



CITY OF ALAMEDA HEALTH CARE DISTRICT

PUBLIC NOTICE

Finance and Management Committee

Wednesday, June 27, 2012

7:30 a.m.

Location: Alameda Hospital (Dal Cielo Conference Room)
2070 Clinton Avenue, Alameda, CA 94501
Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address.

This is being noticed as a Board Meeting as a quorum of Directors may be present. Ex-officio members and non-committee members cannot vote on any item, whether or not a quorum of the Board is present.

- | | | |
|------|---|---------------------|
| I. | Call To Order | Michael McCormick |
| II. | Action Items | |
| | A. Acceptance of May 30, 2012 Minutes [enclosure] | Michael McCormick |
| | B. Recommendation to Accept May 2012 Unaudited Financial Statements [enclosure] | Kerry Easthope |
| III. | Chief Financial Officer Report | Kerry Easthope |
| | A. Update on FY 2013 Operating and Capital Budget Scenarios, including Cash Flow Analysis [enclosure] | |
| | B. Revenue Cycle Update | |
| IV. | Chief Executive Officer Report | Deborah E. Stebbins |
| | A. Update on Key Short Term Capital Projects | Brian Jung |
| V. | Board / Committee / Staff Comments | |
| VI. | Adjournment | |

NEXT MEETING SCHEDULED: JULY 25, 2012



Finance and Management Committee Minutes

April 25, 2012

Members Present: (Voting)	Elliott Gorelick Ann Evans	Ed Kofman William Sellman, MD	Jim Yeh, DO
Management Present:	Deborah E. Stebbins Kerry J. Easthope Brian Jung	Richard Espinoza Mary Bond, RN	Katy Silverman Vandana Behl
Ex Officio/Guests:	Robert Deutsch, MD		
Absent:	Mike McCormick	James Oddie	
Submitted by:	Kristen Thorson		

TOPIC	DISCUSSION	ACTION FOLLOW-UP
I. Call to Order	Director Gorelick called the meeting to order at 7:35 a.m.	
II. Action Items	A. Acceptance of April 25, 2012 Minutes	Ms. Evans made a motion to accept the minutes as presented. Mr. Kofman seconded the motion. The motion carried.
	B. Recommendation to Accept April 2012 Unaudited Financial Statements Bob Anderson presented the financial statements as referenced in the packet noting the following key points. <u>April Performance.</u> There was a net loss for the month of \$189,000 which was below budgeted net income of \$131,000. Both inpatient and outpatient revenues were below budget by \$300,000 and \$1 M respectively. Contributing to April's net revenue was a \$156,000 subacute rate increase adjustment retroactive to 8/1/11. Cash Collections were strong again in April at \$5.5 M. Both March and April had cash collections greater than net revenue. The second property tax installment was received, bringing our cash balance up to \$3.1 million at month end. Current ratio dropped from 1.0 to 0.9 in April.	Mr. Kofman made a motion to recommend approval of the April 2012 Unaudited Financial Statements as presented. Dr. Sellman seconded the motion. The motion carried.

Key Volume Indicators. Average Daily Census was 86.4 versus 87.3 budgeted with Acute at 33.3 (31.6 budgeted), Subacute 31.5 (33.0 budgeted) and Skilled Nursing 21.6 (22.6 budgeted). Outpatient Volumes were below budget, including ECC registrations and surgery cases. Inpatient surgeries were at 39 (46 budgeted) and outpatient at 114 (138 budgeted).

Revenues and Expenses. Overall gross revenue was unfavorable to budget. Both inpatient and outpatient revenues were lower than budget for the month. Overall expenses were \$301,000 above budget in April and \$467,000 YTD.

Cash balance was \$3.1 million, an increase from \$428,000 in March. Net accounts receivable was \$9.4 million down from \$10.3 in March as a result of two months improved collections and additional reserves.

C. Recommendation to Approve FY 2013 Operating and Capital Budget

Ms. Stebbins and Mr. Easthope presented the Operating Budget reviewing the budget process and key historical financial data. Key strategic initiatives for FY 2013 were reviewed noting that the development of new growth/revenue will be a top priority of management and the Board. New programs slated to begin in FY2013 include the acquisition of Waters Edge Skilled Nursing Home, development of the orthopedic program and the opening of the wound care clinic. The key baseline budget volume assumptions were reviewed for Acute / Inpatient, Long Term Care and Outpatient Services. Details on projected gross revenue and net revenue as well as the changes to the baseline net revenue were reviewed as presented. Staffing changes included an increase in FTE's of 127.5 from prior fiscal year. It was noted that the budget did not allow for any wage increases for existing or represented or non-represented personnel. Once the new programs come on line and the actual to budget performance meets or exceeds budget, management will make a separate recommendation for wage increases at such a time.

A 12 month spread of the budget as well as a cash flow analysis will be presented at the Board meeting of June 6 and will be brought to the committee in June. The committee discussed in the delay in the certification decision by CMS and the approval of the operating budget. The committee expressed their concern with recommending approval of the budget as Waters Edge was a key component of the budget.

Ms. Evans made a recommendation to the Board of Director to approve the Operating Budget contingent upon the licensure and certification of Waters Edge Skilled Nursing Facility. Mr. Kofman seconded the motion. The motion carried with a vote of 3 - 1 (Gorelick).

The recommendation for approval of Resolution 2012-5J was taken up for action prior to the discussion on the capital budget in order to keep the quorum as Dr. Sellman had to leave the meeting due to a prior commitment

	D.	<p>Recommendation to Approve Resolution 2012-5J: Authorizing a Loan from the Bank of Alameda, Secured by Real Property</p> <p>Ms. Stebbins presented the recommendation to restructure the existing line of credit with the bank of Alameda by replacing it with a long term care loan which would be secured by two parcels of real property owned by the district as a result of the Jaber Trust. Ms. Stebbins noted that if the final terms changed materially from what was presented, a revised resolution would be brought back to the Board for approval.</p>	<p>Mr. Kofman made a motion to recommend approval of resolution 2012-5J Authorizing a Loan from the Bank of Alameda, Secured by Real Property. Dr. Sellman seconded the motion. The motion carried.</p>
Dr. Sellman left the meeting at 9:15 a.m.			
	C.	<p>Mr. Easthope Presented the Capital Budget which recommended a total of \$1.25 M with seismic and regulatory compliance totaling \$950,000 and upgrades/enhancements to information technologies/ systems totaling \$300,000. No action was taken on the Capital budget as there were concerns raised from the physicians present at the meeting that there was no input from the medical staff on the capital budget. Management will schedule a meeting with the physicians of the Medical Executive Committee to receive input on capital needs for the next fiscal year and present a revised recommendation to the Board of Directors.</p>	<p>No action was taken on approval of the capital budget.</p>
In the interest of time, there was no discussion on the following agenda item. Updates on the following items under the CEO Report will be addressed in the CEO's written monthly report to the Board of Directors for the June 6, 2012 Board meeting.			
III. Chief Executive Officer Report	A.	Comprehensive Orthopedic Program Update	
	B.	Updates on California State Budget and IGT Funding	
	C.	Other Updates	
IV. Chief Financial Officer Report	A.	Revenue Cycle Update	
	B.	Charge Master Description (CDM) Review Update	
V. Board / Committee / Staff Comments	No board, Committee or Staff comments.		
VI. Adjournment	Being no further business, the meeting was adjourned at 9:23 a.m.		

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING MAY 31, 2012

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
MAY 31, 2012**

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ALAMEDA HOSPITAL

MANAGEMENT DISCUSSION AND ANALYSIS

MAY, 2012

The management of Alameda Hospital (the "Hospital") has prepared this discussion and analysis in order to provide an overview of the Hospital's performance for the period ending May 31, 2012 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's financial performance as a whole.

Highlights

This month the Hospital again experienced a negative bottom line. For May a positive \$16,439 was budgeted and a negative (\$341,512) was realized. Year-to-date the Hospital's bottom line is negative by (\$1,641,804).

May activity was very close to budget in the inpatient units and the Emergency Care Center and under budget on outpatient registrations. Inpatient revenues are down just 2.7% consistent with the patient days down 1.1%, and outpatient revenues are down 9.6% consistent with outpatient registrations down 10.9%. It is noted almost all of this outpatient variance is due to the planned Wound Care Clinic that experienced a delay in implementation.

May discharges are above budget 5.7% and patient days were under budget 1.1%. In particular, discharges at South Shore increased as we have had a higher number of Medicare patients at the facility who have a shorter length of stay. Patient days in inpatient acute services were down just 0.6%, while Sub-Acute days were up 3.4% and Skilled Nursing was down 8.4%. Overall outpatient activity was mixed this month. This month outpatient registrations were down 10.9%, in which 81 of the registrations was associated with the delay in Wound Care. Emergency Room visits were 8 above budget or 0.6%. YTD outpatient registrations are 9.0% below budget while Emergency visits are 0.7% above budget. Outpatient surgeries were below budget for the month by 6.8%, but continue to be above budget YTD by 2.5%.

Gross revenue in May is generally in line with activity. Overall gross revenues were 4.8% below budget, with the inpatient component down 2.7% and outpatient down 8.7%. The inpatient revenue variance is due to revenues being budgeted at a slightly higher volume than experienced. The outpatient budget includes \$643,000 for the Wound Care Clinic. Without this budget item, outpatient revenues would be only 0.8% under budget.

Net patient revenues were 21.6% of Gross revenues which is slightly below the YTD net to gross value of 22.6%. In May, we increased our bad debt reserve for self pay accounts by about \$400,000. With the transition in our business office over the past year, self pay accounts have not been worked properly until February, bad debt reserves have been understated and accounts have not been written off to bad debt. Now that these accounts have been worked, we will be writing off a significant number of accounts to bad debt in June and need to have the appropriate reserves to allow for this adjustment to our patient accounts receivable.

The Case Mix Index (CMI) ran above the YTD average. The overall CMI in May was 1.38; up from last month's of 1.3201, and still above the YTD average of 1.3075.

Overall expenses ran very close to budget this month. Productive salaries, professional fees, purchased services, rents and leases, and other expenses were slightly over budget while registry, benefits and supplies were under budget. Employee benefit costs include costs associated with employee health usage. These costs fluctuate according to their usage and in May these were down in part due to an expense accrual adjustment from April. Professional fees were slightly above budget at 4%. Rents and leases were above budget due to the leases on new radiology equipment and new wound care center lease. Total expenses for the month were 0.2% under budget, or \$12,000, while YTD expenses are only 0.7% over budget or \$455,000.

Cash and Cash equivalents were \$3.6 million at the end of May up \$485,000 from the end of April as the result strong cash collections and IGT funds. Furthermore, in June we expect to receive approximately \$480,000 in AB 915 funds for FY 2011 Outpatient Medi-Cal program.

Cash collections in May were \$5.2M, again exceeding net revenues and contributing to net Accounts Receivable decreasing by over \$500,000.

Accounts payable and other accrued expenses dropped by \$900,000 from \$9,042,140 to \$8,141,604. AP days were 128. This is significant improvement over prior month of 135 days.

Lastly, the current ratio ended the month at .97 slightly below the required 1.0 of our bank covenants. We anticipate that this will increase above 1.0 by the end of the fiscal year end.

