

**MUNICIPAL SECONDARY MARKET DISCLOSURE
INFORMATION COVER SHEET**

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board and Nationally Recognized Municipal Securities Information Repositories (NRMSIRS) pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

Issuers' and/or Other Obligated Person's Names: California Health Facilities Financing Authority, California Adventist Health System/West (CHFFA)
California Statewide Communities Development Authority
Adventist Health System/West (CSCDA)
Multnomah County Hospital Facilities Authority

CUSIP Numbers:

CSCDA AHS/W 2007A	CHFFA AHS/W 2013 Series A	CSCDA 2015A – cont.		CSCDA AHS/W 2018 Series A		
13080SYC2	13033LR66	13033LS24	13080SJL9	13080SJM7	13080SVS0	13080SWB6
	13033LR74	13033LS32	13080SJP0		13080SVT8	13080SWC4
CHFFA AHS/W 2009 Series B	13033LR82	13033LS40			13080SVU5	13080SWD2
13033LBC0	13033LS73	13033LS65	CHFFA AHS/W 2016 Series A		13080SVV3	13080SWE0
	13033LR90	13033LS57	13032UFW3	13032UGE2	13080SVW1	13080SWF7
CHFFA AHS/W 2011A			13032UFX1	13032UGF9	13080SVX9	13080SWG5
13032UUX4	CSCDA AHS/W 2015 Series A		13032UFY9	13032UGG7	13080SVY7	13080SWH3
	13080SHZ0	13080SJF2	13032UFZ6	13032UGH5	13080SVZ4	13080SWJ9
AHS/W Taxable 2013	13080SJA3	13080SJG0	13032UGA0	13032UGJ1	13080SWA8	13080SWK6
007944AC5	13080SJB1	13080SJH8	13032UGB8	13032UGK8		
	13080SJC9	13080SJJ4	13032UGC6	13032UGL6	AHS/W Taxable 2019	
Multnomah County, OR 2019	13080SJD7	13080SJK1	13032UGD4		007944AE1	007944AG6
62551PCX3	13080SJE5	13080SJN5			007944AF8	

Description of Material Event Notice/Financial Information (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions or events affecting the tax-exempt status of the security
7. _____ Modifications to rights of security holders
8. _____ Bond calls
9. _____ Defeasances
10. _____ Release, substitution or sale of property securing repayment of the securities
11. _____ Rating changes
12. _____ Failure to provide annual financial information as required
13. _____ Other material event notice
14. X Financial information (not to be filed with the MSRB): Please check all appropriate boxes
 CAFR ¹: a. ___ includes Annual Financial Information X does not include Annual Information
 b. Audited? Yes ___ No X

Operating Data

Period Covered: 9 months ended September 30, 2022

I hereby represent that I am authorized by the Obligated Person to distribute this information publicly:

Signature: _____

Name: John Beaman Title: CFO
 Employer: Adventist Health System/West
 Address: ONE Adventist Health Way
 City, State, and Zip Code: Roseville, CA 95661
 Voice Telephone Number: 916.406.1372



CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

SEPTEMBER 30, 2022

ONE Adventist Health Way
Roseville, CA 95661

Consolidated Financial Statements (Unaudited)
and Supplementary Information

Adventist Health

September 30, 2022

Consolidated Financial Statements

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Adventist Health

Consolidated Balance Sheets
(In millions of dollars)

	September 30 2022 (Unaudited)	December 31 2021 (Audited)
Assets		
Cash and cash equivalents	\$ 309	\$ 304
Short-term investments	52	157
Patient accounts receivable	669	689
Receivables from third-party payors	498	379
Other current assets	228	227
Total current assets	1,756	1,756
Noncurrent investments	1,771	2,291
Other assets	447	432
Property and equipment, net	2,138	2,185
Total assets	\$ 6,112	\$ 6,664
Liabilities and net assets		
Accounts payable	\$ 352	\$ 370
Accrued compensation and related payables	380	325
Liabilities to third-party payors	97	209
Other current liabilities	172	242
Short-term financing	150	30
Current maturities of long-term debt	86	36
Total current liabilities	1,237	1,212
Long-term debt, net of current maturities	2,064	2,000
Other noncurrent liabilities	324	323
Total liabilities	3,625	3,535
Net assets without donor restrictions:		
Controlling	2,397	3,044
Noncontrolling	15	15
Net assets with donor restrictions	75	70
Total net assets	2,487	3,129
Total liabilities and net assets	\$ 6,112	\$ 6,664

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets (In millions of dollars)

