

Revised Agenda pdf posted October 9, 2022

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA

Monday, October 10, 2022

OPEN SESSION: 5:30 PM

Location: REMOTE VIA ZOOM

Open Session : Remote Via Zoom

Deborah Stebbins is inviting you to a scheduled Zoom meeting.

Topic: DISTRICT BOARD MEETING OPEN SESSION

Time: Oct 10, 2022 05:30 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83094400493?pwd=eDFoYVZCakY4QkJKTFNidEVNVk9kUT09>

Meeting ID: 830 9440 0493

Passcode: 427738

One tap mobile

+16699006833,,83094400493#,,,,*427738# US (San Jose)

+16694449171,,83094400493#,,,,*427738# US

Dial by your location

+1 669 900 6833 US (San Jose)

+1 669 444 9171 US

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 215 8782 US (Tacoma)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 830 9440 0493

Passcode: 427738

Find your local number: <https://us02web.zoom.us/j/83094400493>

Office of the Clerk: 510-263-8223

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 and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

I. Call to Order

Michael Williams

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II. Roll Call

Debi Stebbins

III. General Public Comments

✓
IV. Brown Act Resolution ENCLOSURE
(pages 5-6)

Tom Driscoll

V. Adjourn into Executive Closed Session

VI. Closed Session Agenda		
A.	Call to Order	Mike Williams
B.	Report on Trade Secrets	Health and Safety Code Sec. 32106
C.	Annual Evaluation of Executive Director	Mike Williams

VII. Adjourn to Open Session

VIII. Reconvene to Public Session

IX. Announcements From Closed Session Mike Williams

A.	Extension of Contract with Executive Director July 1, 2022 to December 31, 2022 ENCLOSURE (pages 8)	Mike Williams
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X. REGULAR SESSION AGENDA

B.	YTD AHS Reports		
✓	1)	CAO Report ENCLOSURE (pages 9-25)	Mario Harding, Chief Administrative Officer
✓	2)	Patient Experience ENCLOSURE (pages 26-28)	Ronica Shelton, VP of Patient Care Services
✓	3)	Financial Update ENCLOSURE (pages 29-45)	Kimberly Miranda, AHS CFO
	4)	Alameda Hospital Medical Staff Update b. Update on Sub Specialist Coverage at Alameda Hospital	Dr. Nikita Joshi

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C.	District & Operational Updates INFORMATIONAL	
	1)	District Reports
		a. President's Report Postponement of District Board Officers and Liaisons to December 2022 Board Meeting
		b. Alameda Health System Board Liaison Report
		c. Alameda Hospital Liaison Report
✓		d. Executive Director Report ENCLOSURE (pages 46-49)
		e. Alameda Hospital Seismic Planning Committee Report
		Michael Williams
		Tracy Jensen
		Robert Deutsch, MD
		Debi Stebbins
		Gayle Codiga Robert Deutsch, MD

D.	Consent Agenda		Michael Williams
✓	1)	Acceptance of Minutes, August 11, 2022 ENCLOSURE (pages 50-51)	
✓	2)	Acceptance of Minutes, August 30, 2022 ENCLOSURE (pages 52-53)	
✓	3)	Acceptance of July and August 2022 Financial Statements ENCLOSURE (pages 54-67)	

E.	Action Items	
✓	1)	Acceptance of FY 2021-2022 Audit ENCLOSURE (pages 68-88)
✓	2)	Authorization for Board member to negotiate renewal of loan with Bank of Marin ENCLOSURE (pages 89)

F.	December 12, 2022 Agenda Preview	
	1)	Acceptance of October 10, 2022 Minutes
	2)	Election of Board Officers and Appointment to Liaison Positions
	3)	
	4)	

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G.	Informational Items: YTD AHS Reporting (CAO Hospital, Quality, Financial, medical Staff)		
	1)	General Public Comments	
	2)	Board Comments	

XI. Adjournment

Next Scheduled Meeting Dates (2 nd Monday, every other month or as scheduled) December 12, 2022	Open Session 5:30 PM
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CITY OF ALAMEDA HEALTH CARE DISTRICT

Board of Directors Deborah E.

MEETING DATE: TO:

Stebbins, Executive Director

FROM:

Authorization to Continue the Use of
Teleconferences

SUBJECT:

October 10, 2022

City of Alameda Health Care District,

Whereas, on September 10, 2021, both houses of the California Legislature voted to approve AB 361 (Rivas), "Open Meetings: State and Local Agencies: Teleconferences." The Governor signed AB 361 and it took effect immediately as an urgency statute; and

Whereas, A.B. 361 amended Government Code section 54953 to provide more clarity on the Brown Act's rules and restrictions surrounding the use of teleconferencing to conduct meetings during a declared state of emergency as defined under the California Emergency Services Act. In addition, the District Board must determine that, as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees; and

Whereas, if those circumstances apply, then the amended Brown Act provides an exemption from certain of the Brown Act's existing requirements and creates alternate measures to protect the statutory and constitutional rights of the public to appear before local legislative bodies. When the District Board elects to hold a virtual or remote meeting because the emergency and public health and safety criteria are met, the following alternate set of requirements apply:

1. The District must provide adequate notice of the meeting and post an agenda as otherwise required by the Brown Act;
2. Where there is a disruption in the public broadcast of the call-in or internet-based meeting service, the District Board must take no further action on agenda items until public access is restored;
3. The District is prohibited from requiring public comments to be submitted in advance of the meeting and cannot close the comment period or opportunity to register online until the timed public comment period has elapsed; and
4. The District Board, acting under these teleconference exemptions, must make periodic findings about whether the circumstances explained above apply. Specifically:
 - The Board must find that it considered/reconsidered the circumstances of the state of emergency and that one of the following circumstances exist:
 - (i) the emergency continues to directly impact the ability of members to safely meet in person, or
 - (ii) state or local officials continue to impose or recommend measures to propose social distancing.
 - If the District Board cannot make these findings by majority vote, then it will no longer be exempt from the physical public access, quorum, and public comment opportunity rules applied to teleconference meetings

under subsection 54953(b)(3) of the Brown Act.

1



CITY OF ALAMEDA HEALTH CARE DISTRICT

NOW THEREFORE, BE IT RESOLVED THAT:

1. This Board finds that, after due consideration of the current circumstances of the state of emergency caused by the pandemic, the emergency continues to directly impact the ability of members and the public to safely meet in person; and
2. Prior to conducting any business described on a posted agenda for a duly called future meeting, this Board shall find that it reconsidered the circumstances of the state of emergency and that one of the following circumstances exists at the time of such meeting:
 - (i) the emergency continues to directly impact the ability of members to safely meet in person, or
 - (ii) state or local officials continue to impose or recommend measures to propose social distancing.

EXTENSION OF INDEPENDENT CONTRACTOR AGREEMENT

This Extension is entered into and executed effective as of July 1, 2022, by and between City of Alameda Health Care District, a local health care district organized pursuant to Division 23 of the California Health and Safety Code (“District”), and THE DEBORAH E. STEBBINS GROUP, LLC (“Contractor”), with respect to the following facts:

WHEREAS, the District and the Contractor have entered into a prior written agreement, dated June 12, 2018, as previously amended and extended (the “Agreement”) in order to establish the terms and conditions of the business relationship set forth therein.

NOW, THEREFORE, in consideration of the promises and mutual agreements hereinafter set forth and both parties intending to be legally bound hereby, it is mutually agreed by and between the parties to further extend the Agreement as follows:

- 1. Article II of the Agreement is hereby amended to read as follows:

Subject to the provisions otherwise set forth in the Agreement, the current term of the Agreement will will continue through December 31, 2022, subject to further extension and the provisions of Article IV of the Agreement.

- 2. Subsection (a) of Article III of the Agreement is hereby amended to read as follows:

(a) Monthly Fee. For services rendered by the Contractor pursuant to this Agreement, the Contractor’s monthly Compensation (\$14,166.67) shall continue to be payable, in advance, on the 1st day of each month (commencing July 1, 2022) upon the District’s receipt of Contractor’s invoice. Any upward adjustments to previous July through December, 2022, payments, necessitated by the agreed-upon increase to Contractor’s monthly Compensation, shall be paid promptly upon the District’s receipt of Contractor’s invoice therefor.

- 3. In all other respects the terms of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

DISTRICT:
City of Alameda Health Care District

CONTRACTOR:
THE DEBORAH E. STEBBINS GROUP, LLC

BY: _____
Michael Williams
President of the Board

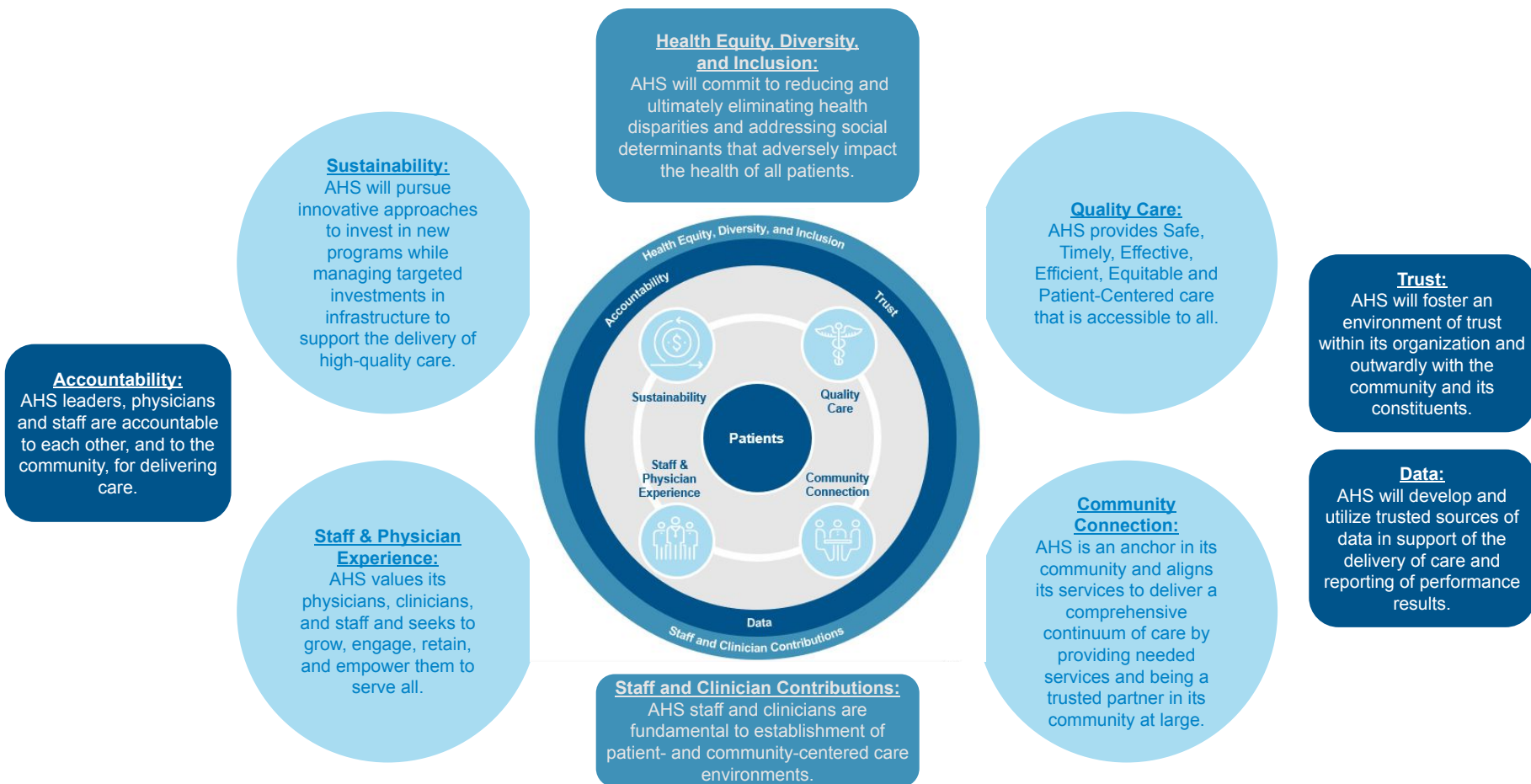
BY: _____
DEBORAH E. STEBBINS



**CAO Report
Alameda Health Care District
Board Meeting
October 10, 2022**

Mario Harding, FACHE
Chief Administrative Officer
Alameda Hospital and San Leandro Hospital

AHS Strategic Values, Enablers, & Pillars



Sustainability: Cooling Tower Structure Replacement Update



Timelines/Status

- **Mid/Late 2020:** Routine inspection found one of the cooling tower structures and steel beams supporting the cooling tower was rusted with extensive deterioration.
- **January 2021:** For safety reasons, the cooling tower #2 was removed and sits in the parking lot. If not removed, collapsing could have occurred. Operating with one (1) cooling tower #1 at 40-50% capacity.
- **March/April 2021:** Capital Request Package submitted and approved (unsure of exact date). Paragon Mechanical Contractors, Ratcliff Architect. \$186K
- **July/August 2022:** Steel beam removed and replaced. Additional \$50K for unexpected repairs
- **September 2022:** Beam needs to be painted. Contractor arriving on Mon 9/19 to assess chiller compressors for cooling tower #1
- **September/October 2022:** Crane to hoist cooling tower onto roof and anchor, reattach to chiller. HCAI (formerly OSHPD) must inspect and approve.
- **Mid/late October 2022:** Cooling tower # 2 is fully functional assuming no additional issues occur with the reinstallation.