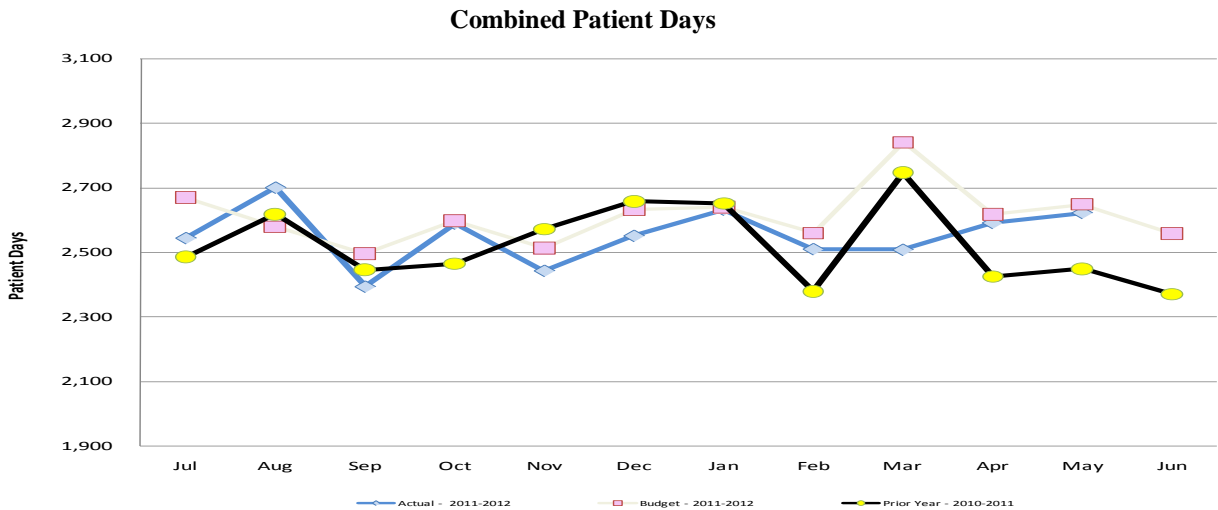
ACTIVITY

ACUTE, SUBACUTE AND SNF SERVICES

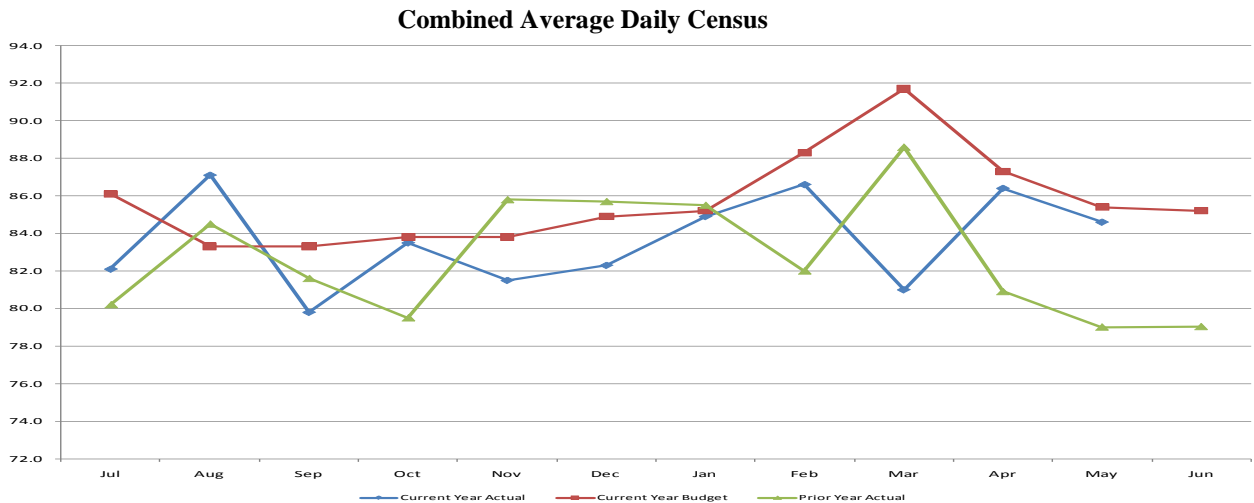
Patient days were slightly below budget for the month but above May of last year. This month's acute days were down 0.6%, Sub-Acute was up 3.4% and Skilled Nursing was down 8.4%. YTD days are now 2.5% under budget.

May's acute care patient days were 28 days (1.1%) lower than budget for the month and 7% above May 2011. The acute care program is comprised of the Critical Care Unit (4.6 ADC, above budget 16.3%), Definitive Observation Unit (10.2 ADC, 12.0% below budget) and Med/Surg Unit is 15.6 ADC or 3.6 higher than budget.

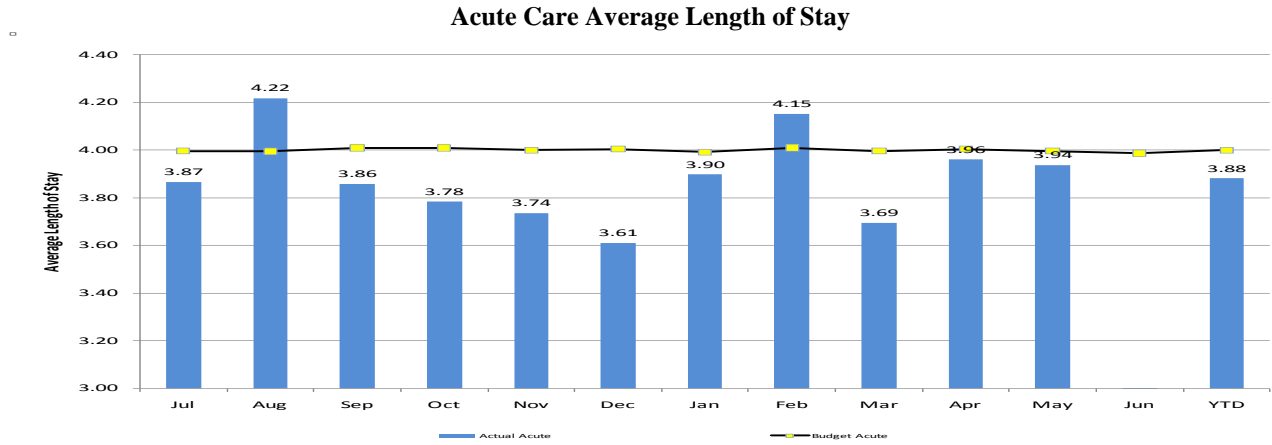
The graph, below, shows the total patient days by month for fiscal year 2012 compared to the operating budget and fiscal year 2011 actual.



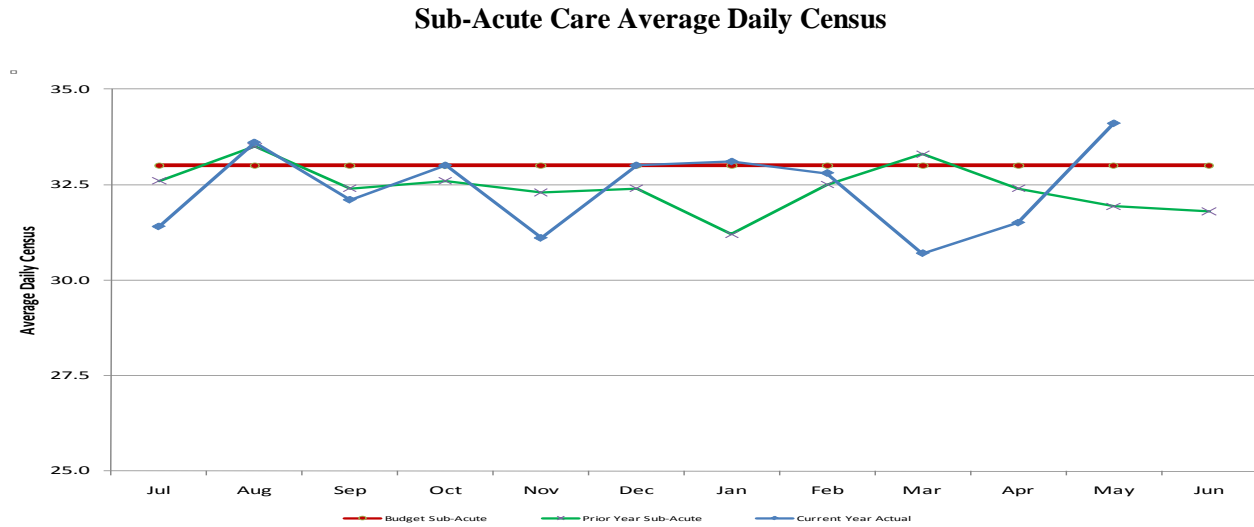
The graph below shows the average daily census for all inpatient services. The actual ADC was 84.55 versus budget of 85.45 an unfavorable variance of 1.1%.



The acute average length of stay (ALOS) decreased slightly from April of 3.96 to May of 3.94, but still below 4.0. The overall acute ALOS for FY 2011 was 4.13. The graph below shows the ALOS by month compared to the budget.

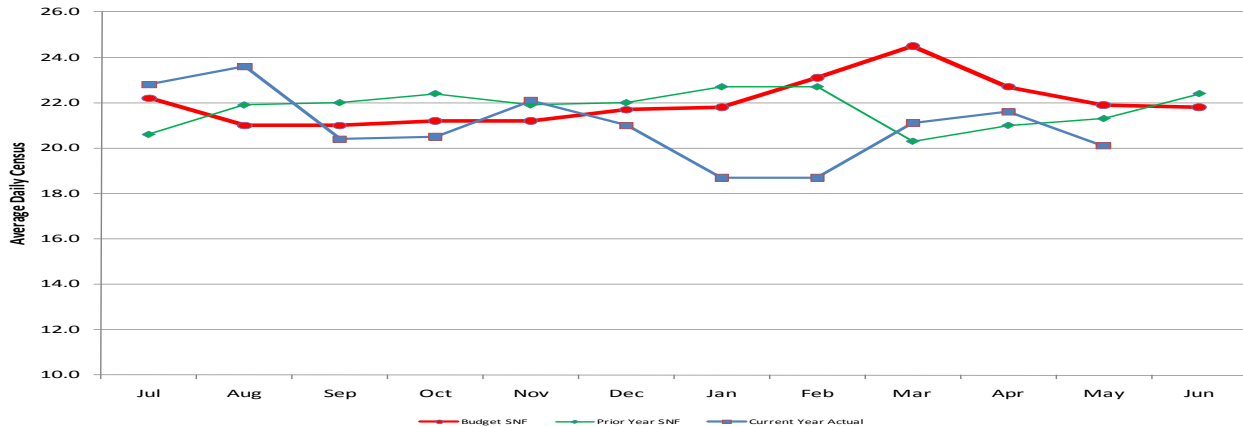


The Sub-Acute programs average daily census of 34.13 in May was above budgeted projections by 1.13 ADC or 3.4%. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.



The Skilled Nursing Unit (South Shore) ADC was lower than budget by 1.8 or 8.4% for the month of May. YTD ADC is also down compared to both budget and the prior year. However, efforts to improve census have been successful as census has climbed back up from the lows of the prior few months. The graph below shows the Skilled Nursing Units monthly average daily census as compared to budget and the prior year. In May there was a greater number of Medicare A patients, which has resulted in a greater number of discharges. These skilled Medicare patients will also result in higher net revenues.

Skilled Nursing Unit Average Daily Census

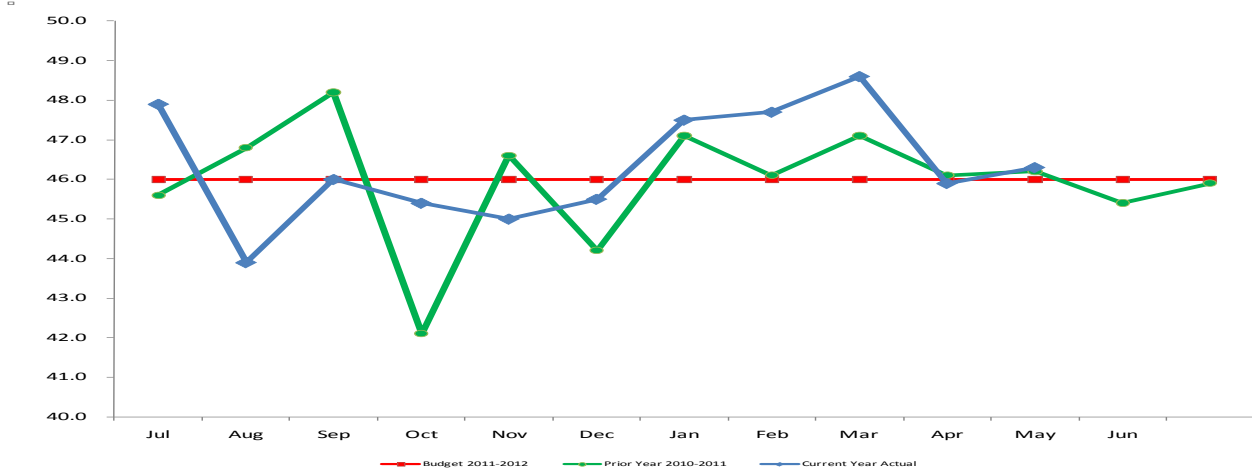


ANCILLARY SERVICES

Outpatient Services

Emergency Care Center visits in May were 1,434. This is 8 visits (0.6%) over the budget of 1,426. 18.4% of ECC visits resulted in inpatient admissions consistent with the 18.4% in April. On a per day basis, the total visits represent an increase of 0.9% from the prior month daily average. In May, there were 327 ambulance arrivals versus 323 in the prior month. Of the 327 ambulance arrivals in the current month, 196 or 59.9% were from Alameda Fire Department (AFD) ambulances.

