



TAHOE FOREST HOSPITAL DISTRICT

2016-08-24 Board Finance Committee

Wednesday, August 24, 2016 at 1:00 p.m.

Foundation Conference Room - Tahoe Forest Health System Foundation

10976 Donner Pass Rd, Truckee, CA 96161

Meeting Book - 2016-08-24 Board Finance Committee

08/24/16 Finance Committee

AGENDA

2016-08-24 Finance Committee_Agenda.pdf Page 3

ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2016-07-26 Finance Committee_DRAFT Minutes2.pdf Page 4

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

6.1.1. FYE 2016 Review of Multi-Specialty Clinics.pdf Page 10

6.1.2. Financial Report - Pre-Audit June 2016.pdf Page 18

6.1.3. Updated Pre-Audit Separate Entities.pdf Page 27

6.1.4. Financial Report - Preliminary July 2016.pdf Page 39

6.2. Board Education and Updates

6.2.1. Audit Update
No related materials.

6.2.2.a Request for Proposal for Audit Firm.pdf Page 52

6.2.2.b Audit Contract Information.pdf Page 77

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 9. NEXT MEETING DATE

8. Agenda Input for Next Meeting and 9. Next Meeting Date.pdf Page 78

10. ADJOURN



FINANCE COMMITTEE AGENDA

Wednesday, August 24, 2016 at 1:00 p.m.
Foundation Conference Room, Tahoe Forest Hospital Foundation Offices
10976 Donner Pass Road, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**
Dale Chamblin, Chair; John Mohun, Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
5. **APPROVAL OF MINUTES OF: 07/26/2016** ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. Financial Reports
 - 6.1.1. FYE 2016 Review of Multi-Specialty Clinics ATTACHMENT
 - 6.1.2. Financial Report – Pre-audit June 2016 ATTACHMENT
 - 6.1.3. Updated Pre-Audit Separate Entities..... ATTACHMENT
 - 6.1.4. Financial Report – Preliminary July 2016..... ATTACHMENT
 - 6.2. Board Education and Updates
 - 6.2.1. Audit Update
 - 6.2.2. RFP for Audit Firm ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**..... ATTACHMENT
9. **NEXT MEETING DATE** ATTACHMENT
10. **ADJOURN**

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

FINANCE COMMITTEE

DRAFT MINUTES

Tuesday, July 26, 2016 at 3:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 3:02 p.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Greg Jellinek, M.D., Board Member

Staff: Harry Weis, Chief Executive Officer; Crystal Betts, Chief Financial Officer; Jaye Chasseur, Controller; Martina Rochefort, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. APPROVAL OF MINUTES OF: 05/23/2016

Director Chamblin approved the Finance Committee Minutes of May 23, 2016.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

6.1.1. Financial Report – Preliminary June 2016 Quarterly Packet

CFO reviewed the June 2016 Financial Packet.

S&P Days Cash on Hand is projected at 205 days but that will still change. It is 3 days more than budget projected. Expenses still have to be booked.

Director Chamblin asked if the bargaining units understand the non-recurring changes happening in revenue from pickup in bad debt. CEO has explained to the bargaining units that part of the \$10,000,000 was a one-time thing. CEO also shared the proposals being offered to the bargaining units.

Director Jellinek inquired if the profit sharing proposal should go to the Board. An update will be provided to the Board in August. Discussion was held on what a potential profit sharing model could look like for District employees.

Patient accounts receivable is up with an increase of approximately \$1,393,000.

A new clearinghouse called Efficiency has been implemented. TFHD will see some growth in Accounts Receivable initial due to the conversion but expects faster claim payments due to a better product.

The District is leaving a reserve in the Tax Revenue account which will be discussed later in the meeting regarding the General Obligation Bond.

Accounts Payable will increase to be sure everything is accrued.

The District saw a hefty adjustment for Medicare and Medi-Cal. They adjusted the rate too high and overpaid us. Currently, staff is working with an intermediary to take out the peaks and valleys and work through our seasonality.

Worker Compensation Plan IBNR saw an increase of \$716,000 after an additional amount was booked to the liability account based on actuarial studies provided by the District's third party administrator. Jaye is investigating this further as the District's claims history has been good so it is not known why there is a projected increase.

The GO Bond refinancing journal entry has not yet been done.

A final 2016 estimated cost report still has to be booked.

The following areas still have to be booked:

- 2014/15 IGTs
- Medi-Cal Managed Care IGT (will be a pickup)
- Construction (making sure depreciation is true)
- Foundations
- Some inventories
- North Tahoe Orthopedic
- SNF clawback
- Property tax
- Truckee Surgery Center (April/May/June)

Discussion was held on the line item Charity Care – Catastrophic Events. Catastrophic care was added to charity care policy primarily to support the oncology program but does not get budgeted for because it is unknown how much will get used. The Board of Directors wanted it to be separately called out on the income statement.

Director Chamblin asked about the timing of the District's audit. Auditors are scheduled to be onsite the last week of August and first week of September. They will audit the entire district including both foundations.

Incline Village Community Hospital had a year to date EBIDA of \$2,063,301 which is \$1,267,821 above budget. IVCH saw a lot of Medicaid in June.

CFO reviewed the Statement of Cash Flows.

These numbers could change once we get pre-audit numbers back.

Expense per day is estimated at \$335,424 and Days Cash on Hand is estimated at 205.

Volume graphs were provided for informational purposes.

Director Chamblin inquired when the Board of Directors will see an outmigration study. Administration is targeting early August for a Special Board Meeting.

6.1.2. Preliminary Quarterly Review of Separate Entities

CFO noted the numbers for the Separate Business Entities are still preliminary.

Home Health and Hospice

The bottom line for Home Health and Hospice are looked at combined. They can have a \$200,000 loss for the year. Combined they have a loss of \$57,814. Home Health and Hospice also utilizes the same staff so it needs to be looked at together because it is the same employees for both. Hospice is supported by the TFHD thrift stores.

Children's Center

Recruitment and retention provided to the organization is huge.

Director Jellinek inquired if the cost should be part of bargaining package in the future. The discount at the Children's Center does not show up as a line item and is not a bargained benefit. Employees are taxed on a portion due to IRS guidelines. CHRO provided totality of TFHD benefit packages. Discussion was held about talking points of discount provided to employees.

Occupational Health

Occupational Health is currently over budget. Dr. Sutton-Pado is a new physician added this year. Her salary is included in the professional fees section.

Health Clinic

Dr. Sutton-Pado is not allocated to professional fees of health clinic.

Retail Pharmacy

The retail pharmacy is performing better than budget. The District currently sees a savings from the employee drug plan. TFHD would have paid out \$862,490 in plan costs but captured \$643,467 back through the Retail Pharmacy resulting in a loss of only \$219,023.

The total net loss for the Separate Business Entities was \$217,593.

CFO reviewed the preliminary numbers for the Center for Health and Sports Performance.

Therapy Services

Therapy Services did not see any rapid declines during the transition to Agility Health. Ryan Solberg has stepped up and has been a great leader for Therapy Services. Their Gross Operating Revenue was \$938,687 over budget. Total Operating Expenses were \$280,826 over budget, mainly due to professional fees.

Sports Performance Lab

Sports Performance Lab had a net income before overhead allocation.

Fitness Center

Fitness Center had a net income before overhead allocation.

Occupational Health Testing

This is the retail side which will see some growth in the future. Wendy Buchanan is picking up and running with the blue:life program.

The total Center for Health and Sports Performance showed a net income of \$713,541 which is \$302,036 better than budget. This is generated by therapy services.

CFO reviewed the preliminary numbers for the Cancer Program.

Medical Oncology is the facility charge and MSC Medical Oncology is the professional fees. Their combined Net Loss is \$1,637,110.

Radiation Oncology is the facility charge and MSC Radiation Oncology is the professional fees. The net income for Radiation Oncology was \$771,150 above budget. TFHD is seeing patients from the South Lake Tahoe market as Barton does not have the ability to do radiation oncology.

The cancer program will see an increase with the addition of urology.

The oncology lab is necessary to have.

Discussion was held on oncology drugs and potential increases in oral prescriptions.

The total cancer program had a net income of \$8,174,383 which is \$1,575,352 over budget.

6.1.3. Quarterly Review of Payor Mix

CFO reviewed the Payor Mix for 4th Quarter 2016.

Commercial ended slightly above 40% for gross revenue.

CFO reviewed the normal seasonal winter spikes for Commercial payors in 2008, 2010 and 2011. The District saw the same trend this winter.

Gross Revenue Payor Mix trends showed an increase in Commercial when the District had expected less. The local area had a good winter which helped.

State mandated managed care programs have to keep hospitals like Tahoe Forest revenue neutral.

6.1.4. TIRHR Expenditure Report

No discussion was held. Report was included for reference.

6.1.5. Review of Truckee Surgery Center – January – March 2016

The District should be receiving numbers for April, May and July shortly.

Truckee Surgery Center (TSC) runs on a calendar year.

As of March 31, 2016, TSC is running a loss of \$13,333.46.

CFO has set TSC up with Chancellor Consulting to help them renegotiate some of their contracts. Collections are not as good as they could be.

TSC currently uses Medbridge for billing and collections.

6.1.6. General Obligation Bond Property Tax Rate Calculation and Resolution

The refinance took place in May. The money that would have made the debt service payment was moved to escrow.

The payment ended up being a lot less and more property tax revenues were collected than anticipated. This leaves \$1,124,150 in reserves. CFO spoke with Gary Hicks about how to use reserve.

CFO recommended utilizing 20% of the reserve to cover the debt service requirement.

CFO showed how utilizing the different levels would affect the tax rate per \$100,000.

Director Chamblin suggested not using the reserves and hanging onto them for a year when the assessed values would drop.

Gary Hicks' advice is to use the reserve in a way to keep rate per \$100,000 stable.

CFO will adjust the resolution based on decision by the full board. The attachment provided to the Committee is also in the Board agenda packet.

CFO will have to provide the Board's decision to the Placer and Nevada Counties in July. This matter cannot wait until the August meeting.

6.2. Policies

6.2.1. ABD-11 Fiscal Policy

The following was added to Operating Margin and Excess (Net Income) Margin, Section 3.0: "Unusual circumstances may arise that could require setting the annual budget at ratios lower than A-, however, at no time shall the annual budget target median ratios below an investment grade rating."

The policy does not grant carte blanche authority to the CEO to change or set rates. CEO's authority referenced in section 4.0 is consistent with the authority the CEO already has.

The Board has the authority to change any policy at any time.

This policy provides guidance and financial vision for the future.

6.3. Board Education and Updates

6.3.1. Outmigration Strategy Update

There will be a Special Board Meeting held in August for the Board to meet with KaufmanHall on outmigration. The exact date is still to be determined.

Discussion was held on how this will be presented to the Board.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

- FYE 2016 Review of Multi-Specialty Clinics
- Financial Report – Pre-audit June 2016, with updated year end key indicators
- Updated Pre-Audit Separate Entities
- Financial Report – Preliminary July 2016
- Audit Update
- RFP for Audit Firm

9. NEXT MEETING DATE

The next Finance Committee will be held on Wednesday, August 24, 2016 at 1:00 p.m.

10. ADJOURN

Meeting adjourned at 5:02 p.m.

DRAFT

Tahoe Forest Multi-Specialty Clinics
Fourth Quarter Report to the Finance Committee and Board
FY 2016 Year End (July 2015 – June 2016)
August 17, 2016

Total Operations. In FY 2016, Work Relative Value Units (WRVUs) were up by less than 1% relative to FY 2015. However, gross charges were 4% higher, and net revenue was 7% higher. Other operating revenue was 41% lower, partially due to Medicare's declining annual payouts under meaningful use pursuant to their phased schedule. In addition, the state of California has not yet opened the portal for attesting to Medi-Cal Meaningful Use for 2015, but we still will attest and expect to receive the 2015 Medi-Cal Meaningful Use payments for the pediatricians. Provider expense was 6% higher, clinic operating expense was 5% higher and the overall net loss was 6% higher.

- Provider FTEs decreased from 16.3 to 15.7 with the retirement of Bev Mustain (NP) in July 2015 only being partially offset by the January 2016 hiring of Samantha Smith. In addition, the midlevel providers in Incline were transitioned from the MSC to the Health Clinic, and several part-time physicians elected not to continue their contracts: Dr. Osgood (0.2 FTE Incline orthopedics, termed 12/2014), Sierra Nevada Nephrology (0.05 FTE, no services provided since 12/2015) and Dr. Karen Hardy (0.025 FTE pediatric pulmonologist, no services provided since 12/2015). Other provider departures were replaced with no gap in coverage, including Dr. Chase, ENT (replaced by locum tenens Dr. Mancuso, who has agreed to stay on long-term under a PSA agreement), and Dr. Brown, pediatrics (replaced by Dr. Wicks). Dr. Bretan, Urologist, joined the MSC in May 2016 and is in the process of building this new service line. Dr. Forner, part-time Neurologist, increased his clinic time from 2 days per week to 3 days per week in December to accommodate the growing demand for his services.
- WRVU growth was noted in Neurology (12%), General Surgery (11%), Sports Medicine (5%), Internal Medicine (2%), and Gastroenterology (1%). In addition to the part-time specialties with departing physicians noted above, the MSC experienced decreases in WRVU volumes in Audiology (24%), ENT (7%) and Pediatrics (<1%). ENT and Audiology volumes were impacted by the wind-down of Dr. Chase's practice at the end of the 3rd quarter and the build-up of Dr. Mancuso's practice in the 4th quarter. Dr. Mancuso's production is already matching that of Dr. Chase in his busiest months, and is only expected to grow as he adds two more surgery days per month and the hospital adds new equipment allowing for additional types of procedures.
- The growth in revenues came largely from vaccines and vaccine administration, most notably pneumococcal vaccine. Vaccine-related gross revenue increased by 11% whereas other gross revenue increased by only 3%. On a net revenue basis, vaccine-related revenue increased by 36% whereas other net revenue increased by less than 1%.
- Physician fees increased by 9%. Part of this increase is due to the contract renewal and associated compensation increase in January 2015. The increase was supplemented by increased productivity, the locums fees paid for Dr. Mancuso and the addition of Dr. Bretan in May. The increases were partially offset by a 24% favorable variance in extender salaries and benefits related to the decrease in extender FTEs. As a result, overall provider expense increased by 6%.
- Total clinic operating expenses were 5% higher than the prior year. The most significant increase was in medical supplies and drugs, which increased 50%, largely due to a 70% increase in the administration of Prevnar (pneumococcal) vaccine. Administrative services and supplies

increased by 21%, with virtually all of the increase attributable to the consulting fees associated with the numerous initiatives within the Physician Services Division.