	Nine months ended September 30	
	2022	2021
	(Unaudited)	(Unaudited)
Revenues and support:		
Patient service revenue	\$ 3,488	\$ 3,424
Premium revenue	161	141
Other revenue	271	187
Net assets released from restrictions for operations	17	18
Total revenues and support	3,937	3,770
Expenses:		
Employee compensation	1,899	1,712
Professional fees	595	536
Supplies	577	576
Purchased services and other	929	885
Interest	50	49
Depreciation and amortization	141	144
Total expenses	4,191	3,902
Loss from operations	(254)	(132)
Nonoperating income:		
Investment income (loss) gain	(387)	88
Other nonoperation gains	4	-
Total nonoperating income (loss) gain	(383)	88
Deficit of revenues over expenses	(637)	(44)
Deficit (excess) of revenues over expenses from noncontrolling interests	-	(1)
Deficit of revenues over expenses from controlling interests	(637)	(45)

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets - Continued
(In millions of dollars)

	Nine months ended September 30	2021
	2022	2021
	(Unaudited)	(Unaudited)
Net assets without donor restrictions:		
Controlling:		
Excess of revenues over expenses from controlling interests	\$ (637)	\$ (45)
Net change in unrealized gains and losses on other-than-trading securities	(11)	(8)
Net assets released from restrictions for capital additions	1	4
Increase in net assets without donor restrictions – controlling	<u>(647)</u>	<u>(49)</u>
Loss from discontinued operations	–	(2)
Increase in net assets without donor restrictions - controlling	<u>(647)</u>	<u>(51)</u>
Noncontrolling:		
Excess of revenues over expenses from noncontrolling interests	–	1
Increase in net assets without donor restrictions – noncontrolling	<u>–</u>	<u>1</u>
Net assets with donor restrictions:		
Restricted gifts and grants	23	28
Net assets released from restrictions	(18)	(22)
Other donor-restricted activity	–	1
Increase in net assets with donor restrictions	<u>5</u>	<u>7</u>
Increase in net assets	(642)	(43)
Net assets, beginning of year	<u>3,129</u>	<u>3,115</u>
Net assets, end of year	<u><u>\$ 2,487</u></u>	<u><u>\$ 3,072</u></u>

Adventist Health

Notes to Consolidated Financial Statements

(In millions of dollars)

Note A – Summary of Significant Accounting Policies

Reporting Entity and Principles of Consolidation: Adventist Health System/West (Adventist Health) is a California not-for-profit religious corporation that controls and operates hospitals and other healthcare facilities, and wellness promoting operations in the western United States (collectively, the “System”). Many of the hospitals now controlled and operated by Adventist Health were formerly operated by various conferences of the Seventh-day Adventist Church (the “Church”). The obligations and liabilities of Adventist Health and its hospitals and other healthcare facilities are neither obligations nor liabilities of the Church or any of its other affiliated organizations.

Note B – Fair Value of Financial Instruments

The System accounts for certain assets at fair value. A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels determined by the lowest level of input considered significant to the fair value measurement in its entirety. These levels are defined as follows:

Level 1: Quoted prices are available in active markets for identical assets as of the measurement date. Financial assets in this category include U.S. treasury securities, U.S. and foreign equities, and exchange-traded mutual funds.

Level 2: Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Financial assets in this category generally include U.S. government agencies and municipal bonds, asset-backed securities, and U.S. corporate bonds.

Level 3: Pricing inputs are generally unobservable for the assets and include situations where there is little, if any, market activity for the investment. The System had no Level 3 investments at September 30, 2022.

There were no transfers of financial assets between Level 1 and Level 2 of the fair value hierarchy.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

The following represents assets measured at fair value or at NAV as a practical expedient on a recurring basis at September 30, 2022:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Observable Inputs (Level 2)	Totals
Cash and cash equivalents	\$ 343	\$ –	\$ 343
Fixed income:			
U.S. government treasury obligations	43	–	43
U.S. corporation and agency debentures	–	38	38
U.S. agency mortgage-backed securities	–	5	5
U.S. Corporate debt securities	–	201	201
Municipal bonds	–	7	7
Mutual funds	146	138	284
Equities:			
Equity	6	–	6
Mutual funds	691	–	691
Total financial assets stated at fair value	\$ 1,229	\$ 389	1,618
Commercial real estate			22
Investments measured at NAV			492
Other investments			121
Total cash and investments			\$ 2,253

Cash and cash equivalents of \$343 at September 30, 2022 includes \$31 of cash equivalents held in the System's investments held by trustees for self-insurance programs and \$3 in unrestricted investments.