Emergency Care Visits per Day

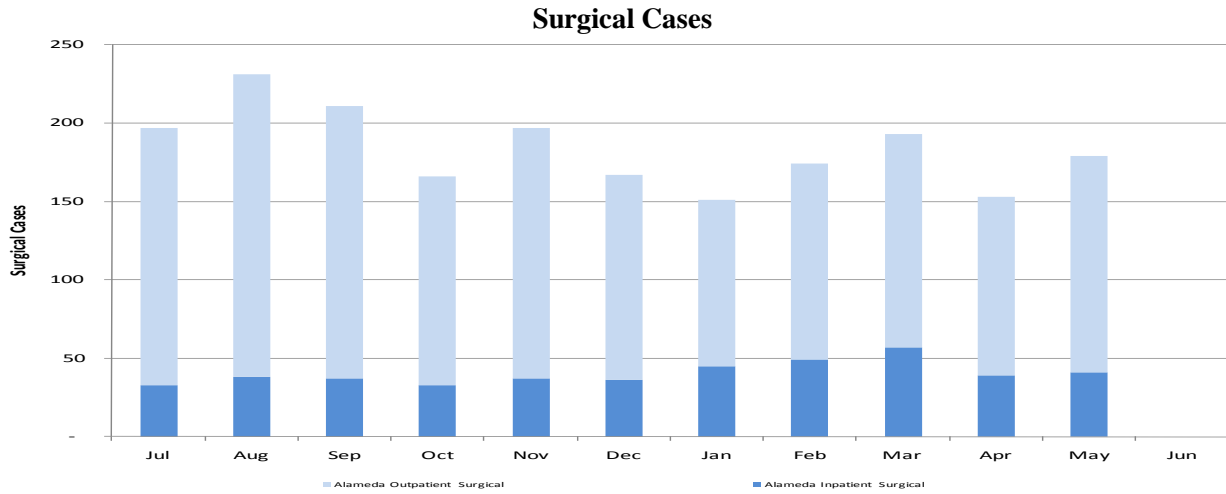


Outpatient registrations were 1,877, or 11.3% below budget. May's average daily registrations were 60.5 which were 3.97% lower than the prior month. This is consistent with YTD outpatient registrations which are below budget by 9.1%. This month Laboratory and Radiology were down 105 and 111 visits respectively. We had budgeted a 2% increase in Radiology and although visits are on par with prior year, we have not achieved the budgeted increase. On the other hand visits were up in Physical Therapy (89 visits) and Occupational Therapy (6 visits). There were no Wound Care visits but visits were again budgeted as the program was expected to start in February. This equated to a total of 300 in May and 930 visits for the four months.

Surgery

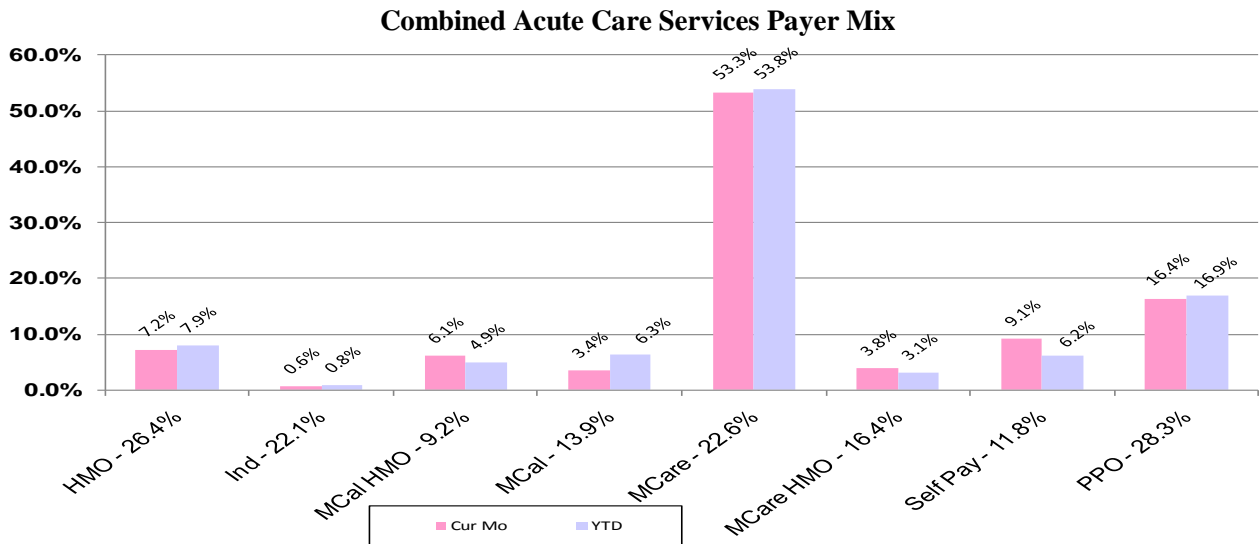
The year-to-date surgery cases were 2,035 or 0.4% above the budget of 2,026 and also above last year. For the month, total surgery cases were below budgeted expectations by 7.7% at 179 cases versus the budget of 194 cases. Inpatient cases were below budget by 5 (10.9%) while outpatient cases were 10 (6.8%) below budget. Inpatient and outpatient cases totaled 41 and 138 in May versus 39 and 114 during the prior month. The new Orthopedic Surgery program will add to growth in this service in the next fiscal year.

The graph below shows the number of inpatient and outpatient surgical cases by month for fiscal year 2012.



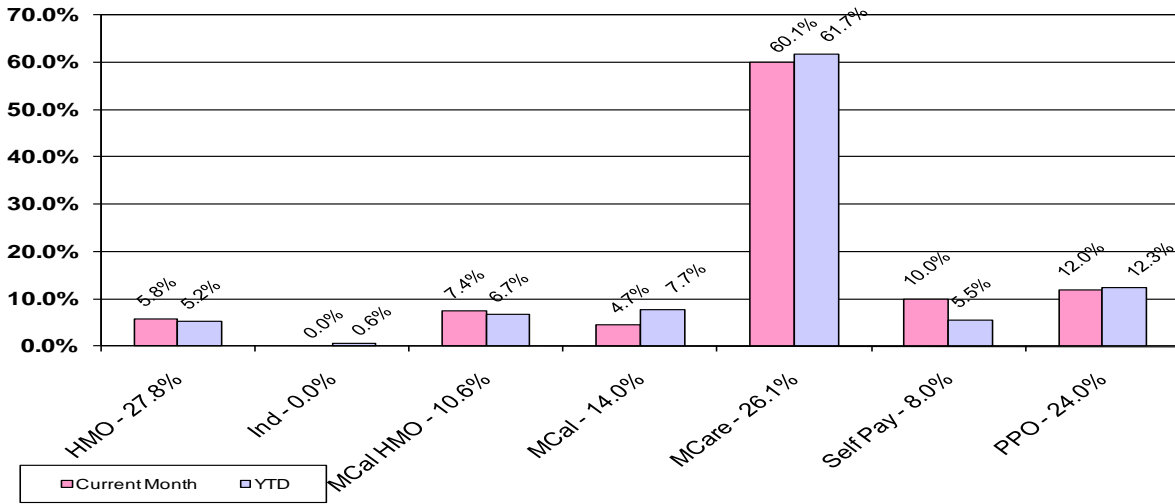
Payer Mix

Combined acute care services (inpatient and outpatient) Medicare and Medicare Advantage total gross revenue in May made up 57.1% of the month’s total gross patient revenue. Combined Medicare revenue was followed by HMO/PPO utilization at 23.6%, Medi-Cal Traditional and Medi-Cal HMO utilization at 9.5% and Self Pay at 9.1%. The graph below shows the percentage of gross revenues generated by each of the major payers for the current month and fiscal year to date as well as the current month’s estimated reimbursement for each payer for the combined inpatient and outpatient acute care services.



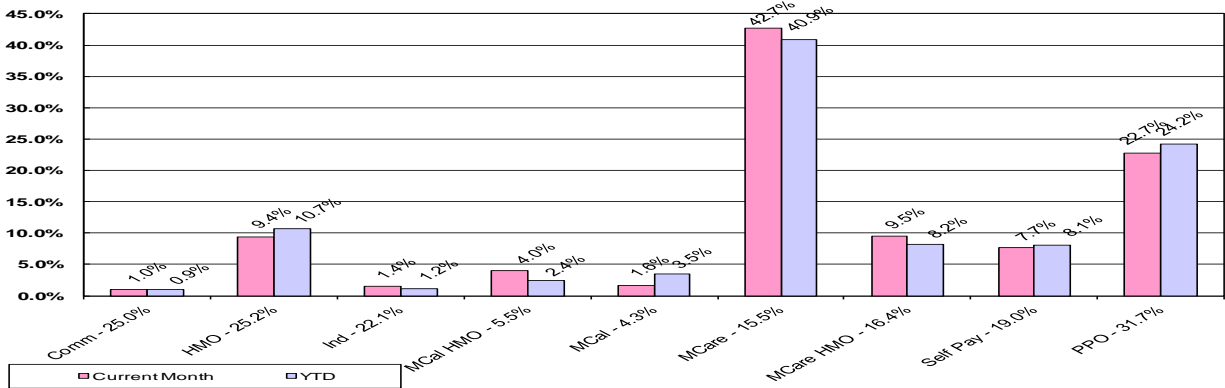
The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 60.1% of our total inpatient acute care gross revenues followed by HMO/PPO at 17.8%, Medi-Cal and Medi-Cal HMO at 12.1% and Self Pay at 10.0% of the inpatient acute care revenue. The graph below shows inpatient acute care current month and year to date payer mix and current month estimated net revenue percentages for fiscal year 2012.

Inpatient Acute Care Payer



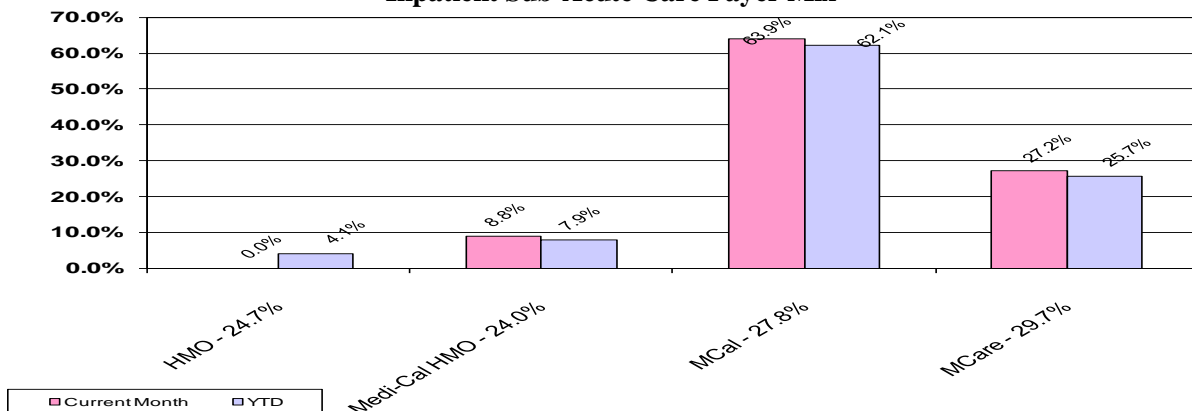
The outpatient gross revenue payer mix for May was comprised of 52.1% Medicare and Medicare Advantage, 33.1% HMO/PPO, 5.6% Medi-Cal and Medi-Cal HMO, and 7.7% self pay. The graph below shows the current month and fiscal year to date outpatient payer mix and the current months estimated level of reimbursement for each payer.

Outpatient Services Payer Mix



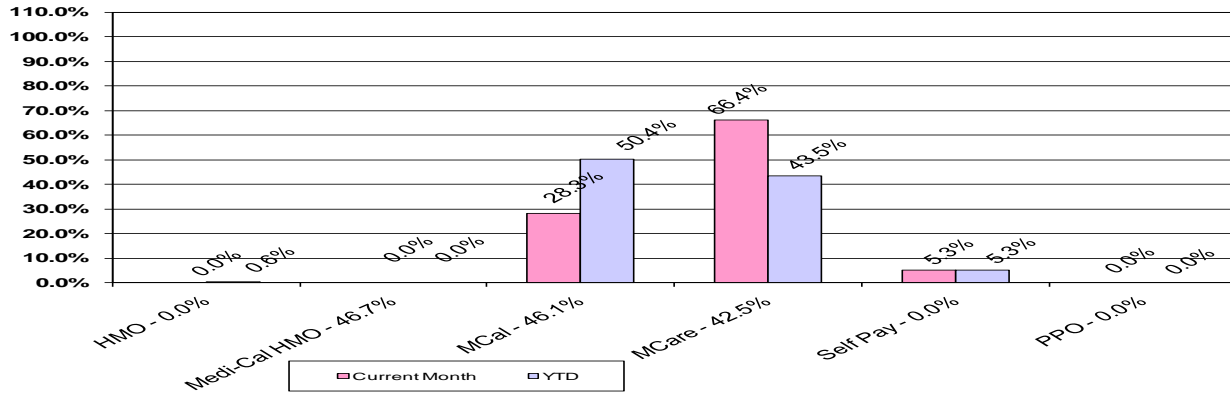
In May, the Sub-Acute care program again was dominated by Medi-Cal utilization of 72.7%. Medicare was 27.2% and no HMO/PPO patients. The graph below shows the payer mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payer.