Quality Care

Quality Care

True North Metric Dashboard (thru July 2022)

STEEP	True North Metric	FY 22 Baseline	FY23 Goal	Current Month	FY23 YTD	Action Planning
	Healthcare Acquired Patient Harm ↓	91	82	7	7	
	CLABSI # of Events / SIR	2 / 1.270	1 / 0.589	0 / 0	0 / 0	
	CAUTI # of Events / SIR	2 / 0.979	1 / 0.65	1 / 5.85	1 / 5.85	
	MRSA # of Events / SIR	1 / 1.603	0 / 0.726	0 / 0	0 / 0	
Safety	C. Difficile # of Events / SIR	1 / 2.98	3 / 0.52	1 / 3.3	1 / 3.3	
	SSI # of Events / SIR	1 / 1.08	1 / 0.738	0 / 0	0 / 0	
	Patient Falls # of Events / Rate Per 1000 days	57 / 4.8	62 / 5.34	4 / 3.15	4 / 3.15	
	HAPI # of Events / Rate Per 1000 days	11 / 0.996	24 / 2.07	1 / 0.79	1 / 0.788	
	Hospital Handwashing Compliance ↑	81.80%	89.98%	67.0%	67.0%	
Effectiveness	All-cause 30 day Readmissions ↓	10.22%	9.20%	15.5%	15.5%	
Efficiency	ED Waiting Time Time in ED from Decision to Admit to Inpatient Bed ↓	3:02	2:43	4:16	4:16	
	Hospital Nursing Communication (HCAHPS) ↑	71.54%	79.42%	73.7%	73.7%	

Quality Care

True North Metric Dashboard (thru July 2022)

STEEP	True North Metric	FY 22 Baseline	FY23 Goal	Current Month	FY23 YTD	Action Planning
Patient Centeredness	Hospital Doctor Communication (HCAHPS) ↑	74.25%	81.60%	78.9%	78.9%	
	Likelihood of Recommending (HCAHPS) ↑	60.6%	72.9%	79.3%	79.3%	
	Likelihood of Recommending (Amb Surgery) ↑	70.1%	84.7%	75.0%	75.0%	
	Likelihood of Recommending (Emergency) ↑	59.7%	66.7%	43.5%	43.5%	
		At or better than Goal		Worse than Goal		

Quality Care



September 22, 2022

James Jackson, MPH
Chief Executive Officer
Alameda Health System
2070 Clinton Ave
Alameda, CA 94501

Joint Commission ID #: 9725
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 8/26/2022

Dear Mr. Jackson:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 11, 2022 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.


The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

A handwritten signature in black ink that reads "Mark Pelletier".

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

Focus Area	Status	Accomplishments	Barriers / Risks / Actions Needed	Next Steps
ED & RN PI		<p>Highland</p> <ul style="list-style-type: none"> Nursing leadership coordinating with Regulatory and Engineering to determine the best setup for the FastTrack and Triage areas in the proposed Front-End layout. Additional walk through for planning on 10/5. ED Director utilizing revised template for guiding daily department huddle conversations and providing red/yellow/green weekly updates to the department staff. Presented ED Leads with summary of metrics evaluated to date <ul style="list-style-type: none"> Recommended area of focus is for the ED Leads to focus ED team on throughput of patients who are discharged from the ED. Reviewing specific areas of focus to enhance throughput and AHS owners with ED Leads 10/4. Reviewing refreshed Staffing to Demand analysis with ED Director Continued discussion on role alignment with Nursing leadership, focusing on the tech role and coordinating improved patient flow Kicked off meetings with IP Nursing department leaders for workforce productivity work <p>Alameda and San Leandro</p> <ul style="list-style-type: none"> Reviewing refreshed Staffing to Demand analysis with ED Managers Completed current state process flow maps for Alameda and San Leandro for review of Managers Alameda ED leadership implementing adjustments to triage layout, including utilizing mobile Registration primarily and shifting the triage process to the front space of the ED Kicked off meetings with IP Nursing department leaders for workforce productivity work 	<ul style="list-style-type: none"> Refreshed ED Log data received on 9/14. 	<p>Highland</p> <ul style="list-style-type: none"> Develop Sustainable Improvement Plan for tracking and implementation of proposed Front-End Layout Design proposed future state non-provider roles and responsibilities with Nursing leadership. Scheduling working session to finalize the week of 10/10. Develop Sustainable Improvement Plan for implementation of proposed future state. Review staffing to demand volume analysis with ED Leads. Continue workforce productivity discussions with IP Nursing department leaders. Review initial recommendations for identified process improvement initiatives week of 10/10. <p>Alameda and San Leandro</p> <ul style="list-style-type: none"> Develop Sustainable Improvement Plan for implementation of process changes Complete recommendations based on staffing to demand analysis Provide summary of work to date at San Leandro to new VP of Nursing Continue workforce productivity discussions with IP Nursing department leaders. Review initial recommendations for identified process improvement initiatives week of 10/10.

Staff & Physician Experience

- System Support Services (Facilities & Engineering, Environmental Services, Food & Nutrition Services, Security & Parking and PBX Operations) now reporting to Mario Harding, CAO, effective 8/19/22
- Dushyant Patel, Director of Biomedical Engineering, hired 9/6/22
- Director of Facilities-Community Hospitals (Alameda and San Leandro hospitals) recruitment in progress
- Doug Johnson, Vice President of Supply Chain and Materials Management, hired 8/29/22
- Associate Chief Medical Officer (ACMO) of Community Hospitals and ACMO of Highland search underway

You're Invited!



Under The Tent For Delicious Bites and Beverages

A Time to (Re)Connect, Mix, and Mingle

Alameda Hospital employees, physicians and volunteers are invited to stop by for a bite and beverage at an informal social gathering hosted by the Alameda Hospital Foundation.

Come by after work or during your break to enjoy delicious treats and enter in a drawing for fun and exciting prizes! (All attendees will receive one free ticket with an option to purchase more for \$1 each.)

Thursday, October 13, 2022
3:30 p.m.—6 p.m.
Under the tent in the Alameda Hospital parking lot
FREE
For more information e-mail: LNakada@alamedahealthsystem.org

Since 1985, the Alameda Hospital Foundation has been dedicated to raising and managing private funds to support the projects and services Alameda Hospital provides to promote quality healthcare and the well-being of the community.



Join Alameda Health System CEO James Jackson on a walk!
Exercise, talk and connect with your colleagues.

Friends, family and pets are invited to join.

AHS baseball caps, t-shirts and sports towels will be available while supplies last.

**IF IT RAINS THE WALK WILL BE CANCELED.
CHECK THE WEATHER...DRESS FOR THE WEATHER!**



Alameda Hospital

Thursday, October 27, 2022

5:30 pm

1.8 miles, approx. 30—40 minutes

Meet in the parking lot, in front of the main entrance.
2070 Clinton Avenue, Alameda



Lake Merritt

Saturday, October 29, 2022

8:30 a.m.

3.2 miles, approx. 70—85 minutes

Meet in the Veterans' Memorial Bldg Parking Lot,
200 Grand Ave., Oakland
Limited parking spaces available.

AGING & ADULT SERVICES
CITY OF OAKLAND
Thank you to the Aging and Adult Services of Oakland for their partnership!



Community Connection



Caring for Our Community

Health and Wellness in our Community

- Flu Vaccine Clinic: Saturday, October 29th, 9am-12pm, Alameda Hospital parking lot
- 2nd Annual Socktober Sock Drive - new and unused socks dropped off at Alameda Cafeteria by October 31st
- Reactivating FACES program with Alameda High School
[FACES for the Future Coalition – Changing the face of health.](#)
- Tour of Alameda Hospital and Admin Building: Mayor Marilyn Ashcraft, Chief Nick Luby (AFD), Nancy Bronstein and Katherine Schwartz on September 29th.
Vacant space to support CARE Program





Patient Experience Alameda Hospital *July 2022*

Alameda Hospital July 2022

H-CAHPS (N=25) <i>N may vary by question</i>	FY21 Baseline	FY22 Goal	FY22 YTD	JUNE 2022	JULY 2022
Overall Hospital Rating	55.18	71.66	60.50	74.00	60.50
Communication with Nurses	69.28	74.70	73.68	74.72	73.68
Communication with Doctors	74.97	77.85	78.86	81.20	78.86
Responsiveness of Hospital Staff	60.5	70.18	69.53	53.92	69.53
Communication about Medicines	48.49	59.39	64.97	81.63	64.97
Cleanliness and Quietness of Hospital Environment* (*2 questions-noted below)	52.53	51.01	58.65	65.55	58.65
<i>Cleanliness (no separate goal set)</i>	62.04		79.02	77.20	79.02
<i>Quietness (no separate goal set)</i>	43.02		38.28	53.90	38.28
Discharge Information	79.98	84.14	91.63	84.96	91.63
Care Transitions	44.58	46.04	42.65	52.43	42.65

Action Plan

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Metrics with opportunity for improvement	Follow-Up Actions	Date of Completion
Rate the Hospital and key drivers	<ul style="list-style-type: none"> • Actions to drive patient experience across AHS. Standards - GIFT is the service standard for the organization Build organizational knowledge – Boot camps Daily Work – patient rounding • Olivia Kriebel or designee attending monthly AH Leadership to discuss patient experience and actions for all departments • Weekly push out of patient comments to all units for more real time follow up. • Data shared at physician and staff department meetings. Patient comments shared. • ED Patient Experience Council to address patient concerns/issues and improve patient experience. Plan to reinvigorate in October. • SMILE board (Safety, Metrics, Issues, Logistics, Encouragement) on all units • Sentact Patient rounding (Admit, Daily, Discharge) now a focus on all units. • Plan for Medication Education sheet and Patient Handbook roll out in October 	Ongoing
Care Transition domain-preferences taken into account in d/c planning	<ul style="list-style-type: none"> • Care Transition Managers are focusing on Sentact patient rounding prior to discharge. 	Ongoing



Alameda District Board Presentation 10/10/2022



	August	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
AHD											
Acute Care											
Patient Days	1,197	816	381	46.7 %	2,236	1,542	694	45.0 %	1,690	546	32.3 %
Discharges	232	186	46	24.7 %	444	361	83	23.0 %	364	80	22.0 %
<i>Average Daily Census</i>	38.6	26.3	12.3	46.7 %	36.1	24.9	11.2	45.0 %	27.3	8.8	32.3 %
<i>Average Length of Stay</i>	5.2	4.4	0.8	17.5 %	5.0	4.3	0.8	18.0 %	4.6	0.4	8.6 %
Occupancy	59%	40%	18.6 %		55%	38%	17.0 %		41%	13.3 %	
Observation Equiv Days	48	82	(34)	(41.5)%	287	129	158	122.5 %	201	86	42.8 %
CMI	1.444	1.510	(0.066)	(4.4)%	1.422	1.510	(0.088)	(5.8)%	1.510	(0.088)	(5.8)%
AHD Medicare CMI	1.690	1.535	0.155	10.1 %	1.579	1.522	0.057	3.7 %	1.522	0.057	3.7 %
AHD Medicare LOS	5.3	4.2	1.1	26.2 %	5.4	5.1	0.3	5.9 %	5.1	0.3	5.9 %
Surgeries	156	169	(13)	(7.7)%	256	280	(24)	(8.6)%	287	(31)	(10.8)%
IP Surgeries	40	34	6	17.6 %	62	53	9	17.0 %	51	11	21.6 %
OP Surgeries	116	135	(19)	(14.1)%	194	227	(33)	(14.5)%	236	(42)	(17.8)%
Emergency Visits	1,404	1,256	148	11.8 %	2,813	2,489	324	13.0 %	2,501	312	12.5 %
Deliveries	-	-	-	0.0 %	-	-	-	0.0 %	-	-	0.0 %
Clinic Visits	1,226	1,075	151	14.1 %	2,160	2,046	114	5.6 %	2,033	127	6.2 %
										-	0.0 %
Paid FTEs	396	369	(27)	(7.3)%	391	364	(27)	(7.4)%	372	19	5.1 %
Prod FTEs	348	303	(45)	(14.9)%	339	297	(42)	(14.1)%	323	16	5.0 %
Paid FTE Per AOB	7.11	10.01	2.90	29.0 %	7.57	10.53	2.96	28.1 %	9.52	(1.95)	(20.5)%
Worked Hours per AD	185	206	21	10.2 %	189	210	21	10.0 %	219	(30)	(13.7)%
Worked Hours per APD	36.0	47.0	11.0	23.4 %	37.0	49.0	12.0	24.5 %	47.0	(10.0)	(21.3)%
Adjusted Discharges	335	261	74	28.4 %	636	502	134	26.7 %	522	114	21.9 %
Adjusted Patient Days	1,726	1,143	583	51.0 %	3,202	2,143	1,059	49.4 %	2,422	780	32.2 %

