



# **Alameda Alliance for Health**

## **Monthly Financial Statement Package**

### **For the Month & Year to Date Ended February 28, 2007**

#### **Financial Statement Package**

1. **Financial Results Narrative**
2. **Income Statement Reports**
  - 2a. Actual vs. Budget Income Statement
  - 2b. Line of Business Income Statement (Allocated Basis) – YTTD
  - 2c. Rate & Volume Variance Analysis – Current Month
  - 2d. Rate & Volume Variance Analysis – YTTD
3. **Administrative Expense Detail Report**  
Actual vs. Budget Administrative Expenses (Summary)
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Summary Balance Sheet
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# Alameda Alliance for Health

## CFO Finance Report

For the Month & Year to Date Ended February 28, 2007

### Summary of Operating Results

For the month, the Alliance recorded a net loss of \$778 thousand compared to a budgeted net loss of \$370 thousand, resulting in an unfavorable variance from budget of \$408 thousand. For the year to date, the Alliance recorded net income of \$718 thousand versus a budgeted net income of \$173 thousand, resulting in a favorable variance from budget of \$545 thousand. The table below summarizes the components of the overall variance from budget:

Summary Operating Results - Actual vs. Plan  
For the Current Month & Fiscal Year to Date  
Favorable/(Unfavorable)

Current Month		Year to Date	
Actual	Budget	Actual	Budget
Variance %	Variance \$	Variance %	Variance \$
\$11,460,394	\$ 11,878,523	\$ 93,723,991	\$ 93,972,720
(4%)	(418,129)	(0%)	(248,729)
11,069,618	11,150,133	84,649,827	84,875,516
1%	80,515	0%	225,689
390,776	728,390	9,074,164	9,097,204
(46%)	(337,614)	(0%)	(23,040)
1,269,054	1,155,767	9,177,009	9,449,889
(10%)	(113,287)	3%	272,880
(878,278)	(427,377)	(102,845)	(352,685)
(106%)	(450,901)	(71%)	249,840
100,209	57,324	821,114	525,262
75%	42,885	56%	295,852
\$ (778,069)	\$ (370,053)	\$ 718,269	\$ 172,577
(110%)	(408,016)	316%	545,692

Results for the current month and year to date were affected by changes in estimated medical expense for prior months. These changes in estimates (which were not related to the current month's operations) increased reported medical expense for the current month and for the year to date. Excluding these items, net loss for the month would have been \$224 thousand, while net income for the year to date would have been \$1.4 million, as per the table below:

Summary Operating Results - Actual vs. Plan  
For the Current Month & Fiscal Year to Date  
Adjusted to Exclude Prior Period Activity  
Favorable/(Unfavorable)

Current Month		Year to Date	
Actual	Budget	Actual	Budget
Variance %	Variance \$	Variance %	Variance \$
\$11,460,394	\$ 11,878,523	\$ 93,723,991	\$ 93,972,720
(4%)	(418,129)	(0%)	(248,729)
10,515,927	11,150,133	83,954,283	84,875,516
6%	634,206	1%	921,233
944,467	728,390	9,769,708	9,097,204
30%	216,077	7%	672,504
1,269,054	1,155,767	9,177,009	9,449,889
(10%)	(113,287)	3%	272,880
(324,587)	(427,377)	592,699	(352,685)
24%	102,790	(268%)	945,384
100,209	57,324	821,114	525,262
75%	42,885	56%	295,852
(224,378)	(370,053)	1,413,813	172,577
39%	145,675	719%	1,241,236
(553,691)	(553,691)	(695,544)	(695,544)
N/A	-	N/A	-
\$ (778,069)	\$ (370,053)	\$ 718,269	\$ 172,577
(110%)	(408,016)	316%	545,692

# Alameda Alliance for Health

## CFO Finance Report

For the Month & Year to Date Ended February 28, 2007

### Operating Results

#### Membership

Overall membership has declined on a year to date basis. Compared to the end of the previous fiscal year, Medi-Cal Mandatory and Healthy Families membership declined 5% and 8%, respectively. This was partially offset by increases in Medi-Cal Non-Mandatory and Group Care membership of 7% and 13%, respectively. Current membership, YTD member months and changes in membership since the beginning of the fiscal year are summarized in the following tables:

Current Membership and YTD Member Months  
For the Current Month and Fiscal Year to Date  
Favorable/(Unfavorable)

Membership	Current Month		Membership	Year to Date				
	Actual	Budget		Variance %	Variance	Variance %		
Medi-Cal	73,958	73,953	(895)	-1%	597,891	595,784	2,107	0%
Healthy Families	7,403	8,322	(919)	-11%	60,502	65,400	(4,898)	-7%
Group Care	4,901	4,400	501	11%	37,730	35,200	2,530	7%
Healthy Kids	1,023	1,100	(77)	-7%	8,340	8,800	(460)	-5%
Total	86,385	87,775	(1,390)	-2%	704,463	705,184	(721)	0%

YTD Change in Actual Membership by Program  
Current Month-End vs. Prior Fiscal Year End

Membership	Current	June-06	Change	% Change
Medi-Cal Mandatory	64,003	67,722	(3,719)	-5%
Medi-Cal Non-Mandatory	9,055	8,458	597	7%
Healthy Families	7,403	8,035	(632)	-8%
Group Care	4,901	4,344	557	13%
Healthy Kids (new 10/05)	1,023	993	30	3%
Total	86,385	89,552	(3,167)	-4%

#### Revenue

For the current month, revenue trailed budget by \$418 thousand (3.5%) and for the year to date, revenue trailed budget by \$249 thousand (<1%). In February, approximately 1,200 Medi-Cal member months were retroactively reclassified from non-Part D to Part D by DHS. This one-time adjustment reduced February revenue by approximately \$400 thousand.

#### Medical Expense

For the current month, total medical expense was \$11.1 million or \$81 thousand (<1%) under budget while year to date total medical expense was \$84.6 million or \$226 thousand (<1%) under budget. Certain factors are included in current month and year to date totals that relate to prior periods, including: (a) accrued PCP provider bonuses for FY06 performance, (b) changes in prior period medical expense estimates, and (c) reinsurance recoveries in excess of projected receivable. If these items are excluded,

# Alameda Alliance for Health

## CFO Finance Report

For the Month & Year to Date Ended February 28, 2007

medical expense for the year to date would have been \$84 million, \$921 thousand (1%) under budget for the year to date. Year to date medical expense, adjusted to exclude the impact of the above factors, was comprised of the following:

Year to Date Medical Expense - Actual vs. Plan

Adjusted to Reflect Prior Period Activity

Favorable/(Unfavorable)

	Actual	Budget	Variance	Actual	Budget	Variance	Per Member Month
Primary Care Physician	\$ 9,439,524	\$ 10,305,375	\$ 865,850	\$ 13.40	\$ 14.61	\$ 1.21	8%
Specialty Care Physician	12,349,733	11,887,867	(461,866)	17.53	16.86	(0.67)	-4%
Anchillary Services	19,175,555	19,806,248	630,693	27.22	28.09	0.87	3%
Pharmacy	11,640,458	11,967,532	327,074	16.52	16.97	0.45	3%
Emergency Services	4,577,213	5,040,156	462,944	6.50	7.15	0.65	9%
Inpatient Hospital & SNF	24,121,627	23,022,706	(1,098,921)	34.24	32.65	(1.59)	-5%
Other Benefits & Services	2,494,183	2,520,633	26,450	3.54	3.57	0.03	1%
Reinsurance Expense	155,989	324,999	169,010	0.22	0.46	0.24	52%
Total	\$ 83,954,283	\$ 84,875,516	\$ 921,233	\$ 119.17	\$ 120.36	\$ 1.18	1%

High inpatient expense is mainly due to select high-dollar cases and rising acuity. Visits to directly contracted primary care physicians under fee-for-service arrangements continue to be lower than expected. Emergency room utilization trends have been moderating. Specialty care is higher than budget, due to higher than anticipated obstetrics expense.