Inpatient Sub-Acute Care Payer Mix



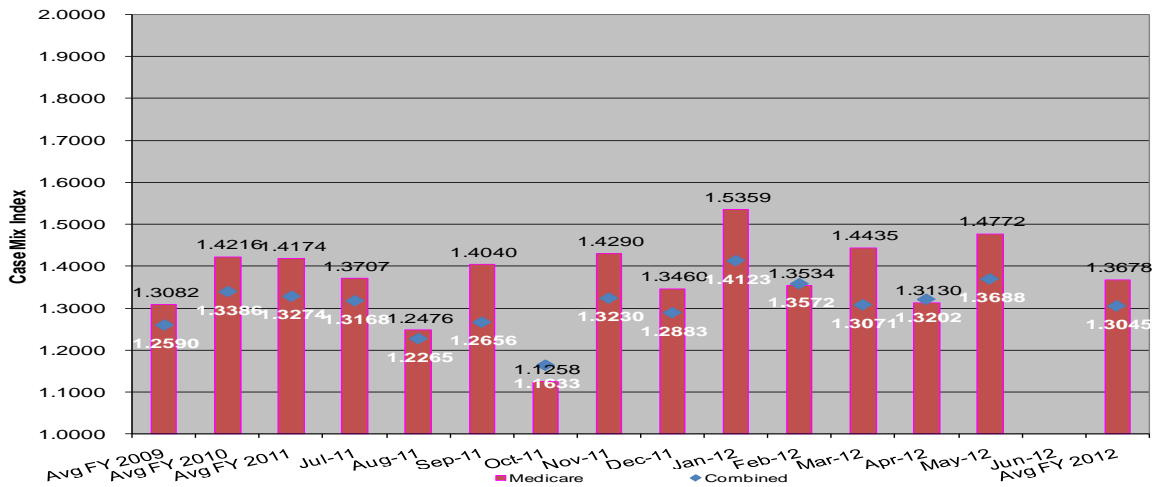
The graph below shows the current month and fiscal year to date skilled nursing payer mix and the current month's estimated level of reimbursement for each payer. Note the change in volumes between Medicare and Medi-Cal. This reflects the successful placement of an increasing volume of post-acute skilled patients (Medicare).

Inpatient Skilled Nursing Payer Mix



Case Mix Index

The hospital's overall Case Mix Index (CMI) for May was 1.3688, up again from the prior months of 1.3202, and well above the May 2011 of 1.1651. The Medicare CMI increased to 1.4772 in May, up from 1.3202 in April. The graph below shows the Medicare CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.



The CMI at the time of forecasting this year's budget was 1.3758. Year-to-date May 2012 the CMI was 1.3065. This represents only a 2.7% decline compared to the same time frame last year, a percent that has been steadily improving through the year. Note that payers with lower volume can have substantial swings in CMI from one period to another. See the table below that compares the CMI by payer for the three periods.

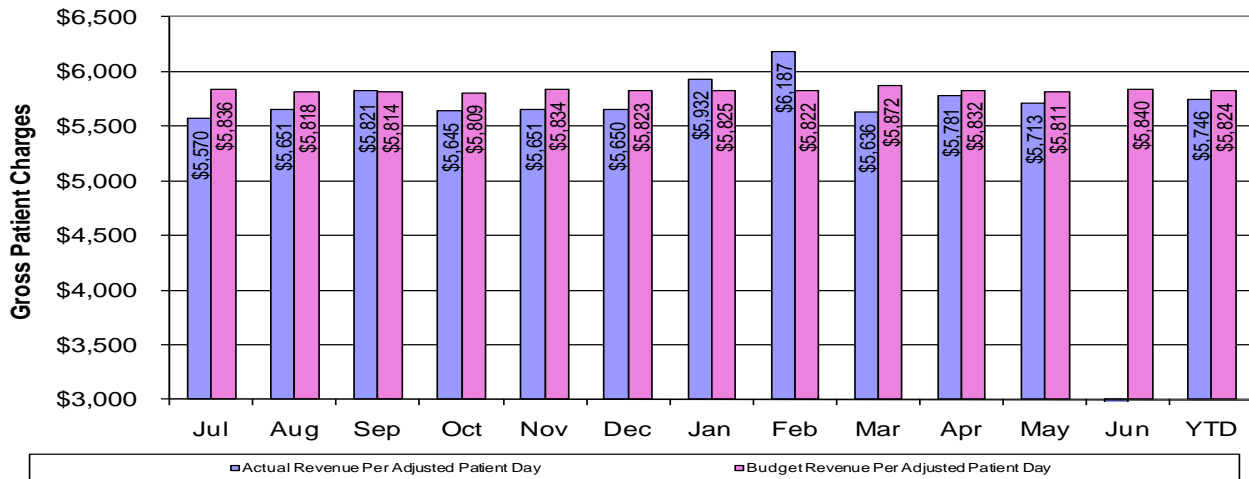
Case Mix Index Comparison

Financial Class	Jun 10 - Mar 11	May 11 YTD	May 12 YTD	May 12 YTD Volume
Blue Cross	0.0000	0.9873	0.0000	-
Commercial - Non-Contracted	1.9649	1.9235	1.0324	10
HMO	1.2522	1.1637	1.2667	109
Industrial	1.8373	1.6500	1.5964	10
Kaiser	1.8412	1.8446	1.6805	15
Medi-Cal HMO	1.0008	0.9877	1.1206	172
Medi-Cal	1.2724	1.2666	1.3013	128
Medicare	1.4724	1.4400	1.3729	1,379
Medicare HMO	1.3568	1.2971	1.3443	232
Personal Pay	1.0105	1.0389	1.1544	170
Medi-Cal Pending	1.8334	1.7951	2.3994	6
PPO	1.2613	1.2422	1.1168	289
VA	1.4051	1.3389	1.4017	52
Combined	1.3758	1.3424	1.3065	2,572

Revenue

Gross patient charges in May were below budget by \$1.1 million, or 4.8%. Inpatient revenues were \$420,000 below the budget and outpatient revenues were down almost \$698,000; of the outpatient revenue variance \$643,000 was associated with the delayed opening of the Wound Care Clinic. Inpatient days were below budget by 1.1%, consistent with the inpatient gross revenue. Outpatient registrations were 11.3% under budget. Outpatient revenues were lower than budget as a result of the lower volume with Wound Care and Surgical Services being the largest contributors to this variance. On an adjusted patient day basis, total patient revenue was \$5,713, just below the budget of \$5,811 for the month of May and below the April's gross revenue per APD of \$5,781. The table on the following page shows the hospital's monthly gross revenue per adjusted patient day by month and year-to-date for fiscal year 2012 compared to budget.

Gross Charges per Adjusted Patient



Contractual Allowances

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payers such as Blue Cross. As such net revenues as a percentage of gross revenues were very close to budget. A collection ratio of 22.2% was budgeted and 21.6% was realized. As mentioned in the summary, additional bad debt reserves of about \$400,000 were recorded in May in preparation for the assignment of self pay to bad debt in June. The hospital has not consistently written off accounts to bad debt all year and now that these accounts have been worked, we are prepared to make this adjustment.

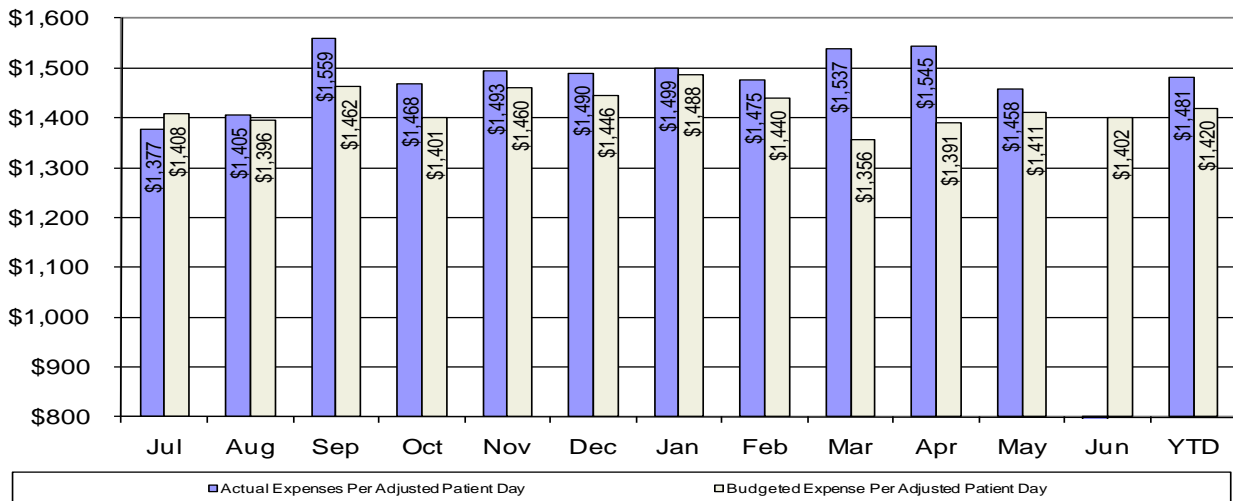
Expenses

Total Operating Expenses

Total operating expenses were higher than the fixed budget by just \$12, 000 or 0.2% and YTD is above budget by just 0.7%. Both salaries were above budget, while registry and benefits were below budget. Non-medical professional fees were not as high this month but several areas were up as discussed below.

The graph below shows the actual hospital operating expenses on an adjusted patient day basis for the 2012 fiscal year by month as compared to budget. Note that expenses per patient day were over budget again this month which is expected with lower volume and the fixed nature of many expenses.

Expenses per Adjusted Patient Day



Following are explanations of the significant areas of variance that were experienced in the current month.

Salary and Temporary Agency Expenses

Salary and temporary agency costs combined were unfavorable to the fixed budget by \$96,000 and were unfavorable to budgeted levels on a per adjusted patient day (PAPD) basis by \$48 or 6.6%. Year to date salaries and agency expenses are running just above budget by 4.4% PAPD. During the month of May, salaries were mainly over budget due to overtime pay in Telemetry and Sub-acute departments. Steps are being taken to reduce the use of overtime and premium pay to minimize this additional expense in future months. The Hospital has also added three non-budgeted FTE's in preparation for the expansion of our long term care services with Waters Edge and Nursing Administration was also greater than budget in the month.

Benefits

Benefits were favorable to the fixed budget by \$38,000 or 4.8%, and under budget per adjusted patient day by 1.7%. After closing last month, we did identify a \$40,000 pension over accrual that was reversed in the May financials. Year to date, benefit expense is \$671,000 greater than budget.

Professional Fees

Professional fees which had been running over budget most of the year were unfavorable by only \$14,000 this month. This will continue to be more in line with budget going forward now that less outside consultant time is being used in accounting and consulting and legal fees.

Supplies

Supplies were favorable to budget by \$106,000 (13.7%). This is positive; however, the favorable supply cost variance was down again from previous months. This month the favorable variance was the result of lower than budgeted patient related supplies such as medical supplies expense, pharmacy supplies associated with the IVT program (low IVT program volumes), and prosthetics.

Purchased Services

Purchased services were \$15,000 above the fixed budget and \$7 unfavorable PAPD. Year to date, purchased services are \$116,000 higher than budget. This variance is driven by the cost of outsourcing our billing function to HFS.

Rents and Leases

Rents and leases were above the fixed budget by \$26,000, and above budget \$8 PAPD in May. The radiology equipment lease budget is understated by about \$8,000 per month. This has been corrected in the FY 2013 budget. Pharmacy rental equipment invoice from prior month for \$13,000 received in May.

Other Operating Expense

Other operating expenses were \$8,000 over the fixed budget and \$3 over the budget on a per adjusted patient day basis. This variance is attributed to a \$5,563 due to dues and subscription expenses in May.

Balance Sheet

Total assets decreased almost \$1.4 million from the prior month, mostly due to the decrease in Other Receivables as a result of receiving the IGT transfer funds. The following items make up the decrease in current assets:

- Total unrestricted cash and cash equivalents for May increased by almost \$500,000 and days cash on hand including restricted use funds increased to 19.5 days on hand in May from 16 days on hand in April. This increase was due to receipt of the IGT Funds. Patient collections in May averaged \$166,000 per day.
- Net patient accounts receivable decreased in May by almost \$530,000. This decrease is the result of higher cash collection during the month (\$5.2 million) and the total gross AR being reduced, as well as, additional reserves needed for ageing self pay and some third party payor accounts that have not been written off to bad debt in several months. Self pay accounts are being worked through an early-out collection process. Once worked and deemed uncollectible, these accounts will be written off to bad debt in June and July.
- Days in outstanding receivables were 55.7 at May month end, a decrease from April at 58.8 days. Collections in May were \$5.2 million compared to \$5.8 million in April.
- Other Receivables decreased by \$1.4 million due to receipt of the IGT money. Third Party Settlements, Inventories and Prepaids remained fairly constant from one month to the next.