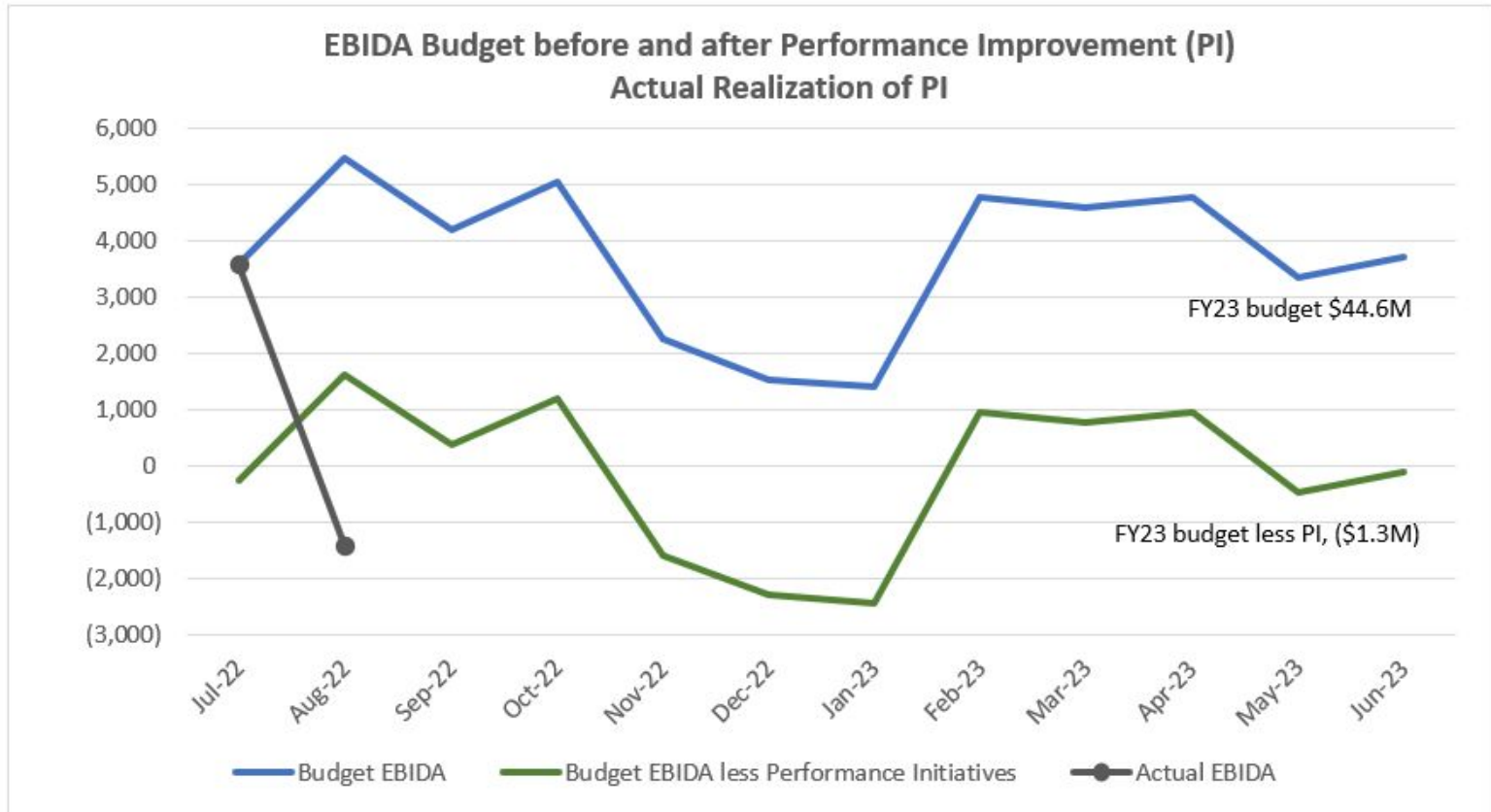
	August	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
SNF											
Patient Days	4,781	5,223	(442)	(8.5)%	9,723	10,463	(740)	(7.1)%	9,664	59	0.6 %
Bed Holds	67	49	18	36.7 %	109	62	47	75.8 %	58	51	87.9 %
Discharges	10	16	(6)	(37.5)%	17	33	(16)	(48.5)%	35	(18)	(51.4)%
<i>Average Daily Census</i>	154.2	168.5	(14.3)	(8.5)%	156.8	168.8	(11.9)	(7.1)%	155.9	1.0	0.6 %
<i>Average Length of Stay</i>	478.1	326.4	151.7	46.5 %	571.9	317.1	254.9	80.4 %	276.1	295.8	107.1 %
<i>Occupancy</i>	85%	93%	(7.9)%		87%	93%	(6.6)%		55%	31.8 %	
Paid FTEs	187	196	9.0	4.6 %	188	197	9.0	4.6 %	209	(21)	(10.0)%
Prod FTEs	162	166	4.0	2.4 %	160	166	6.0	3.6 %	183	(23)	(12.6)%
Paid FTE Per AOB	0.84	0.83	(0.01)	(1.2)%	0.84	0.84	-	0.0 %	0.94	(0.10)	(10.6)%
Worked Hours per AD	2,387	1,339	(1,048.0)	(78.3)%	2,332	1,282	(1,050.0)	(81.9)%	1,295	1,037	80.1 %
Worked Hours per APD	4.0	4.0	-	0.0 %	4.0	4.0	-	0.0 %	5.0	(1.0)	(20.0)%
Adjusted Discharges	10	16	(6.0)	(37.4)%	17	33	(16.0)	(48.4)%	35	(18)	(51.4)%
Adjusted Patient Days	4,795	5,233	(438.1)	(8.4)%	9,752	10,484	(731.8)	(7.0)%	9,693	59	0.6 %
Payor Mix											
Insurance	6.43%	3.81%	2.6 %	68.7 %	6.83%	3.75%	3.1 %	82.0 %	7.59%	(0.8)%	(10.1)%
Medi-Cal	42.33%	39.41%	2.9 %	7.4 %	38.70%	40.22%	(1.5)%	(3.8)%	52.95%	(14.3)%	(26.9)%
Medi-Cal MC	19.59%	15.42%	4.2 %	27.0 %	17.78%	15.10%	2.7 %	17.7 %	15.16%	2.6 %	17.3 %
Medicare	23.04%	28.54%	(5.5)%	(19.3)%	25.64%	28.22%	(2.6)%	(9.2)%	21.37%	4.3 %	19.9 %
Medicare MC	7.00%	6.42%	0.6 %	9.1 %	6.46%	6.46%	(0.0)%	(0.0)%	5.80%	0.7 %	11.5 %
Other Govt	2.15%	3.88%	(1.7)%	(44.6)%	2.60%	3.68%	(1.1)%	(29.3)%	3.49%	(0.9)%	(25.5)%
Self Pay	-0.55%	2.51%	(3.1)%	(121.8)%	1.99%	2.56%	(0.6)%	(22.4)%	-6.36%	8.4 %	(131.2)%

In Thousands	MTD	YTD	In Thousands	MTD	YTD
<i>Operating Revenue</i> -----					
Net Patient Revenue	\$8,494	\$17,249	Contribution Margin	(1,767)	(2,557)
Capitation Revenue	354	708	Budget Contribution Margin	(362)	(1,261)
Other Government Programs	1,852	3,710	System Overhead Expense Allocation	3,286	5,885
Other Revenues	468	850	Measure A Allocation	1,268	2,537
Total Revenue - All Sources	11,169	22,517	GPP	0	0
Budget Revenue	10,026	19,448	QIP	0	0
Collection %	14.3%	15.0%	Total Non Operating Activity	13	(2)
Budget Collection %	14.2%	14.2%	Net Income (Loss) After Allocations	(\$3,784)	(\$5,907)
<i>Operating Expenses</i> -----			Budget Net Income (Loss) After Allocations	(\$1,542)	(\$3,579)
Salaries & Benefits	9,767	19,339	EBIDA Adjustments		
Purchased Services	1,151	2,108	Interest Income (Expense)	13	27
Materials and Supplies	1,272	2,155	Depreciation	839	1,680
Facilities	409	844	Amortization (GASB-68, GASB-75)	(0)	(0)
Depreciation	279	553	Total EBIDA Adjustments	852	1,707
General & Administration	59	74	EBIDA	(\$2,933)	(\$4,199)
Total Operating Expenses	12,936	25,074	Budget EBIDA	(\$839)	(\$2,174)
Budget Expenses	10,388	20,709	Operating Margin	-15.8%	-11.4%
		0	EBIDA %	-26.3%	-18.6%
Contribution Margin	(1,767)	(2,557)			
Budget Contribution Margin	(362)	(1,261)			

- Alameda District Hospital has an acute average daily census of 38.6 in August which is 59% occupancy; mostly admissions coming through the ED. Census has increased over budget for the month with a YTD of 36.1.
- Acute Highlights:
 - CMI is slightly lower at 1.44 vs budget of 1.51.
 - LOS has increased to 5.2, and is exceeding budget of 4.4.
 - Observation days decreased to 48 and is below budget of 82 due to reversals for the month of July.
 - Surgeries increased to 156 in August below budget of 169. The majority of surgeries are in Ophthalmology & Gynecology.
 - OP Surgery is below budget by 19 and 14.1%; YTD below budget by 14.5%
 - IP Surgery is above budget by 6 and 17.6%; YTD above budget by 17.0%
- Skilled Nursing
 - Park Bridge and AH Sub-Acute are in outbreak status and admissions hindered.
 - Discharges decreased to 10 and were below budget of 16 due to Covid positive status in the facilities.

- Operating Revenue is favorable \$5.3M and 5.2%. YTD is favorable \$11.9M and 5.8%.
- Operating Expense is unfavorable \$12.2M and 12.6%. YTD is unfavorable by \$18.7M and 9.6%.
- Net Loss is \$1.4M and unfavorable to budget by \$6.9M. YTD Net Income is \$2.1M and unfavorable by \$7.0M.
- EBIDA is a negative \$1.4M resulting in a negative EBIDA Margin of 1.3%; below budget by \$6.9M. YTD is \$2.1M with an EBIDA Margin of 1.0%; below budget by \$6.9M.

	August 2022				Year-To-Date				FY 2022	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	\$ 107,383	\$ 102,069	\$ 5,314	5.2%	\$ 215,332	\$ 203,479	\$ 11,853	5.8%	\$ 186,149	15.7%
Operating expense	108,711	96,522	(12,189)	(12.6)%	213,000	194,259	(18,741)	(9.6)%	183,265	(16.2)%
Operating income (loss)	(1,328)	5,547	(6,875)	(123.9)%	2,332	9,220	(6,888)	(74.7)%	2,884	(19.1)%
Other non-operating activity	(89)	(25)	(64)	(256.0)%	(195)	(50)	(145)	(290.0)%	(158)	(23.6)%
Net Income (loss)	\$ (1,417)	\$ 5,522	\$ (6,939)	(125.7)%	\$ 2,137	\$ 9,170	\$ (7,033)	(76.7)%	\$ 2,726	(21.6)%
EBIDA adjustments	(4)	(71)	67		3	(142)	145		1,493	
EBIDA	\$ (1,421)	\$ 5,451	\$ (6,872)		\$ 2,140	\$ 9,028	\$ (6,888)		\$ 4,220	
Operating Margin	(1.2)%	5.4%	(6.6)%		1.1%	4.5%	(3.4)%		1.5%	
EBIDA Margin	(1.3)%	5.3%	(6.6)%		1.0%	4.4%	(3.4)%		2.3%	



Best Initiatives net of fees (\$23.4 million)

- Care Optimization, \$12.4 million
- Revenue Cycle, \$6.8 million
- Supply Chain, \$2.9 million
- Pharmacy, \$1.3 million

Internal Initiatives (\$22.5 million)

- Registry utilization and rates, \$11.0 million
- Payor Contracting, \$3.9 million
- Highland FQHC Clinics, \$3.7 million
- Overtime Reduction, \$2.6 million
- Other (net of strategy) \$1.3 million

- Gross patient service revenue is favorable to budget by \$24.0M and 7.4% due to higher patient days and surgery visits.
 - The average length of stay is 6.4 and unfavorable 1 full day and 18.5%. YTD is 6.6 and above PYTD of 5.5 and 20.0%.
 - CMI is below budget for the month 1.5% which would suggest an expected lower LOS. YTD is above budget by 1.0% and budget is consistent with prior year.
- NPSR Collection ratio was 17.5% and lower than budget by 0.7%. YTD was 18.7% and 0.5% higher than budget. Trauma volume and Commercial payer mix were below budget and trend in August. Results include a 5% charge increase on 6/24/22.
 - Zero Balance Analysis (ZBA) was updated and reflects improved revenue cycle performance.
 - Finance will need to monitor accounts with longer length of stay as collections may not be realized consistent with trend.