### Administrative Expense

For the current month, administrative expense exceeded budget by \$113 thousand (10%), while year to date administrative expense was under budget by \$273 thousand (3%). Much of the unfavorable current month variance and favorable year to date variance resulted from the timing of printing, consultants and other professionals engaged on various projects. These projects were budgeted but the actual timing differed from that budgeted.

### Balance Sheet

Current assets totaled \$31.7 million compared to current liabilities of \$12.4 million yielding a current ratio, the ratio of current assets to current liabilities, of 2.56:1.

# Alameda Alliance for Health

## CFO Finance Report

For the Month & Year to Date Ended February 28, 2007

### Tangible Net Equity

Tangible net equity (TNE) was \$27.4 million compared to the minimum TNE required by the Department of Managed Care (DMHC) of \$6.9 million. Actual TNE is 3.95 times required TNE and therefore includes an excess above the minimum TNE required by statute of \$20.4 million.

Respectfully submitted,

John Volkober,  
Chief Financial Officer

**ALAMEDA ALLIANCE FOR HEALTH  
STATEMENT OF REVENUE & EXPENSES  
ACTUAL VS. BUDGET  
COMBINED BASIS (RESTRICTED & UNRESTRICTED FUNDS)  
FOR THE MONTH AND FISCAL YTD ENDED FEBRUARY 28, 2007**

CURRENT MONTH				FISCAL YEAR TO DATE			
Actual	Budget	\$ Variance (Unfavorable)	% Variance (Unfavorable)	Actual	Budget	\$ Variance (Unfavorable)	% Variance (Unfavorable)
73,058	73,953	(895)	(1.2%)	597,891	595,784	2,107	0.4%
7,403	8,322	(919)	(11.0%)	60,502	65,400	(4,898)	(7.5%)
4,901	4,400	501	11.4%	37,730	35,200	2,530	7.2%
1,023	1,100	(77)	(7.0%)	8,340	8,800	(460)	(5.2%)
<b>86,385</b>	<b>87,775</b>	<b>(1,390)</b>	<b>(1.6%)</b>	<b>704,463</b>	<b>705,184</b>	<b>(721)</b>	<b>(0.1%)</b>
11%	10%	-1%	-14%	10%	10%	0%	3%
\$11,385,192	\$11,793,725	(\$408,533)	(3.5%)	\$93,124,053	\$93,296,148	(\$172,095)	(0.2%)
75,090	84,798	(9,708)	(11.4%)	595,576	676,572	(80,996)	(12.0%)
112	0	112	0.00%	4,362	0	4,362	0.0%
<b>11,460,394</b>	<b>11,878,523</b>	<b>(418,130)</b>	<b>(3.5%)</b>	<b>93,723,991</b>	<b>93,972,720</b>	<b>(248,729)</b>	<b>(0.3%)</b>
1,225,671	1,282,498	56,827	4.4%	10,281,505	10,305,373	23,868	0.2%
1,367,194	1,485,563	118,369	8.0%	12,060,363	11,887,867	(172,496)	(1.5%)
2,272,624	2,493,738	221,114	8.9%	18,866,868	19,806,249	939,381	4.7%
1,596,183	1,650,513	54,330	3.3%	12,065,534	11,967,532	(98,002)	(0.8%)
558,943	629,510	70,567	11.2%	4,834,233	5,040,158	205,925	4.1%
3,724,524	3,252,039	472,485	(14.5%)	24,239,413	23,022,702	(1,216,711)	(5.3%)
302,444	315,190	12,747	4.0%	2,494,184	2,520,631	26,447	1.0%
22,035	41,082	19,046	46.4%	(192,274)	325,004	517,279	159.2%
<b>11,069,617</b>	<b>11,150,133</b>	<b>80,515</b>	<b>0.7%</b>	<b>84,649,826</b>	<b>84,875,516</b>	<b>225,690</b>	<b>0.3%</b>
<b>390,776</b>	<b>728,390</b>	<b>(337,614)</b>	<b>(46.4%)</b>	<b>9,074,165</b>	<b>9,097,204</b>	<b>(23,039)</b>	<b>(0.3%)</b>
731,128	723,332	(7,795)	(1.1%)	5,635,893	5,741,830	105,937	1.8%
537,926	432,435	(105,491)	(24.4%)	3,541,116	3,708,059	166,942	4.5%
<b>1,269,054</b>	<b>1,155,767</b>	<b>(113,286)</b>	<b>(9.8%)</b>	<b>9,177,009</b>	<b>9,449,889</b>	<b>272,879</b>	<b>2.9%</b>
<b>(878,277)</b>	<b>(427,377)</b>	<b>(450,900)</b>	<b>105.5%</b>	<b>(102,845)</b>	<b>(352,685)</b>	<b>249,840</b>	<b>(70.8%)</b>
93,824	57,324	36,500	63.7%	734,445	525,262	209,183	39.8%
6,385	0	6,385	0.00%	86,669	0	86,669	0.0%
<b>100,209</b>	<b>57,324</b>	<b>42,885</b>	<b>74.8%</b>	<b>821,114</b>	<b>525,262</b>	<b>295,852</b>	<b>56.3%</b>
<b>(\$778,069)</b>	<b>(\$370,053)</b>	<b>(\$408,016)</b>	<b>110.3%</b>	<b>\$718,269</b>	<b>\$172,577</b>	<b>\$545,692</b>	<b>316.2%</b>