Individual Clinic Highlights

ENT / Audiology Clinic. Work RVUs in the ENT / Audiology Clinic decreased by 15% year over year. This included an 7% decrease for ENT associated with the transition from Dr. Chase to Dr. Mancuso, and a 24% decrease for the audiologists. Dr. Forner worked in the ENT clinic one day per week during FY 15, but was in Sports Medicine and Internal Medicine / Cardiology in FY 16. Gross charges decreased by 5%, but net revenue decreased by 15%. The net revenue decrease was largely driven by a significant change in payer mix, with Medi-Cal increasing from 20% to 29% of charges.

Provider expense in this clinic increased by 11%. There was additional cost associated with the use of a locums tenens to cover Dr. Chase's departure, which was partially offset by the transfer of Dr. Forner's time and expense to other clinics.

Clinic operating expenses increased by 4%. Increases in medical supplies and drugs, salaries and wages, and other operating expense were partially offset by decreases in employee benefits and administrative services and supplies.

Internal Medicine / Pulmonology. Overall, Work RVUs in the Internal Medicine / Pulmonology clinic decreased by 4% relative to prior year. Dr. Tirdel's Work RVUs decreased 4%. Dr. Tirdel has always been one of the MSC's most productive providers, and although he closed his practice to new primary care patients, his productivity remains 18% higher than his production target. Lisa Beck split her time between the IM/Card and IM/Pulm clinics in FY 15 and worked exclusively in IM/Pulm in FY 16, and also increased her overall RVUs by 23%. Lisa Beck's RVU production in FY 16 in IM/Pulm was only 4% less than the sum of her own production (working 2 days per week in IM/Pulm) and Bev Mustain's production (working full time) in FY 15.

Provider expense was 7% lower than the same period in the prior year, with Dr. Tirdel's contract increase more than offset by the combination of his decreased production and the reduction in midlevel FTE and expense.

Operating expenses in the clinic show a 17% increase relative to prior year. The entire increase in clinic operating expenses can be found in medical supplies and drugs, which more than tripled. This increase was largely related to the cost of Plevnar. Salaries and wages decreased by 6%.

Internal Medicine / Cardiology. Although IM/Cardiology shared its space with GI/General Surgery in FY 15 and the first four months of FY 16, expenses were allocated between the two as though they were operated as separate clinics for the entirety of this period. In November, Drs. Cooper, Conyers and Schaffer moved into a separate clinic location in the Medical Office Building. We have begun charging all expenses directly to each clinic, so the need for this allocation will be eliminated in FY 17.

Total WRVUs were 17% higher in the Internal Medicine / Cardiology clinic than prior year. WRVU volumes were up for both cardiologists, Dr. Forner (neurologist) was transferred from the Sports Medicine clinic to the IM/Cardiology clinic in mid-November, and Samantha Smith (PA) was added in January.

Both gross charges and net revenue were 28% higher than prior year. Provider expense was 22% higher due to the increase in physician productivity, contract rate increases and the transfer of Dr. Forner into this clinic.

Clinic operating expenses were 36% higher than prior year. Salaries and wages increased 41% due to the additional staff required to cover Dr. Forner and Samantha Smith, along with the decreased efficiency associated with splitting this clinic from the GI/GS clinic. Additionally, over \$85,000 of the increased expense was in the area of medical supplies and drugs due to the increase in immunizations.

Pediatrics. Work RVUs in the pediatric clinic were 1% lower than prior year and gross charges were 4% lower, but net revenue was 8% higher, in part due to a decrease in Medi-Cal from 49% to 44%.

Provider expense increased by 5% as a result of the increase in WRVU production for those paid on a production basis, coupled with the update of the physician contracts to the FY 16 platform. Salaries and wages increased by 20% year over year, due to the addition of a staff nurse and increases in both front and back office staffing to better support the physicians in this clinic. Total clinic operating expenses increased by 7%.

GI / General Surgery. Work RVUs in the GI / General Surgery clinic increased by 7% year over year. Gross charges also increased by 7% but the net revenue actually decreased by 2%, partially due to an increase in Medi-Cal from 14% to 16% of revenue.

Provider expense increased by 4%, with the update of the contract and Dr. Schaffer's slightly increased productivity. Salaries and wages show a 20% increase, related to the inefficiency of staffing two clinics rather than one.

Incline Village. Work RVUs in the Incline Village clinic were 26% lower than prior year, due to the departure of Dr. Osgood and the transfer of the midlevel providers from the MSC to the Health Clinic. Dr. Sutton-Pado's revenue and professional fees are also being charged to the Health Clinic. Only the WRVUs, revenues and expenses associated with part-time work of Drs. Vayner and Scholnick are currently attributed to this clinic.

Gross charges were only 10% lower, with the disparity between WRVUs and charges resulting from the increase in immunizations, particularly amongst the Medicare population, that helped offset the decrease in surgeries and office visits. Net revenues were 1% higher.

Provider expense was 32% lower than the prior year. Clinic expenses were 51% lower than the same period in the prior year, due to the sharing of space and staffing with the Health Clinic.

Sports Medicine. Work RVUs in the Sports Medicine clinic were 14% lower than prior year. Although Dr. Winans' RVUs were up by 5%, Dr. Forner's practice was relocated to the Internal Medicine / Cardiology office in November. Charges were 11% lower, and net revenue was 5% lower. Provider expense was 8% lower and clinic operating expense was 4% lower.

Tahoe Forest MSC - RVU Summary
For the period July 2015 - June 2016 with comparison to prior year and contract targets

<u>PROVIDER</u>	<u>CLINIC(S)</u>	<u>Actual</u>	<u>Prior Yr</u>	<u>Actual as % of Prior Yr</u>	<u>Target</u>	<u>Actual as % of Target</u>
PRIMARY CARE PROVIDERS (Including Internists with subspecialty)						
INTERNAL MEDICINE						
Burkholder (IM)	IMCARD	4,137	4,195	98.6%	3,412	121.2%
Lombard (IM / Cardiology)	IMCARD	5,004	4,756	105.2%	4,456	112.3%
Scholnick (IM / Cardiology)	IMCARD, INCLINE	6,232	5,701	109.3%	4,456	139.8%
Tirdel (IM / Pulmonology)	IMPULM	5,912	6,172	95.8%	4,992	118.4%
SUBTOTAL - INTERNAL MEDICINE		<u>21,284</u>	<u>20,824</u>	<u>102.2%</u>	<u>17,316</u>	<u>122.9%</u>
PEDIATRICS						
Arth	PEDS	4,294	4,181	102.7%	3,570	120.3%
Brown	PEDS	3,497	4,747	73.7%	2,975	117.5%
Uglum	PEDS	4,133	4,048	102.1%	3,570	115.8%
Wicks	PEDS	611	-	n/a	652	93.8%
Vayner	PEDS, INCLINE	4,552	4,241	107.3%	3,570	127.5%
SUBTOTAL - PEDIATRICS		<u>17,087</u>	<u>17,217</u>	<u>99.2%</u>	<u>14,337</u>	<u>119.2%</u>
PHYSICIAN EXTENDERS						
Beck (PA)	IMCARD, IMPULM	3,415	2,787	122.5%	n/a - salaried	
Lang-Ree (PNP)	PEDS	1,418	1,397	101.5%	n/a - salaried	
Mustain (NP)	IMPULM	150	2,282	6.6%	n/a - salaried	
Shirley (NP)	SPORTS	176	-	n/a	n/a - salaried	
Smith (NP)	INCLINE, IMCARD	1,189	370	321.4%	n/a - salaried	
SUBTOTAL - PHYSICIAN EXTENDERS		<u>6,349</u>	<u>6,837</u>	<u>92.9%</u>		
SUBTOTAL - PRIMARY CARE PROVIDERS		<u>44,720</u>	<u>44,879</u>	<u>99.6%</u>		
SPECIALISTS						
GENERAL SURGERY						
Conyers	GI/GS	4,311	4,141	104.1%	5,007	86.1%
Cooper	GI/GS	4,423	3,722	118.8%	5,007	88.3%
SUBTOTAL - GENERAL SURGERY		<u>8,734</u>	<u>7,863</u>	<u>111.1%</u>	<u>10,014</u>	<u>87.2%</u>
NEPHROLOGY						
Clark	IMCARD	31	48	65.3%	n/a - paid on production	
Quigley	IMCARD	31	106	29.4%	n/a - paid on production	
SUBTOTAL - NEPHROLOGY		<u>62</u>	<u>153</u>	<u>40.5%</u>		
AUDIOLOGY						
Hodes	ENT	244	335	72.6%	n/a - paid on production	
Johnson	ENT	-	46	0.0%	n/a - paid on production	
Schellin	ENT	190	191	99.3%	n/a - paid on production	
SUBTOTAL - AUDIOLOGY		<u>433</u>	<u>573</u>	<u>75.7%</u>		
SINGLE PROVIDER SPECIALTIES PAID ON BASE PLUS PRODUCTION BONUS						
Bretan (Urology)	UROLOGY	319	-	n/a	937	34.0%
Chase / Mancuso (ENT)	ENT	4,870	5,226	93.2%	3,203	152.0%
Osgood (Orthopedic Surgery)	INCLINE	-	467	0.0%	-	0.0%
Schaffer (Gastroenterology)	GI/GS	5,814	5,745	101.2%	4,264	136.4%
Winans (Sports Medicine)	SPORTS	2,909	2,762	105.3%	2,087	139.4%
SUBTOTAL - SINGLE PROVIDER SPECIALTIES ON BASE/BONUS		<u>13,912</u>	<u>14,200</u>	<u>98.0%</u>	<u>10,490</u>	<u>132.6%</u>

Tahoe Forest MSC - RVU Summary
For the period July 2015 - June 2016 with comparison to prior year and contract targets

<u>PROVIDER</u>	<u>CLINIC(S)</u>	<u>Actual</u>	<u>Prior Yr</u>	<u>Actual as % of Prior Yr</u>	<u>Target</u>	<u>Actual as % of Target</u>
SINGLE PROVIDER SPECIALTIES PAID ON PRODUCTION BASIS						
Forner (Neurology)	ENT, SPORTS	2,604	2,331	111.7%	<i>n/a - paid on production</i>	
Hardy (Pediatric Pulmonology)	PEDS	42	107	39.4%	<i>n/a - paid on production</i>	
SUBTOTAL - SINGLE PROVIDER SPECIALTIES		<u>2,646</u>	<u>2,438</u>	<u>108.5%</u>		
SUBTOTAL - SPECIALISTS		<u>25,787</u>	<u>25,227</u>	<u>102.2%</u>		
GRAND TOTAL		<u>70,507</u>	<u>70,106</u>	<u>100.6%</u>		

SUMMARY BY CLINIC

ENT	5,303	6,253	84.8%
GI / GENERAL SURGERY	14,548	13,608	106.9%
INCLINE VILLAGE	2,769	3,761	73.6%
INTERNAL MEDICINE / CARDIOLOGY	16,749	14,349	116.7%
INTERNAL MEDICINE / PULMONOLOGY	9,476	9,879	95.9%
PEDIATRICS	17,359	17,617	98.5%
SPORTS MEDICINE	3,984	4,639	85.9%
UROLOGY	319	-	<i>n/a</i>
GRAND TOTAL	<u>70,507</u>	<u>70,106</u>	<u>100.6%</u>

FY 16 MSC Income Statement July 2015 - June 2016 with comparison to Prior Year and Budget
Clinic Roll-up

