$ 1,373,828
\$ 755,643	Interest Payable	\$ 140,460
\$ 48,951	Accrued Taxes	\$ 48,661
\$ 748,962	Accrued Payroll and Related	\$ 842,615
\$ (58,910)	Cost Report Settlement	\$ (220,000)
\$ 2,677,391	<b>Total Current Liabilities</b>	\$ 2,185,564
	<b>Long term Liabilities</b>	
\$ 25,378,027	Long Term Notes Payable	\$ 25,409,748
\$ 25,378,027	<b>Total Long Term Liabilities</b>	\$ 25,409,748
\$ 634,276	Unapplied Liabilities	\$ 381,324
\$ 295,866	Capital Equipment Lease	\$ 326,293
\$ 28,985,560	<b>Total Liabilities</b>	\$ 28,302,929
\$ 27,950,678	Retained Earnings	\$ 29,175,814
\$ (312,564)	Net Income	\$ (144,920)
\$ 56,623,674	<b>Total Liabilities and Equity</b>	\$ 57,333,823

Sierra Vista Hospital  
BALANCE SHEET by Month  
February 28, 2023

	Month Ending 6/30/2023	Month Ending 5/31/2023	Month Ending 4/30/2023	Month Ending 3/31/2023	Month Ending 2/28/2023	Month Ending 1/31/2023	Month Ending 12/31/2022	Month Ending 11/30/2022	Month Ending 10/31/2022	Month Ending 9/30/2022	Month Ending 8/31/2022	Month Ending 7/31/2022
<b>Assets</b>												
<b>Current Assets</b>												
Cash and Liquid Capital					10,960,321	10,455,636	10,630,085	11,058,338	11,005,147	11,072,851	10,914,121	11,428,972
US Bank Clearing					101,326	65,743	139,927	282,639	208,513	284,908	264,173	127,111
<b>Total Cash</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,061,647</b>	<b>\$10,521,378</b>	<b>\$10,770,012</b>	<b>\$11,340,977</b>	<b>\$11,213,660</b>	<b>\$11,357,759</b>	<b>\$11,178,294</b>	<b>\$11,556,083</b>
Accounts Receivable - Gross					6,649,322	6,942,858	5,651,607	6,212,324	6,430,226	5,705,367	6,125,679	6,106,512
Contractual Allowance					4,605,885	4,819,527	4,154,945	4,636,886	4,586,176	4,134,549	4,411,696	4,053,349
<b>Total Accounts Receivable, Net of Allowance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,043,437</b>	<b>\$ 2,123,331</b>	<b>\$ 1,496,662</b>	<b>\$ 1,575,438</b>	<b>\$ 1,844,050</b>	<b>\$ 1,570,818</b>	<b>\$ 1,713,983</b>	<b>\$ 2,053,163</b>
Other Receivables					1,656,763	1,517,342	1,394,847	1,187,681	1,245,509	1,139,931	1,227,596	954,046
Inventory					430,178	443,787	461,722	424,413	409,330	404,454	394,317	413,617
Prepaid Expense					404,390	498,559	525,759	588,715	665,926	747,826	803,417	714,451
<b>Total Current Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,596,415</b>	<b>\$15,104,397</b>	<b>\$14,649,002</b>	<b>\$15,117,224</b>	<b>\$15,378,476</b>	<b>\$15,220,788</b>	<b>\$15,317,608</b>	<b>\$15,691,360</b>
<b>Long Term Assets</b>												
Fixed Assets					53,601,807	53,314,660	53,468,923	53,966,312	53,964,425	53,934,715	53,925,687	53,827,497
Accumulated Depreciation					16,772,667	16,486,224	16,200,215	16,488,680	16,203,163	15,917,877	15,632,619	15,348,098
Construction in Progress					1,123,717	1,123,717	1,123,717	1,123,717	1,123,717	954,129	954,129	954,129