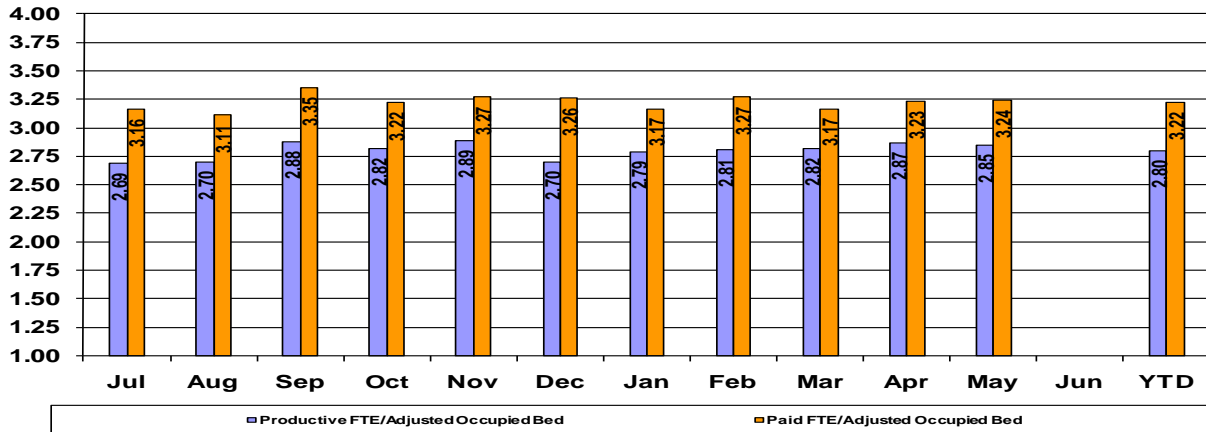
Total liabilities decreased by \$1.0 million compared to a decrease of \$666,000 in the prior month. This decrease in the current month was the result of the following:

- Accounts payable decreased by \$900,000 in May to \$8.1 million which equates to 128 AP Days, down from 135 days in April. Accounts Payable and other accrued expenses are still about \$1.2 million higher than prior fiscal year end.
- Payroll related accruals increased by \$257,000 and are also above prior year end by approximately \$230,000.
- Deferred revenues decreased again by \$477,000 due to the recognition of one-twelfth of the 2011/2012 parcel tax revenues of \$5.7 million.

Key Statistics

FTE's per Adjusted Occupied Bed

On an adjusted occupied bed basis, productive FTE's were 2.85, above the budget of 2.66 FTE's by 6.8%, and paid FTE's were 3.24 or 3.9% above budget. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2012 by month.



Current Ratio

The current ratio for May is 0.97. This is a decrease from last month's ratio of .99. Current ratio needs to be above 1.0 by quarter/year end to be in compliance with our bank covenants. In addition, Total Net Assets need to be greater than \$7.50 million and is currently at \$7.2 million.

A/R days

Net days in net Accounts Receivable are currently at 55.7. This is down again from prior month. We are working hard to bring this number down to 51, which will help our cash position. The lower days are the result of three strong collection months.

Days Cash on Hand

Days cash on hand for May was 19.5. This is an increase from prior month of 16.3 as a result of receiving the IGT transfer funds which have contributed to our cash reserve and allow us to pay additional accounts payable.

The following pages include the detailed financial statements for the eleven (11) months ended May 31, 2012, of fiscal year 2012.

**ALAMEDA HOSPITAL
KEY STATISTICS
MAY 2012**

	<u>ACTUAL MAY 2012</u>	<u>CURRENT FIXED BUDGET</u>	<u>VARIANCE (UNDER) OVER</u>	<u>%</u>	<u>MAY 2011</u>	<u>YTD MAY 2012</u>	<u>YTD FIXED BUDGET</u>	<u>VARIANCE</u>	<u>%</u>	<u>YTD MAY 2011</u>
Discharges:										
Total Acute	239	237	2	0.8%	222	2,616	2,579	37	1.4%	2,315
Total Sub-Acute	4	1	3	300.0%	4	26	16	10	62.5%	23
Total Skilled Nursing	18	9	9	100.0%	5	114	98	16	16.3%	98
	<u>261</u>	<u>247</u>	<u>14</u>	<u>5.7%</u>	<u>231</u>	<u>2,756</u>	<u>2,693</u>	<u>63</u>	<u>2.3%</u>	<u>2,436</u>
Patient Days:										
Total Acute	941	947	(6)	-0.6%	799	10,154	10,318	(164)	-1.6%	9,698
Total Sub-Acute	1,058	1,023	35	3.4%	990	10,890	11,088	(198)	-1.8%	10,907
Total Skilled Nursing	622	679	(57)	-8.4%	660	7,049	7,396	(347)	-4.7%	7,294
	<u>2,621</u>	<u>2,649</u>	<u>(28)</u>	<u>-1.1%</u>	<u>2,449</u>	<u>28,093</u>	<u>28,802</u>	<u>(709)</u>	<u>-2.5%</u>	<u>27,899</u>
Average Length of Stay										
Total Acute	3.94	4.00	(0.06)	-1.5%	3.60	3.88	4.00	(0.12)	-3.0%	4.19
Average Daily Census										
Total Acute	30.35	30.55	(0.19)	-0.6%	25.77	30.22	30.71	(0.49)	-1.6%	28.86
Total Sub-Acute	34.13	33.00	1.13	3.4%	31.94	32.41	33.00	(0.59)	-1.8%	32.46
Total Skilled Nursing	20.06	21.90	(1.84)	-8.4%	21.29	20.98	22.01	(1.03)	-4.7%	21.71
	<u>84.55</u>	<u>85.45</u>	<u>(0.90)</u>	<u>-1.1%</u>	<u>79.00</u>	<u>83.61</u>	<u>85.72</u>	<u>(1.08)</u>	<u>-1.3%</u>	<u>83.03</u>
Emergency Room Visits	1,434	1,426	8	0.6%	1,431	15,564	15,456	108	0.7%	15,453
Outpatient Registrations	1,877	2,117	(240)	-11.3%	1,936	20,387	22,420	(2,033)	-9.1%	21,813
Surgery Cases:										
Inpatient	41	46	(5)	-10.9%	27	461	490	(29)	-5.9%	469
Outpatient	138	148	(10)	-6.8%	141	1,574	1,536	38	2.5%	1,546
	<u>179</u>	<u>194</u>	<u>(15)</u>	<u>-7.7%</u>	<u>168</u>	<u>2,035</u>	<u>2,026</u>	<u>9</u>	<u>0.4%</u>	<u>2,015</u>
Adjusted Occupied Bed (AOB)	126.13	130.67	(4.54)	-3.5%	117.22	123.07	127.69	(4.62)	-3.6%	123.59
Productive FTE	358.91	348.17	10.74	3.1%	350.50	347.59	345.20	2.39	0.7%	365.84
Total FTE	408.92	407.57	1.35	0.3%	409.69	398.96	405.25	(6.29)	-1.6%	422.78
Productive FTE/Adj. Occ. Bed	2.85	2.66	0.18	6.8%	2.99	2.82	2.70	0.12	4.5%	2.96
Total FTE/ Adj. Occ. Bed	3.24	3.12	0.12	3.9%	3.50	3.24	3.17	0.07	2.1%	3.42

City of Alameda Health Care District
Statements of Financial Position
May 31, 2012

	Current Month	Prior Month	Prior Year End
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,579,931	\$ 3,094,319	\$ 1,784,141
Patient Accounts Receivable, net	8,897,898	9,426,641	7,249,185
Other Receivables	630,104	2,056,499	8,090,457
Third-Party Payer Settlement Receivables	626,363	626,363	150,000
Inventories	1,102,554	1,116,854	1,183,358
Prepays and Other	172,121	182,412	262,359
Total Current Assets	15,008,971	16,503,088	18,719,500
Assets Limited as to Use, net	54,715	47,029	483,716
Fixed Assets			
Land	877,945	877,945	877,945
Depreciable capital assets	43,405,170	43,405,170	43,383,571
Construction in progress	3,831,742	3,659,003	2,921,048
Depreciation	(39,604,513)	(39,538,523)	(38,862,494)
Property, Plant and Equipment, net	8,510,344	8,403,595	8,320,070
Total Assets	\$ 23,574,030	\$ 24,953,712	\$ 27,523,286
Liabilities and Net Assets			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 1,499,352	\$ 1,526,088	\$ 746,074
Accounts Payable and Accrued Expenses	8,141,604	9,042,140	6,987,765
Payroll Related Accruals	4,220,942	3,964,245	3,991,254
Deferred Revenue	478,388	955,513	5,725,900
Employee Health Related Accruals	692,106	630,657	343,382
Third-Party Payer Settlement Payable	452,952	526,952	(3,930)
Total Current Liabilities	15,485,344	16,645,595	17,790,445
Long Term Debt, net	882,760	768,365	1,142,109
Total Liabilities	16,368,104	17,413,960	18,932,554
Net Assets:			
Unrestricted	6,941,211	7,282,723	8,037,015
Temporarily Restricted	264,715	257,029	553,716
Total Net Assets	7,205,926	7,539,752	8,590,731
Total Liabilities and Net Assets	\$ 23,574,030	\$ 24,953,713	\$ 27,523,286

City of Alameda Health Care District

Statements of Operations

May 31, 2012

\$'s in thousands

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	2,621	2,649	(28)	-1.1%	2,449	28,093	28,802	(709)	-2.5%	27,899
Discharges	261	247	14	5.7%	231	2,756	2,693	63	2.3%	2,436
ALOS (Average Length of Stay)	10.04	10.72	(0.68)	-6.4%	10.60	10.19	10.70	(0.50)	-4.7%	11.45
ADC (Average Daily Census)	84.5	85.5	(0.90)	-1.1%	79.0	84	86.0	(2.12)	-2.5%	83.3
CMI (Case Mix Index)	1.3803				1.1651	1.3075				1.3354
Revenues										
Gross Inpatient Revenues	\$ 14,973	\$ 15,393	\$ (420)	-2.7%	\$ 12,563	\$ 161,480	\$ 167,727	\$ (6,246)	-3.7%	\$ 151,447
Gross Outpatient Revenues	7,364	8,063	(698)	-8.7%	6,142	76,678	81,521	(4,843)	-5.9%	73,604
Total Gross Revenues	22,337	23,455	(1,118)	-4.8%	18,705	238,158	249,247	(11,089)	-4.4%	225,051
Contractual Deductions	16,237	17,354	1,117	6.4%	14,119	178,303	183,802	5,499	3.0%	162,739
Bad Debts	1,178	725	(453)	-62.4%	745	4,535	7,870	3,335	42.4%	7,296
Charity and Other Adjustments	104	175	70	40.3%	168	1,609	1,899	290	15.3%	1,649
Net Patient Revenues	4,818	5,201	(384)	-7.4%	3,674	53,712	55,677	(1,965)	-3.5%	53,367
Net Patient Revenue %	21.6%	22.2%			19.6%	22.6%	22.3%			23.7%
Net Clinic Revenue	36	33	3	10.2%	56	410	240	170	71.0%	395
Other Operating Revenue	15	10	5	48.6%	9	223	111	112	100.7%	112
Total Revenues	4,869	5,244	(375)	-7.2%	3,740	54,345	56,028	(1,683)	-3.0%	53,874
Expenses										
Salaries	3,020	2,923	(96)	-3.3%	2,860	31,514	31,182	(332)	-1.1%	32,507
Temporary Agency	118	148	30	20.5%	155	1,325	1,640	316	19.2%	2,242
Benefits	765	804	38	4.8%	676	9,436	8,765	(671)	-7.7%	8,828
Professional Fees	374	360	(14)	-4.0%	299	4,100	3,396	(705)	-20.8%	3,367
Supplies	665	771	106	13.7%	435	6,914	8,317	1,403	16.9%	7,640
Purchased Services	379	364	(15)	-4.1%	316	4,164	4,048	(116)	-2.9%	3,972
Rents and Leases	142	116	(26)	-22.2%	53	1,145	1,065	(80)	-7.5%	755
Utilities and Telephone	66	65	(1)	-1.5%	71	720	714	(6)	-0.9%	701
Insurance	32	17	(15)	-85.3%	29	302	186	(117)	-62.7%	347
Depreciation and amortization	66	78	12	15.5%	79	778	797	19	2.4%	877
Other Operating Expenses	79	71	(8)	-11.8%	76	1,000	834	(166)	-19.9%	953
Total Expenses	5,705	5,717	12	0.2%	5,047	61,400	60,944	(455)	-0.7%	62,190
Operating gain (loss)	(836)	(473)	(364)	-76.9%	(1,308)	(7,055)	(4,917)	(2,138)	43.5%	(8,316)
Non-Operating Income / (Expense)										
Parcel Taxes	477	478	(1)	-0.2%	480	5,291	5,258	33	0.6%	5,268
Investment Income	1	0	1	555.2%	2	7	(138)	144	-104.8%	12
Interest Expense	(10)	(12)	2	13.5%	(13)	(171)	(13)	(158)	1240.8%	(109)
Other Income / (Expense)	26	22	4	16.6%	22	287	246	41	16.5%	1,692
Net Non-Operating Income / (Expense)	495	489	6	1.1%	492	5,413	5,353	60	1.1%	6,864
Excess of Revenues Over Expenses	\$ (342)	\$ 16	\$ (358)	-2178.5%	\$ (816)	\$ (1,642)	\$ 437	\$ (2,078)	-476.1%	\$ (1,453)