	August 2022				Year-To-Date				FY 2022	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	\$ 210,378	\$ 195,657	\$ 14,720	7.5%	\$ 413,701	\$ 390,852	\$ 22,850	5.8%	\$ 373,311	10.8%
Outpatient service revenue	106,369	98,992	7,377	7.5%	202,063	196,138	5,925	3.0%	191,124	5.7%
Professional service revenue	31,631	29,753	1,879	6.3%	57,394	58,299	(905)	(1.6)%	55,694	3.1%
Gross patient service revenue	348,378	324,403	23,976	7.4%	673,158	645,289	27,869	4.3%	620,129	8.6%
Deductions from revenue	(287,533)	(265,450)	(22,083)	(8.3)%	(547,290)	(528,041)	(19,249)	(3.6)%	(518,264)	5.6%
Net patient service revenue	60,845	58,953	1,893	3.2%	125,868	117,248	8,620	7.4%	101,865	(23.6)%
Collection % - NPSR	17.5%	18.2%	(0.7)%		18.7%	18.2%	0.5%		16.4%	
Capitation and HPAC	3,916	3,835	81	2.1%	7,817	7,671	146	1.9%	7,681	1.8%
Other government programs	38,830	35,846	2,985	8.3%	74,770	71,691	3,079	4.3%	69,935	6.9%
Other operating revenue	3,792	3,435	357	10.4%	6,879	6,869	10	0.1%	6,668	3.2%
Total operating revenue	\$ 107,384	\$ 102,069	\$ 5,315	5.2%	\$ 215,334	\$ 203,479	\$ 11,855	5.8%	\$ 186,149	15.7%

- Supplemental Programs was favorable by \$3.0M for both the month and YTD driven by GME FY21 settlement (\$3.0M) recognized in August based on letter from DHCS.
- Other operating revenue was favorable for the month \$0.4M, driven by retail pharmacy (\$0.7M) offset by timing of Grant Revenue (\$0.3M).
 - The 340b regulations effective 1/1/22 limit the benefit of accessing lower cost drugs as Medi-Cal scripts are now reimbursed at cost plus a flat fee.
 - YTD, Retail Pharmacy exceeding budget \$0.7M driven by higher cash receipts for prior periods in August.

	August 2022				Year-To-Date				FY 2022	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Net patient service revenue	60,845	58,953	1,893	3.2%	125,868	117,248	8,620	7.4%	101,865	(23.6)%
Capitation and HPAC	3,916	3,835	81	2.1%	7,817	7,671	146	1.9%	7,681	1.8%
Medi-Cal Waiver	8,208	8,208	(0)	(0.0)%	16,417	16,417	(0)	(0.0)%	14,451	13.6%
Measure A and parcel tax	10,734	10,734	0	0.0%	21,469	21,469	0	0.0%	21,469	0.0%
Supplemental Programs	19,888	16,903	2,985	17.7%	36,884	33,806	3,078	9.1%	34,012	8.4%
Covid-19	-	-	0	0.0%	-	-	-	0.0%	3	(100.0)%
Other government programs	38,830	35,846	2,985	8.3%	74,769	71,691	3,078	4.3%	69,935	6.9%
Grant Revenue	1,097	1,389	(292)	(21.0)%	2,258	2,776	(518)	(18.7)%	1,897	19.1%
Other Operating Revenue	2,695	2,046	649	31.7%	4,620	4,093	527	12.9%	4,771	(3.2)%
Other operating revenue	3,792	3,435	357	10.4%	6,878	6,869	9	0.1%	6,668	3.2%
Total operating revenue	\$ 107,384	\$ 102,069	\$ 5,315	5.2%	\$ 215,333	\$ 203,479	\$ 11,853	5.8%	\$ 186,149	15.7%

- Operating Expense is \$108.7M and unfavorable to budget by \$12.2M and 12.6% . YTD unfavorable \$18.7M and 9.6%
 - The Labor costs are discussed on next slide.
- Purchased Services is unfavorable \$0.6M and 6.8% driven by Huron contingency fee payment (\$1.5M). YTD, favorable \$1.0M and 6.0%, driven by lower management consultants/services (\$0.4M), software licenses/hosting fees (\$0.3M) outside medical services for HPAC and ambulance service (\$0.2M), and remaining variance is across multiple areas. YTD, Huron contingency fees are consistent with plan.
- Material and Supplies are unfavorable \$2.1M and 24.7% driven by higher volumes for surgical supplies (\$0.8M), pharmaceuticals (\$0.9M), and non-surgical medical supplies/PPE (\$0.4M). YTD, unfavorable \$1.7M and 10.0%, driven by higher surgical supplies (\$0.9M) and pharmaceuticals (\$0.8M).
- Other items are consistent with budget.

	August 2022				Year-To-Date				FY 2022	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	\$ 78,328	\$ 68,431	\$ (9,897)	(14.5)%	\$ 156,914	\$ 137,833	\$ (19,081)	(13.8)%	\$ 134,034	(17.1)%
Physician contract services	3,283	3,284	1	0.0%	6,552	6,569	17	0.3%	5,983	(9.5)%
Purchased services	8,884	8,319	(565)	(6.8)%	15,629	16,626	997	6.0%	12,599	(24.1)%
Materials and supplies	10,409	8,344	(2,065)	(24.7)%	18,629	16,943	(1,686)	(10.0)%	16,240	(14.7)%
Facilities	3,086	3,243	157	4.8%	6,091	6,486	395	6.1%	5,895	(3.3)%
Depreciation	2,679	2,675	(4)	(0.1)%	5,353	5,350	(3)	(0.1)%	5,108	(4.8)%
General and administrative	2,042	2,226	184	8.3%	3,832	4,452	620	13.9%	3,408	(12.5)%
Total operating expense	\$ 108,711	\$ 96,522	\$ (12,189)	(12.6)%	\$ 213,000	\$ 194,259	\$ (18,741)	(9.6)%	\$ 183,265	(16.2)%

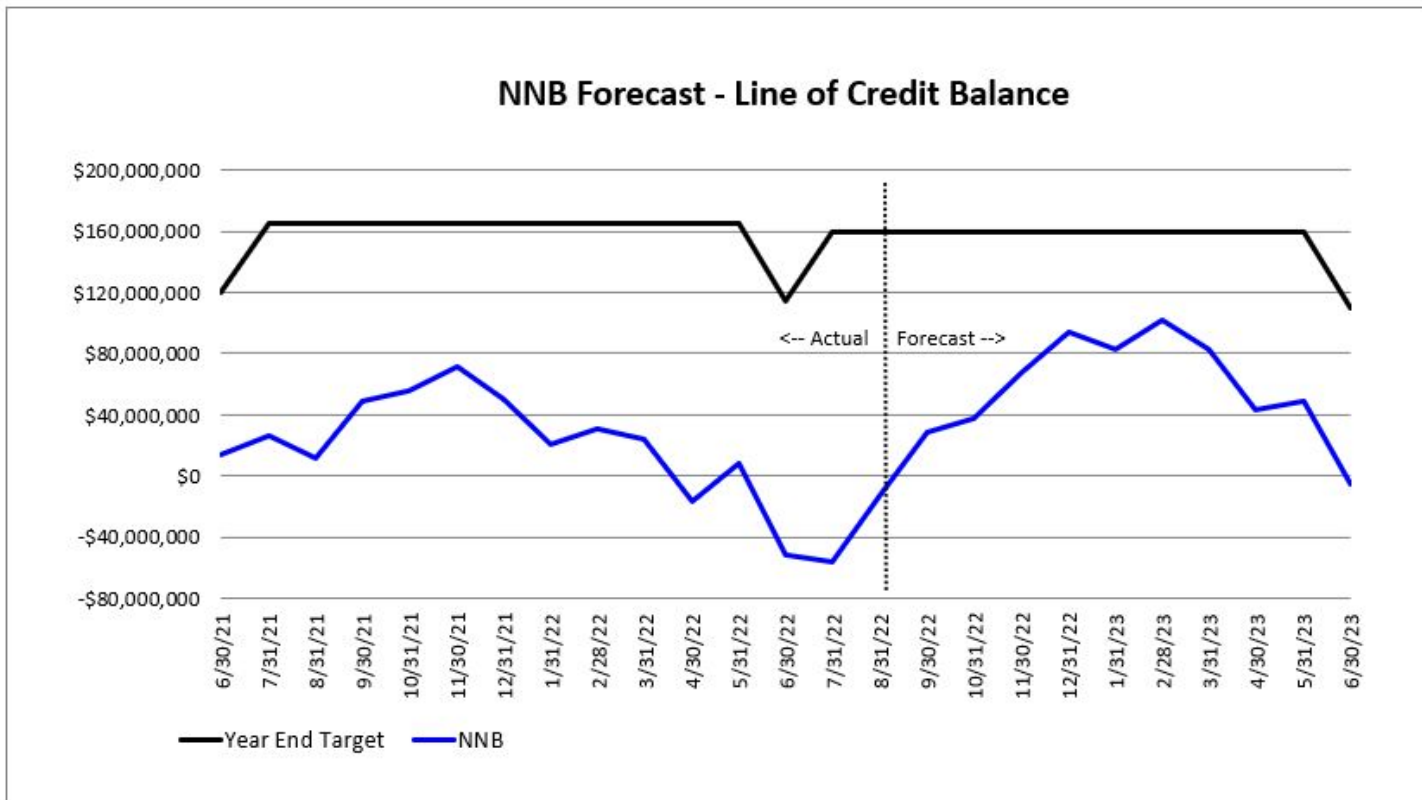
- Total Labor costs are unfavorable for the month \$10.0M and 14.5%; Paid FTEs are favorable 17. YTD Labor costs are exceeding budget by \$19.1M and 13.8%. YTD Paid FTE are unfavorable 16.
 - Salaries and registry combined are unfavorable to budget by \$8.6M for the month and \$16.8M for the year; Labor shortage, COVID leave coverage has created a greater need for registry at significantly higher rates and overtime is required.
 - Significant overtime (\$1.8 million over budget) was required to staff up for the increased volume of patient days (12.5% above budget) which was offset by less non-productive time and efficiencies in non-nursing areas, resulting in an overall favorable FTE variance of 17.
 - Audits will be performed to ensure all registry hours are captured.
 - Physician wages are slightly favorable for the month and YTD, reflecting recruitment dollars available in the PSA.
 - Employee Benefits are unfavorable \$1.3M and 11.6% for the month and YTD unfavorable \$2.1M and 9.5%. Higher self-funded health expenditures was the primary reason.
 - Retirement approximate budget for the month. YTD reflects ACERA contribution for incentive/bonus payments accrued to last year.

	August 2022				Year-To-Date				FY 2022	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Salaries and wages	\$ 47,423	\$ 43,999	\$ (3,424)	(7.8)%	\$ 95,507	\$ 88,860	\$ (6,647)	(7.5)%	\$ 87,007	(9.8)%
Salaries and wages (physicians)	7,333	7,496	163	2.2%	14,459	14,979	520	3.5%	11,926	(21.2)%
Registry	7,336	2,161	(5,175)	(239.5)%	14,475	4,305	(10,170)	(236.2)%	6,040	(139.6)%
Employee benefits (taxes, insurance)	12,520	11,219	(1,301)	(11.6)%	24,643	22,513	(2,130)	(9.5)%	20,719	(18.9)%
Retirement	6,501	6,341	(160)	(2.5)%	13,400	12,746	(654)	(5.1)%	12,141	(10.4)%
Retirement (GASB-68, GASB-75)	(2,785)	(2,785)	-	0.0%	(5,570)	(5,570)	-	0.0%	(3,800)	46.6%
Total labor costs	\$ 78,328	\$ 68,431	\$ (9,897)	(14.5)%	\$ 156,914	\$ 137,833	\$ (19,081)	(13.8)%	\$ 134,034	(17.1)%
Compensation ratio	72.9%	67.0%	-5.9%		72.9%	67.7%	-5.2%		72.0%	
Paid FTEs	4,620	4,637	17	0.4%	4,667	4,651	(16)	(0.3)%	4,579	1.9%

- Days in Cash is consistent and typically are below 5.0 days. Funding received on 8/31/22 for payroll paid on 9/02/22, temporarily increased the Days in Cash.
- Gross AR Days decreased 1.6 days and Net AR Days increased 1.0 days. Net Days increased due to lower NPSR driven by August performance. See next slide for additional detail.
- Days in Accounts Payable increased due to timing of the check run. The target is 30 days.
- Net Position is negative \$55.5M and reflects the current month loss of \$1.4M offset by year-end audit entries for FY22. The FY22 audited financial report will be shared with Audit Committee in November.
- Net Negative Balance is a \$3.9M and returned to a payable position consistent with our projection. NNB consists of the loan of \$29.5M plus the restricted cash of \$25.6; and is below the June 30, 2023 ceiling of \$110.0M.

	<u>Aug-22</u>	<u>Jul-22</u>	<u>FY 2022</u>
Days in Cash	6.2	3.8	2.5
Gross Days in Patient Receivable	62.6	64.2	64.6
Net Days in Patient Receivable	42.1	41.1	43.8
Net Reimbursement Receivable/(Payable)	60,954	31,728	17,772
Net County Receivable/(Payable)	59,133	61,152	65,149
Days in Accounts Payable	37.1	36.6	36.9
% of AP Over 60 days	1.3%	1.4%	0.3%
Current Ratio	1.4	1.2	1.2
Net Position - Fund Balance/(Deficit)	\$ (55,548)	\$ (50,676)	\$ (54,722)
Net Negative Balance - due from/(due to)	\$ (3,937)	\$ 56,647	\$ 51,226

- FY23 Cash Flow from Operations Forecast is expected to be below NNB limit (blue line) and consistent with prior month's forecast.
 - Anticipated cash flow was based on FY23 proposed budget, including performance initiatives of \$45.9M.
 - True ups for accounts payable and payroll increases \$10.2M, were offset by higher patient receipts \$5.2M, GPP CY22 Q3 \$2.7M and Measure A FY22 Q4 true up \$4.4M.
 - Capital budget cash flow at \$31.8M; YTD capital was \$3.4M.