	ENT / Allergy / Audiology Clinic					Internal Medicine / Pulmonology Clinic (MOB Suite 260)					Internal Medicine / Cardiology Clinic (Gateway)				
	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	1,137,570	1,203,356	95%	1,140,892	100%	1,608,307	1,517,591	106%	1,432,144	112%	2,885,473	2,252,116	128%	2,113,464	137%
Contractual Allowances	(587,285)	(556,275)	106%	(551,488)	106%	(634,833)	(578,607)	110%	(569,776)	111%	(1,232,958)	(963,481)	128%	(895,051)	138%
Net revenue	<u>550,285</u>	<u>647,081</u>	<u>85%</u>	<u>589,405</u>	<u>93%</u>	<u>973,474</u>	<u>938,984</u>	<u>104%</u>	<u>862,368</u>	<u>113%</u>	<u>1,652,515</u>	<u>1,288,635</u>	<u>128%</u>	<u>1,218,413</u>	<u>136%</u>
Other operating revenue	<u>7,840</u>	<u>16,787</u>	47%	-		<u>7,840</u>	<u>11,437</u>	69%	-		<u>31,360</u>	<u>30,454</u>	103%	-	
Provider expense															
Physician fees	487,436	440,714	111%	394,166	124%	376,241	359,115	105%	344,543	109%	1,025,173	803,637	128%	726,404	141%
Non-physician salaries/benefits	-	-		-		152,879	210,151	73%	170,993	89%	32,639	66,425	49%	24,670	132%
Total provider expense	<u>487,436</u>	<u>440,714</u>	<u>111%</u>	<u>394,166</u>	<u>124%</u>	<u>529,120</u>	<u>569,266</u>	<u>93%</u>	<u>515,536</u>	<u>103%</u>	<u>1,057,812</u>	<u>870,062</u>	<u>122%</u>	<u>751,074</u>	<u>141%</u>
Clinic Operating Expenses:															
Salaries and wages	164,252	142,764	115%	130,579	126%	175,939	187,417	94%	208,510	84%	369,531	262,369	141%	362,520	102%
Benefits	67,436	98,703	68%	70,971	95%	102,303	101,697	101%	107,146	95%	151,852	139,143	109%	139,737	109%
Admin services & supplies	34,605	39,640	87%	42,266	82%	40,885	61,571	66%	61,826	66%	61,670	58,864	105%	48,089	128%
Medical supplies & drugs	78,376	55,629	141%	32,359	242%	145,819	46,748	312%	50,112	291%	122,005	36,668	333%	44,330	275%
Building Rent / Utilities	59,247	59,162	100%	60,619	98%	76,746	57,914	133%	61,077	126%	76,837	74,410	103%	71,008	108%
Other operating expense	10,994	3,929	280%	4,608	239%	17,542	20,769	84%	19,409	90%	6,008	6,934	87%	14,626	41%
Total clinic operating expenses	<u>414,910</u>	<u>399,827</u>	<u>104%</u>	<u>341,403</u>	<u>122%</u>	<u>559,234</u>	<u>476,116</u>	<u>117%</u>	<u>508,080</u>	<u>110%</u>	<u>787,903</u>	<u>578,388</u>	<u>136%</u>	<u>680,309</u>	<u>116%</u>
Net operating margin	(344,221)	(176,672)	195%	(146,164)	236%	(107,040)	(94,961)	113%	(161,249)	66%	(161,840)	(129,362)	125%	(212,970)	76%
Allocation of administrative overhead	<u>(107,688)</u>	<u>(147,066)</u>		<u>(125,859)</u>		<u>(190,503)</u>	<u>(213,409)</u>		<u>(184,146)</u>		<u>(323,388)</u>	<u>(292,876)</u>		<u>(260,174)</u>	
Net profit (loss)	<u>(451,909)</u>	<u>(323,739)</u>	<u>140%</u>	<u>(272,023)</u>	<u>166%</u>	<u>(297,543)</u>	<u>(308,370)</u>	<u>96%</u>	<u>(345,394)</u>	<u>86%</u>	<u>(485,228)</u>	<u>(422,238)</u>	<u>115%</u>	<u>(473,144)</u>	<u>103%</u>
Ratios:															
Provider cost as % net revenue	89%	68%		67%		54%	61%		60%		64%	68%		62%	
Clinic op cost as % net revenue	75%	62%		58%		57%	51%		59%		48%	45%		56%	
Overhead cost as % net revenue	20%	23%		21%		20%	23%		21%		20%	23%		21%	
Payer Mix															
Medicare	24.2%	24.6%				44.9%	41.8%				52.2%	49.8%			
Medicaid / Medi-Cal	29.2%	20.4%				11.6%	10.2%				11.6%	12.0%			
Commercial	41.8%	49.7%				42.2%	46.5%				34.7%	36.4%			
Self Pay	4.8%	5.3%				1.3%	1.5%				1.5%	1.8%			

FY 16 MSC Income Statement July 2015 - June 2016 with comparison to Prior Year and Budget
Clinic Roll-up (Page 2)

	Pediatrics Clinic					GI / General Surgery Clinic (Gateway)					Incline Village Clinic (Family Practice)				
	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget	%Bud
Revenue															
Gross Charges	4,169,990	4,349,868	96%	3,815,669	109%	2,433,152	2,282,928	107%	1,970,956	123%	562,422	623,653	90%	525,947	107%
Contractual Allowances	<u>(2,592,237)</u>	<u>(2,894,867)</u>	90%	<u>(2,515,181)</u>	103%	<u>(1,404,076)</u>	<u>(1,229,185)</u>	114%	<u>(1,086,972)</u>	129%	<u>(179,308)</u>	<u>(244,704)</u>	73%	<u>(203,884)</u>	88%
Net revenue	<u>1,577,753</u>	<u>1,455,001</u>	108%	<u>1,300,488</u>	121%	<u>1,029,076</u>	<u>1,053,743</u>	98%	<u>883,985</u>	116%	<u>383,114</u>	<u>378,949</u>	101%	<u>322,063</u>	119%
Other operating revenue	-	25,500	0%	-		28,224	33,575	84%	-		-	5,326	0%	-	
Provider expense															
Physician fees	823,496	787,561	105%	705,256	117%	1,176,806	1,126,357	104%	1,069,878	110%	139,612	187,986	74%	134,523	104%
Non-physician salaries/benefits	97,508	89,238	109%	95,535	102%	-	-		-		-	17,720	0%	-	
Total provider expense	<u>921,004</u>	<u>876,799</u>	105%	<u>800,791</u>	115%	<u>1,176,806</u>	<u>1,126,357</u>	104%	<u>1,069,878</u>	110%	<u>139,612</u>	<u>205,706</u>	68%	<u>134,523</u>	104%
Clinic Operating Expenses:															
Salaries and wages	401,766	335,002	120%	486,769	83%	279,280	233,493	120%	207,649	134%	15,627	89,795	17%	81,675	19%
Benefits	224,143	205,629	109%	251,524	89%	114,295	137,755	83%	145,487	79%	36,912	61,549	60%	46,941	79%
Admin services & supplies	118,442	125,212	95%	114,252	104%	52,985	56,543	94%	50,798	104%	9,072	14,141	64%	15,141	60%
Medical supplies & drugs	321,160	313,039	103%	339,079	95%	109,360	34,745	315%	46,828	234%	50,908	61,254	83%	62,622	81%
Building Rent / Utilities	79,262	80,310	99%	80,764	98%	67,031	70,998	94%	75,009	89%	8,466	15,606	54%	15,606	54%
Other operating expense	11,282	16,853	67%	20,316	56%	5,219	6,628	79%	15,449	34%	2,355	7,431	32%	8,520	28%
Total clinic operating expenses	<u>1,156,055</u>	<u>1,076,047</u>	107%	<u>1,292,704</u>	89%	<u>628,171</u>	<u>540,161</u>	116%	<u>541,219</u>	116%	<u>123,339</u>	<u>249,775</u>	49%	<u>230,504</u>	54%
Net operating margin	(499,306)	(472,344)	106%	(793,008)	63%	(747,676)	(579,200)	129%	(727,112)	103%	120,162	(71,207)	-169%	(42,965)	-280%
Allocation of administrative overhead	<u>(308,757)</u>	<u>(330,688)</u>		<u>(277,700)</u>		<u>(201,384)</u>	<u>(239,491)</u>		<u>(188,762)</u>		<u>(74,973)</u>	<u>(86,126)</u>		<u>(68,772)</u>	
Net profit (loss)	<u>(808,063)</u>	<u>(803,032)</u>	101%	<u>(1,070,708)</u>	75%	<u>(949,060)</u>	<u>(818,691)</u>	116%	<u>(915,874)</u>	104%	<u>45,189</u>	<u>(157,333)</u>	-29%	<u>(111,736)</u>	-40%
Ratios:															
Provider cost as % net revenue	58%	60%		62%		114%	107%		121%		36%	54%		42%	
Clinic op cost as % net revenue	73%	74%		99%		61%	51%		61%		32%	66%		72%	
Overhead cost as % net revenue	20%	23%		21%		20%	23%		21%		20%	23%		21%	
Payer Mix															
Medicare	0.4%	0.4%				33.0%	33.3%				37.1%	34.9%			
Medicaid / Medi-Cal	43.7%	48.8%				15.8%	14.4%				15.1%	13.0%			
Commercial	54.7%	49.9%				49.0%	51.5%				45.7%	50.0%			
Self Pay	1.2%	0.9%				2.2%	0.9%				2.0%	2.2%			

FY 16 MSC Income Statement July 2015 - June 2016 with comparison to Prior Year and Budget
Clinic Roll-up (Page 3)

	Sports Medicine / Neurology					Urology	Administration					Total				
	Actual	Prior Yr	%PY	Budget	%Bud		Actual	Actual	Prior Yr	%PY	Budget	%Bud	Actual	Prior Yr	%PY	Budget
Revenue																
Gross Charges	711,642	802,095	89%	585,753	121%	64,772						13,573,326	13,031,608	104%	11,584,825	117%
Contractual Allowances	(296,061)	(366,833)	81%	(267,117)	111%	(36,974)						(6,963,730)	(6,833,953)	102%	(6,089,468)	114%
Net revenue	<u>415,581</u>	<u>435,262</u>	<u>95%</u>	<u>318,636</u>	<u>130%</u>	<u>27,798</u>						<u>6,609,596</u>	<u>6,197,655</u>	<u>107%</u>	<u>5,495,357</u>	<u>120%</u>
Other operating revenue	<u>7,840</u>	<u>16,787</u>	47%	-		-						<u>83,104</u>	<u>139,866</u>	59%	-	
Provider expense																
Physician fees	249,117	282,726	88%	285,082	87%	69,330	6,075	9,725	62%	9,600	63%	4,353,286	3,997,819	109%	3,669,453	119%
Non-physician salaries/benefits	9,808	-		-		-	-	-		-		292,833	383,535	76%	291,198	101%
Total provider expense	<u>258,924</u>	<u>282,726</u>	<u>92%</u>	<u>285,082</u>	<u>91%</u>	<u>69,330</u>	<u>6,075</u>	<u>9,725</u>		<u>9,600</u>		<u>4,646,120</u>	<u>4,381,354</u>	<u>106%</u>	<u>3,960,650</u>	<u>117%</u>
Clinic Operating Expenses:																
Salaries and wages	66,660	79,558	84%	128,149	52%	9,045	453,999	630,163	72%	531,034	85%	1,936,097	1,960,561	99%	2,136,886	91%
Benefits	59,443	34,817	171%	72,365	82%	612	147,987	302,288	49%	162,722	91%	904,983	1,081,581	84%	996,892	91%
Admin services & supplies	13,572	20,012	68%	18,326	74%	3,476	565,448	368,186	154%	368,641	153%	900,155	744,170	121%	719,340	125%
Medical supplies & drugs	22,717	30,601	74%	37,408	61%	19,363	375	351	107%	182	206%	870,084	579,035	150%	612,920	142%
Building Rent / Utilities	-	270	0%	1,080	0%	-	82,090	72,422	113%	78,058	105%	449,679	431,093	104%	443,222	101%
Other operating expense	<u>4,182</u>	<u>7,961</u>	<u>53%</u>	<u>4,200</u>	<u>100%</u>	<u>54</u>	<u>37,488</u>	<u>25,445</u>	<u>147%</u>	<u>23,214</u>	<u>161%</u>	<u>95,123</u>	<u>95,950</u>	<u>99%</u>	<u>110,342</u>	<u>86%</u>
Total clinic operating expenses	<u>166,574</u>	<u>173,219</u>	<u>96%</u>	<u>261,529</u>	<u>64%</u>	<u>32,549</u>	<u>1,287,386</u>	<u>1,398,856</u>	<u>92%</u>	<u>1,163,852</u>	<u>111%</u>	<u>5,156,121</u>	<u>4,892,390</u>	<u>105%</u>	<u>5,019,602</u>	<u>103%</u>
Net operating margin	(2,077)	(3,895)	53%	(227,976)	1%	(74,082)	(1,293,461)	(1,408,581)	92%	(1,173,452)	97%	(3,109,540)	(2,936,223)	106%	(3,484,896)	89%
Allocation of administrative overhead	<u>(81,327)</u>	<u>(98,925)</u>		<u>(68,040)</u>		<u>(5,440)</u>	<u>1,293,461</u>	<u>1,408,581</u>		<u>1,173,452</u>		-	-		-	
Net profit (loss)	<u>(83,404)</u>	<u>(102,820)</u>	<u>81%</u>	<u>(296,016)</u>	<u>28%</u>	<u>(79,522)</u>	-	-		-		<u>(3,109,540)</u>	<u>(2,936,223)</u>	<u>106%</u>	<u>(3,484,896)</u>	<u>89%</u>
Ratios:																
Provider cost as % net revenue	62%	65%		89%		249%						70%	71%		72%	
Clinic op cost as % net revenue	40%	40%		82%		117%						59%	56%		70%	
Overhead cost as % net revenue	20%	23%		21%		20%						19%	23%		21%	
Payer Mix																
Medicare	28.7%	30.1%				51.9%						27.8%	25.2%			
Medicaid / Medi-Cal	18.4%	18.5%				12.7%						24.2%	25.7%			
Commercial	51.3%	50.1%				30.6%						46.2%	47.4%			
Self Pay	1.6%	1.3%				4.8%						1.8%	1.6%			