**MEMBER MONTHS**  
1 - Med-Cat (incl. Mand & Non-Mand)  
2 - Healthy Families  
5 - Group Care  
6 - Healthy Kids  
7 - Total Member Months

8 - Admin Exp % of Revenue

**REVENUE**  
9 - Premium Revenue  
10 - Grant Revenue  
11 - Other Revenue  
12 - TOTAL REVENUE

**MEDICAL EXPENSES**  
13 - Primary Care Physician  
14 - Specialty Care Physician  
15 - Ancillary Services  
16 - Pharmacy  
17 - Emergency Services  
18 - Inpatient Hospital & SNF  
19 - Other Benefits and Services  
20 - Reinsurance Expense  
22 - Total Medical and Hospital Expenses

23 - Gross Margin

**ADMINISTRATIVE EXPENSES**  
24 - Personnel Expenses  
25 - Other Administrative Expenses  
26 - Total Administrative Expenses

27 - NET OPERATING INCOME / (LOSS)

**OTHER INCOME / (LOSS)**  
28 - Investment Income  
29 - Unrealized Investment Gain / (Loss)  
31 - Total Other Income / (Expense)

32 - NET INCOME / (LOSS)

**ALAMEDA ALLIANCE FOR HEALTH**  
**STATEMENT OF OPERATIONS**  
**BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)**  
**Combined Basis (Unrestricted & Restricted Funds)**  
**FOR THE FISCAL YTD ENDED FEBRUARY 28, 2007**

	Medi-Cal	Healthy Families	Family Care	First Care	IHSS	Healthy Kids	Total
<b>P&amp;L (ALLOCATED BASIS) - GAAP FINANCIAL STATEMENT FORMAT</b>							
REVENUE	\$81,039,078	\$4,403,221	\$0.00	\$0.00	\$7,613,719	\$667,973	\$93,723,991
MEDICAL EXPENSES	73,547,306	3,718,598	1,917	193	6,820,719	561,094	84,649,826
GROSS MARGIN	7,491,771	684,624	(1,917)	(193)	793,000	106,879	9,074,165
ADMINISTRATIVE EXPENSES <i>(% of MM Allocation)</i>	7,788,701	788,157	0.00	0.00	491,507	108,645	9,177,009
OPERATING INCOME / (LOSS)	(296,929)	(103,533)	(1,917)	(193)	301,493	(1,765)	(102,845)
OTHER INCOME / (EXPENSE) <i>(% of MM Allocation)</i>	696,895	70,520	0.00	0.00	43,978	9,721	821,114
NET INCOME / (LOSS)	\$399,966	(\$33,013)	(\$1,917)	(\$193)	\$345,471	\$7,956	\$718,269