- Changes in the table from last month are as follows:
 - GPP CY2020 3rd quarter funding increased from \$24.6M to \$27.3M based on information from DHCS. Additional revenue will be recorded in September 2022 (\$2.7M).
 - Capital Cost Fund (due to County) \$26.6M moved one month to October 2022. Waiting for approval from Alameda County Board of Supervisors on revised agreement.
 - Capital Designation Funds (due from County) \$21.0M moved one month to October 2022. Waiting for approval from Alameda County Board of Supervisors.

- Prior year activity for the old Waiver, Medi-Cal FQHC and Physician SPA settlements are reflected in a separate table as the final settlement amounts and timing are unknown.

Material Items Included in NNB Forecast				
(in thousands)				
	Oct-22	Jan-23	Apr-23	Jun-23
HPAC amendment and AB85 realignment	\$ -	\$ 40,000	\$ -	\$ -
EPP (semi-annual)	21,500		21,500	
QIP (annual)				64,500
GPP (quarterly)	24,600		49,200	
Medi-Cal Managed Care Rate Range (annual)			36,000	
Capital Cost Fund (to County)	(33,952)			
Capital Designation Funds (from County)	21,000			7,000
	<u>\$ 33,148</u>	<u>\$ 40,000</u>	<u>\$ 106,700</u>	<u>\$ 71,500</u>
Prior Year Reimbursement Settlements				
Waiver recoupment (fy10, fy11, fy14, fy15)		\$(16,190)		
Medi-Cal FQHC recoupment (fy08 - fy13)		\$(40,000)		
Physician SPA (fy08 - fy13)		\$(30,000)		

Appendix

AHD key facts
AHS Volume Statistics

- Alameda District Hospital acute average daily census runs approximately 59% occupancy; mostly admissions coming through the ED. YTD census is 36.1.
 - Med surg and Tele (58 beds)
 - ICU census (8 Beds)
 - Clinics include Wound Care Clinic & Marina Wellness Center
- Skilled Nursing runs at approximately 85% capacity; mostly admissions from AHS hospitals.
 - Hospital (Subacute 35 beds)
 - Park Bridge (120 beds) and
 - South Shore (26 beds)

	August 2022	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
ACUTE											
Acute Patient Days	9,771	8,688	1,083	12.5 %	19,384	17,371	2,013	11.6 %	17,514	1,870	10.7 %
Acute Discharges	1,519	1,620	(101)	(6.2)%	2,952	3,216	(264)	(8.2)%	3,168	(216)	(6.8)%
Average Daily Census	315.2	280.3	34.9	12.5 %	312.6	280.2	32.4	11.6 %	282.5	30.1	10.7 %
Average Length of Stay	6.4	5.4	1.0	18.5 %	6.6	5.4	1.2	22.2 %	5.5	1.1	20.0 %
Acute Adjusted Discharges	2,348	2,506	(158)	(6.3)%	4,517	4,969	(452)	(9.1)%	4,904	(387)	(7.9)%
Acute Adjusted Patient Days	15,106	13,440	1,666	12.4 %	29,658	26,838	2,820	10.5 %	27,112	2,546	9.4 %
CMI	1.529	1.552	(0.023)	(1.5)%	1.543	1.528	0.015	1.0 %	1.528	0.015	1.0 %
ED Visits	8,026	8,559	(533)	(6.2)%	15,780	17,063	(1,283)	(7.5)%	16,523	(743)	(4.5)%
Trauma Cases	248	267	(19)	(7.1)%	520	529	(9)	(1.7)%	522	(2)	(0.4)%
Observation Equiv Days	156	137	19	13.9 %	449	293	156	53.2 %	391	58	14.8 %
PES Equivalent Days	626	576	50	8.7 %	1,213	1,156	57	4.9 %	1,151	62	5.4 %
Surgeries	798	722	76	10.5 %	1,470	1,387	83	6.0 %	1,337	133	9.9 %
IP Surgeries	393	369	24	6.5 %	742	735	7	1.0 %	697	45	6.5 %
OP Surgeries	405	353	52	14.7 %	728	652	76	11.7 %	640	88	13.8 %
Deliveries	115	156	(41)	(26.3)%	245	275	(30)	(10.9)%	263	(18)	(6.8)%
SNF											
Patient Days	8,027	8,451	(424)	(5.0)%	16,109	17,011	(902)	(5.3)%	16,162	(53)	(0.3)%
Discharges	16	38	(22)	(57.9)%	29	69	(40)	(58.0)%	63	(34)	(54.0)%
Daily Census	258.9	272.6	(13.7)	(5.0)%	259.8	274.4	(14.6)	(5.3)%	260.7	(0.9)	(0.3)%
Average Length of Stay	501.7	222.4	279	125.4 %	555.5	246.5	309	125.4 %	256.5	299.0	116.6 %
CLINIC VISITS											
Clinic Visits	36,395	26,688	9,707	36.4 %	57,742	52,033	5,709	11.0 %	58,309	(567)	(1.0)%
Clinic Visits	31,549				49,287				45,023	4,264	9.5 %
Telehealth	4,846				8,455				13,286	(4,831)	(36.4)%
Physician wRVU	104,433	88,226	16,207	18.4 %	191,058	178,130	12,928	7.3 %	92,830	98,228	105.8 %
Total Adjusted Discharges	2,311	2,497	(186)	(7.4)%	4,437	4,933	(496)	(10.1)%	4,885	(448)	(9.2)%
Total Adjusted Patient Days	26,797	25,810	987	3.8 %	52,828	51,635	1,193	2.3 %	50,918	1,910	3.8 %



October 10, 2022

Memorandum to: City of Alameda Health Care District
Board of Directors

From: Debi Stebbins
Executive Director

RE: Executive Director Report – October 2022

Some material from the August 2022 Executive Director report is repeated here since the August Board meeting was abbreviated.

1. Updates on Alameda Fire Department CARE Program

Since the District is an underwriter of the CARE program I was asked to join the CARE program Stakeholder Advisory Group which met on July 20, 2022. The Advisory Group also includes other staff members associated with the program, the AFD Medical Director and representatives of Alameda County Health Services and Alameda County Family Services. Chief Nick Luby presented an overview of the performance of the program in its first six months of operation. Overall, the results are positive and appear very consistent with program goals. Key among the goals is shifting the intervention for in the field mental and behavioral health intervention from the police to the CARE program, reducing the use of emergency services and ambulance transports and earlier referral to County Family and Behavioral Health Resources.

Between December 2021-June 2022, six budgeted positions have been filled. Three AFD members have been trained in behavioral health de-escalation techniques and 18 AFD members have been trained in the mobile crisis course. During this period, there have been an average of 88 responses per month, which is an increase of 74% over the volume of engagements last year.

During the first six months there were a total of 290 CARE engagements, of which 204 were referred to Alameda Family Services. This demonstrates a large number of clients are referred into the County system resources for on-going follow up. 115 clients were transported to a destination but in some cases it was to a home setting, a friend's house or community housing in addition to a health facility. In the first six months there were only 35 5150 holds placed by the CARE team, down from previous periods. Interestingly, the average age of clients tends to be in the adolescent and young adult (20-29 years) age groups.

In addition to District funding, which represents only a portion of the CARE budget, the program is funded by the City of Alameda. A State grant is also being pursued.

Several other Bay Area communities are currently evaluating implementation of similar programs. I am very impressed with how Chief Luby and his staff are monitoring and evaluating the program. The Stakeholder Advisory Committee will meet quarterly to follow the program and make suggestions for improvement.³

2. Status of AB 2904

As most of you are aware by now, the Governor unfortunately decided to veto AB 2904 just two days before the deadline for his signature on all bills. I am notifying all the people who wrote letters of support for us as well as a thank you letter to Assemblymember Mia Bonta for her forward-looking sponsorship of the bill. Since the bill had passed both houses of the legislature without opposition, I was surprised by Governor Newsom's signature. Our advocacy team followed this right up to the end. Their feeling was that his decision was based not just on a philosophical objection to "one off" bills but also because CHA mounted a last minute effort to re-introduce a bill to extend the deadline for the 2030 upgrades by 7 years and at significantly more lenient seismic requirements. The CHA bill introduced two weeks before the end of the legislative session had very mixed response from organized labor but it may have given the Governor hope that an industry wide amendment to the current requirements could be negotiated. This has of course not been achieved by CHA for several years now.

As I mentioned last month, I am a member of the Association of California Health Care Districts (ACHD) Seismic Committee. Recently the Committee, in recognition of the unprecedented level of State surpluses (\$100 Billion) this year, initiated an effort to get a portion of this money directed to the 2030 retrofit requirements for District hospitals. District hospitals have much more limited sources of funding for capital projects, often needing to seek bond initiatives from local voters, a quest that is not destined for success in this inflationary climate. Furthermore, District hospitals are among the hospitals with the biggest remaining seismic challenges in this state. ACHD estimates the cost to bring all District hospitals up to the 2030 requirements is \$3 billion.

Assemblymen Wood, chair of the Assembly Health Committee, is introducing possible legislation which might carve out funding for all rural District Hospitals out of the State surplus, which of course was very large last year but is expected to be smaller this year due to significant shift in the economy.

Last month, the Seismic Committee committed to mounting a strong campaign beginning this Fall to seek funding for the Districts from the probable State surplus for next year. This was further reaffirmed in meetings of the CEO's that I attended at their annual conference last month. This is a very high priority for ACHD members. If we are successful in securing financing options for seismic upgrades for District hospitals during the next legislative session, it would be far more valuable to the District than the two year extension provided by AB 2904.

3. Continued Facility Planning for Alameda Hospital

The Seismic Planning Committee met on July 29 and on September 30 to review the preliminary reports submitted by Ratcliff along with our Structural and Mechanical/Electrical Engineering consultants. The initial study focused on the complexities Loan very rough cost estimates of bringing the West Wing and the South Wings up to SPC 4D standards and NPC 4 or 5 standards.

Based on discussions of our Seismic Committee, I will be approaching the leadership at AHS to suggest we resurrect the Joint AHS- District Planning Committee to review the work of the architects and engineering studies and discuss alternative approaches to meeting the seismic standards. As you recall, the Joint Planning Committee suspended its meeting when the Board of Supervisors changed the Board and management leadership in late 2021. I am recommending that Gayle Codiga and Dr. Bobby Deutsch represent the District on the resurrected Joint Committee and that we use the first meeting of that group to review the analysis of the seismic options before our next Board meeting.

4. November 8, 2022 Elections

The next District elections for Board of Director positions will be held as a part of the general election in November. There are three Director seats up for election to 4 year terms: Gayle Codiga, Dr. Robert Deutsch and Tracy Jensen. Ms. Jensen chose not to run for the District Board again and instead is a candidate for the Alameda City Council. Since Ms. Codiga, Dr. Deutsch and David Sayen are the only three candidates for the District seats, this slate will not be on the November ballot.


Most of you are probably aware that Dr. Stewart Chen is a candidate for the BART Board. We wish him well in his campaign. Tom Driscoll has rendered an opinion that if Dr. Chen is elected to the BART Board, he will need to resign from the District Board due to potential conflict of interest. The District Board will then need to undertake an appointment process for a 5th Board member. If this occurs, I will outline the procedure for an appointment at the December 2022 Board meeting.

Due to the changes in composition of the Board, President Williams and I decided to postpone the election of new officer and liaison positions on the Board until the December 2022 Board meeting.

5. Loan on Jaber Properties

The District loan from Bank of Marin that is secured by the Jaber Properties matures on October 22, 2022. We were contacted by the Bank regarding our interest in renewing the loan. The original loan was issued in August 2012 as a 10 year note amortized over 25 years. The current balance is \$837,178. The Bank will be developing proposals on our options to renew the loan. I am asking for one or more Board members to be

appointed at the October Board meeting to work with me and the Bank to secure the new terms of a loan.

 <p>City of Alameda HEALTH CARE DISTRICT</p>	<p>Minutes of the City of Alameda Health Care District Board of Directors - Held via ZOOM Open Session Thursday, August 11, 2022 Board Meeting</p>
<p>Board Members Present</p>	<p>Legal Counsel Also Present Absent</p>
<p>Tracy Jensen, Robert Deutsch MD, Mike Williams, Gayle Codiga, Stewart Chen DC. Minutes submitted by Leta Hillman</p>	<p>Tom Driscoll Leta Hillman, Debi Stebbins</p>

Agenda Item	Presentation and Discussion Notes	Action/Follow-Up
I. Call to Order	The meeting was called to order at 12:10pm by Gayle Codiga The Brown Act resolution was approved	
II. Roll Call	Leta Hillman completed a roll call	
III. General Public Comments	No public comments.	