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 2016 PRELIMINARY

	Jun-16	May-16	Jun-15	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 12,743,818	\$ 16,956,307	\$ 11,497,296	1
PATIENT ACCOUNTS RECEIVABLE - NET	15,974,307	12,103,488	14,854,694	2
OTHER RECEIVABLES	3,591,716	2,832,972	3,228,156	
GO BOND RECEIVABLES	(590,919)	(982,765)	(120,270)	
ASSETS LIMITED OR RESTRICTED	5,569,379	5,220,539	5,479,161	
INVENTORIES	2,670,842	2,365,579	2,317,563	3
PREPAID EXPENSES & DEPOSITS	1,334,694	1,326,172	1,454,115	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,662,503	3,147,972	4,522,927	4
TOTAL CURRENT ASSETS	<u>45,956,340</u>	<u>42,970,264</u>	<u>43,233,642</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	55,888,997	50,888,997	40,730,601	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	2,295,723	
TOTAL BOND TRUSTEE 2002	2	2	2	2
TOTAL BOND TRUSTEE 2006	1,257,013	1,113,902	444,376	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	1,483,252	3,259,544	12,148,491	5
GO BOND TAX REVENUE FUND	3,404,000	3,397,316	2,839,203	
BOARD DESIGNATED FUND	-	-	2,297	
DIAGNOSTIC IMAGING FUND	3,159	2,979	2,969	
DONOR RESTRICTED FUND	1,139,843	1,139,848	1,081,058	
WORKERS COMPENSATION FUND	16,467	14,487	12,798	
TOTAL	64,171,889	60,796,229	59,557,517	
LESS CURRENT PORTION	(5,569,379)	(5,220,539)	(5,479,161)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>58,602,510</u>	<u>55,575,690</u>	<u>54,078,356</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	43,372	202,785	324,395	6
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	128,696,128	126,151,868	131,428,469	
GO BOND CIP, PROPERTY & EQUIPMENT NET	29,053,114	31,098,590	19,220,182	
TOTAL ASSETS	<u>263,187,816</u>	<u>256,835,551</u>	<u>249,121,397</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	543,039	546,271	581,827	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,281,527	2,071,949	1,774,439	7
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,924,669	1,932,307	2,016,320	
GO BOND DEFERRED FINANCING COSTS	298,439	299,623	312,650	
DEFERRED FINANCING COSTS	212,217	213,257	224,700	
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 5,259,890</u>	<u>\$ 5,063,407</u>	<u>\$ 4,909,936</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,711,986	\$ 5,471,732	\$ 5,635,464	8
ACCRUED PAYROLL & RELATED COSTS	9,243,933	8,168,653	8,167,981	9
INTEREST PAYABLE	579,583	492,611	24,117	
INTEREST PAYABLE GO BOND	1,278,486	1,431,935	1,694,846	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	1,155,149	278,649	366,356	10
HEALTH INSURANCE PLAN	1,307,731	1,307,731	1,307,731	
WORKERS COMPENSATION PLAN	1,120,980	404,807	404,807	11
COMPREHENSIVE LIABILITY INSURANCE PLAN	751,298	824,203	824,203	12
CURRENT MATURITIES OF GO BOND DEBT	530,000	530,000	380,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,323,994	2,323,994	1,529,911	
TOTAL CURRENT LIABILITIES	<u>25,003,138</u>	<u>21,234,315</u>	<u>20,335,416</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	29,604,184	29,597,138	31,954,411	
GO BOND DEBT NET OF CURRENT MATURITIES	99,993,493	99,997,435	100,570,802	
DERIVATIVE INSTRUMENT LIABILITY	2,281,527	2,071,949	1,774,439	7
TOTAL LIABILITIES	<u>156,882,342</u>	<u>152,900,837</u>	<u>154,635,068</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	110,425,522	107,858,273	98,315,207	
	<u>1,139,843</u>	<u>1,139,848</u>	<u>1,081,058</u>	
TOTAL NET POSITION	<u>\$ 111,565,365</u>	<u>\$ 108,998,121</u>	<u>\$ 99,396,265</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JUNE 2016 PRELIMINARY

1. Working Capital is at 37.7 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 202.9 days. Working Capital cash decreased a net \$4,212,000. Cash collections exceeded target by 1%, the District received reimbursement of \$1,776,292 for funds advanced on the April and May Measure C projects (Note 5), Accounts Payable (See Note 8) increased \$1,240,000, and Accrued Payroll & Related Costs (See Note 9) increased \$1,075,000. The District moved \$5,000,000 into its Cash Reserve Fund held at LAIF.
2. Net Patient Accounts Receivable increased approximately \$3,871,000. Cash collections were 101% of target. Days in Accounts Receivable are at 57.3 days compared to prior months 52.5 days, a 4.8 days increase. The District reversed the Medi-Cal SNF cut-back after receiving the final ruling the cut-back would not be implemented.
3. Inventories increased \$305,000 after booking the year-end inventory adjustment to our Pharmacy and Surgical Supplies inventories.
4. Estimated Settlements, Medi-Cal & Medicare increased \$1,515,000. The District booked an additional amount due from the State for the SNF Supplemental Reimbursement program, the receivable to participate in the Medi-Cal PRIME IGT program, and the Medi-Cal IGT receivable for FY15 and FY16 program participation.
5. G.O. Bond Project Fund decreased \$1,776,292 after remitting reimbursement to the District for funds advanced on the April and May Measure C projects.
6. Investment in TSC, LLC decreased \$159,000 after booking the Districts 51% share of losses for January through June 2016 activity.
7. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of June.
8. Accounts Payable increased \$1,240,000 due to the timing of the final check run in June and accruing additional FY16 invoices that arrived after the first preliminary close.
9. Accrued Payroll & Related Costs increased \$1,075,000 due to 19 days of accrual in June and the true-up of Deferred Compensation and Pension liabilities.
10. Estimated Settlements, Medi-Cal & Medicare increased \$876,500 after booking an estimated amount due to the Medicare program for FY2016 based on our interim rate review.
11. Workers Compensation Plan IBNR increased \$716,000 after booking an additional amount to the liability account based on the actuarial studies provided by our Third Party Administrator.
12. Comprehensive Liability Insurance decreased \$73,000 after booking an adjustment to the liability based on the year-end IBNR calculation.

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 2016 PRELIMINARY

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VARS	VAR%		ACTUAL	BUDGET	VARS	VAR%	JUNE 2015	
\$ 19,938,133	\$ 16,694,864	\$ 3,243,269	19.4%							
OPERATING REVENUE										
Total Gross Revenue					\$ 220,585,969	\$ 207,251,848	\$ 13,334,121	6.4%	1	\$ 206,838,355
Gross Revenues - Inpatient										
\$ 1,847,716	\$ 1,800,963	\$ 46,753	2.6%		\$ 20,585,535	\$ 21,648,043	\$ (1,062,508)	-4.9%		\$ 20,501,947
3,708,598	3,751,954	(43,357)	-1.2%		43,065,440	46,968,073	(3,902,633)	-8.3%		48,541,196
5,556,314	5,552,917	3,397	0.1%		63,650,975	68,616,116	(4,965,141)	-7.2%	1	69,043,143
Total Gross Revenue - Inpatient										
14,381,819	11,141,947	3,239,872	29.1%		156,934,994	138,635,733	18,299,261	13.2%		137,795,212
14,381,819	11,141,947	3,239,872	29.1%		156,934,994	138,635,733	18,299,261	13.2%	1	137,795,212
Gross Revenue - Outpatient										
Total Gross Revenue - Outpatient										
Deductions from Revenue:										
8,583,472	6,840,770	(1,742,702)	-25.5%		88,985,395	85,031,893	(3,953,502)	-4.6%	2	79,499,338
570,175	545,554	(24,620)	-4.5%		6,877,334	6,770,107	(107,227)	-1.6%	2	6,372,980
-	-	-	0.0%		619,863	-	(619,863)	0.0%	2	-
13,732	402,301	388,568	96.6%		(517,299)	4,981,245	5,498,545	110.4%	2	3,321,783
(3,249,413)	-	3,249,413	0.0%		(5,634,712)	-	5,634,712	0.0%	2	(1,310,360)
5,917,966	7,788,625	1,870,659	24.0%		90,330,581	96,783,245	6,452,664	6.7%		87,883,741
Total Deductions from Revenue										
54,344	59,098	(4,753)	-8.0%		723,104	722,164	940	0.1%		838,496
606,738	536,710	70,028	13.0%		8,174,998	6,620,358	1,554,640	23.5%	3	7,608,921
14,681,249	9,502,046	5,179,203	54.5%		139,153,489	117,811,125	21,342,364	18.1%		127,402,031
TOTAL OPERATING REVENUE										
OPERATING EXPENSES										
3,683,851	3,552,033	(131,818)	-3.7%		43,720,051	43,356,890	(363,161)	-0.8%	4	41,304,998
1,806,200	1,147,079	(659,121)	-57.5%		15,448,607	14,255,982	(1,192,625)	-8.4%	4	13,417,754
736,780	60,541	(676,239)	-1117.0%		1,300,888	726,490	(574,397)	-79.1%	4	10,365
554,059	750,099	196,039	26.1%		7,653,015	9,001,185	1,348,170	15.0%	4	9,070,486
2,187,558	1,400,590	(786,968)	-56.2%		19,492,304	16,727,166	(2,765,138)	-16.5%	5	21,056,005
1,292,272	1,225,069	(67,204)	-5.5%		17,846,795	15,255,639	(2,591,156)	-17.0%	6	17,160,233
1,079,832	837,971	(241,861)	-28.9%		10,945,081	10,422,481	(522,600)	-5.0%	7	11,213,964
560,358	469,440	(90,918)	-19.4%		6,025,247	6,088,994	63,747	1.0%	8	6,977,786
11,900,910	9,442,820	(2,458,090)	-26.0%		122,431,987	115,834,826	(6,597,161)	-5.7%		120,211,591
TOTAL OPERATING EXPENSE										
2,780,339	59,225	2,721,114	4594.5%		16,721,502	1,976,299	14,745,204	746.1%		7,190,440
NET OPERATING REVENUE (EXPENSE) EBIDA										
NON-OPERATING REVENUE/(EXPENSE)										
405,689	393,109	12,580	3.2%		4,738,556	4,704,315	34,241	0.7%	9	4,642,110
392,691	392,691	-	0.0%		4,714,688	4,712,296	2,392	0.1%		4,829,411
42,212	10,435	31,777	304.5%		379,906	208,801	171,105	81.9%	10	281,155
498	225	272	120.9%		18,138	12,549	5,589	44.5%		35,887
35,984	34,671	1,313	3.8%		429,170	416,053	13,117	3.2%	11	648,045
(159,264)	(37,500)	(121,764)	0.0%		(280,874)	(150,000)	(130,874)	0.0%	12	(136,300)
-	-	-	0.0%		-	-	-	0.0%	12	-
2,500	-	2,500	0.0%		10,000	-	10,000	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(1,002,005)	(855,178)	(146,827)	-17.2%		(10,389,000)	(10,262,137)	(126,863)	-1.2%	15	(10,099,035)
(96,617)	(113,923)	17,306	15.2%		(1,400,013)	(1,381,568)	(18,445)	-1.3%	16	(1,673,405)
170,862	(343,933)	514,795	149.7%		(2,772,973)	(3,197,146)	424,173	13.3%		(3,585,511)
(207,450)	(519,403)	311,952	60.1%		(4,552,402)	(4,936,837)	384,435	7.8%		(5,057,643)
TOTAL NON-OPERATING REVENUE/(EXPENSE)										
\$ 2,572,889	\$ (460,177)	\$ 3,033,066	659.1%		\$ 12,169,100	\$ (2,960,538)	\$ 15,129,638	511.0%		\$ 2,132,797
INCREASE (DECREASE) IN NET POSITION					\$ 12,169,100	\$ (2,960,538)	\$ 15,129,638	511.0%		\$ 2,132,797
NET POSITION - BEGINNING OF YEAR					99,396,265					
NET POSITION - AS OF JUNE 30, 2016					\$ 111,565,365					
13.9%	0.4%	13.6%			7.6%	1.0%	6.6%			3.5%
RETURN ON GROSS REVENUE EBIDA					7.6%	1.0%	6.6%			3.5%

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JUNE 2016 PRELIMINARY

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>JUNE 2016</u>	<u>YTD 2016</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget 2.09% or 8 days. Swing Bed days were over budget 370.59% or 63 days. Ancillary revenues fell slightly short of budget due to the lower acuity levels in our Swing patients.	Gross Revenue -- Inpatient	\$ 3,397	\$ (4,962,249)
	Gross Revenue -- Outpatient	3,239,872	18,296,369
	Gross Revenue -- Total	<u>\$ 3,243,269</u>	<u>\$ 13,334,121</u>
Outpatient volumes were above budget in the following departments: Emergency Department visits, Surgical cases, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, MRI exams, Ultrasounds, Cat Scans, PET CTs, Oncology drugs, Physical Therapy, Speech Therapy, and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
The payor mix for June shows a 1.02% increase to Medicare, a 1.92% increase to Medi-Cal, 1.37% decrease to Other, a .02% decrease to County, and an 1.55% decrease to Commercial when compared to budget. Contractual Allowances exceeded budget as a result of revenues exceeding budget by 18.1%, the shift in payor mix from Commercial to Medi-Cal, and booking an amount due to Medicare based on our interim rate review.	Contractual Allowances	\$ (1,742,702)	\$ (3,953,502)
	Charity Care	(24,620)	(107,227)
	Charity Care - Catastrophic	-	(619,863)
	Bad Debt	388,568	5,498,545
	Prior Period Settlements	3,249,413	5,634,712
	Total	<u>\$ 1,870,659</u>	<u>\$ 6,452,664</u>
Positive variance in Prior Period settlements resulted from an amount due from Medicare based on our final desk review audit for FY2014, booking the Medi-Cal IGT receivables for FY15 and FY16, and the reversal of the SNF cut-back.			
3) <u>Other Operating Revenue</u>			
Retail Pharmacy revenues exceeded budget 23.77%.	Retail Pharmacy	\$ 52,880	\$ 148,024
	Hospice Thrift Stores	9,635	9,322
	The Center (non-therapy)	(4,499)	16,652
IVCH ER Physician Guarantee is tied to collections, which exceeded budget in June.	IVCH ER Physician Guarantee	11,507	198,268
	Children's Center	20,526	152,873
	Miscellaneous	(18,771)	996,950
Child Care Center revenues exceeded budget by 31.81% or 258 days.	Oncology Drug Replacement	-	-
	Grants	(1,250)	32,550
Miscellaneous operating revenue fell short of budget in the area of Rebates & Refunds.	Total	<u>\$ 70,028</u>	<u>\$ 1,554,640</u>
4) <u>Salaries and Wages</u>			
	Total	<u>\$ (131,818)</u>	<u>\$ (363,161)</u>
<u>Employee Benefits</u>			
Negative variance in Other related to employer payroll taxes and the year-end adjustment to Accrued Payroll Liabilities.	PL/SL	\$ (50,339)	\$ (188,682)
	Nonproductive	(9,782)	(176,922)
	Pension/Deferred Comp	(396,155)	(403,269)
	Standby	(8,563)	(148,864)
An adjustment to our Deferred Compensation and Pension liabilities at year-end created a negative variance in Pension/Deferred Comp.	Other	(194,282)	(274,888)
	Total	<u>\$ (659,121)</u>	<u>\$ (1,192,625)</u>
<u>Employee Benefits - Workers Compensation</u>			
An adjustment to the WorkComp IBNR was made at year-end, creating a negative variance in Employee Benefits - Workers Compensation.	Total	<u>\$ (676,239)</u>	<u>\$ (574,397)</u>
<u>Employee Benefits - Medical Insurance</u>			
	Total	<u>\$ 196,039</u>	<u>\$ 1,348,170</u>
5) <u>Professional Fees</u>			
Negative variance in Multi-Specialty Clinics related to locums coverage in MSC ENT, MSC Urology, and MSC Gastroenterology, the addition of the MSC Orthopedics, and physician RVU bonus accruals.	Multi-Specialty Clinics	\$ (255,370)	\$ (1,020,048)
	Administration	(184,786)	(833,395)
	Miscellaneous	(66,472)	(470,917)
Legal and Service Line consulting created a negative variance in Administration.	The Center (includes OP Therapy)	(116,174)	(382,225)
	TFH/IVCH Therapy Services	(112,986)	(329,408)
Services provided to TIRHR created a negative variance in Miscellaneous.	Financial Administration	(39,319)	(152,416)
	Multi-Specialty Clinics Admin	(65,207)	(142,806)
	Managed Care	(8,760)	(52,341)
Outpatient Therapy Services revenues exceeded budget by 45.89%, creating a negative variance in The Center (includes OP Therapy).	Home Health/Hospice	(2,200)	(11,337)
	IVCH ER Physicians	(680)	(5,449)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
Accrual of additional monies due to our outsourced Therapy company created a negative variance in TFH/IVCH Therapy Services.	Respiratory Therapy	200	1,225
	TFH Locums	20,880	8,427
	Sleep Clinic	762	14,959
Financial and Strategic Planning services provided to Financial Administration created a negative variance in this category.	Marketing	2,375	28,500
	Oncology	2,179	48,683
	Information Technology	1,984	59,738
Interim Management over the Multi-Specialty Clinics created a negative variance in Multi-Specialty Clinics Admin.	Medical Staff Services	6,341	106,420
	Corporate Compliance	3,654	154,834
	Human Resources	26,613	212,417
	Total	<u>\$ (786,968)</u>	<u>\$ (2,765,138)</u>