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
 May 31, 2012

	Current Month					Year-to-Date				
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 3,829	\$ 3,813	\$ 16	0.4%	\$ 3,445	\$ 3,897	\$ 3,919	\$ (21)	-0.5%	\$ 3,653
Gross Outpatient Revenues	1,883	1,997	(114)	-5.7%	1,684	1,851	1,905	(54)	-2.8%	1,775
Total Gross Revenues	5,713	5,811	(98)	-1.7%	5,130	5,748	5,823	(75)	-1.3%	5,428
Contractual Deductions	4,152	4,299	147	3.4%	3,872	4,303	4,294	(9)	-0.2%	3,925
Bad Debts	301	180	(122)	-67.7%	204	109	184	74	40.5%	176
Charity and Other Adjustments	27	43	17	38.4%	46	39	44	6	12.5%	40
Net Patient Revenues	1,232	1,289	(56)	-4.4%	1,008	1,296	1,301	(4)	-0.3%	1,287
Net Patient Revenue %	21.6%	22.2%			19.6%	22.6%	22.3%			23.7%
Net Clinic Revenue	9	8	1	13.8%	15	10	6	4	76.6%	10
Other Operating Revenue	4	3	1	53.4%	3	5	3	3	107.4%	3
Total Revenues	1,245	1,299	(54)	-4.2%	1,026	1,312	1,309	3	0.2%	1,300
Expenses										
Salaries	772	724	(48)	-6.6%	784	761	729	(32)	-4.4%	784
Temporary Agency	30	37	7	17.9%	43	32	38	6	16.6%	54
Benefits	196	199	3	1.7%	185	228	205	(23)	-11.2%	213
Professional Fees	96	89	(7)	-7.3%	82	99	79	(20)	-24.7%	81
Supplies	170	191	21	10.9%	119	167	194	27	14.1%	184
Purchased Services	97	90	(7)	-7.4%	87	101	95	(6)	-6.3%	96
Rents and Leases	36	29	(8)	-26.2%	14	28	25	(3)	-11.0%	18
Utilities and Telephone	17	16	(1)	-4.8%	19	17	17	(1)	-4.2%	17
Insurance	8	4	(4)	-91.2%	8	7	4	(3)	-68.1%	8
Depreciation and Amortization	17	19	2	12.8%	22	19	19	(0)	-0.9%	21
Other Operating Expenses	20	18	(3)	-15.4%	21	24	19	(5)	-23.9%	23
Total Expenses	1,459	1,416	(43)	-3.0%	1,384	1,482	1,424	(58)	-4.1%	1,500
Operating Gain / (Loss)	(214)	(117)	(97)	-82.6%	(359)	(170)	(115)	(55)	48.3%	(200)
Non-Operating Income / (Expense)										
Parcel Taxes	122	118	4	3.0%	132	128	123	5	3.9%	127
Investment Income	0	0	0	576.4%	1	0	0	0	200.1%	0
Interest Expense	(3)	(3)	0	10.7%	(3)	(4)	(3)	(1)	28.2%	(3)
Other Income / (Expense)	7	6	1	20.4%	6	7	6	1	20.4%	41
Net Non-Operating Income / (Expense)	126	121	5	4.4%	135	131	125	5	4.2%	166
Excess of Revenues Over Expenses	\$ (87)	\$ 4	\$ (91)	-2245.6%	\$ (224)	\$ (39)	\$ 11	\$ (50)	-465.7%	\$ (35)

City of Alameda Health Care District
Statement of Cash Flows
For the Eleven Months Ended May 31, 2012

	<u>Current Month</u>	<u>Year-to-Date</u>
Cash flows from operating activities		
Net Income / (Loss)	\$ (341,514)	\$ (1,641,811)
Items not requiring the use of cash:		
Depreciation and amortization	65,989	\$ 778,327
Write-off of Kaiser liability	-	\$ -
Changes in certain assets and liabilities:		
Patient accounts receivable, net	528,743	(1,648,713)
Other Receivables	1,426,395	7,460,353
Third-Party Payer Settlements Receivable	(74,000)	(19,481)
Inventories	14,300	80,804
Prepays and Other	10,291	90,238
Accounts payable and accrued liabilities	(900,536)	1,153,839
Payroll Related Accruals	256,697	229,688
Employee Health Plan Accruals	61,449	348,724
Deferred Revenues	(477,125)	(5,247,512)
Cash provided by (used in) operating activities	<u>570,689</u>	<u>1,584,456</u>
Cash flows from investing activities		
(Increase) Decrease in Assets Limited As to Use	(7,686)	429,001
Additions to Property, Plant and Equipment	(172,738)	(968,601)
Other	2	546,007
Cash provided by (used in) investing activities	<u>(180,422)</u>	<u>6,408</u>
Cash flows from financing activities		
Net Change in Long-Term Debt	87,659	493,929
Net Change in Restricted Funds	7,686	(289,001)
Cash provided by (used in) financing and fundraising activities	<u>95,345</u>	<u>204,928</u>
Net increase (decrease) in cash and cash equivalents	485,612	1,795,791
Cash and cash equivalents at beginning of period	3,094,319	1,784,141
Cash and cash equivalents at end of period	<u>\$ 3,579,931</u>	<u>\$ 3,579,932</u>

**City of Alameda Health Care District
Ratio's Comparison**

Financial Ratios	<u>Audited Results</u>			<u>Unaudited Results</u>	
	FY 2008	FY 2009	FY 2010	FY 2011	YTD 5/31/2012
<u>Profitability Ratios</u>					
Net Patient Revenue (%)	22.48%	22.69%	24.16%	23.58%	22.55%
Earnings Before Depreciation, Interest, Taxes and Amortization (EBITA)	-0.72%	3.62%	4.82%	-1.01%	-1.27%
EBIDAP ^{Note 5}	-10.91%	-5.49%	-3.66%	-13.41%	-11.01%
Total Margin	-3.75%	1.03%	2.74%	-2.61%	-3.02%
<u>Liquidity Ratios</u>					
Current Ratio	0.98	1.15	1.23	1.05	0.97
Days in accounts receivable ,net	51.70	57.26	51.83	46.03	55.66
Days cash on hand (with restricted)	30.6	13.6	21.6	14.1	19.5
<u>Debt Ratios</u>					
Cash to Debt	187.3%	115.3%	249.0%	123.3%	152.58%
Average pay period	58.93	58.03	57.11	62.68	72.15
Debt service coverage	(0.14)	3.87	5.98	(0.70)	(0.41)
Long-term debt to fund balance	0.26	0.20	0.14	0.18	0.25
Return on fund balance	-29.59%	8.42%	18.87%	-19.21%	-22.78%
Debt to number of beds	20,932	13,481	10,482	11,515	14,796

**City of Alameda Health Care District
Ratio's Comparison**

Financial Ratios	Audited Results			Unaudited Results	
	FY 2008	FY 2009	FY 2010	FY 2011	YTD 5/31/2012
Patient Care Information					
Bed Capacity	135	161	161	161	161
Patient days(all services)	22,687	30,463	30,607	30,270	28,093
Patient days (acute only)	11,276	11,787	10,579	10,443	10,154
Discharges(acute only)	2,885	2,812	2,802	2,527	2,616
Average length of stay (acute only)	3.91	4.19	3.78	4.13	3.88
Average daily patients (all sources)	61.99	83.46	83.85	82.93	83.61
Occupancy rate (all sources)	45.92%	52.94%	52.08%	51.51%	51.93%
Average length of stay	3.91	4.19	3.78	4.13	3.88
Emergency Visits	17,922	17,337	17,624	16,816	15,564
Emergency visits per day	48.97	47.50	48.28	46.07	46.32
Outpatient registrations per day ^{Note 1}	84.54	82.05	79.67	65.19	60.70
Surgeries per day - Total	14.78	16.12	13.46	6.12	6.01
Surgeries per day - excludes Kaiser	5.54	5.14	5.32	6.12	6.01

Notes:

1. Includes Kaiser Outpatient Sugercial volume in Fiscal Years 2008, 2009 and through March 31, 2010.
2. In addition to these general requirements a feasibility report will be required.
3. Based upon Moody's FY 2008 preliminary single-state provider medians.
4. EBIDA - Earnings before Interest, Depreciation and Amoritzation
5. EBIDAP - Earnings before Interest, Depreciation and Amortization and Parcel Tax Proceeds

Glossary of Financial Ratios

Term	What is it? Why is it Important?	How is it calculated?
EBIDA	A measure of the organization's cash flow	Earnings before interest, depreciation, and amortization (EBIDA)
Operating Margin	Income derived from patient care operations	Total operating revenue less total operating expense divided by total operating revenue
Current Ratio	The number of dollars held in current assets per dollar of liabilities. A widely used measure of liquidity. An increase in this ratio is a positive trend.	Current assets divided by current liabilities
Days cash on hand	Measures the number of days of average cash expenses that the hospital maintains in cash or marketable securities. It is a measure of total liquidity, both short-term and long-term. An increasing trend is positive.	Cash plus short-term investments plus unrestricted long-term investments over total expenses less depreciation divided by 365.
Cash to debt	Measures the amount of cash available to service debt.	Cash plus investments plus limited use investments divided by the current portion and long-term portion of the organization's debt instruments.
Debt service coverage	Measures total debt service coverage (interest plus principal) against annual funds available to pay debt service. Does not take into account positive or negative cash flow associated with balance sheet changes (e.g. work down of accounts receivable). Higher values indicate better debt repayment ability.	Excess of revenues over expenses plus depreciation plus interest expense over principal payments plus interest expense.
Long-term debt to fund balance	Higher values for this ratio imply a greater reliance on debt financing and may imply a reduced ability to carry additional debt. A declining trend is positive.	Long-term debt divided by long-term debt plus unrestricted net assets.

DATE: June 21, 2012
FOR: June 27, 2012 Finance and Management Committee
TO: City of Alameda Health Care District, Finance and Management Committee
FROM: Kerry J. Easthope, Chief Financial Officer
SUBJECT: Fiscal Year 2013 budget spread scenarios and cash flow forecasts

As a follow up to discussion and suggestions made at the June 6, 2012 Board meeting, management has prepared two variations to the base budget presented at the June Board meeting as well and modifications to the cash flow forecast that takes into consideration the proposed capital expenditures and cash flow for these items.

Enclosed are four sets of FY 2013 Operating Budget Spread and corresponding Cash Flow Forecast.

Exhibit A (Original Budget and Revised Original Projected Cash Flow)

The original base budget spread as presented at the June Board meeting. However, the cash flow has been revised to reflect a traditional cash flow statement. This statement varies from the cash flow document presented at the June Board meeting and more accurately reflects the cash flow projection for the base operating budget as presented. Specifically, the timing of payroll accrual and payroll cash outlay is more accurately reflected in this revised Cash flow.

Note: This original has not been updated to include additional items that need to be reflected, such as capital expenditures, bank loan and foundation contributions. These are reflected in Exhibit B scenario.

Exhibit B (Original Budget Spread with Revised Cash Flow)

Exhibit B is reflects the original proposed operating budget as presented at the June Board meeting, which includes the base hospital operations, wound care, the orthopedic program and Waters Edge Skilled Nursing Facility.

However, the Cash Flow forecast has been updated to include needed capital expenditures and the projected timing of cash disbursements associated with these expenditures. It also includes the impact of a new term loan from the Bank of Alameda, a \$525,000 net increase in September, and a contribution request from the Foundation in November 2012.

Exhibit C (Budget Spread and Cash Flow without Waters Edge)

Exhibit C Statement of Income and Expense and Cash Flow forecast includes the core hospital operations, the wound care program and the new orthopedic physicians. It does not include the addition of Waters Edge. In this scenario, without Waters Edge, the Medi-Cal per diem rate at South Shore will not be diluted from \$385 per day to \$316 per day and thus results in a positive adjustment of \$466,000 that is reflected in this scenario. All other items remain the same as presented. Under this scenario, the hospital would have an annual operating loss of \$444,000.