	Medi-Cal	Healthy Families	Family Care	First Care	IHSS	Healthy Kids	Total
<b>PMPM ALLOCATED P&amp;L:</b>							
REVENUE	\$135.54	\$72.78	\$0.00	\$0.00	\$201.79	\$80.09	\$133.04
MEDICAL EXPENSES	123.01	61.46	\$0.00	\$0.00	180.78	67.28	120.16
GROSS MARGIN	12.53	11.32	\$0.00	\$0.00	21.02	12.82	12.88
ADMINISTRATIVE EXPENSES	13.03	13.03	\$0.00	\$0.00	13.03	13.03	13.03
OPERATING INCOME / (LOSS)	(0.50)	(1.71)	\$0.00	\$0.00	7.99	(0.21)	(0.15)
OTHER INCOME / (EXPENSE)	1.17	1.17	\$0.00	\$0.00	1.17	1.17	1.17
NET INCOME / (LOSS)	\$0.67	(\$0.55)	\$0.00	\$0.00	\$9.16	\$0.95	\$1.02

Alameda Alliance for Health  
 Variance Analysis  
 Month Ended February 28, 2007 (Actual vs Budget)

	FY07 Actual	FY07 Budget	\$ Variance (Un)	Volume Variance	Rate Variance	Total Variance
<b>TOTAL MEMBER MONTHS</b>	86,385	87,775	(1,390)			
<b>Revenue</b>						
Premium Revenue	\$131,80	\$134,36	(\$2,57)	(\$186,765)	(\$221,769)	(\$408,534)
Grant Programs Funding	0.87	0.97	(0.10)	0	(9,708)	(9,708)
Other Revenue	0.00	0.00	0.00	0	112	112
	132.67	135.33	(2.66)	(186,765)	(231,365)	(418,130)
<b>Medical Costs</b>						
Primary Care Physician	14.19	14.61	0.42	20,310	36,516	56,826
Specialty Care Physician	15.83	16.92	1.10	23,525	94,845	118,370
Ancillary Services	26.31	28.41	2.10	39,491	181,622	221,112
Pharmacy	18.48	18.80	0.33	26,137	28,193	54,330
ER Services	6.47	7.17	0.70	9,969	60,597	70,566
Inpatient Hospital & SNF	43.12	37.05	(6.07)	51,499	(523,985)	(472,486)
Other Benefits and Services	3.50	3.59	0.09	4,991	7,755	12,747
Reinsurance Expense	0.26	0.47	0.21	651	18,396	19,047
Risk Share	0.00	0.00	0.00	0	0	0
	128.14	127.03	(1.11)	176,673	(96,062)	80,511
<b>Administrative Expense</b>						
Salaries and Benefits	8.46	8.24	(0.22)	0	(7,797)	(7,797)
Other Expense	6.23	4.93	(1.30)	0	(105,490)	(105,490)
	14.69	13.17	(1.52)	0	(113,287)	(113,287)
<b>Operating Income (Loss)</b>	(10.17)	(4.87)	(5.30)	(10,192)	(440,714)	(450,906)
<b>Non Operating Income</b>						
Interest Income	1.09	0.65	0.43	0	36,502	36,502
Unrealized Market Gains/Losses	0.07	0.00	0.07	0	6,385	6,385
Rental Income	0.00	0.00	0.00	0	0	0
	1.16	0.65	0.51	0	42,887	42,887
<b>Net Income (Loss)</b>	(\$9.01)	(\$4.22)	(\$4.79)	(\$10,192)	(\$397,827)	(\$408,019)

REPORT #2C

Alameda Alliance for Health  
 Variance Analysis  
 Year-to-Date Ended February 28, 2007 (Actual vs Budget)