<b>Total Fixed Assets, Net of Depreciation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,952,857</b>	<b>\$ 38,152,154</b>	<b>\$ 38,392,425</b>	<b>\$ 38,601,349</b>	<b>\$ 38,884,980</b>	<b>\$ 38,970,966</b>	<b>\$ 39,247,196</b>	<b>\$ 39,433,528</b>
<b>Total Long Term Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,952,857</b>	<b>\$ 38,152,154</b>	<b>\$ 38,392,425</b>	<b>\$ 38,601,349</b>	<b>\$ 38,884,980</b>	<b>\$ 38,970,966</b>	<b>\$ 39,247,196</b>	<b>\$ 39,433,528</b>
New Hospital Loan					\$ 3,074,402	\$ 2,955,225	\$ 2,833,001	\$ 2,712,708	\$ 2,591,947	\$ 2,470,692	\$ 2,349,111	\$ 2,226,887
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,623,674</b>	<b>\$ 56,211,776</b>	<b>\$ 55,874,428</b>	<b>\$ 56,431,282</b>	<b>\$ 56,855,403</b>	<b>\$ 56,662,446</b>	<b>\$ 56,913,915</b>	<b>\$ 57,351,775</b>
<b>Liabilities &amp; Equity</b>												
<b>Current Liabilities</b>												
Account Payable					1,182,745	1,136,410	965,912	1,041,377	1,483,953	1,395,318	1,201,861	1,676,257
Interest Payable					755,643	678,745	601,847	524,949	448,052	371,154	294,256	217,358
Accrued Taxes					48,951	34,842	52,675	55,803	42,682	47,197	43,713	41,187
Accrued Payroll and Related					748,962	719,600	574,838	848,733	937,805	739,021	723,262	641,244
Cost Report Settlement					(58,910)	(428,910)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
<b>Total Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,677,391</b>	<b>\$2,140,687</b>	<b>\$1,975,272</b>	<b>\$2,250,862</b>	<b>\$2,692,492</b>	<b>\$2,332,690</b>	<b>\$2,043,092</b>	<b>\$2,356,046</b>
<b>Long term Liabilities</b>												
Long Term Notes Payable					25,378,027	25,381,992	25,385,957	25,389,922	25,393,887	25,397,852	25,401,818	25,405,783
<b>Total Long Term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,378,027</b>	<b>\$25,381,992</b>	<b>\$25,385,957</b>	<b>\$25,389,922</b>	<b>\$25,393,887</b>	<b>\$25,397,852</b>	<b>\$25,401,818</b>	<b>\$25,405,783</b>
<b>Unapplied Liabilities</b>												
Capital Equipment Lease					634,276	424,264	366,253	338,540	333,705	302,139	383,505	391,462
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,985,560</b>	<b>\$28,261,098</b>	<b>\$28,043,420</b>	<b>\$28,297,034</b>	<b>\$28,723,198</b>	<b>\$28,337,548</b>	<b>\$28,135,026</b>	<b>\$28,477,859</b>
Retained Earnings					\$27,950,678	\$27,831,009	\$28,134,248	\$28,132,205	\$28,324,898	\$28,778,889	\$28,873,916	\$29,030,894
Net Income					(\$312,564)	\$119,670	(\$303,240)	\$2,043	(\$192,693)	(\$453,991)	(\$95,027)	(\$156,978)
<b>Total Liabilities and Equity</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,623,674</b>	<b>\$56,211,776</b>	<b>\$55,874,428</b>	<b>\$56,431,282</b>	<b>\$56,855,403</b>	<b>\$56,662,446</b>	<b>\$56,913,915</b>	<b>\$57,351,775</b>

## **CEO Report: March 2023**

- Legislative Update
- CHNA Interviews
- Wigwam event March 7-9 QHR/ Ovation
- Behavioral Health Update
- COVID 19 Update
- IT Replacement Update
- Roadrunner Food Distribution event March 14
- Steris Annual PM Contract