Exhibit D (Budget Spread and Cash Flow with 3 Month Delay of Water Edge)

Exhibit D assumes a three month delay in adding Water Edge Skilled Nursing Facility to the hospital's operation, coming on line in October and ramps up as previously projected. All other budget components are as presented in the original budget presentation. Under this scenario, the hospital would have an annual operating gain of \$61,000.

Under all scenarios, because of the projected ramp up time associated with the new programs, the first six months of the fiscal year remain a challenge. However, once the programs are up and running, we will experience positive financial results each month as indicated.

For the past four months, patient accounts receivable collections have been strong. As a result, we will be starting fiscal year with a relatively strong cash balance that will allow the hospital to cover the operating losses in the early months of the fiscal year and to begin work on the required NPC-2 seismic and other regulatory work that needs to occur.

**Alameda Hospital - Consolidated
Statement of Income and Expense
FY 2013 Operating Budget**

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Gross Patient Revenue	25,135,104	25,769,706	24,621,543	26,061,476	25,851,440	26,457,870	27,161,622	25,041,111	27,950,840	26,821,612	27,789,437	27,771,163	316,432,924
Total Deductions	19,150,735	19,613,632	18,884,732	19,938,198	19,786,079	20,183,219	20,738,598	19,056,464	21,356,975	20,498,992	21,195,963	21,182,301	241,585,888
Net Patient Revenue	5,984,369	6,156,073	5,736,811	6,123,278	6,065,362	6,274,651	6,423,024	5,984,647	6,593,865	6,322,620	6,593,474	6,588,863	74,847,036
Net Revenue Percent	23.81%	23.89%	23.30%	23.50%	23.46%	23.72%	23.65%	23.90%	23.59%	23.57%	23.73%	23.73%	23.65%
Other Operating Revenue	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	1,104,240
Total Revenue	6,076,389	6,248,093	5,828,831	6,215,298	6,157,382	6,366,671	6,515,044	6,076,667	6,685,885	6,414,640	6,685,494	6,680,883	75,951,276
Expenses													
Salaries and Agency Benefits	3,494,587	3,548,128	3,475,305	3,578,982	3,521,320	3,591,783	3,635,076	3,357,529	3,679,144	3,510,861	3,584,859	3,552,093	42,529,665
Professional Fees	1,012,199	1,027,706	1,006,613	1,036,643	1,019,942	1,040,351	1,052,891	972,500	1,065,655	1,016,912	1,038,346	1,028,855	12,318,613
Supplies	348,975	358,957	378,771	392,350	399,360	411,584	406,277	386,165	417,811	356,105	367,781	379,457	4,603,592
Purchased Services	722,754	750,632	731,959	730,556	738,840	738,732	743,467	734,698	753,111	746,447	760,216	765,891	8,917,303
Rent	559,952	559,951	561,897	564,144	563,846	563,847	563,844	563,844	563,883	563,883	563,883	563,883	6,756,855
Insurance	202,209	202,209	203,520	204,841	204,841	204,842	204,841	204,841	204,841	204,841	204,841	204,841	2,451,512
Utilities & Telephone	39,961	39,961	40,751	41,540	41,540	41,540	41,540	41,539	41,540	41,540	41,540	41,540	494,533
Depreciation	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	1,015,047
Other	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	816,072
Total Expenses	116,495	116,669	117,596	158,394	117,162	117,162	117,162	117,161	117,162	117,162	117,162	117,162	1,447,444
Operating Income/(Loss)	6,649,724	6,756,806	6,669,005	6,860,044	6,759,445	6,862,434	6,917,690	6,530,870	6,995,740	6,710,344	6,831,220	6,806,314	81,350,636
Non-Operating	(573,335)	(508,713)	(840,174)	(644,746)	(602,063)	(495,763)	(402,646)	(454,203)	(309,855)	(295,704)	(145,726)	(125,431)	(5,399,360)
Net Income/(Loss)	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	6,081,511
	(66,542)	(1,921)	(333,381)	(137,954)	(95,271)	11,030	104,147	52,589	196,938	211,088	361,066	381,361	682,151

Statement of Cash Flow - Consolidated (original assumptions revised)
Fiscal Year 2013 Budget Forecast

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
Cash Flow from Operating Activities												
Net Income / (Loss)	(66,542)	(1,921)	(333,381)	(137,954)	(95,271)	11,030	104,147	52,589	196,938	211,088	361,066	381,361
Depreciation	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006
Changes in certain assets & liabilities												
Patient accounts receivable, net	50,000	50,000	50,000	50,000								
Waters Edge (15 days)	(450,000)											
Waters Edge transition working capital	276,000	76,000	(176,000)	(176,000)								
Third Party settlements (medi-Cal)	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	222,000
Accounts payable and accrued liabilities												
Waters Edge (30 days)	350,000											
Payroll related accruals	371,000	(1,407,952)	274,815	392,980	293,056	375,466	428,374	57,678	(1,521,553)	252,851	381,332	312,263
Deferred Revenues	(483,000)	(483,000)	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)
Cash provided by (used in) operating activities	13,464	(1,800,866)	(701,560)	(387,968)	(319,209)	3,326,502	89,527	(332,727)	(1,767,609)	3,403,945	299,404	500,630
Cash flows from investing activities:												
Cash provided by (used in) investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from financing activities												
Bank of Alameda												
Note Payable 2009	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
Note Payable Wound Care	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Line of Credit / Converted to Loan			(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
Funds from Foundation / Auxillary												
cash provided by (used in) financing activities	(55,000)	(55,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Net increase (decrease) in cash	(41,536)	(1,855,866)	(769,560)	(455,968)	(387,209)	3,258,502	21,527	(400,727)	(1,835,609)	3,335,945	231,404	432,630
Cash & cash equivelents at beginning of period	3,700,000	3,658,464	1,802,597	1,033,038	577,069	189,861	3,448,362	3,469,890	3,069,163	1,233,554	4,569,499	4,800,903
Cash & cash equivelents at end of period	3,658,464	1,802,597	1,033,038	577,069	189,861	3,448,362	3,469,890	3,069,163	1,233,554	4,569,499	4,800,903	5,233,533

**Alameda Hospital - Consolidated
Statement of Income and Expense
FY 2013 Operating Budget**

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Gross Patient Revenue	25,135,104	25,769,706	24,621,543	26,061,476	25,851,440	26,457,870	27,161,622	25,041,111	27,950,840	26,821,612	27,789,437	27,771,163	316,432,924
Total Deductions	19,150,735	19,613,632	18,884,732	19,938,198	19,786,079	20,183,219	20,738,598	19,056,464	21,356,975	20,498,992	21,195,963	21,182,301	241,585,888
Net Patient Revenue	5,984,369	6,156,073	5,736,811	6,123,278	6,065,362	6,274,651	6,423,024	5,984,647	6,593,865	6,322,620	6,593,474	6,588,863	74,847,036
Net Revenue Percent	23.81%	23.89%	23.30%	23.50%	23.46%	23.72%	23.65%	23.90%	23.59%	23.57%	23.73%	23.73%	23.65%
Other Operating Revenue	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	1,104,240
Total Revenue	6,076,389	6,248,093	5,828,831	6,215,298	6,157,382	6,366,671	6,515,044	6,076,667	6,685,885	6,414,640	6,685,494	6,680,883	75,951,276
Expenses													
Salaries and Agency Benefits	3,494,587	3,548,128	3,475,305	3,578,982	3,521,320	3,591,783	3,635,076	3,357,529	3,679,144	3,510,861	3,584,859	3,552,093	42,529,665
Professional Fees	1,012,199	1,027,706	1,006,613	1,036,643	1,019,942	1,040,351	1,052,891	972,500	1,065,655	1,016,912	1,038,346	1,028,855	12,318,613
Supplies	348,975	358,957	378,771	392,350	399,360	411,584	406,277	386,165	417,811	356,105	367,781	379,457	4,603,592
Purchased Services	722,754	750,632	731,959	730,556	738,840	738,732	743,467	734,698	753,111	746,447	760,216	765,891	8,917,303
Rent	559,952	559,951	561,897	564,144	563,846	563,847	563,844	563,844	563,883	563,883	563,883	563,883	6,756,855
Insurance	202,209	202,209	203,520	204,841	204,841	204,842	204,841	204,841	204,841	204,841	204,841	204,841	2,451,512
Utilities & Telephone	39,961	39,961	40,751	41,540	41,540	41,540	41,540	41,539	41,540	41,540	41,540	41,540	494,533
Depreciation	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	1,015,047
Other	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	816,072
Total Expenses	116,495	116,669	117,596	158,394	117,162	117,162	117,162	117,161	117,162	117,162	117,162	117,162	1,447,444
Operating Income/(Loss)	6,649,724	6,756,806	6,669,005	6,860,044	6,759,445	6,862,434	6,917,690	6,530,870	6,995,740	6,710,344	6,831,220	6,806,314	81,350,636
Non-Operating	(573,335)	(508,713)	(840,174)	(644,746)	(602,063)	(495,763)	(402,646)	(454,203)	(309,855)	(295,704)	(145,726)	(125,431)	(5,399,360)
Net Income/(Loss)	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	6,081,511
	(66,542)	(1,921)	(333,381)	(137,954)	(95,271)	11,030	104,147	52,589	196,938	211,088	361,066	381,361	682,151

Statement of Cash Flow - Consolidated
Fiscal Year 2013 Budget Forecast

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
Cash Flow from Operating Activities												
Net Income / (Loss)	(66,542)	(1,921)	(333,381)	(137,954)	(95,271)	11,030	104,147	52,589	196,938	211,088	361,066	381,361
Depreciation	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006
Changes in certain assets & liabilities												
Patient accounts receivable, net	50,000	50,000	50,000	50,000								
Waters Edge (15 days)	(450,000)											
Waters Edge transition working capital	276,000	76,000	(176,000)	(176,000)								
Third Party settlements (medi-Cal)	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	222,000
Accounts payable and accrued liabilities			(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Waters Edge (30 days)	350,000											
Payroll related accruals	371,000	(1,407,952)	274,815	392,980	293,056	375,466	428,374	57,678	(1,521,553)	252,851	381,332	312,263
Deferred Revenues	(483,000)	(483,000)	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)
Cash provided by (used in) operating activities	13,464	(1,800,866)	(751,560)	(437,968)	(369,209)	3,276,502	39,527	(382,727)	(1,817,609)	3,353,945	249,404	450,630
Cash flows from investing activities:												
Additions to Property, Plant & Equip												
Seismic NPC 2 (bulk O2, comm, egress)	(10,000)	(45,000)	(75,000)	(85,000)	(85,000)	(45,000)	(70,000)	(70,000)	(70,000)	(70,000)		
Sprinkler upgrades		(10,000)	(20,000)	(20,000)						(30,000)	(30,000)	(30,000)
Boiler Burner Upgrade					(20,000)	(40,000)	(40,000)					
Marina Village buildout			(75,000)			(50,000)	(50,000)	(100,000)	(100,000)	(75,000)		
Information Technology	(17,000)		(20,000)	(20,000)		(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Other Capital Budget Items			(32,000)				(30,000)	(30,000)	(30,000)	(30,000)	(40,000)	(40,000)
Cash provided by (used in) investing activities	(27,000)	(55,000)	(222,000)	(125,000)	(105,000)	(175,000)	(230,000)	(240,000)	(240,000)	(245,000)	(110,000)	(110,000)
Cash flows from financing activities												
Bank of Alameda												
Note Payable 2009	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
Note Payable Wound Care	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Line of Credit / Converted to Loan			(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
Additional Funds from New Bank Loan			525,000									
Funds from Foundation / Auxillary					200,000							
cash provided by (used in) financing activities	(55,000)	(55,000)	457,000	(68,000)	132,000	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Net increase (decrease) in cash	(68,536)	(1,910,866)	(516,560)	(630,968)	(342,209)	3,033,502	(258,473)	(690,727)	(2,125,609)	3,040,945	71,404	272,630
Cash & cash equivalents at beginning of period	3,700,000	3,631,464	1,720,597	1,204,038	573,069	230,861	3,264,362	3,005,890	2,315,163	189,554	3,230,499	3,301,903
Cash & cash equivalents at end of period	3,631,464	1,720,597	1,204,038	573,069	230,861	3,264,362	3,005,890	2,315,163	189,554	3,230,499	3,301,903	3,574,533

Alameda Hospital - Excluding Water' s Edge
Statement of Income and Expense
FY 2013 Operating Budget