6) Supplies

The year-end adjustment to Pharmacy inventory was made based on physical inventory counts performed by an outsourced company. This created a positive variance in Pharmacy Supplies.

Surgical Services revenues exceeded budget by 13.36%, creating a negative variance in Patient & Other Medical Supplies.

Small equipment purchases for MSC Urology, Housekeeping, Inpatient Pharmacy, Engineering, Information Technology, and Administration created a negative variance in Minor Equipment.

Office Supply purchases for MSC Orthopedics, MSC GI, Copy Machine, Patient Financial Services, Patient Admitting, Medical Records, and the Wellness Neighborhood created a negative variance in this category.

Pharmacy Supplies	\$ 134,933	\$ (2,085,762)
Patient & Other Medical Supplies	(151,861)	(258,811)
Minor Equipment	(33,926)	(101,647)
Office Supplies	(19,835)	(92,585)
Food	71	(86,757)
Imaging Film	419	(1,158)
Other Non-Medical Supplies	2,996	35,564
Total	\$ (67,204)	\$ (2,591,156)

7) Purchased Services

Negative variance in Miscellaneous related to expenses for the software upgrade for Patient Admitting, the Wellness Neighborhood, Community Health, IVCH Foundation for Philanthropic consulting services, and Accounting for credit card fees.

Accrual of invoices for outsourced laboratory testing created a negative variance in Laboratory.

Services provided for our 340B audit and the year-end inventory count created a negative variance in Pharmacy IP.

Employee Health screenings and an employee engagement survey created a negative variance in Human Resources.

Expenses related to software support, office cleaning, transcription services, and I/T support for MSC Orthopedics created a negative variance in Multi-Specialty Clinics. These are unbudgeted expenses in FY16.

Collection agency fees exceeded budget in June, creating a negative variance in Patient Accounting.

Miscellaneous	\$ (150,409)	\$ (562,705)
Department Repairs	(5,551)	(99,503)
Laboratory	(16,710)	(94,021)
Diagnostic Imaging Services - All	(7,529)	(54,865)
Medical Records	(142)	(38,032)
The Center	5,618	(33,592)
Pharmacy IP	(16,209)	(27,903)
Human Resources	(22,252)	(17,133)
Multi-Specialty Clinics	(12,588)	(7,330)
Community Development	392	4,677
Hospice	(505)	22,253
Patient Accounting	(26,747)	139,189
Information Technology	10,773	246,363
Total	\$ (241,861)	\$ (522,600)

8) Other Expenses

Leadership training, Patient Admitting training on the software upgrade, Information Technology site visits, MSC Locums travel, and training for Women & Family staff created a negative variance in Outside Training & Travel.

Negative variance in Recruitment fees and related expenses for the Chief Operating Officer position created a negative variance in Human Resources Recruitment.

Accrual of estimated rental expense for the location housing MSC Orthopedics created a negative variance in Multi-Specialty Clinics Building Rent.

Advertising for Foundation activities, Media Branding, Yellow Page advertising, and marketing for Incline Village Community Hospital created a negative variance in Marketing.

Postage and interdepartmental transfers of food and pantry items created a negative variance in Miscellaneous.

Positive variance in Utilities related to a large credit received from our communications carrier.

An adjustment was made to the Comprehensive Liability IBNR at year-end, creating a positive variance in Insurance.

Outside Training & Travel	\$ (58,634)	\$ (96,662)
Human Resources Recruitment	(42,892)	(72,057)
Equipment Rent	(2,447)	(59,130)
Dues and Subscriptions	(147)	(46,428)
Multi-Specialty Clinics Bldg Rent	(30,408)	(45,697)
Other Building Rent	(2,457)	(18,777)
Multi-Specialty Clinics Equip Rent	27	(928)
Physician Services	(1,099)	(711)
Innovation Fund	-	-
Marketing	(31,418)	64,398
Miscellaneous	(40,902)	101,864
Utilities	44,954	116,270
Insurance	74,505	121,604
Total	\$ (90,918)	\$ 63,747

9) District and County Taxes

Total	\$ 12,580	\$ 34,241
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10) Interest Income

Total	\$ 31,777	\$ 171,105
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11) Donations

IVCH	\$ (4,333)	\$ (16,344)
Operational	5,646	29,461
Capital Campaign		
Total	1,313	13,117

12) Gain/(Loss) on Joint Investment

The District recorded its 51% share of losses in the Truckee Surgery Center for the months of January through June, creating a negative variance in this category.

Total	\$ (121,764)	\$ (130,874)
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13) Gain/(Loss) on Sale

Total	\$ 2,500	\$ 10,000
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14) Depreciation Expense

True-up of FY16 year-end depreciation expense created a negative variance in Depreciation Expense.

Total	\$ (146,827)	\$ (126,863)
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16) Interest Expense

Interest Payable 2002 Revenue Bonds was true-d-up at year-end, creating a positive variance in Interest Expense.

Total	\$ 17,306	\$ (18,445)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JUNE 2016 PRELIMINARY

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JUNE 2015	
OPERATING REVENUE										
\$ 1,437,925	\$ 1,220,988	\$ 216,937	17.8%	Total Gross Revenue	\$ 17,295,773	\$ 15,018,475	\$ 2,277,297	15.2%	1	\$ 14,797,824
Gross Revenues - Inpatient										
\$ -	\$ -	\$ -	0.0%	Daily Hospital Service	\$ 45,711	\$ 35,133	\$ 10,578	30.1%		\$ 33,538
290	2,319	(2,029)	-87.5%	Ancillary Service - Inpatient	60,334	54,128	6,206	11.5%		55,135
290	2,319	(2,029)	-87.5%	Total Gross Revenue - Inpatient	106,045	89,261	16,784	18.8%	1	88,673
1,437,635	1,218,669	218,966	18.0%	Gross Revenue - Outpatient	17,189,727	14,929,215	2,260,513	15.1%		14,709,151
1,437,635	1,218,669	218,966	18.0%	Total Gross Revenue - Outpatient	17,189,727	14,929,215	2,260,513	15.1%	1	14,709,151
Deductions from Revenue:										
625,281	335,754	(289,527)	-86.2%	Contractual Allowances	5,754,666	4,119,019	(1,635,648)	-39.7%	2	4,106,515
47,526	42,653	(4,873)	-11.4%	Charity Care	575,449	522,523	(52,926)	-10.1%	2	479,403
-	-	-	0.0%	Charity Care - Catastrophic Events	70,529	-	(70,529)	0.0%	2	-
69,275	85,307	16,032	18.8%	Bad Debt	641,736	1,045,045	403,309	38.6%	2	1,088,696
-	-	-	0.0%	Prior Period Settlements	(199,758)	-	199,758	0.0%	2	(100,552)
742,082	463,714	(278,368)	-60.0%	Total Deductions from Revenue	6,842,622	5,686,586	(1,156,035)	-20.3%	2	5,574,062
72,244	62,985	9,259	14.7%	Other Operating Revenue	978,564	762,270	216,295	28.4%	3	858,988
768,087	820,259	(52,171)	-6.4%	TOTAL OPERATING REVENUE	11,431,715	10,094,158	1,337,557	13.3%		10,082,750
OPERATING EXPENSES										
250,916	249,418	(1,498)	-0.6%	Salaries and Wages	3,034,431	3,088,376	53,945	1.7%	4	2,910,654
119,221	81,769	(37,452)	-45.8%	Benefits	1,050,722	1,076,742	26,020	2.4%	4	1,005,609
2,494	2,490	(4)	-0.2%	Benefits Workers Compensation	26,172	29,883	3,711	12.4%	4	(7,587)
34,931	47,919	12,988	27.1%	Benefits Medical Insurance	489,814	575,027	85,213	14.8%	4	611,273
270,992	236,076	(34,916)	-14.8%	Professional Fees	2,789,048	2,786,497	(2,551)	-0.1%	5	2,502,507
123,007	50,760	(72,246)	-142.3%	Supplies	921,388	621,129	(300,258)	-48.3%	6	611,481
50,899	39,820	(11,078)	-27.8%	Purchased Services	506,758	496,515	(10,244)	-2.1%	7	499,880
49,110	51,711	2,601	5.0%	Other	681,616	624,509	(57,107)	-9.1%	8	597,960
901,570	759,964	(141,606)	-18.6%	TOTAL OPERATING EXPENSE	9,499,949	9,298,678	(201,271)	-2.2%		8,731,776
(133,483)	60,294	(193,777)	-321.4%	NET OPERATING REV(EXP) EBIDA	1,931,766	795,480	1,136,286	142.8%		1,350,973
NON-OPERATING REVENUE/(EXPENSE)										
-	4,333	(4,333)	-100.0%	Donations-IVCH	35,656	51,999	(16,344)	-31.4%	9	22,091
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(37,190)	(58,359)	21,170	-36.3%	Depreciation	(653,210)	(700,312)	47,102	-6.7%	11	(652,335)
(37,190)	(54,026)	16,837	31.2%	TOTAL NON-OPERATING REVENUE/(EXP)	(617,555)	(648,313)	30,758	4.7%		(630,245)
\$ (170,672)	\$ 6,268	\$ (176,941)	-2822.8%	EXCESS REVENUE(EXPENSE)	\$ 1,314,211	\$ 147,167	\$ 1,167,044	793.0%		\$ 720,729
-9.3%	4.9%	-14.2%		RETURN ON GROSS REVENUE EBIDA	11.2%	5.3%	5.9%			9.1%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JUNE 2016 PRELIMINARY**

		Variance from Budget	
		Fav<Unfav>	
		JUNE 2016	YTD 2016
1) <u>Gross Revenues</u>			
Acute Patient Days were at budget at 0 and Observation Days were at budget at 2.	Gross Revenue -- Inpatient	\$ (2,029)	\$ 16,784
	Gross Revenue -- Outpatient	218,966	2,260,513
		\$ 216,937	\$ 2,277,297
Outpatient volumes were above budget in Emergency Department visits, Surgical cases, Laboratory tests, Radiology exams, Cat Scans, Pharmacy units, Physical Therapy and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with an 2.00% decrease in Commercial Insurance, a 3.64% decrease in Medicare, a 8.61% increase in Medicaid, a 2.96% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 17.8% and the shift in payor mix to Medicaid from Medicare and Commercial.	Contractual Allowances	\$ (289,527)	\$ (1,635,648)
	Charity Care	(4,873)	(52,926)
	Charity Care-Catastrophic Event	-	(70,529)
	Bad Debt	16,032	403,309
	Prior Period Settlement	-	199,758
	Total	\$ (278,368)	\$ (1,156,035)
3) <u>Other Operating Revenue</u>			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in June.	IVCH ER Physician Guarantee	\$ 11,507	\$ 198,268
	Miscellaneous	(2,248)	18,026
	Total	\$ 9,259	\$ 216,295
4) <u>Salaries and Wages</u>			
	Total	\$ (1,498)	\$ 53,945
<u>Employee Benefits</u>			
An adjustment to our Deferred Compensation and Pension liabilities at year-end created a negative variance in Pension/Deferred Comp.	PL/SL	\$ 1,134	\$ 48,747
	Standby	4,434	21,019
	Other	(14,274)	(25,304)
	Nonproductive	(1,098)	6,801
	Pension/Deferred Comp	(27,648)	(25,244)
	Total	\$ (37,452)	\$ 26,020
<u>Employee Benefits - Workers Compensation</u>			
	Total	\$ (4)	\$ 3,711
<u>Employee Benefits - Medical Insurance</u>			
	Total	\$ 12,988	\$ 85,213
5) <u>Professional Fees</u>			
Services provided for project management oversight created a negative variance in Administration.	Administration	\$ (3,071)	\$ (18,705)
	Therapy Services	(37,437)	(16,996)
	Multi-Specialty Clinics	(983)	(9,782)
	IVCH ER Physicians	(680)	(5,449)
	Miscellaneous	(305)	895
	Sleep Clinic	762	14,959
	Foundation	6,800	32,528
	Total	\$ (34,916)	\$ (2,551)
6) <u>Supplies</u>			
Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 19.72%, creating a negative variance in Patient & Other Medical Supplies. An adjustment to the year-end Surgical Supplies inventory assisted in the negative variance.	Patient & Other Medical Supplies	\$ (53,585)	\$ (156,867)
	Pharmacy Supplies	(14,657)	(107,691)
	Minor Equipment	(2,918)	(19,989)
	Food	(1,005)	(12,460)
	Office Supplies	(1,969)	(3,896)
	Imaging Film	144	238
	Non-Medical Supplies	1,744	406
	Total	\$ (72,246)	\$ (300,258)
Drugs Sold to Patients revenue exceeded budget by 26.72%, creating a negative variance in Pharmacy Supplies. The year-end adjustment to pharmacy inventory was posted based on our contracted vendor report which aided in the negative variance.			