IV. Action Items		
	<p>1) Partial Distribution of Parcel Tax to AHS</p> <p>Debi Stebbins discussed that the Tru-up would be calculated in late September/October. The total is estimated to exceed \$6 million. The recommendation is to distribute \$1.8 million to Alameda Health System now.</p> <p>Higher expenses than expected: 1) Projected payment of ½ of the Care Program, \$125,000 Payment for the special lobbyist (MJM Advocacy) and Ratliff Architects. This total is projected to be \$382,000.</p> <p>Tracy asked if the costs are comparable to previous years. According to the Joint Powers Agreement, are there expenses the District can retain? The only retainable expenses are those related to operating expenses of the District.</p> <p>Debi Stebbins mentioned that the JPA leadership has asked the District to plan and work</p>	

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	together with Alameda Health System to get ready for 2030. To date, the District has paid for related expenses. Debi Stebbins to discuss with Alameda Health System's Board of Directors a plan for allocating expenses in the future.	
	<p>2) Resolution 2022-4 Notice of General Election, Nov. 8, 2022 Gayle Codiga asked about the possibility of increasing the District Board Member's stipend. This topic will be added to the August 30th agenda for discussion.</p> <p>There are three candidates running for re-election to the board seats: Dr. Robert Deutsch, Tracy Jensen and Gayle Codiga. As of August 11th, Tracy Jensen had not filed the required paperwork. The filing deadline is August 12, 2022. Mike Williams confirmed that no one else is running for these District seats.</p>	Tracy Jensen motioned to approve, the resolution was approved and carried by unanimous consensus.

V. General Comments	Debi Stebbins mentioned that the next Board meeting is scheduled for August 30, 2022.	
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VI. Adjourn	There being no further business, the meeting was adjourned at 1:00pm	
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Approved: _____

	Minutes of the City of Alameda Health Care District Board of Directors - Held via ZOOM Open Session Thursday October 6 2022 Board Meeting,		
Board Members Present	Legal Counsel	Also Present	Absent
Tracy Jensen, Robert Deutsch MD, Gayle Codiga, Minutes submitted by Debi Stebbins	Tom Driscoll	, Debi Stebbins	Mike Williams Stewart Chen, DC

Agenda Item	Presentation and Discussion Notes	Action/Follow-Up
I. Call to Order	The meeting was called to order at 4:30 pm by Gayle Codiga The Brown Act resolution was approved	
II. Roll Call	Debi Stebbins completed a roll call	
III. General Public Comments	No public comments.	

IV. Action Items		
Settlement with Tenant of Pearl Street	Approval of Payment of Voluntary Relocation Agreement and payment of a settlement to a tenant at Pearl Street in accordance with the terms set by the City of Alameda Rent Control statute	Tracy Jensen motioned to approve, the resolution was approved and carried by unanimous consensus.

V. General Comments	There were no additional comments	
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VI. Adjourn	There being no further business, the meeting was adjourned at 4:45 pm	
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Approved: _____

DRAFT

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD
(July 31, 2022)

Revised Agenda pdf posted October 9, 2022

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of 6/30/2022	As of 7/31/2023
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 2,505,123	\$ 2,440,785
Grant and other receivables	264,892	754,145
Prepaid expenses and deposits	108,828	100,010
Total current assets	2,878,844	3,294,941
Assets limited as to use	709,693	720,041
Capital Assets, net of accumulated depreciation	2,258,337	2,242,661
	5,846,874	6,257,643
Other Assets	747	560
Total assets	\$ 5,847,621	\$ 6,258,203
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 36,784	\$ 38,714
Accounts payable and accrued expenses	11,828	13,128
Total current liabilities	48,611	51,841
Debt borrowings net of current maturities	806,121	801,334
Total liabilities	854,732	853,175
 Net position:		
Total net position (deficit)	4,992,889	5,405,028
Total liabilities and net position	\$ 5,847,621	\$ 6,258,203

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Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2022	Actual YTD 7/31/2023	Budget YTD 6/30/2023	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,902,290	\$ 491,667	\$ 491,667	-	0%
Rents	186,828	17,190	17,500	(310)	-2%
Other revenues	-	-	-	-	
Total revenues	<u>6,089,119</u>	<u>508,857</u>	<u>509,167</u>	(310)	
Expenses					
Professional fees - executive director	173,083	14,167	14,417	250	2%
Professional fees - Assistant	53,957	5,280	4,667	(613)	-13%
Professional fees	163,442	37,100	34,067	(3,033)	-9%
Supplies	5,300	130	333	203	61%
Purchased services	3,500	-	833	833	100%
Repairs and maintenance	8,264	2,685	2,833	148	5%
Rents	19,269	1,752	1,785	33	2%
Utilities	12,256	1,059	917	(143)	-16%
Insurance	99,309	10,277	11,097	820	7%
Depreciation and amortization	190,351	15,863	15,867	4	
Interest	48,140	3,999	4,167	167	4%
Travel, meeting and conferences	6,298	-	833	833	100%
Other expenses	29,085	2,562	22,798	20,236	89%
Community projects and programs	250,000	1,845	21,667	19,822	91%
Total expenses	<u>1,062,255</u>	<u>96,718</u>	<u>136,280</u>	39,562	
Operating gains	5,026,864	412,139	372,887	39,252	11%
Transfers	<u>(3,546,494)</u>	-	<u>(384,879)</u>		
Increase(Decrease) in net position	1,480,370	412,139	(11,992)		
Net position at <i>beginning of the year</i>	<u>3,512,519</u>	<u>4,992,889</u>			
Net position at the <i>end of the period</i>	<u>\$ 4,992,889</u>	<u>\$ 5,405,028</u>			

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Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2022	Actual YTD 7/31/2023
Increase(Decrease) in net position	\$ 1,480,370	\$ 412,139
Add Non Cash items		
Depreciation	190,351	15,863
Changes in operating assets and liabilities		
Grant and other receivables	44,247	(489,253)
Prepaid expenses and deposits	(22,558)	8,818
Accounts payable and accrued expenses	(3,901)	1,300
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	1,688,509	(51,134)
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	-	0
Changes in assets limited to use	(31,097)	(10,347)
Net Cash used in investing activities	(31,097)	(10,347)
Cash flows from financing activities		
Principal payments on debt borrowings	(34,133)	(2,857)
Net cash used by financing activities	(34,133)	(2,857)
Net change in cash and cash equivalents	1,623,279	(64,338)
Cash at the beginning of the year	881,844	2,505,123
Cash at the end of the period	\$ 2,505,123	\$ 2,440,785

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CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2022	Jaber 6/30/2022	As of 6/30/2022	District 7/31/2023	Jaber 7/31/2023	As of 7/31/2023
Assets						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 2,505,123	\$ -	\$ 2,505,123	\$ 2,440,785	\$ -	\$ 2,440,785
Grant and other receivables	264,892	0	264,892	754,145	0	754,145
Prepaid expenses and deposits	108,829	(0)	108,828	100,011	(0)	100,010
Total current assets	2,878,844	(0)	2,878,844	3,294,941	(0)	3,294,941
Due To Due From	14,925	(14,925)	0	14,925	(14,925)	0
Assets limited as to use	0	709,693	709,693	0	720,041	720,041
Capital Assets, net of accumulated depreciation	1,405,238	853,099	2,258,337	1,392,678	849,983	2,242,661
	4,299,006	1,547,868	5,846,874	4,702,543	1,555,099	6,257,643
Other Assets	747	0	747	561	0	561
Total assets	4,299,753	1,547,868	5,847,621	4,703,104	1,555,099	6,258,204
Liabilities and Net Position						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	36,784	0	36,784	38,714	0	38,714
Accounts payable and accrued expenses	11,828	0	11,828	13,128	0	13,128
Total current liabilities	48,611	0	48,611	51,841	0	51,841
Debt borrowings net of current maturities	806,121	0	806,121	801,334	0	801,334
Total liabilities	854,732	0	854,732	853,175	0	853,175
Net position:						
Total net position (deficit)	3,445,021	1,547,868	4,992,889	3,849,929	1,555,099	5,405,028
Total liabilities and net position	\$4,299,753	\$1,547,868	\$5,847,621	\$4,703,104	\$1,555,099	\$6,258,203

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Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2022	Jaber 6/30/2022	Actual YTD 6/30/2022	District 7/31/2023	Jaber 7/31/2023	Actual YTD 7/31/2023
Revenues and other support						
District Tax Revenues	5,902,290	0	5,902,290	491,667	0	491,667
Rents	0	186,828	186,828	0	17,190	17,190
Other revenues	0	0	0	0	0	0
Total revenues	5,902,290	186,828	6,089,119	491,667	17,190	508,857
Expenses						
Professional fees - executive director	173,083	0	173,083	14,167	0	14,167
Professional fees - Assistant	53,957	0	53,957	5,280	0	5,280
Professional fees	154,244	9,198	163,442	36,333	767	37,100
Supplies	5,300	0	5,300	130	0	130
Purchased services	3,500	0	3,500	0	0	0
Repairs and maintenance	1,584	6,680	8,264	0	2,685	2,685
Rents	19,269	0	19,269	1,752	0	1,752
Utilities	1,070	11,185	12,256	0	1,059	1,059
Insurance	99,309	0	99,309	10,277	0	10,277
Depreciation and amortization	152,951	37,400	190,351	12,746	3,117	15,863
Interest	48,140	0	48,140	3,999	0	3,999
Travel, meeting and conferences	6,298	0	6,298	0	0	0
Other expenses	32,040	(2,955)	29,085	230	2,332	2,562
Community projects and programs	250,000	0	250,000	1,845	0	1,845
Total expenses	1,000,747	61,508	1,062,255	86,759	9,959	96,718
Operating gains	4,901,544	125,320	5,026,864	404,908	7,231	412,139
Transfers	(3,414,871)	(131,623)	(3,546,494)	0	0	0
Increase(Decrease) in net position	1,486,673	(6,303)	1,480,370	404,908	7,231	412,139
Net position at <i>beginning of the year</i>	1,958,348	1,554,170	3,512,519	3,445,021	1,547,867	4,992,889
Net position at the <i>end of the period</i>	3,445,021	1,547,867	4,992,889	3,849,929	1,555,098	5,405,028

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Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2022	6/30/2022	YTD 6/30/2022	7/31/2023	7/31/2023	YTD 7/31/2023
Increase(Decrease) in net position	1,486,673	(6,303)	1,480,370	404,908	7,231	412,139
Add Non Cash items						
Depreciation	152,951	37,400	190,351	12,746	3,117	15,863
Changes in operating assets and liabilities						
Grant and other receivables	44,247	0	44,247	(489,253)	0	(489,253)
Prepaid expenses and deposits	(22,558)	0	(22,558)	8,818	0	8,818
Due To Due From	0	0	0	0	0	0
Accounts payable and accrued expenses	(3,900)	0	(3,900)	1,301	0	1,301
Net Cash provided(used) by operating activities	1,657,413	31,097	1,688,510	(61,480)	10,347	(51,133)
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	(0)	0	0	0	(0)	0
Changes in assets limited to use	0	(31,097)	(31,097)	0	(10,347)	(10,347)
Net Cash used in investing activities	(0)	(31,097)	(31,097)	0	(10,348)	(10,347)
Cash flows from financing activities						
Principal payments on debt borrowings	(34,134)	0	(34,134)	(2,858)	0	(2,858)
Net cash used by financing activities	(34,134)	0	(34,134)	(2,858)	0	(2,858)
Net change in cash and cash equivalents	1,623,279	0	1,623,279	(64,338)	(0)	(64,338)
Cash at the beginning of the year	881,844	(0)	881,844	2,505,123	0	2,505,122
Cash at the end of the period	2,505,123	0	2,505,123	2,440,785	(0)	2,440,785

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD
(August 30, 2022)

Revised Agenda pdf posted October 9, 2022

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of <u>6/30/2022</u>	As of <u>8/31/2023</u>
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 2,505,123	\$ 807,280
Grant and other receivables	264,892	947,410
Prepaid expenses and deposits	108,828	89,733
Total current assets	<u>2,878,844</u>	<u>1,844,423</u>
Assets limited as to use	709,693	732,452
Capital Assets, net of accumulated depreciation	2,258,337	2,226,986
	<u>5,846,874</u>	<u>4,803,861</u>
Other Assets	747	374
Total assets	<u>\$ 5,847,621</u>	<u>\$ 4,804,234</u>
 Liabilities and Net Position		
<u>Current liabilities:</u>		
Current maturities of debt borrowings	\$ 36,784	\$ 38,714
Accounts payable and accrued expenses	11,828	13,128
Total current liabilities	<u>48,611</u>	<u>51,841</u>
Debt borrowings net of current maturities	<u>806,121</u>	<u>798,464</u>
Total liabilities	<u>854,732</u>	<u>850,305</u>
 Net position:		
Total net position (deficit)	<u>4,992,889</u>	<u>3,953,929</u>
Total liabilities and net position	<u>\$ 5,847,621</u>	<u>\$ 4,804,234</u>