	FY07 Actual	FY07 Budget	\$ Variance (Un)	Volume Variance	Rate Variance	Total Variance
<b>TOTAL MEMBER MONTHS</b>	<b>704,463</b>	<b>705,184</b>	<b>(721)</b>			
<b>Revenue</b>						
Premium Revenue	\$132.19	\$132.30	(\$0.11)	(\$95,389)	(\$76,707)	(\$172,096)
Grant Programs Funding	0.85	0.96	(0.11)	0	(80,995)	(80,995)
Other Revenue	0.01	0.00	0.01	0	4,363	4,363
	133.04	133.26	(0.22)	(95,389)	(153,340)	(248,728)
<b>Medical Costs</b>						
Primary Care Physician	14.59	14.61	0.02	10,537	13,332	23,869
Specialty Care Physician	17.12	16.86	(0.26)	12,154	(184,647)	(172,492)
Ancillary Services	26.78	28.09	1.30	20,250	919,127	939,378
Pharmacy	17.13	16.97	(0.16)	12,236	(110,238)	(98,002)
ER Services	6.86	7.15	0.28	5,153	200,767	205,920
Inpatient Hospital & SNF	34.41	32.65	(1.76)	23,539	(1,240,253)	(1,216,714)
Other Benefits and Services	3.54	3.57	0.03	2,577	23,873	26,450
Reinsurance Expense	(0.27)	0.46	0.73	332	516,940	517,272
Risk Share	0.00	0.00	0.00	0	0	0
	120.16	120.36	0.20	86,779	138,902	225,681
<b>Administrative Expense</b>						
Salaries and Benefits	8.00	8.14	0.14	0	105,933	105,933
Other Expense	5.03	5.26	0.23	0	166,939	166,939
	13.03	13.40	0.37	0	272,873	272,873
<b>Operating Income (Loss)</b>	<b>(0.15)</b>	<b>(0.50)</b>	<b>0.35</b>	<b>(8,609)</b>	<b>258,435</b>	<b>249,825</b>
<b>Non Operating Income</b>						
Interest Income	1.04	0.74	0.30	0	209,192	209,192
Unrealized Market Gains/Losses	0.12	0.00	0.12	0	86,669	86,669
Rental Income	0.00	0.00	0.00	0	0	0
	1.17	0.74	0.42	0	295,861	295,861
<b>Net Income (Loss)</b>	<b>\$1.02</b>	<b>\$0.24</b>	<b>\$0.77</b>	<b>(\$8,609)</b>	<b>\$554,296</b>	<b>\$545,687</b>

**REPORT #2D**

**ALAMEDA ALLIANCE FOR HEALTH  
ADMINISTRATIVE EXPENSE DETAIL  
ACTUAL VS. BUDGET  
FOR THE MONTH AND FISCAL YTD ENDED FEBRUARY 28, 2007**

CURRENT MONTH				FISCAL YEAR TO DATE			
Actual	Budget	\$ Variance (Unfavorable)	% Variance (Unfavorable)	Actual	Budget	\$ Variance (Unfavorable)	% Variance (Unfavorable)
<b>ADMINISTRATIVE EXPENSE SUMMARY</b>							
\$731,128	\$723,332	(\$7,795)	(1.1%)	\$5,635,893	\$5,741,830	\$105,937	1.8%
Personnel Expenses							
262,585	187,877	(74,708)	(39.8%)	1,679,149	1,693,503	14,354	0.8%
Purchased & Professional Services							
68,039	62,387	(5,652)	(9.1%)	544,981	522,743	(22,238)	(4.3%)
Occupancy							
111,789	84,453	(27,335)	(32.4%)	542,487	706,240	163,753	23.2%
Printing Postage & Promotion							
70,199	68,753	(1,446)	(2.1%)	567,850	560,979	(6,870)	(1.2%)
Licenses Insurance & Fees							
25,315	28,964	3,650	12.6%	206,650	224,593	17,943	8.0%
Supplies & Other Expenses							
537,926	432,435	(105,491)	(24.4%)	3,541,116	3,708,059	166,942	4.5%
Total Other Administrative Expense							
<b>\$1,269,054</b>	<b>\$1,155,767</b>	<b>(\$113,286)</b>	<b>(9.8%)</b>	<b>\$9,177,009</b>	<b>\$9,449,889</b>	<b>\$272,879</b>	<b>2.9%</b>
Total Administrative Expenses							