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Gross Patient Revenue	22,570,365	23,086,171	21,830,478	23,141,041	22,990,743	23,513,425	24,194,091	22,325,439	24,957,387	23,890,953	24,773,128	24,840,307	282,113,528
Total Deductions	17,479,267	17,954,448	17,114,523	18,151,210	18,045,703	18,451,779	18,989,324	17,536,529	19,587,804	18,777,965	19,460,734	19,508,173	221,057,459
Net Patient Revenue	5,129,932	5,170,556	4,754,788	5,028,664	4,983,874	5,100,480	5,243,600	4,827,743	5,408,416	5,151,822	5,351,227	5,370,967	61,522,069
Net Revenue Percent	22.73%	22.40%	21.78%	21.73%	21.68%	21.69%	21.67%	21.62%	21.67%	21.56%	21.60%	21.62%	21.81%
Other Operating Revenue	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	1,104,240
Total Revenue	5,221,952	5,262,576	4,846,808	5,120,684	5,075,894	5,192,500	5,335,620	4,919,763	5,500,436	5,243,842	5,443,247	5,462,987	62,626,309
Expenses													
Salaries and Agency Benefits	3,038,231	3,072,842	2,985,848	3,065,817	3,020,866	3,074,831	3,114,338	2,886,650	3,154,618	2,999,413	3,056,546	3,040,645	36,510,643
Professional Fees	875,292	885,121	859,776	882,694	869,806	885,266	896,669	831,236	908,297	863,478	880,152	875,421	10,513,207
Supplies	339,975	349,957	369,771	383,350	390,860	403,084	397,777	377,665	409,311	347,605	359,281	370,957	4,499,592
Purchased Services	630,598	656,201	635,386	631,577	640,947	639,298	643,580	639,475	652,768	647,233	659,418	666,677	7,743,158
Rent	437,659	433,037	430,629	427,986	429,894	426,764	425,837	435,319	424,952	427,248	424,027	427,248	5,150,599
Insurance	125,649	125,649	126,960	128,281	128,281	128,282	128,281	128,281	128,281	128,281	128,281	128,281	1,532,792
Utilities & Telephone	27,794	27,794	28,584	29,373	29,373	29,373	29,373	29,372	29,373	29,373	29,373	29,373	348,529
Depreciation	69,587	69,587	69,587	69,587	69,587	69,587	69,587	69,587	69,587	69,587	69,587	69,587	835,047
Other	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	816,072
Total Expenses	95,445	95,445	96,290	137,129	97,129	97,129	97,129	97,128	97,129	97,129	97,129	97,129	1,202,335
Operating Income/(Loss)	5,708,236	5,783,638	5,670,837	5,823,801	5,744,750	5,821,620	5,870,576	5,562,720	5,942,322	5,677,352	5,771,800	5,773,322	69,151,974
Non-Operating	(486,284)	(521,063)	(824,028)	(703,116)	(668,856)	(629,120)	(534,956)	(642,957)	(441,886)	(433,511)	(328,552)	(310,335)	(6,525,665)
Net Income/(Loss)	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	6,081,511
Net Income/(Loss)	20,509	(14,270)	(317,236)	(196,324)	(162,064)	(122,328)	(28,163)	(136,164)	64,907	73,282	178,240	196,458	(444,154)

** Assumes add back of Skilled nursing medi-cal rate dilution with Waters Edge (\$316 per day to \$385 per day) that\$466,000 per year.

Statement of Cash Flow - Hospital (w/o Waters Edge)
Fiscal Year 2013 Budget Forecast

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
Cash Flow from Operating Activities												
Net Income / (Loss)	20,509	(14,270)	(317,236)	(196,324)	(162,064)	(122,328)	(28,163)	(136,164)	64,907	73,282	178,240	196,458
Depreciation	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006
Changes in certain assets & liabilities												
Patient accounts receivable, net	50,000	50,000	50,000	50,000								
Waters Edge (15 days)												
Waters Edge transition working capital												
Third Party settlements (medi-Cal)	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	222,000
Accounts payable and accrued liabilities			(50,000)	(50,000)	(50,000)	-	-	-	-	(50,000)	(50,000)	(50,000)
Waters Edge (30 days)												
Payroll related accruals	336,000	(1,226,734)	230,697	333,933	253,241	318,273	368,436	57,262	(1,310,685)	212,637	322,859	273,134
Deferred Revenues	(483,000)	(483,000)	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)
Cash provided by (used in) operating activities	(110,485)	(1,707,998)	(603,532)	(379,385)	(475,816)	3,135,951	(102,722)	(521,896)	(1,688,773)	3,175,925	8,105	226,598
Cash flows from investing activities:												
Additions to Property, Plant & Equip												
Seismic NPC 2 (bulk O2, comm, egress)	(10,000)	(45,000)	(75,000)	(85,000)	(85,000)	(45,000)	(70,000)	(70,000)	(70,000)	(70,000)		
Sprinkler upgrades		(10,000)	(20,000)	(20,000)						(30,000)	(30,000)	(30,000)
Boiler Burner Upgrade					(20,000)	(40,000)	(40,000)					
Marina Village buildout			(75,000)			(50,000)	(50,000)	(100,000)	(100,000)	(75,000)		
Information Technology	(17,000)		(20,000)	(20,000)		(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Other Capital Budget Items			(32,000)				(30,000)	(30,000)	(30,000)	(30,000)	(40,000)	(40,000)
Cash provided by (used in) investing activities	(27,000)	(55,000)	(222,000)	(125,000)	(105,000)	(175,000)	(230,000)	(240,000)	(240,000)	(245,000)	(110,000)	(110,000)
Cash flows from financing activities												
Bank of Alameda												
Note Payable 2009	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
Note Payable Wound Care	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Line of Credit / Converted to Loan			(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
Additional Funds from New Bank Loan			525,000									
Funds from Foundation / Auxillary					200,000							
cash provided by (used in) financing activities	(55,000)	(55,000)	457,000	(68,000)	132,000	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
Net increase (decrease) in cash	(192,485)	(1,817,998)	(368,532)	(572,385)	(448,816)	2,892,951	(400,722)	(829,896)	(1,996,773)	2,862,925	(169,895)	48,598
Cash & cash equivalents at beginning of period	3,700,000	3,507,515	1,689,517	1,320,985	748,600	299,784	3,192,735	2,792,013	1,962,117	(34,656)	2,828,269	2,658,375
Cash & cash equivalents at end of period	3,507,515	1,689,517	1,320,985	748,600	299,784	3,192,735	2,792,013	1,962,117	(34,656)	2,828,269	2,658,375	2,706,972

Alameda Hospital - consolidated
Statement of Income & Expense
Assumes Waters Edge Comes on line in October 2012
FY 2013 Operating Budget

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Gross Patient Revenue	22,570,365	23,086,171	21,830,478	25,705,780	25,674,278	26,304,490	27,114,526	25,186,136	27,901,832	26,858,484	27,488,800	27,833,760	307,555,100
Total Deductions	17,479,267	17,954,448	17,114,523	19,822,679	19,704,887	20,221,988	20,776,312	19,276,905	21,319,244	20,527,238	20,980,669	21,277,344	236,455,505
Net Patient Revenue	5,091,098	5,131,722	4,715,955	5,883,101	5,969,391	6,082,502	6,338,214	5,909,231	6,582,588	6,331,245	6,508,131	6,556,416	71,099,596
Net Revenue Percent													
Other Operating Revenue	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	92,020	1,104,240
Total Revenue	5,183,118	5,223,742	4,807,975	5,975,121	6,061,411	6,174,522	6,430,234	6,001,251	6,674,608	6,423,265	6,600,151	6,648,436	72,203,835
Expenses													
Salaries and Agency	3,038,231	3,072,842	2,985,848	3,522,173	3,496,152	3,564,288	3,627,503	3,387,104	3,671,570	3,520,151	3,527,425	3,565,171	40,978,456
Benefits	875,292	885,121	859,776	1,019,601	1,012,391	1,032,103	1,050,619	981,373	1,063,383	1,019,699	1,021,415	1,032,778	11,853,551
Professional Fees	339,975	349,957	369,771	392,350	399,860	412,084	406,777	386,165	417,811	356,105	367,781	379,457	4,578,092
Supplies	630,598	656,201	635,386	723,733	735,378	735,871	742,559	737,368	752,202	747,120	754,641	767,020	8,618,077
Purchased Services	437,659	433,037	430,629	550,279	556,809	558,032	561,995	569,271	562,034	565,255	552,552	566,179	6,343,729
Rent	125,649	125,649	126,960	204,841	204,841	204,842	204,841	204,841	204,841	204,841	204,841	204,841	2,221,832
Insurance	27,794	27,794	28,584	41,540	41,540	41,540	41,540	41,539	41,540	41,540	41,540	41,540	458,032
Utilities & Telephone	69,587	69,587	69,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	84,587	970,047
Depreciation	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	816,072
Other	95,445	95,445	96,290	158,179	118,353	118,435	118,394	117,161	117,162	117,162	117,162	117,162	1,386,345
Total Expenses	5,708,236	5,783,638	5,670,837	6,765,289	6,717,918	6,819,788	6,906,820	6,577,415	6,983,136	6,724,466	6,739,950	6,826,740	78,224,232
Operating Income/(Loss)	(525,117)	(559,896)	(862,862)	(790,168)	(656,507)	(645,266)	(476,586)	(576,164)	(308,529)	(301,200)	(139,799)	(178,304)	(6,020,397)
Non-Operating	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	506,793	6,081,511
Net Income/(Loss)	(18,325)	(53,103)	(356,069)	(283,375)	(149,714)	(138,473)	30,207	(69,371)	198,264	205,592	366,994	328,488	61,114

Statement of Cash Flow - Consolidated (3 month delay)

Fiscal Year 2013 Budget Forecast

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
Cash Flow from Operating Activities												
Net Income / (Loss)	(18,325)	(53,103)	(356,069)	(283,375)	(149,714)	(138,473)	30,207	(69,371)	198,264	205,592	366,994	328,488
Depreciation	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006	68,006
Changes in certain assets & liabilities												
Patient accounts receivable, net	50,000	50,000	50,000	50,000								
Waters Edge (15 days)				(450,000)								
Waters Edge transition working capital				276,000	76,000	(176,000)	(176,000)					
Third Party settlements (medi-Cal)	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	222,000
Accounts payable and accrued liabilities			(50,000)	(50,000)	(50,000)	-	-	-	-	(50,000)	(50,000)	(50,000)
Waters Edge (30 days)				350,000								
Payroll related accruals	336,000	(1,226,734)	230,697	519,346	303,649	371,705	439,309	85,971	(1,546,769)	258,635	350,209	347,327
Deferred Revenues	(483,000)	(483,000)	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)	(483,000)	2,900,000	(483,000)	(483,000)
Cash provided by (used in) operating activities	<u>(149,319)</u>	<u>(1,746,831)</u>	<u>(642,365)</u>	<u>(105,023)</u>	<u>(337,059)</u>	<u>2,997,238</u>	<u>(149,479)</u>	<u>(426,394)</u>	<u>(1,791,499)</u>	<u>3,354,233</u>	<u>224,208</u>	<u>432,822</u>
Cash flows from investing activities:												
Additions to Property, Plant & Equip												
Seismic NPC 2 (bulk O2, comm, egress)	(10,000)	(45,000)	(75,000)	(85,000)	(85,000)	(45,000)	(70,000)	(70,000)	(70,000)	(70,000)		
Sprinkler upgrades		(10,000)	(20,000)	(20,000)						(30,000)	(30,000)	(30,000)
Boiler Burner Upgrade					(20,000)	(40,000)	(40,000)					
Marina Village buildout			(75,000)			(50,000)	(50,000)	(100,000)	(100,000)	(75,000)		
Information Technology	(17,000)		(20,000)	(20,000)		(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Other Capital Budget Items			(32,000)				(30,000)	(30,000)	(30,000)	(30,000)	(40,000)	(40,000)
Cash provided by (used in) investing activities	<u>(27,000)</u>	<u>(55,000)</u>	<u>(222,000)</u>	<u>(125,000)</u>	<u>(105,000)</u>	<u>(175,000)</u>	<u>(230,000)</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>(245,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>
Cash flows from financing activities												
Bank of Alameda												
Note Payable 2009	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
Note Payable Wound Care	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Line of Credit / Converted to Loan			(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
Additional Funds from New Bank Loan			525,000									
Funds from Foundation / Auxillary					200,000							
cash provided by (used in) financing activities	<u>(55,000)</u>	<u>(55,000)</u>	<u>457,000</u>	<u>(68,000)</u>	<u>132,000</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>
Net increase (decrease) in cash	(231,319)	(1,856,831)	(407,365)	(298,023)	(310,059)	2,754,238	(447,479)	(734,394)	(2,099,499)	3,041,233	46,208	254,822
Cash & cash equivelents at beginning of period	3,700,000	3,468,681	1,611,850	1,204,485	906,462	596,403	3,350,641	2,903,162	2,168,768	69,269	3,110,502	3,156,710
Cash & cash equivelents at end of period	<u>3,468,681</u>	<u>1,611,850</u>	<u>1,204,485</u>	<u>906,462</u>	<u>596,403</u>	<u>3,350,641</u>	<u>2,903,162</u>	<u>2,168,768</u>	<u>69,269</u>	<u>3,110,502</u>	<u>3,156,710</u>	<u>3,411,532</u>