Commercial real estate investments are recorded at cost or fair market value if donated. These investments are periodically reviewed for impairment and written down if necessary. Other investments include retirement plan assets, joint ventures, and partnerships and are included in other assets.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

As of September 30, 2022, the Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U.S. corporation and agency debentures: The fair value of investments in U.S. corporation and agency debentures is primarily determined using consensus pricing methods of observable market-based data. Significant observable inputs include quotes, spreads, and data points for yield curves.

U.S. agency mortgage-backed securities: The fair value of U.S. agency mortgage-backed securities is primarily determined using matrices. These matrices utilize observable market data of bonds with similar features, prepayment speeds, credit ratings, and discounted cash flows. Additionally, observed market movements, tranche cash flows, and benchmark yields are incorporated in the pricing models.

U.S. corporate debt securities: The fair value of investments in corporate debt securities is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include reported trades, dealer quotes, security-specific characteristics, and multiple sources of spread data points in developing yield curves.

Municipal bonds: The fair value of municipal bonds is determined using a market approach. The inputs include yield benchmark curves, prepayment speeds, and observable market data, such as institutional bids, dealer quotes, and two-sided markets.

Certain of the investments are reported using a calculated NAV or its equivalent. These investments are not expected to be sold at amounts that are different from NAV. The following table and explanations identify attributes relating to the nature of the risk of such investments:

September 30, 2022				
	NAV	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Redemption Notice Period (if Currently Eligible)
Commingled funds – equity securities	\$ 72	\$ –	Weekly/Monthly Weekly/Monthly/	4-30 days
Hedge Funds	289	35	Quarterly	30-65 days
Private Equity Funds	131	171	None	None
Total	\$ 492	\$ 206		

Commingled funds – equity securities: This class includes investments in commingled funds that invest primarily in U.S. or foreign equity securities and attempt to match the returns of specific equity indices.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note B – Fair Value of Financial Instruments (continued)

Hedge funds: This class includes investments in hedge funds that expand the universe of potential investment approaches available by employing a variety of strategies and techniques within and across various asset classes. The primary objective for these funds is to balance returns while limiting volatility by allocating capital to external portfolio managers selected for expertise in one or more investment strategies, which may include, but are not limited to, equity long/short, event driven, relative value, and directional. The following summarizes the redemption criteria for the hedge fund portfolio as of September 30, 2022:

% of Hedge Funds	Redemption Criteria	Notice Period
29%	Redeemable weekly	30 days
14%	Redeemable monthly	45-65 days
38%	Redeemable quarterly	45-65 days
9%	Up to 25% redeemable quarterly	45 days
10%	Up to 12.5% redeemable quarterly on non-consecutive quarters	60 days

Private equity funds: These investments cannot be redeemed by the System; rather the System has committed an amount to invest in the private funds over the respective commitment periods. After the commitment period has ended, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note C – Investments and Assets Whose Use is Limited

The following is a summary of unrestricted investments and assets whose use is limited:

	September 30 2022	December 31 2021
Total unrestricted investments	\$ 1,730	\$ 2,352
Assets designated by the Board, primarily for property and equipment	28	24
Investments held by trustees for:		
Self-insurance programs	51	55
Charitable annuities and other	2	2
Total investments held by trustees	53	57
Donor-restricted investments for:		
Charitable trusts and life estate tenancies	5	6
Other purposes	7	9
Total donor-restricted investments	12	15
Total investments	1,823	2,448
Less short-term investments	52	157
Total noncurrent investments	\$ 1,771	\$ 2,291

Liquidity Management: As part of its liquidity management, the System's strategy is to structure its financial assets to be available to satisfy general operating expenses, current liabilities, and other obligations as they come due. The System invests cash in excess of daily requirements in short-term investments and has a committed syndicated line of credit and a commercial paper program to help manage unanticipated liquidity needs. Additionally, other unrestricted noncurrent investments of \$1,738 at September 30, 2022 may be utilized if necessary.

The System's financial assets available for general operating expenses within one year are as follows:

	September 30, 2022
Cash and cash equivalents	\$ 309
Short-term investments	52
Patient accounts receivable	669
Receivables from third-party payors	498
Other receivables	78
	\$ 1,606

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note D – Investment Income

Net realized and unrealized investment income, including capital gains on unrestricted, board designated, and trustee-held funds, includes the following:

	Nine Months Ended September 30	
	2022	2021
Realized gains, net	\$ 102	\$ 68
Unrealized gains, net	(489)	20
	<u>(387)</u>	<u>88</u>
Interest and dividend income	31	32
	<u>\$ (356)</u>	<u>\$ 120</u>

Interest and dividend income are included in other revenue. For purposes of performance evaluation, management considers interest and dividend earnings to be components of operating income. Realized and unrealized gains and losses are components of nonoperating income and are reported in investment income on the accompanying consolidated financial statements.