**ALAMEDA ALLIANCE FOR HEALTH  
SUMMARY BALANCE SHEET  
CURRENT MONTH VS. PRIOR MONTH  
FEBRUARY 28, 2007**

	February	January	Difference	% Difference
<b>CURRENT ASSETS:</b>				
Cash & Equivalents	\$3,233,495	\$3,833,451	(\$599,956)	-15.65%
Short-Term Investments	23,392,574	24,170,037	(777,463)	-3.22%
Interest Receivable	47,276	50,707	(3,431)	-6.77%
Other Receivables - Net	4,279,948	3,222,780	1,057,168	32.80%
Prepaid Expenses	794,419	803,171	(8,752)	-1.09%
<b>TOTAL CURRENT ASSETS</b>	<b>31,747,712</b>	<b>32,080,146</b>	<b>(332,434)</b>	<b>-1.04%</b>
<b>OTHER ASSETS:</b>				
Restricted Assets	342,798	342,422	376	0.11%
Restricted Cash - Grants	565,113	650,872	(85,759)	-13.18%
<b>TOTAL OTHER ASSETS</b>	<b>907,910</b>	<b>993,294</b>	<b>(85,383)</b>	<b>-8.60%</b>
<b>PROPERTY AND EQUIPMENT:</b>				
Land, Building & Improvements	6,519,461	6,519,461	0	0.00%
Furniture And Equipment	4,773,114	4,770,953	2,161	0.05%
Fixed Assets at Cost	11,292,576	11,290,415	2,161	0.02%
Less: Accumulated Depreciation	(4,226,652)	(4,186,974)	(39,678)	0.95%
<b>NET PROPERTY AND EQUIPMENT</b>	<b>7,065,923</b>	<b>7,103,440</b>	<b>(37,517)</b>	<b>-0.53%</b>
<b>TOTAL ASSETS</b>	<b>\$39,721,546</b>	<b>\$40,176,880</b>	<b>(\$455,334)</b>	<b>-1.13%</b>
<b>CURRENT LIABILITIES:</b>				
Accounts Payable	\$898,707	\$1,286,629	(\$387,922)	-30.15%
Claims Payable	1,149,104	902,101	247,004	27.38%
IBNR Reserves	9,392,562	9,063,482	329,080	3.63%
Payroll Liabilities	956,538	822,398	134,140	16.31%
Deferred Revenue	23,934	23,502	432	1.84%
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,420,846</b>	<b>12,098,111</b>	<b>322,735</b>	<b>2.67%</b>
<b>TOTAL LIABILITIES</b>	<b>12,420,846</b>	<b>12,098,111</b>	<b>322,735</b>	<b>2.67%</b>
<b>NET WORTH:</b>				
Contributed Capital	840,233	840,233	0	0.00%
Restricted & Unrestricted Funds	25,742,198	25,742,198	0	0.00%
Year-to-Date Net Income / (Loss)	718,269	1,496,338	(778,069)	-52.00%
<b>TOTAL NET WORTH</b>	<b>27,300,700</b>	<b>28,078,768</b>	<b>(778,069)</b>	<b>-2.77%</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$39,721,546</b>	<b>\$40,176,880</b>	<b>(\$455,334)</b>	<b>-1.13%</b>

**ALAMEDA ALLIANCE FOR HEALTH**  
**CASH FLOW STATEMENT**  
**FOR THE MONTH, THREE MONTHS, SIX MONTHS & FISCAL YTD ENDED**  
**2/28/2007**