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JUNE 2016 PRELIMINARY**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>JUNE 2016</u>	<u>YTD 2016</u>
7) <u>Purchased Services</u>	Laboratory	\$ 1,589	\$ (16,169)
Outsourced services provided to the Foundation to optimize its Philanthropic activities created a negative variance in Foundation.	Foundation	(6,962)	(12,001)
	EVS/Laundry	(894)	(5,872)
	Department Repairs	(928)	(2,427)
Negative variance in Diagnostic Imaging Services - All related to maintenance services for the Cat Scan machine.	Pharmacy	-	(99)
	Diagnostic Imaging Services - All	(5,542)	(1)
	Surgical Services	-	-
	Miscellaneous	(1,068)	1,244
	Multi-Specialty Clinics	580	5,665
	Engineering/Plant/Communications	2,147	19,416
	Total	\$ (11,078)	\$ (10,244)
8) <u>Other Expenses</u>	Equipment Rent	\$ (3,342)	\$ (83,034)
Oxygen tank rentals for Respiratory Therapy created a negative variance in Equipment Rent.	Dues and Subscriptions	(489)	(5,722)
	Utilities	99	(1,054)
Negative variance in Marketing related to advertising the hospital's services in local magazines.	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
Positive variance in Insurance related to the year-end adjustment to the Comprehensive Liability IBNR.	Marketing	(7,812)	455
	Outside Training & Travel	2,034	2,086
	Other Building Rent	871	4,353
	Insurance	8,508	10,958
	Miscellaneous	2,732	14,852
	Total	\$ 2,601	\$ (57,107)
9) <u>Donations</u>	Total	\$ (4,333)	\$ (16,344)
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ 21,170	\$ 47,102
True-up of FY16 year-end depreciation expense created a positive variance in this category.			

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2015	BUDGET FYE 2016	PRELIMINARY FYE 2016	PRELIMINARY JUNE 2016	BUDGET JUNE 2016	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	ACTUAL 3RD QTR	PRELIMINARY 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 16,721,502	\$ 2,780,339	\$ 59,225	\$ 2,721,114	\$ 4,890,732	\$ 2,113,378	\$ 8,328,650	\$ 1,388,742
Interest Income	97,528	107,488	160,650	-	-	-	29,198	33,631	42,916	54,905
Property Tax Revenue	5,352,075	5,420,000	6,120,218	5,743	-	5,743	309,907	78,742	3,316,470	2,415,099
Donations	757,929	923,000	702,906	13,764	60,000	(46,236)	76,191	164,788	188,329	273,598
Debt Service Payments	(3,505,561)	(3,565,581)	(3,337,634)	(143,841)	(247,478)	103,637	(1,069,568)	(742,436)	(886,831)	(638,799)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,140,012)	-	(103,637)	103,637	(310,912)	(310,912)	(310,912)	(207,275)
Copier	(8,962)	(8,760)	(8,758)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(483,555)	-	-	-	(327,132)	-	(156,423)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,705,309)	(143,111)	(143,111)	(0)	(429,334)	(429,334)	(417,306)	(429,334)
Physician Recruitment	(155,902)	(311,000)	(263,769)	-	-	-	(216,785)	(5,884)	-	(41,100)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,495,214)	(371,307)	(232,553)	(138,754)	(302,633)	(286,725)	(221,705)	(684,151)
Municipal Lease Reimbursement	-	2,295,723	1,319,139	-	-	-	1,319,139	-	-	-
GO Bond Project Personal Property	(186,062)	(500,180)	(432,135)	(210,023)	(50,000)	(160,023)	(8,587)	(8,029)	(14,334)	(401,185)
IT	(1,394,200)	(559,300)	(888,802)	(182,162)	(261,275)	79,123	(318,453)	(193,238)	(79,501)	(297,610)
Building Projects	(2,218,063)	(4,487,480)	(2,191,470)	(448,220)	(176,354)	(271,866)	(337,663)	(674,563)	(506,786)	(672,458)
Health Information/Business System	(230,852)	(500,000)	(92,807)	-	-	-	(1,623)	(18,375)	(37,104)	(35,705)
Capital Investments										
Properties	(600,000)	-	-	-	(10,000)	10,000	-	-	-	-
Measure C Scope Modifications	-	(749,287)	-	-	-	-	-	-	-	-
Change in Accounts Receivable	2,648,682	282,832	N1 (1,119,613)	(3,870,819)	(460,876)	(3,409,943)	522,392	(891,685)	(2,247,607)	1,497,287
Change in Settlement Accounts	(2,438,657)	500,000	N2 749,070	(638,031)	1,368,532	(2,006,563)	623,667	(1,173,529)	1,631,801	(332,869)
Change in Other Assets	(1,717,188)	(768,000)	N3 (2,488,729)	1,449,554	61,519	1,388,035	(1,531,558)	(1,562,214)	435,078	169,965
Change in Other Liabilities	(30,538)	(71,000)	N4 2,950,987	2,402,505	(338,757)	2,741,262	247,630	(648,182)	425,956	2,925,583
Change in Cash Balance	1,078,371	(1,347,550)	16,404,918	787,512	(228,017)	1,015,529	4,247,906	(3,814,322)	10,376,609	5,594,725
Beginning Unrestricted Cash	50,951,760	52,227,897	52,227,897	67,845,304	67,845,304	-	52,227,897	56,475,803	52,661,481	63,038,090
Ending Unrestricted Cash	52,227,897	50,880,347	68,632,815	68,632,815	67,617,287	1,015,529	56,475,803	52,661,481	63,038,090	68,632,815
Expense Per Day	333,932	321,141	338,323	338,323	320,219	18,105	317,753	322,438	328,657	338,323
Days Cash On Hand	156	158	203	203	211	(7)	178	163	192	203

Footnotes:

- N1 - Change in Accounts Receivable reflects the 30 day delay in collections. For example, in July 2015 we are collecting June 2015.
- N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.
- N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.
- N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	HOME HEALTH				HOSPICE			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)		ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)	
			BUDGET	PRIOR YTD JUNE 2015			BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	1,878,388	2,127,259	(248,870)	1,802,671	1,400,508	1,810,238	(409,730)	1,429,513
Deduction From Rev	1,083,199	1,226,713	143,515	991,772	759,257	981,384	222,127	740,042
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	795,190	900,545	(105,356)	810,899	641,251	828,854	(187,603)	689,471
Operating Expense:								
Salaries	726,227	549,927	(176,300)	611,033	272,504	464,487	191,983	333,138
Benefits	433,203	295,718	(137,485)	297,712	255,063	287,821	32,758	289,403
Professional Fees	387	600	213	329	23,550	12,000	(11,550)	16,550
Supplies	27,231	17,435	(9,796)	18,811	39,822	76,419	36,596	70,183
Purchased Services	50,869	55,500	4,631	53,762	44,228	66,480	22,253	65,868
Other Expenses	30,199	25,729	(4,470)	25,705	38,143	52,409	14,266	53,087
Total Operating Expenses	1,268,117	944,909	(323,208)	1,007,352	673,310	959,616	286,306	828,229
Net Operating Rev (Exp)	(472,928)	(44,364)	(428,564)	(196,453)	(32,059)	(130,762)	98,703	(138,758)
Non - Operating Rev / (Exp)								
Donations	25	-	25	-	32,791	28,800	3,991	23,337
Thrift Store Net Income	-	-	-	-	419,537	378,154	41,383	424,388
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(12,724)	(12,724)	-	(17,778)	(6,453)	(6,453)	-	(7,217)
Total Non-Operating Rev/(Exp)	(12,699)	(12,724)	25	(17,778)	445,875	400,501	45,374	440,508
Net Income/(Loss)	(485,627)	(57,088)	(428,539)	(214,231)	413,816	269,738	144,077	301,750
Units	3,555	3,710	(155)	3,575	3,230	4,340	(1,110)	3,666
Gross Revenue/Unit	528.38	573.39	(45.01)	504.24	433.59	417.11	16.49	389.94
Total Operating Expense/Unit	356.71	254.69	(102.02)	281.78	208.46	221.11	12.65	225.92

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	CHILDRENS CENTER				OCCUPATIONAL HEALTH			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)		ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)	
			BUDGET	PRIOR YTD JUNE 2015			BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	916,293	763,419	152,873	851,406	572,556	547,776	24,781	542,787
Deduction From Rev	-	-	-	-	113,483	108,571	(4,912)	142,798
Other Operating Revenue	-	-	-	-	380	100	280	99
Total Operating Revenue	916,293	763,419	152,873	851,406	459,454	439,304	20,149	400,088
Operating Expense:								
Salaries	444,279	413,218	(31,061)	404,713	192,955	140,760	(52,195)	150,835
Benefits	301,992	318,890	16,898	315,333	89,698	71,573	(18,125)	70,005
Professional Fees	-	-	-	-	108,672	9,600	(99,072)	10,592
Supplies	29,479	17,329	(12,150)	21,285	63,547	40,590	(22,957)	39,042
Purchased Services	34,535	18,280	(16,255)	21,085	130,633	127,370	(3,263)	137,921
Other Expenses	42,205	34,146	(8,059)	35,419	45,462	32,209	(13,253)	33,376
Total Operating Expenses	852,489	801,862	(50,628)	797,835	630,967	422,102	(208,865)	441,771
Net Operating Rev (Exp)	63,803	(38,442)	102,246	53,571	(171,514)	17,202	(188,715)	(41,683)
Non - Operating Rev / (Exp)								
Donations	500	3,000	(2,500)	14,285	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	(235,811)	(223,000)	(12,812)	(223,518)	-	-	-	-
Depreciation	(49,626)	(47,907)	(1,719)	(43,338)	-	-	-	-
Total Non-Operating Rev/(Exp)	(284,937)	(267,907)	(17,031)	(252,571)	-	-	-	-
Net Income/(Loss)	(221,134)	(306,349)	85,215	(199,000)	(171,514)	17,202	(188,715)	(41,683)
Units	21,156	19,000	2,156	19,327	2,929	2,600	329	2,731
Gross Revenue/Unit	43.31	40.18	3.13	44.05	195.48	210.68	-15.20	198.75
Total Operating Expense/Unit	40.30	42.20	1.91	41.28	215.42	162.35	(53.07)	161.76

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	HEALTH CLINIC				RETAIL PHARMACY			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	640,760	529,502	111,258	557,013	2,857,148	2,709,124	148,024	2,694,624
Deduction From Rev	426,635	352,556	(74,079)	378,910	984,609	1,006,862	22,253	936,157
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	214,125	176,946	37,180	178,103	1,872,539	1,702,262	170,277	1,758,467
Operating Expense:								
Salaries	317,517	355,654	38,137	330,899	357,333	387,932	30,599	333,387
Benefits	192,165	170,649	(21,516)	157,752	187,941	192,125	4,184	184,981
Professional Fees	5,400	9,600	4,200	10,850	22,595	-	(22,595)	-
Supplies	23,082	18,987	(4,095)	16,983	1,530,978	1,477,134	(53,845)	1,424,754
Purchased Services	15,690	15,492	(198)	17,682	82,007	32,700	(49,307)	33,052
Other Expenses	22,115	22,892	777	20,669	78,783	66,290	(12,493)	65,367
Total Operating Expenses	575,969	593,273	17,304	554,835	2,259,638	2,156,180	(103,457)	2,041,541
Net Operating Rev (Exp)	(361,843)	(416,328)	54,484	(376,732)	(387,099)	(453,919)	66,820	(283,074)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Thrift Store Net Income	-	-	-	-	-	-	-	-
Employee Benefit - EE Discounts	-	-	-	-	-	-	-	-
Depreciation	(501)	-	(501)	(501)	-	-	-	-
Total Non-Operating Rev/(Exp)	(501)	-	(501)	(501)	-	-	-	-
Net Income/(Loss)	(362,344)	(416,328)	53,983	(377,233)	(387,099)	(453,919)	66,820	(283,074)
Units	3,709	3,300	409	3,402	28,143	27,400	743	26,185
Gross Revenue/Unit	172.76	160.46	12.30	163.73	101.52	98.87	2.65	102.91
Total Operating Expense/Unit	155.29	179.78	24.49	163.09	80.29	78.69	(1.60)	77.97

Employee Drug Plan

Plan Costs	(862,490)
Captured through Retail Rx	643,467
Net Plan Costs	(219,023)

Net Operating Income	(387,099)
Net Employee Drug Plan Costs	(219,023)
Net Financial Position	(606,122)