Changes in net unrealized gains and losses on other-than-trading debt securities, reported at fair value, are separately disclosed in the consolidated statements of operations and changes in net assets. Unrealized gains and losses associated with these securities relate principally to market changes in interest rates for similar types of securities. Since the System has the intent and ability to hold these securities for the foreseeable future, and it is more-likely-than-not that the System will not be required to sell the investments before their recovery, the declines are not reported as realized unless they are deemed to be other-than-temporary. In determining whether the losses are other-than-temporary, the System considers the length of time and extent to which the fair value has been less than cost or carrying value, the financial strength of the issuer, and the intent and ability of the System to retain the security for a period of time sufficient to allow for anticipated recovery or maturity.

Note E – Patient Accounts Receivable

The System manages its receivables by regularly reviewing its patient accounts and contracts and by providing appropriate allowances for contractual reimbursement, policy discounts, charity and uncollectible amounts. These allowances are estimated based upon an evaluation of governmental reimbursements, negotiated contracts and historical payments.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note F – Patient Service Revenue

Patient service revenue is recognized when services are provided and reported at the estimated net realizable amounts from patients, third-party payors, and others, including estimated retrospective settlements under reimbursement agreements with third-party payors. Retrospective settlements are accrued on an estimated basis in the period the related services are rendered.

Patient service revenue includes revenues from California Medicaid Quality Assurance Fee programs in the amount of \$331 for the Nine months ending September 30, 2022. Related fees for the programs of \$131 for the Nine months ending September 30, 2022, are recorded in purchased services and other expenses. These amounts are based on management's current estimate of the amounts that meet the criteria for revenue recognition as both probable and estimable.

Note G – Leases

The System leases certain locations, office space, land, and equipment. The System determines whether an arrangement contains a lease at inception. Assets held under finance leases are included in property and equipment. Operating leases are expensed on a straight-line basis over the life of the lease beginning on the commencement date. Any direct and indirect costs for the leases are expensed and are immaterial for the System.

At lease commencement, the System determines the lease term by assuming the exercise of the renewal options that are reasonably certain to be exercised. The exercise of lease renewal or termination options is at the System's sole discretion. The depreciable life of assets and leasehold improvements is limited by the expected lease terms, unless there is a transfer of title or purchase option reasonably certain of exercise.

Some lease agreements include rental payments based on annual percentage increases, and others include rental payments adjusted periodically for inflation. Certain leases require the System to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises. The System's lease agreements do not contain any material residual value guarantees or material restricted covenants.

The System uses the incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments.

The System elected the package of practical expedients within the lease transitional guidance, which allow it to carry forward its historical assessments of 1) whether contracts are or contain leases; 2) lease classification; and 3) initial direct costs, where applicable. The System also elected the practical expedient to not separate lease components from non-lease components for all existing lease classes. The System implemented a policy of not recording leases on its balance sheets when the leases have a term of 12 months or less. The System did not elect the practical expedient allowing the use of hindsight, which would require the System to reassess the lease term of its leases based on all facts and circumstances through the effective date.

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note G – Leases (continued)

	Classification	September 30 2022
Right-of-use Assets		
Operating	Other assets	\$ 169
Finance	Other assets	8
		\$ 177
Current Lease liabilities		
Operating	Other current liabilities	\$ 27
Finance	Other current liabilities	2
Non-current Lease liabilities		
Operating	Other noncurrent liabilities	148
Finance	Other noncurrent liabilities	6
Total lease liabilities		\$ 183

	Classification	September 30 2022
Operating lease expense		
Operating lease cost	Purchased services and other	\$ 28
Finance lease cost:		
Amortization of leased Assets	Depreciation	\$ 2
Interest on lease liabilities	Interest Expense	\$ –

	September 30 2022
Cash paid for amounts not included in the measurement of lease liabilities	
Operating cash outflows for operating leases	\$ 29

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note G – Leases (continued)

Operating lease payments include payments relating to options to extend lease terms that are reasonably certain of being exercised. Excluded are any legally binding lease payments for signed leases not yet commenced, which are immaterial for the System. Minimum lease payments for operating leases with initial terms in excess of one year are as follows for the period ended September 30, 2022:

Maturity of Lease Liabilities	Operating Leases	Finance Leases
2022	\$ 9	\$ 1
2023	31	2
2024	27	2
2025	22	2
2026	18	1
Thereafter	106	–
Total lease payments	213	8
Less imputed interest	(44)	–
	<u>\$ 169</u>	<u>\$ 8</u>

Lease Term and Discount Rate	September 30 2022
Weighted average operating remaining lease term (years)	10.09
Weighted average finance remaining lease term (years)	3.91
Weighted average operating lease discount rate	3.52%
Weighted average finance lease discount rate	2.70%

Adventist Health

Notes to Consolidated Financial Statements - Continued

(In millions of dollars)

Note H – COVID-19

On March 11, 2020, the World Health Organization declared the novel coronavirus disease (COVID-19) a pandemic. Following this, the Centers for Disease Control and Prevention declared a national public health emergency, followed by state emergency declarations, and the Centers for Medicare & Medicaid Services (CMS) issued guidance regarding elective procedures. Several national restrictions were put in place and the governors in the states in which the System has operations issued shelter-in-place orders and executive orders postponing nonessential or elective surgeries. Several unavoidable factors are impacting both revenue and expense as the result of necessary actions by the System as well as local, state, and federal governments to mitigate the spread and effect of the virus.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was enacted on March 27, 2020 and the American Rescue Plan (“ARP”) was enacted on March 11, 2021. The CARES Act and the ARP authorize funding to hospitals and other healthcare providers through Provider Relief Funds. Grant payments from the Provider Relief Fund are intended to reimburse healthcare providers for lost revenue and increased expenses due to the pandemic. The System received approximately \$462 through December 31, 2021 and an additional \$11.6 through June 30, 2022. The consolidated statements of operations and changes in net assets recognized contributions in other revenue in the amount of \$71 for the period ending September 30, 2022.

On March 28, 2020, CMS expanded the existing Accelerated and Advance Payments Program to a broader group of Medicare Part A providers and Part B suppliers. At the end of April 2020, the System received approximately \$358 of Medicare advance payments as part of the CMS Accelerated and Advance Payments Program. Originally, CMS announced that it would begin to offset the payments by future Medicare reimbursements up to 210 days after disbursement, depending on whether a facility is an acute or non-acute facility. On October 1, 2020, a continuing resolution was signed, which included an extension to delay repayments to one year from receipt of these accelerated and advance disbursements. The repayment terms specify that for the first 11 months after repayment begins, repayment will occur through an automatic recoupment of 25% of Medicare payments otherwise owed to the provider. At the end of the eleven-month period, recoupment will increase to 50% for six months. At the end of the six months (29 months from the receipt of the initial accelerated payment), Medicare will issue a letter for full repayment of any remaining balance, as applicable. In other current liabilities, the System has recorded \$2. In other noncurrent liabilities the system has recorded \$0 in the consolidated balance sheet.

The CARES Act also allows for deferred payment of the employer portion of certain payroll taxes between March 27, 2020 and December 31, 2020, with half due December 31, 2021 and the remaining half due December 31, 2022. As of September 30, 2022, the System had deferred payroll tax payments of approximately \$37.5 which is included in accrued compensation and related payables. Included in other noncurrent liabilities in the consolidated balance sheet is \$0.

The System pursues available funding from FEMA to offset certain costs of the COVID-19. The consolidated statements of operations and changes in net assets recognized contributions in other revenue in the amount of \$31 for the period ending September 30, 2022.

Due to the evolving nature of the COVID-19 pandemic, the future impact to the System and its consolidated financial condition is presently unknown.

**Adventist Health System/West
Municipal Secondary Market Disclosure
September 30, 2022
(In millions of dollars)**

The following information is provided pursuant to Section 3(b) of the Continuing Disclosure Certificate executed by the System in connection with the issuance of:

California Health Facilities Financing Authority Revenue Bonds, 2009 Series B
California Health Facilities Financing Authority Revenue Bonds, 2013 Series A
Adventist Health System/West Taxable Bonds, Series 2013

Section 3(b)(2) Long-term debt disclosure:

On September 30, 2022, the long-term debt of the Members of the Obligated Group (including current maturities) totaled \$2,146. Of that amount, \$194 was variable interest rate debt, with the remaining \$1,952 being fixed interest rate debt.

Section 3(b)(3) Statement regarding accounts receivable liens:

During the nine months ended September 30, 2022 no Member of the Obligated Group has granted a Lien on accounts receivable nor sold any accounts receivable as permitted under the Master Indenture.