Revised Agenda pdf posted October 9, 2022

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2022	Actual YTD 8/31/2023	Budget YTD 6/30/2023	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,902,290	\$ 983,333	\$ 983,333	-	0%
Rents	186,828	40,085	35,000	5,085	44%
Other revenues	-	-	-	-	
Total revenues	<u>6,089,119</u>	<u>1,023,418</u>	<u>1,018,333</u>	5,085	
Expenses					
Professional fees - executive director	173,083	28,333	28,833	500	2%
Professional fees - Assistant	53,957	12,256	9,333	(2,922)	-31%
Professional fees	163,442	132,671	68,133	(64,538)	-95%
Supplies	5,300	264	667	403	60%
Purchased services	3,500	-	1,667	1,667	100%
Repairs and maintenance	8,264	7,188	5,667	(1,521)	-27%
Rents	19,269	5,255	3,570	(1,685)	-47%
Utilities	12,256	2,447	1,833	(614)	-33%
Insurance	99,309	20,554	22,194	1,640	7%
Depreciation and amortization	190,351	31,725	31,733	8	
Interest	48,140	7,985	8,333	348	4%
Travel, meeting and conferences	6,298	3,605	1,667	(1,939)	-116%
Other expenses	29,085	6,404	43,333	36,929	85%
Community projects and programs	250,000	3,690	45,595	41,905	92%
Total expenses	<u>1,062,255</u>	<u>262,378</u>	<u>272,560</u>	10,181	
Operating gains	5,026,864	761,040	745,774	15,266	2%
Transfers	<u>(3,546,494)</u>	<u>(1,800,000)</u>	-		
Increase(Decrease) in net position	1,480,370	(1,038,960)	745,774		
Net position at <i>beginning of the year</i>	3,512,519	4,992,889	-		
Net position at the <i>end of the period</i>	<u>\$ 4,992,889</u>	<u>\$ 3,953,929</u>	<u>\$ 745,774</u>		

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Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2022	Actual YTD 8/31/2023
Increase(Decrease) in net position	\$ 1,480,370	\$ (1,038,960)
Add Non Cash items		
Depreciation	190,351	31,725
Changes in operating assets and liabilities		
Grant and other receivables	44,247	(682,517)
Prepaid expenses and deposits	(22,558)	19,095
Accounts payable and accrued expenses	(3,901)	1,300
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	1,688,509	(1,669,357)
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	-	(0)
Changes in assets limited to use	(31,097)	(22,759)
Net Cash used in investing activities	(31,097)	(22,759)
Cash flows from financing activities		
Principal payments on debt borrowings	(34,133)	(5,727)
Net cash used by financing activities	(34,133)	(5,727)
Net change in cash and cash equivalents	1,623,279	(1,697,843)
Cash at the beginning of the year	881,844	2,505,123
Cash at the end of the period	\$ 2,505,123	\$ 807,280

Revised Agenda pdf posted October 9, 2022

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2022	Jaber 6/30/2022	As of 6/30/2022	District 8/31/2023	Jaber 8/31/2023	As of 8/31/2023
Assets						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 2,505,123	\$ -	\$ 2,505,123	\$ 807,280	\$ -	\$ 807,280
Grant and other receivables	264,892	0	264,892	947,410	0	947,410
Prepaid expenses and deposits	108,829	(0)	108,828	89,733	(0)	89,733
Total current assets	2,878,844	(0)	2,878,844	1,844,423	(0)	1,844,423
Due To Due From	14,925	(14,925)	0	14,925	(14,925)	0
Assets limited as to use	0	709,693	709,693	0	732,452	732,452
Capital Assets, net of accumulated depreciation	1,405,238	853,099	2,258,337	1,380,119	846,867	2,226,986
	4,299,006	1,547,868	5,846,874	3,239,466	1,564,394	4,803,861
Other Assets	747	0	747	374	0	374
Total assets	4,299,753	1,547,868	5,847,621	3,239,841	1,564,394	4,804,235
Liabilities and Net Position						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	36,784	0	36,784	38,714	0	38,714
Accounts payable and accrued expenses	11,828	0	11,828	13,128	0	13,128
Total current liabilities	48,611	0	48,611	51,841	0	51,841
Debt borrowings net of current maturities	806,121	0	806,121	798,464	0	798,464
Total liabilities	854,732	0	854,732	850,305	0	850,305
Net position:						
Total net position (deficit)	3,445,021	1,547,868	4,992,889	2,389,536	1,564,394	3,953,929
Total liabilities and net position	\$4,299,753	\$1,547,868	\$5,847,621	\$3,239,841	\$1,564,394	\$4,804,234

Revised Agenda pdf posted October 9, 2022

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2022	Jaber 6/30/2022	Actual YTD 6/30/2022	District 8/31/2023	Jaber 8/31/2023	Actual YTD 8/31/2023
Revenues and other support						
District Tax Revenues	5,902,290	0	5,902,290	983,333	0	983,333
Rents	0	186,828	186,828	0	40,085	40,085
Other revenues	0	0	0	0	0	0
Total revenues	5,902,290	186,828	6,089,119	983,333	40,085	1,023,418
Expenses						
Professional fees - executive director	173,083	0	173,083	28,333	0	28,333
Professional fees - Assistant	53,957	0	53,957	12,256	0	12,256
Professional fees	154,244	9,198	163,442	131,115	1,556	132,671
Supplies	5,300	0	5,300	264	0	264
Purchased services	3,500	0	3,500	0	0	0
Repairs and maintenance	1,584	6,680	8,264	39	7,149	7,188
Rents	19,269	0	19,269	5,255	0	5,255
Utilities	1,070	11,185	12,256	0	2,447	2,447
Insurance	99,309	0	99,309	20,554	0	20,554
Depreciation and amortization	152,951	37,400	190,351	25,492	6,233	31,725
Interest	48,140	0	48,140	7,985	0	7,985
Travel, meeting and conferences	6,298	0	6,298	3,605	0	3,605
Other expenses	32,040	(2,955)	29,085	230	6,174	6,404
Community projects and programs	250,000	0	250,000	3,690	0	3,690
Total expenses	1,000,747	61,508	1,062,255	238,819	23,559	262,378
Operating gains	4,901,544	125,320	5,026,864	744,514	16,526	761,040
Transfers	(3,414,871)	(131,623)	(3,546,494)	(1,800,000)	0	(1,800,000)
Increase(Decrease) in net position	1,486,673	(6,303)	1,480,370	(1,055,486)	16,526	(1,038,960)
Net position at <i>beginning of the year</i>	1,958,348	1,554,170	3,512,519	3,445,021	1,547,867	4,992,889
Net position at the <i>end of the period</i>	3,445,021	1,547,867	4,992,889	2,389,535	1,564,393	3,953,929

Revised Agenda pdf posted October 9, 2022

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2022	6/30/2022	YTD 6/30/2022	8/31/2023	8/31/2023	YTD 8/31/2023
Increase(Decrease) in net position	1,486,673	(6,303)	1,480,370	(1,055,486)	16,526	(1,038,960)
Add Non Cash items						
Depreciation	152,951	37,400	190,351	25,492	6,233	31,725
Changes in operating assets and liabilities						
Grant and other receivables	44,247	0	44,247	(682,517)	0	(682,517)
Prepaid expenses and deposits	(22,558)	0	(22,558)	19,095	0	19,095
Due To Due From	0	0	0	0	0	0
Accounts payable and accrued expenses	(3,900)	0	(3,900)	1,301	0	1,301
Net Cash provided(used) by operating activities	1,657,413	31,097	1,688,510	(1,692,115)	22,759	(1,669,356)
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	(0)	0	0	0	(0)	(0)
Changes in assets limited to use	0	(31,097)	(31,097)	0	(22,759)	(22,759)
Net Cash used in investing activities	(0)	(31,097)	(31,097)	0	(22,759)	(22,759)
Cash flows from financing activities						
Principal payments on debt borrowings	(34,134)	0	(34,134)	(5,728)	0	(5,728)
Net cash used by financing activities	(34,134)	0	(34,134)	(5,728)	0	(5,728)
Net change in cash and cash equivalents	1,623,279	0	1,623,279	(1,697,843)	(0)	(1,697,843)
Cash at the beginning of the year	881,844	(0)	881,844	2,505,123	0	2,505,122
Cash at the end of the period	2,505,123	0	2,505,123	807,281	0	807,280

Audited Financial Statements
CITY OF ALAMEDA
HEALTH CARE DISTRICT
June 30, 2022

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2022

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Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2022

The District Clerk and Treasurer of the City of Alameda Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2022 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 District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2022 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

Financial Highlights

For the year of operations ending June 30, 2022, the District received \$5,938,514 million in parcel taxes from the County of Alameda and \$186,828 in rental and related interest income. The prior year taxes were \$5,898,222 and rental income was \$189,737.

Total District expenses for 2022 were \$1,063,154, comprised of: \$170,640 in depreciation and amortization, \$48,140 in interest expense, \$411,089 in professional fees, \$99,309 in insurance and \$333,976 in various other types of expenses. Transfers to the Alameda Health System were \$3.5 million, leaving the District with an increase in net position for the year of \$1,515,594.

Total District expenses for 2021 were \$687,614: \$187,024 in depreciation and amortization, \$47,321 in interest expense, \$225,934 in professional fees, \$92,786 in insurance and \$134,549 in various other types of expenses. Transfers to the Alameda Health System were \$7.3 million, leaving the District with a decrease in net position for the year of \$(358,898).

The District continues to operate as a health care district which allows for the continued collection of parcel taxes and certain rental income from which the District will pay operating expenses. Excess earnings are remitted to Alameda Health System (AHS) in order to support the operations of the Alameda Hospital by AHS.

Statements of Net Position

As of June 30, 2022, the District's current assets of \$2,949,313 are comprised of \$2,505,423 in operating cash, \$335,062 in parcel taxes and short-term lease receivables and \$108,828 in prepaid assets. Other assets include cash and cash equivalents of \$709,693 which are restricted for specific purposes, \$2,278,048 of capital assets, net of accumulated depreciation and \$203,964 in other assets of which \$203,217 is long-term lease receivables. Current liabilities of \$103,465 include \$36,784 of current maturities of debt borrowings and \$66,681 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$806,121 and deferred revenues were \$203,217.

Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

As of June 30, 2021, the District's current assets of \$1,277,254 are comprised of \$881,844 in operating cash, \$309,139 in parcel taxes receivables and insurance refund receivables and \$86,271 in prepaid assets. Other assets include cash and cash equivalents of \$678,596 which are restricted for specific purposes, \$2,446,447 of capital assets, net of accumulated depreciation and \$2,988 in debt issue costs. Current liabilities of \$50,580 include \$34,853 of current maturities of debt borrowings and \$15,727 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to \$842,184.

Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2022 and 2021, the District realized an increase in net position of \$1,515,694 and a decrease in net position of \$(358,898), respectively. The 2022 year approximated budget and expectations.

Next Year's Budget

The District annual budget for 2023 approximates the 2022 results. Excess earnings will continue to be remitted to AHS to help support the operations of the Alameda Hospital, formerly operated by the District.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Report of Independent Auditors

The Board of Directors
City of Alameda Health Care District
Alameda, California

We have audited the accompanying financial statements of the City of Alameda Health Care District, (the District) which comprise the statements of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the District adopted GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GW & Associates, LLP

Fresno, California
October 5, 2022

Statements of Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,505,423	\$ 881,844
Other receivables	335,062	309,139
Prepaid expenses and deposits	<u>108,828</u>	<u>86,271</u>
Total current assets	2,949,313	1,277,254
Assets limited as to use	709,693	678,596
Capital assets, net of accumulated depreciation	<u>2,278,048</u>	<u>2,446,447</u>
	5,937,054	4,402,297
Deferred outflows of resources	<u>203,964</u>	<u>2,988</u>
	<u>\$ 6,141,018</u>	<u>\$ 4,405,285</u>
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	\$ 36,784	\$ 34,853
Accounts payable and accrued expenses	<u>66,681</u>	<u>15,727</u>
Total current liabilities	103,465	50,580
Deferred revenue	203,217	
Debt borrowings, net of current maturities	<u>806,121</u>	<u>842,184</u>
	1,112,803	892,764
Net position		
Invested in capital assets, net of related debt	2,278,048	2,446,447
Restricted, by contributors	709,693	678,596
Unrestricted	<u>2,040,474</u>	<u>387,478</u>
Total net position	<u>5,028,215</u>	<u>3,512,521</u>
	<u>\$ 6,141,018</u>	<u>\$ 4,405,285</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Operating revenues		
Rent and other operating revenue	\$ 186,828	\$ 197,218
Total operating revenues	186,828	197,218
Operating expenses		
Professional fees	411,089	225,934
Supplies	5,300	5,417
Purchased services	11,764	19,429
Building and equipment rent	19,269	27,015
Utilities and phone	12,256	13,085
Insurance	99,309	92,786
Depreciation and amortization	170,640	187,024
Other operating expenses	<u>285,387</u>	<u>69,603</u>
Total operating expenses	<u>1,015,014</u>	<u>640,293</u>
Operating loss	(828,186)	(443,075)
Nonoperating revenues (expenses)		
District tax revenues	5,938,514	5,898,222
Interest expense	(48,140)	(47,321)
Transfers to AHS	<u>(3,546,494)</u>	<u>(5,766,724)</u>
Total nonoperating revenues (expenses)	<u>2,343,880</u>	<u>84,177</u>
Increase (decrease) in net position	1,515,694	(358,898)
Net position at beginning of the year	<u>3,512,521</u>	<u>3,871,419</u>
Net position at end of the year	<u>\$ 5,028,215</u>	<u>\$ 3,512,521</u>