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	TOTAL SEPARATE BUSINESS ENTITIES			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	8,265,653	8,487,317	(221,664)	7,878,014
Deduction From Rev	3,367,182	3,676,086	308,904	3,189,679
Other Operating Revenue	380	100	280	99
Total Operating Revenue	4,898,850	4,811,330	87,520	4,688,434
<u>Operating Expense:</u>				
Salaries	2,310,815	2,311,977	1,162	2,164,005
Benefits	1,460,062	1,336,776	(123,286)	1,315,186
Professional Fees	160,603	31,800	(128,803)	38,321
Supplies	1,714,139	1,647,893	(66,247)	1,591,058
Purchased Services	357,963	315,822	(42,141)	329,370
Other Expenses	256,907	233,675	(23,232)	233,623
Total Operating Expenses	6,260,490	5,877,943	(382,547)	5,671,563
Net Operating Rev (Exp)	(1,361,640)	(1,066,613)	(295,027)	(983,129)
<u>Non - Operating Rev / (Exp)</u>				
Donations	33,316	31,800	1,516	37,622
Thrift Store Net Income	419,537	378,154	41,383	424,388
Employee Benefit - EE Discounts	(235,811)	(223,000)	(12,812)	(223,518)
Depreciation	(69,303)	(67,084)	(2,219)	(68,834)
Total Non-Operating Rev/(Exp)	147,738	119,870	27,868	169,658
Net Income/(Loss)	(1,213,902)	(946,743)	(267,159)	(813,471)
Units	62,722	60,350	2,372	58,886
Gross Revenue/Unit	131.78	140.63	(8.85)	133.78
Total Operating Expense/Unit	99.81	97.40	2.42	96.31

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	THERAPY SERVICES				SPORTS PERFORMANCE LAB					
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)		PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE)		PRIOR YTD JUNE 2015
			BUDGET	BUDGET				BUDGET	BUDGET	
Gross Operating Revenue	\$ 4,754,618	\$ 3,815,931	\$ 938,687	\$ 4,201,793	\$ 39,136	\$ 11,000	\$ 28,137	\$ 25,354		
Deduction From Rev	1,573,779	1,263,073	(310,705)	1,390,793	-	-	-	-		
Other Operating Revenue	1,559	-	1,559	1,427	-	-	-	-		
Total Operating Revenue	\$ 3,182,399	\$ 2,552,858	\$ 629,541	\$ 2,812,427	\$ 39,136	\$ 11,000	\$ 28,137	\$ 25,354		
Operating Expense:										
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ -	\$ (4,445)	\$ 2,816		
Benefits	404	-	(404)	-	646	-	(646)	2,120		
Professional Fees	1,855,334	1,480,784	(374,550)	1,645,512	-	-	-	-		
Supplies	38,856	36,352	(2,504)	39,465	150	5,132	4,982	4,036		
Purchased Services	72,726	68,293	(4,433)	77,991	24,787	8,800	(15,987)	10,058		
Other Expenses	1,891	6,851	4,960	2,733	-	-	-	-		
Total Operating Expenses	\$ 1,969,211	\$ 1,592,279	\$ (376,932)	\$ 1,765,701	\$ 30,027	\$ 13,932	\$ (16,095)	\$ 19,030		
Net Operating Rev (Exp)	\$ 1,213,188	\$ 960,579	\$ 252,609	\$ 1,046,726	\$ 9,109	\$ (2,932)	\$ 12,041	\$ 6,324		
Non - Operating Rev / (Exp)										
Donations	-	-	-	-	-	-	-	-		
Depreciation	(5,653)	(5,653)	-	(8,034)	-	-	-	-		
Total Non-Operating Rev/(Exp)	(5,653)	(5,653)	-	(8,034)	-	-	-	-		
Net Income/(Loss)	\$ 1,207,534	\$ 954,925	\$ 252,609	\$ 1,038,693	\$ 9,109	\$ (2,932)	\$ 12,041	\$ 6,324		
Overhead Allocation Based on Sq Ft	\$ (211,028)	\$ (219,578)	8,549	(205,402)	\$ (58,133)	\$ (60,488)	2,355	\$ (56,583)		
Adjusted Net Income/(Loss)	\$ 996,506	\$ 735,348	\$ 261,158	\$ 833,290	\$ (49,024)	\$ (63,420)	\$ 14,396	\$ (50,259)		
Units	60,889	51,100	9,789	55,670	611	200	\$ 411	742		
Gross Revenue/Unit	\$ 78.09	\$ 74.68	\$ 3.41	\$ 75.48	\$ 64.05	\$ 55.00	\$ 9.05	\$ 34.17		
Total Operating Expense/Unit	\$ 35.81	\$ 35.46	\$ (0.35)	\$ 35.41	\$ 144.29	\$ 372.10	\$ 227.81	\$ 101.90		

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	FITNESS CENTER				HP/EDUCATION/WELLNESS			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	\$ 172,082	\$ 174,000	\$ (1,917)	\$ 180,428	\$ 16,751	\$ 16,600	\$ 152	\$ 15,182
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 172,082	\$ 174,000	\$ (1,917)	\$ 180,428	\$ 16,751	\$ 16,600	\$ 152	\$ 15,182
Operating Expense:								
Salaries	\$ 1,468	\$ -	\$ (1,468)	\$ -	\$ 30,869	\$ 12,688	\$ (18,180)	\$ 22,373
Benefits	112	-	(112)	-	7,682	9,418	1,735	8,587
Professional Fees	-	-	-	-	-	-	-	-
Supplies	2,232	4,637	2,405	3,684	5,041	5,896	855	6,277
Purchased Services	149,571	141,120	(8,451)	191,319	11,079	15,380	4,301	19,866
Other Expenses	-	-	-	-	4,713	4,076	(637)	3,695
Total Operating Expenses	\$ 153,383	\$ 145,757	\$ (7,627)	\$ 195,003	\$ 59,383	\$ 47,457	\$ (11,926)	\$ 60,798
Net Operating Rev (Exp)	\$ 18,699	\$ 28,243	\$ (9,544)	\$ (14,575)	\$ (42,632)	\$ (30,858)	\$ (11,775)	\$ (45,616)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	(3,686)	(3,686)	-	(5,447)	-	-	-	(842)
Total Non-Operating Rev/(Exp)	(3,686)	(3,686)	-	(5,447)	-	-	-	(842)
Net Income/(Loss)	\$ 15,013	\$ 24,557	\$ (9,544)	\$ (20,022)	\$ (42,632)	\$ (30,858)	\$ (11,775)	\$ (46,458)
Overhead Allocation Based on Sq Ft	\$ (111,887)	\$ (116,420)	4,533	\$ (108,904)	\$ (161,651)	\$ (168,200)	6,549	\$ (157,342)
Adjusted Net Income/(Loss)	\$ (96,874)	\$ (91,863)	\$ (5,011)	\$ (128,926)	\$ (204,284)	\$ (199,058)	\$ (5,226)	\$ (203,800)
Units	2,552	2,600	(48)	2,677	1,372	1,780	(408)	2,132
Gross Revenue/Unit	\$ 67.43	\$ 66.92	\$ 0.51	\$ 67.40	\$ 12.21	\$ 9.33	\$ 2.88	\$ 7.12
Total Operating Expense/Unit	\$ 103.95	\$ 100.84	\$ (3.11)	\$ 113.53	\$ 161.10	\$ 121.16	\$ (39.95)	\$ 102.32

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	OCCUPATIONAL HEALTH TESTING				CENTER OPERATIONS			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	\$ 105,153	\$ 116,431	\$ (11,278)	\$ 114,828	\$ -	\$ -	\$ -	\$ -
Deduction From Rev	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 105,153	\$ 116,431	\$ (11,278)	\$ 114,828	\$ -	\$ -	\$ -	\$ -
Operating Expense:								
Salaries	\$ 51,726	\$ 13,622	\$ (38,103)	\$ 12,380	\$ -	\$ -	\$ -	\$ -
Benefits	24,423	9,117	(15,306)	7,662	-	-	-	-
Professional Fees	-	-	-	-	37,675	30,000	(7,675)	23,530
Supplies	216	205	(10)	296	1,300	561	(739)	505
Purchased Services	25,392	21,045	(4,347)	22,089	24,908	21,341	(3,567)	21,389
Other Expenses	22	600	578	620	366,184	396,251	30,067	376,243
Total Operating Expenses	\$ 101,778	\$ 44,589	\$ (57,189)	\$ 43,047	\$ 430,068	\$ 448,154	\$ 18,086	\$ 421,667
Net Operating Rev (Exp)	\$ 3,375	\$ 71,842	\$ (68,467)	\$ 71,781	\$ (430,068)	\$ (448,154)	\$ 18,086	\$ (421,667)
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	(152,365)	(157,875)	5,510	(145,239)
Total Non-Operating Rev/(Exp)	-	-	-	-	(152,365)	(157,875)	5,510	(145,239)
Net Income/(Loss)	\$ 3,375	\$ 71,842	\$ (68,467)	\$ 71,781	\$ (582,433)	\$ (606,029)	\$ 23,596	\$ (566,906)
Overhead Allocation Based on Sq Ft	\$ -	\$ -	\$ -	\$ -	\$ 542,699	\$ 564,686	(21,986)	\$ 528,232
Adjusted Net Income/(Loss)	\$ 3,375	\$ 71,842	\$ (68,467)	\$ 71,781	\$ (39,734)	\$ (41,343)	1,610	\$ (38,674)
Units	1,346	1,380	(34)	1,257				
Gross Revenue/Unit	\$ 78.12	\$ 84.37	\$ (6.25)	\$ 91.35				
Total Operating Expense/Unit	\$ 75.62	\$ 32.31	\$ (43.30)	\$ 34.25				

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	TOTAL CENTER FOR HEALTH & SPORTS PERFORMANCE			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	\$ 5,087,740	\$ 4,133,961	\$ 953,780	\$ 4,537,585
Deduction From Rev	1,573,779	1,263,073	(310,705)	1,390,793
Other Operating Revenue	1,559	-	1,559	1,427
Total Operating Revenue	\$ 3,515,521	\$ 2,870,887	\$ 644,634	\$ 3,148,219
<u>Operating Expense:</u>				
Salaries	\$ 88,507	\$ 26,311	\$ (62,196)	\$ 37,569
Benefits	33,268	18,534	(14,734)	18,369
Professional Fees	1,893,009	1,510,784	(382,225)	1,669,042
Supplies	47,794	52,783	4,989	54,263
Purchased Services	308,463	275,979	(32,484)	342,712
Other Expenses	372,810	407,777	34,967	383,291
Total Operating Expenses	\$ 2,743,851	\$ 2,292,168	\$ (451,683)	\$ 2,505,246
Net Operating Rev (Exp)	\$ 771,670	\$ 578,720	\$ 192,951	\$ 642,973
<u>Non - Operating Rev / (Exp)</u>				
Donations	-	-	-	-
Depreciation	(161,704)	(167,214)	5,510	(159,561)
Total Non-Operating Rev/(Exp)	(161,704)	(167,214)	5,510	(159,561)
Net Income/(Loss)	\$ 609,966	\$ 411,505	\$ 198,461	\$ 483,412
Overhead Allocation Based on Sq Ft	-	-	-	-
Adjusted Net Income/(Loss)	\$ 609,966	\$ 411,505	\$ 198,461	\$ 483,412
Units	66,770	57,060	9,710	62,478
Gross Revenue/Unit	\$ 76.20	\$ 72.45	\$ 3.75	\$ 72.63
Total Operating Expense/Unit	\$ 41.09	\$ 40.17	\$ (0.92)	\$ 40.10

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	MEDICAL ONCOLOGY				MSC MEDICAL ONCOLOGY			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	2,797,797	1,807,134	990,663	1,958,369	1,025,621	865,593	160,028	885,830
Deduction From Rev	1,164,157	751,945	(412,213)	735,205	539,262	455,121	(84,141)	465,348
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	1,633,640	1,055,190	578,450	1,223,164	486,359	410,472	75,887	420,483
<u>Operating Expense:</u>								
Salaries	1,460,222	1,316,962	(143,260)	1,357,777	-	-	-	-
Benefits	674,330	671,725	(2,605)	595,202	-	-	-	-
Professional Fees	265,409	319,063	53,654	301,087	878,027	840,492	(37,535)	840,493
Supplies	111,749	106,115	(5,635)	74,938	20,672	10,787	(9,884)	9,710
Purchased Services	196,278	203,220	6,942	103,019	33,558	24,572	(8,986)	26,166
Other Expenses	222,502	216,874	(5,627)	215,977	-	-	-	-
Total Operating Expenses	2,930,490	2,833,959	(96,531)	2,647,999	932,257	875,851	(56,405)	876,369
Net Operating Rev (Exp)	(1,296,850)	(1,778,769)	481,919	(1,424,835)	(445,898)	(465,379)	19,482	(455,886)
<u>Non - Operating Rev / (Exp)</u>								
Donations	207,034	258,600	(51,566)	220,459	-	-	-	-
Depreciation	(119,799)	(119,799)	-	(128,968)	(336)	(336)	-	(336)
Total Non-Operating Rev/(Exp)	87,235	138,801	(51,566)	91,491	(336)	(336)	-	(336)
Net Income/(Loss)	(1,209,614)	(1,639,968)	430,354	(1,333,345)	(446,234)	(465,715)	19,482	(456,222)
Units	9,146	5,980	3,166	7,322	4,640	4,718	(78)	4,937
Gross Revenue/Unit	305.90	302.20	3.71	267.46	221.04	183.47	37.57	179.43
Total Operating Expense/Unit	320.41	473.91	153.49	361.65	200.92	185.64	(15.28)	177.51