Line #	Description	MONTH	3 MONTHS	6 MONTHS	YTD
<b>CASH FLOW STATEMENT:</b>					
<b>Cash Flows from Operating Activities:</b>					
Cash received from:					
	Capitation received from State of CA	\$9,461,202	\$41,176,689	\$63,694,578	\$84,148,582
	Commercial premium revenue	983,842	2,946,967	5,825,539	7,650,516
	Grant income	81,401	849,369	1,169,080	1,248,617
	Investment income	103,640	306,550	664,693	866,539
	Cash paid to providers for:	(10,616,319)	(32,287,347)	(64,369,243)	(83,211,103)
	Medical & hospital expenses	(1,474,406)	(3,899,310)	(7,190,793)	(10,737,844)
	Vendors & employees	(1,460,640)	9,092,918	(206,146)	(34,693)
	Net cash provided by (used in) operating activities	(1,460,640)	9,092,918	(206,146)	(34,693)
<b>Cash Flows from Financing Activities:</b>					
Purchases of fixed assets					
		(2,161)	(122,688)	(386,474)	(386,474)
	Net cash provided by (used in) financing activities	(2,161)	(122,688)	(386,474)	(386,474)
<b>Cash Flows from Investing Activities:</b>					
	Changes in investment balance	777,463	(10,562,658)	(135,816)	3,060,698
	Restricted cash	85,383	(231,434)	(168,783)	(131,319)
	Net cash provided by (used in) investing activities	862,846	(10,794,092)	(304,599)	2,929,379
	<b>Net Change in Cash</b>	<b>(599,955)</b>	<b>(1,823,862)</b>	<b>(897,219)</b>	<b>2,508,212</b>
	Cash @ Beginning of Period	3,833,451	5,357,357	4,430,713	1,025,282
	Cash @ End of Period	<b>\$3,233,495</b>	<b>\$3,233,495</b>	<b>\$3,233,495</b>	<b>\$3,233,495</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:</b>					
	<b>Net Income / (Loss)</b>	<b>(\$778,068)</b>	<b>(\$1,599,979)</b>	<b>(\$821,913)</b>	<b>\$718,271</b>
	Depreciation	39,678	119,484	229,658	304,872
	Net change in operating Assets & Liabilities:				
	Premiums & other receivables	(1,053,737)	9,180,475	449,031	(521,775)
	Prepaid expenses	8,752	76,068	48,901	(270,060)
	Trade payables	(298,289)	(503,954)	(844,022)	(986,071)
	Claims Payable & IBNR	576,085	855,543	(297,628)	728,634
	Deferred revenue	(210)	372	714	1,014
	Other liabilities	45,507	364,909	429,113	(609,576)
	<b>Cash Flows from Operating Activities</b>	<b>(\$1,460,640)</b>	<b>\$9,092,918</b>	<b>(\$206,146)</b>	<b>(\$34,693)</b>

ALAMEDA ALLIANCE FOR HEALTH  
TANGIBLE NET EQUITY (TNE)  
SUMMARY

	Post-Audit											
	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07			
Current Month Net Income / (Loss)	\$1,313,099	\$919,122	\$621,059	\$1,405,867	\$97,916	(\$725,717)	(\$881,842)	\$59,933	(\$778,069)			
YTD Net Income / (Loss)	\$7,288,876	\$919,122	\$1,540,181	\$2,946,048	\$3,043,964	\$2,318,247	\$1,436,405	\$1,496,338	\$718,269			
Actual TNE	\$26,282,431	\$27,201,552	\$27,822,612	\$29,228,478	\$29,326,395	\$28,600,678	\$27,718,836	\$28,078,768	\$27,300,700			
Required TNE	\$6,378,988	\$6,214,078	\$6,337,828	\$6,135,672	\$6,376,007	\$6,649,093	\$6,826,260	\$6,846,737	\$6,908,013			
TNE Excess / (Deficiency)	\$19,903,443	\$20,987,474	\$21,484,784	\$23,092,806	\$22,950,388	\$21,951,585	\$20,892,576	\$21,232,031	\$20,392,687			
Actual TNE as a Multiple of Required	4.12	4.38	4.39	4.76	4.60	4.30	4.06	4.10	3.95			