See accompanying notes and auditor's report

Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from operations	\$ 195,151	\$ 186,497
Cash payments to suppliers and contractors	<u>(850,223)</u>	<u>(527,276)</u>
Net cash (used in) operating activities	(655,072)	(340,779)
Cash flows from noncapital financing activities:		
District tax revenues	5,938,514	5,898,222
Transfers to AHS	<u>(3,546,494)</u>	<u>(5,766,724)</u>
Net cash provided by noncapital financing activities	2,392,020	131,498
Cash flows from capital financing activities:		
Purchases of equipment and other		(7,546)
Principal payments on debt borrowings	(34,132)	(34,952)
Interest payments on debt borrowings	<u>(48,140)</u>	<u>(47,321)</u>
Net cash (used in) capital financing activities	(82,272)	(89,819)
Cash flows from investing activities:		
Net change in assets limited as to use	<u>(31,097)</u>	<u>(31,845)</u>
Net cash (used in) investing activities	<u>(31,097)</u>	<u>(31,845)</u>
Net increase (decrease) in cash and cash equivalents	1,623,579	(330,945)
Cash and cash equivalents at beginning of year	<u>881,844</u>	<u>1,212,789</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,505,423</u></u>	<u><u>\$ 881,844</u></u>

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	\$ (828,186)	\$ (443,075)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	170,640	187,024
Changes in operating assets and liabilities:		
Other receivables	(25,923)	(10,721)
Prepaid expenses and deposits	(22,557)	(79,644)
Deferred outflows of resources	(203,217)	
Accounts payable and accrued expenses	50,954	5,637
Deferred revenues	<u>203,217</u>	
Net cash (used in) operating activities	<u>\$ (655,072)</u>	<u>\$ (340,779)</u>

See accompanying notes and auditor's report

Notes to Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2022

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: The City of Alameda Health Care District, (d.b.a. Alameda District), heretofore referred to as (the District) is a public entity organized under Local District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the boundaries of the health care district to specified terms of office. The District is located in Alameda, California.

Through April 30, 2014, the District operated Alameda Hospital (the Hospital), which comprised a 100-bed acute care facility, a 35-bed sub acute unit within the Hospital, a 26-bed skilled nursing facility adjacent to the Hospital campus and another 120-bed skilled nursing facility near the Hospital campus which the District took over operations of in August, 2012. Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors, through a joint powers agreement (the affiliation agreement). Through this affiliation with AHS, the District continues to provide health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: The management's discussion and analysis is a narrative introduction and analytical overview of the District's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for major moveable equipment. The District periodically reviews its capital assets for value impairment.

Net Position: Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets. The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation. The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

District Tax Revenues: The District receives most of its financial support from parcel taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Parcel taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Parcel taxes are considered delinquent on the day following each payment due date. Property taxes are considered delinquent on the day following each payment date. Those dates are: (1) lien date of January 1; (2) due dates of November 1 and February 1; and (3) delinquent dates of December 10 and April 10.

Operating Revenues and Expenses: The District's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

Recently Adopted Accounting Pronouncement: In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superceded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District has adopted GASB 87 effective July 1, 2021 in accordance with the timetable established by GASB 87.

NOTE B - CASH AND CASH EQUIVALENTS

As of June 30, 2022 and 2021, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of \$3,215,116 and \$1,560,440 respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured. The CGC and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE C - CONCENTRATION OF CREDIT RISK

District Tax Revenues : The District receives approximately 97% of their revenues from the County of Alameda under the parcel taxing program. These funds are used to support operations and meet required debt service agreements. Parcel taxes are levied by the County on the District's behalf during the year. Parcel taxes are secured by properties within the District, management believes that there is no credit risk associated with these parcel taxes.

Financial Instruments: Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived "at risk" alternatives as of June 30, 2022 and 2021.

NOTE D - OTHER RECEIVABLES

Other receivables as were comprised of Alameda County parcel taxes in the amounts of \$300,816 and \$301,657 as of June 30, 2022 and 2021, respectively. They also included \$34,246 of short term lease receivable as of June 30, 2022 and \$7,482 of an insurance refund receivable as of June 30, 2021.

NOTE E - ASSETS LIMITED AS TO USE

Assets limited as to use are related to the Jaber agreement as described in Note F and were comprised of cash and cash equivalents in the amounts of \$709,693 and \$678,596 as of June 30, 2022 and 2021, respectively.

NOTE F - RELATED PARTY TRANSACTIONS

The Alameda Hospital Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501 c (3) to solicit contributions on behalf of the District. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the District or held for the benefit of the District. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the District in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for District property and equipment replacement or expansion, reimbursement of expenses, or other specific purposes. Effective May 1, 2014, any further donations by the Foundation will be made directly to AHS according to the affiliation agreement. The Foundation is not considered a component unit of the District as the Foundation, in the absence of donor restrictions, has complete and discretionary control over the amounts, the timing, and the use of its donations to the District and management does not consider the assets material.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE G - CAPITAL ASSETS

The District received two parcels of improved rental-real estate by court order dated December 3, 2003, pursuant to the terms of the Alice M. Jaber 1992 Trust. As successor to the former non-profit Alameda Hospital, the District has agreed to abide by the terms of the Trust Agreement. The Trust Agreement and the will of Alice M. Jaber require the District to account for the property as part of the Abraham Jaber and Mary A. Jaber Memorial Fund. Among other things, the District is prohibited from selling all or any portion of the parcels received until after the death of certain named family members and, if the property is sold, it may not be sold to any descendant, spouse or relative to the third degree of any such descendant of a named family member. The net carrying value of this property is \$853,100 and \$890,500 at June 30, 2022 and 2021, respectively. Capital assets as of June 30, 2022 and 2021 were comprised of the following:

	Balance at June 30, 2021	Adjustments & Additions	Retirements	Balance at June 30, 2022
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,747,274			3,747,274
Construction-in-progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals at historical cost	30,643,784			30,643,784
Less accumulated depreciation	<u>(28,197,337)</u>	<u>(168,399)</u>	<u> </u>	<u>(28,365,736)</u>
Capital assets, net	<u>\$ 2,446,447</u>	<u>\$ (168,399)</u>	<u>\$</u>	<u>\$ 2,278,048</u>

	Balance at June 30, 2020	Adjustments & Additions	Retirements	Balance at June 30, 2021
Land and land improvements	\$ 1,376,954			\$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728	7,546		3,747,274
Construction-in-progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals at historical cost	30,636,238	7,546		30,643,784
Less accumulated depreciation	<u>(28,012,554)</u>	<u>(184,783)</u>	<u> </u>	<u>(28,197,337)</u>
Capital assets, net	<u>\$ 2,623,684</u>	<u>\$ (177,237)</u>	<u>\$</u>	<u>\$ 2,446,447</u>

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE H - DEBT BORROWINGS

As of June 30, 2022 and 2021 debt borrowings were as follows:

	<u>2022</u>	<u>2021</u>
Note payable to a bank; principal and interest at 4.75% due in monthly installments of \$6,457 through October 15, 2022; collateralized by District property:	\$ 842,905	\$ 877,037
	842,905	877,037
Less current maturities of debt borrowings	<u>(36,784)</u>	<u>(34,853)</u>
	<u>\$ 806,121</u>	<u>\$ 842,184</u>

Future principal maturities for debt borrowings for the next succeeding years are: \$36,784 in 2022; and \$806,121 in 2023.

NOTE I - COMMITMENTS AND CONTINGENCIES

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2022 and 2021, were \$19,269 and \$27,015, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2022 and 2021 are not considered material as AHS has assumed responsibility for the significant leases associated with patient care effective May 1, 2014 according to the affiliation agreement. Other District lease or rent agreements that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2022 will be resolved without material adverse effect on the District’s future financial position, results from operations or cash flows.

Risk Management Insurance Programs: AHS has assumed responsibility for all employee-related insurance programs effective May 1, 2014. The District has purchased tail coverage on other specific types of insurance where appropriate in conjunction with the affiliation agreement in order to prevent any lapse in coverage.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE J - AFFILIATION AGREEMENT

District management had ongoing financial challenges operating a small general acute care District with 24-hour emergency services in this very competitive health care environment. The current and future changes brought about by healthcare reform at both the State and Federal levels, as well as other regulatory requirements and reimbursement reductions greatly compounded the challenges facing the District. Furthermore, the District was in need of capital resources to assist with required seismic retrofits, electronic health record implementation and other deferred facility and equipment replacements. Due to this situation, the District Board of Directors executed an affiliation agreement with a local health care system during the year ended June 30, 2014.

Effective May 1, 2014, operations of the Hospital were turned over to the Alameda Health System (AHS), a public hospital authority created by the Alameda County Board of Supervisors through a joint powers agreement. The agreement called for the transfer of specific assets and liabilities of the District to AHS which were related to the operations of the Alameda Hospital. The District maintained ownership of the Alameda Hospital land and real property (buildings and fixed equipment). The transfer included, without limitation, all cash and other deposits, accounts receivable, personal property (including all supplies, equipment and other fixed assets), intangible property, contractual rights, licenses, intellectual property and claims and causes of action, together with all the rights and privileges in any way belonging thereto, free and clear of all encumbrances. Through this affiliation, the District will continue to support the providing of health care services to those individuals, primarily, who reside in the local geographic area.

Transfers made to AHS related to this affiliation agreement for the year ended June 30, 2022 and 2021 amounted to \$3,546,494 and \$5,766,724, respectively.

NOTE K - LEASES

As of July 1, 2021 the District adopted the Governmental Accounting Standards Board (GASB) 87 requiring certain changes in the way the District accounted for leases, both as a lessee and as a lessor.

Lessor: The District leases the Champion Center to a third party under an operating lease. Lease commencement occurs on the date the District third party takes possession or control of the Champion Center. Original terms for the lease is 10 years. This lease contains an option to extend for another 10 years. The lease also contains an option to terminate the lease at the end of five years, with a 90-day notice and a fee equal to six months rent. For purposes of lease calculations for this operating lease, it is assumed that the termination clause would not be exercised due to the significant penalty associated with the early termination conditions.

The lease does not contain a readily determinable discount rate. The estimated borrowing rate of 3.5% was used to discount the remaining cash flows for this operating lease.

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE K - LEASES (continued)

This lease requires payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Variable lease costs are excluded from the present value of lease obligations.

The District's lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

Lessor-lease related assets and liabilities as of June 30, 2022 and 2021 consist of the following:

Assets:	<u>2022</u>	<u>2021</u>
Lease receivable - current portion	\$ 34,246	\$ -0-
Lease receivable - noncurrent portion	<u>203,217</u>	<u>-0-</u>
Total lease assets	<u>\$ 237,463</u>	<u>\$ -0-</u>
Liabilities:		
Deferred revenues - current portion	\$ 34,246	\$ -0-
Deferred revenues - noncurrent portion	<u>203,217</u>	<u>-0-</u>
Total lease liabilities	<u>\$ 237,463</u>	<u>\$ -0-</u>

Total operating lease revenue under this lease arrangement for the years ended June 30, 2022 and 2021 was \$177,909 and \$197,218, respectively. Due to the change with GASB 87 there was \$8,919 of interest income associated with the lease revenues for the year ended June 30, 2022 bringing the total cash flow from this lease to \$186,828 for the year ended June 30, 2022.

The future minimum rental payments required under operating lease obligations as of June 30, 2022, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

Notes to Financial Statements (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOTE K - LEASES (continued)

Years ending June 30,

2023	\$	42,012
2024		43,272
2025		44,570
2026		45,907
Thereafter		<u>87,870</u>
Total		263,631
Less: interest		<u>(26,168)</u>
Present value of lease liabilities	\$	<u><u>237,463</u></u>

The weighted average for the remaining lease term of this operating lease is 5.5 and the weighted average discount rate for this operating leases is 3.5%

NOTE L - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through October 5, 2022, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
City of Alameda Health Care District
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the City of Alameda Health Care District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JW7 & Associates, LLP

Fresno, California
October 5, 2022

October 10, 2022

Memorandum to: City of Alameda Health Care District
Board of Directors

From: Debi Stebbins
Executive Director

RE: Recommendation to Delegate Authority to Renegotiate Bank of
Marin Loan

RECOMMENDATION:

Management recommends that the Board of Directors appoint one or more Board members to work with the Executive Director to negotiate terms of a loan renewal with the Bank of Marin before the next Board meeting.

BACKGROUND:

The District loan from Bank of Marin that is secured by the Jaber Properties matures on October 22, 2022. We were contacted by the Bank regarding our interest in renewing the loan. The original loan was issued in August 2012 as a 10 year note amortized over 25 years. The current balance is \$837,178. The current rate of interest on the loan is 5.51%. The Bank will be developing proposals on our options to renew the loan. I am asking for one or more Board members to be appointed at the October Board meeting to work with me and the Bank to secure the new terms of a loan.

Due to a change in staff in the bank's loan department, they are somewhat late in contacting the District about the loan so we probably have beyond the October 22 maturation date to negotiate new terms but we should plan to wrap up new terms within the month.