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	RADIATION ONCOLOGY				MSC RADIATION ONCOLOGY			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	6,022,707	4,393,152	1,629,555	3,760,102	859,730	552,188	307,542	649,991
Deduction From Rev	2,565,983	1,871,708	(694,274)	1,436,914	424,129	272,410	(151,719)	338,330
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	3,456,724	2,521,444	935,281	2,323,188	435,601	279,778	155,823	311,661
<u>Operating Expense:</u>								
Salaries	779,085	695,095	(83,989)	440,631	-	-	-	-
Benefits	211,421	169,117	(42,304)	265,257	-	-	-	-
Professional Fees	212,371	207,400	(4,971)	220,842	527,389	521,520	(5,869)	521,516
Supplies	14,446	8,028	(6,417)	3,702	-	-	-	-
Purchased Services	382,712	334,260	(48,452)	373,835	-	-	-	-
Other Expenses	12,283	17,260	4,977	15,683	-	-	-	-
Total Operating Expenses	1,612,317	1,431,161	(181,156)	1,319,950	527,389	521,520	(5,869)	521,516
Net Operating Rev (Exp)	1,844,407	1,090,283	754,125	1,003,238	(91,789)	(241,742)	149,953	(209,855)
<u>Non - Operating Rev / (Exp)</u>								
Donations	-	-	-	-	-	-	-	-
Depreciation	(603,170)	(603,170)	-	(603,170)	(336)	(336)	-	(336)
Total Non-Operating Rev/(Exp)	(603,170)	(603,170)	-	(603,170)	(336)	(336)	-	(336)
Net Income/(Loss)	1,241,237	487,112	754,125	400,067	(92,125)	(242,078)	149,953	(210,191)
Units	4,282	3,600	682	3,390	912	1,400	(488)	705
Gross Revenue/Unit	1,406.52	1,220.32	186.20	1,109.17	942.69	394.42	548.27	921.97
Total Operating Expense/Unit	376.53	397.54	21.01	389.37	578.28	372.51	(205.76)	739.74

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	ONCOLOGY LAB				ONCOLOGY DRUGS			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET	PRIOR YTD JUNE 2015
Gross Operating Revenue	231,088	245,789	(14,701)	262,392	24,810,798	21,841,526	2,969,272	18,966,397
Deduction From Rev	95,720	101,809	6,089	109,393	9,881,849	8,699,223	(1,182,626)	7,764,977
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	135,368	143,979	(8,611)	152,999	14,928,949	13,142,303	1,786,646	11,201,420
Operating Expense:								
Salaries	119,405	100,876	(18,529)	109,148	-	-	-	-
Benefits	80,183	79,645	(538)	45,559	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-
Supplies	569	2,172	1,603	1,775	5,568,193	3,916,716	(1,651,478)	3,857,528
Purchased Services	-	-	-	-	-	-	-	-
Other Expenses	1,681	1,200	(481)	1,180	-	-	-	-
Total Operating Expenses	201,838	183,894	(17,944)	157,662	5,568,193	3,916,716	(1,651,478)	3,857,528
Net Operating Rev (Exp)	(66,470)	(39,915)	(26,555)	(4,664)	9,360,756	9,225,588	135,168	7,343,892
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Total Non-Operating Rev/(Exp)	-	-	-	-	-	-	-	-
Net Income/(Loss)	(66,470)	(39,915)	(26,555)	(4,664)	9,360,756	9,225,588	135,168	7,343,892
Units	3,478	3,344	134	3,568	80,105	54,717	25,388	56,824
Gross Revenue/Unit	66.44	73.50	(7.06)	73.54	309.73	399.17	-89.44	333.77
Total Operating Expense/Unit	58.03	54.99	-3.04	44.19	69.51	71.58	2.07	67.89

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2016
PRELIMINARY**

	PET CT				TOTAL CANCER PROGRAM			
	ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) PRIOR YTD		ACTUAL	BUDGET	\$ VARIANCE FAVORABLE/ (UNFAVORABLE) PRIOR YTD	
			BUDGET	JUNE 2015			BUDGET	JUNE 2015
Gross Operating Revenue	1,455,076	1,323,194	131,882	1,288,999	37,202,817	31,028,576	6,174,241	27,772,080
Deduction From Rev	661,334	601,394	(59,940)	517,864	15,332,434	12,753,610	2,578,824	11,368,031
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	793,742	721,801	71,941	771,135	21,870,383	18,274,967	3,595,416	16,404,049
Operating Expense:								
Salaries	47,841	49,360	1,519	42,426	2,406,553	2,162,294	244,259	1,949,982
Benefits	15,152	14,515	(637)	12,840	981,086	935,003	46,083	918,859
Professional Fees	2,185	1,374	(811)	-	1,885,381	1,889,849	(4,468)	1,883,937
Supplies	56,961	64,604	7,643	54,332	5,772,591	4,108,423	1,664,168	4,001,986
Purchased Services	191,681	180,469	(11,212)	183,427	804,229	742,521	61,708	686,447
Other Expenses	540	200	(340)	214	237,006	235,535	1,471	233,054
Total Operating Expenses	314,360	310,522	(3,838)	293,240	12,086,845	10,073,623	(2,013,221)	9,674,265
Net Operating Rev (Exp)	479,382	411,278	68,103	477,895	9,783,538	8,201,343	1,582,195	6,729,784
Non - Operating Rev / (Exp)								
Donations	-	-	-	-	207,034	258,600	(51,566)	220,459
Depreciation	(436,358)	(436,358)	-	(436,358)	(1,860,912)	(1,860,912)	-	(1,872,823)
Total Non-Operating Rev/(Exp)	(436,358)	(436,358)	-	(436,358)	(1,653,878)	(1,602,312)	(51,566)	(1,652,364)
Net Income/(Loss)	43,023	(25,080)	68,103	41,537	8,129,660	6,599,031	1,530,629	5,077,420
Units	307	273	34	285	102,870	74,032	28,838	77,031
Gross Revenue/Unit	4,739.66	4,846.87	-107.20	4,522.80	361.65	419.12	-57.47	360.53
Total Operating Expense/Unit	1,023.98	1,137.44	113.47	1,028.91	117.50	136.07	18.57	125.59

**TAHOE FOREST HOSPITAL DISTRICT
JULY 2016 FINANCIAL REPORT
INDEX**

PAGE	DESCRIPTION
2 - 3	FINANCIAL NARRATIVE
4	STATEMENT OF NET POSITION
5	NOTES TO STATEMENT OF NET POSITION
6	CASH INVESTMENT
7	TFHD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
8 - 9	TFHD NOTES TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
10	IVCH STATEMENT OF REVENUE AND EXPENSE
11 - 12	IVCH NOTES TO STATEMENT OF REVENUE AND EXPENSE
13	STATEMENT OF CASH FLOW

Board of Directors
Of Tahoe Forest Hospital District

JULY 2016 FINANCIAL NARRATIVE - PRELIMINARY

The following is the financial narrative analyzing financial and statistical trends for the one month ended July 31, 2016.

Activity Statistics

- ❑ TFH acute patient days were 425 for the current month compared to budget of 381. This equates to an average daily census of 13.71 compared to budget of 12.29.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Laboratory tests, Diagnostic Imaging, Oncology procedures, Nuclear Medicine exams, Ultrasounds, Physical Therapy, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Endoscopy procedures, Radiation Oncology procedures, MRI exams, PET CT exams, Pharmacy units, Oncology Pharmacy units, and Respiratory Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 59.3% in the current month compared to budget of 54.2% and to last month's 52.1%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 59.3%, compared to budget of 54.2% and prior year's 58.2%.
- ❑ EBIDA was \$2,256,460 (11.0%) for the current month compared to budget of \$1,069,777 (5.1%), or \$1,186,683 (5.9%) above budget.
- ❑ Cash Collections for the current month were \$8,113,928 which is 80% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 59.7, compared to the prior month of 57.3. Gross Accounts Receivables are \$33,639,745 compared to the prior month of \$29,605,379. The percent of Gross Accounts Receivable over 120 days old is 21.3%, compared to the prior month of 23.6%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 23.4 days. S&P Days Cash on Hand is 182.8. Working Capital cash decreased \$4,528,000. Cash collections fell short of target by 20% and Accrued Payroll & Related Liabilities decreased \$1,075,000
- ❑ Net Patients Accounts Receivable increased approximately \$2,852,000. Cash collections were at 80% of target and days in accounts receivable were 59.7 days, a 2.40 days increase.
- ❑ Total Bond Trustee 2006 decreased \$1,024,000 after remitting the Principal and Interest payments due.
- ❑ G.O. Bond Project Fund decreased \$553,402 after reimbursing the District for June advancements on the Measure C projects.
- ❑ Funds were transferred back to the District's Operating account to cover the Principal and Interest payments on the G.O. Bond Series A, B, and C, creating a decrease of \$2,280,000 in the G.O. Bond Tax Revenue Fund.
- ❑ Accrued Payroll & Related Costs decreased \$1,075,000 due to fewer accrual days in July.
- ❑ Interest Payable and Interest Payable G.O. Bond decreased \$464,000 and \$1,149,000 respectively after remitting the interest payments for the 2002 and 2006 Revenue Bonds and the G.O. Bond Series A, B, and C.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased \$1,053,000. The District remitted payment to the State for an amount due on its FY14 cost report and payment to the Medicare program for FY16 overpayments.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$20,495,464, compared to budget of \$20,838,108 or \$342,644 below budget.
- ❑ Current month's Gross Inpatient Revenue was \$5,568,234, compared to budget of \$5,691,135 or \$122,900 under budget.
- ❑ Current month's Gross Outpatient Revenue was \$14,927,229 compared to budget of \$15,146,973 or \$219,743 below budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 34.8% Medicare, 16.4% Medi-Cal, .0% County, 3.9% Other, and 44.9% Insurance compared to budget of 33.8% Medicare, 17.5% Medi-Cal, .0% County, 3.9% Other, and 44.8% Insurance. Last month's mix was 37.3% Medicare, 20.7% Medi-Cal, .0% County, 2.4% Other, and 39.6% Insurance.
- ❑ Current month's Deductions from Revenue were \$8,351,437 compared to budget of \$9,555,613 or \$1,204,177 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .92% increase in Medicare, a 1.05% decrease to Medi-Cal, a .0% decrease in County, a .08% decrease in Other, and Commercial was over budget .21%, 2) Revenues fell short of budget by 1.6%, and 3) Bad Debt fell short of budget by 149.0%.

Operating Expenses

DESCRIPTION	July 2016 Actual	July 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,945,420	3,965,919	20,500	
Employee Benefits	1,323,794	1,324,941	1,147	
Benefits – Workers Compensation	43,288	57,011	13,724	
Benefits – Medical Insurance	606,618	694,217	87,599	
Professional Fees	1,968,511	1,798,498	(170,013)	Locums coverage for MSC ENT and MSC Orthopedics, consulting services provided for the Medi-Cal PRIME project, IVCH ER Physician overlap coverage, and Hospitalists Physician fees created a negative variance in Professional Fees.
Supplies	1,509,638	1,782,237	272,600	Surgical Services revenues fell short of budget by 12.51% and Oncology Drugs Sold to Patients revenues were under budget by 4.77%, creating a positive variance in Supplies.
Purchased Services	1,002,862	942,468	(60,395)	District wide maintenance projects, expense advanced for the GUGC tournament, outsourced radiology reads, collection agency fees, and E.M.R. and Practice Management fees in the Multi-Specialty clinics created a negative variance in Purchased Services.
Other Expenses	374,677	516,895	142,218	Controllable expenses are being monitored closely by senior management, creating a positive variance in Other.
Total Expenses	10,774,806	11,082,186	307,380	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JULY 2016

	PRELIMINARY Jul-16	PRELIMINARY Jun-16	Jul-15	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 8,215,711	\$ 12,743,818	\$ 10,058,866	1
PATIENT ACCOUNTS RECEIVABLE - NET	18,826,332	15,974,307	16,074,308	2
OTHER RECEIVABLES	3,977,968	3,591,716	3,622,696	
GO BOND RECEIVABLES	(285,433)	(590,919)	76,922	
ASSETS LIMITED OR RESTRICTED	6,344,728	5,569,379	4,926,489	
INVENTORIES	2,689,284	2,670,842	2,331,950	
PREPAID EXPENSES & DEPOSITS	1,790,155	1,334,694	1,695,976	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,447,759	4,662,503	2,006,080	
TOTAL CURRENT ASSETS	46,006,506	45,956,340	40,793,287	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	55,958,822	55,888,997	40,759,110	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	976,584	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	233,067	1,257,013	3,170,694	3
GO BOND PROJECT FUND	929,850	1,483,252	11,632,649	4
GO BOND TAX REVENUE FUND	1,124,150	3,404,000	486,154	5
BOARD DESIGNATED FUND			2,297	
DIAGNOSTIC IMAGING FUND	3,164	3,159	2,971	
DONOR RESTRICTED FUND	1,140,621	1,139,843	1,114,450	
WORKERS COMPENSATION FUND	25,591	16,467	6,241	
TOTAL	60,394,421	64,171,889	58,151,151	
LESS CURRENT PORTION	(6,344,728)	(5,569,379)	(4,926,489)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	54,049,693	58,602,510	53,224,661	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	43,372	43,372	324,395	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	128,595,160	128,696,128	130,774,226	
GO BOND CIP, PROPERTY & EQUIPMENT NET	29,743,925	29,053,114	20,156,477	
TOTAL ASSETS	259,275,008	263,187,816	246,109,400	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	539,807	543,039	578,595	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,281,527	2,281,527	1,774,439	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,917,032	1,924,669	-	
GO BOND DEFERRED FINANCING COSTS	297,254	298,439	-	
DEFERRED FINANCING COSTS	211,176	212,217	-	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 5,246,796	\$ 5,259,890	\$ 2,353,034	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,772,188	\$ 6,711,986	\$ 3,928,983	
ACCRUED PAYROLL & RELATED COSTS	8,168,514	9,243,933	6,858,305	6
INTEREST PAYABLE	116,078	579,583	697,195	7
INTEREST PAYABLE GO BOND	129,128	1,278,486	251,569	8
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	102,300	1,155,149	885,106	9
HEALTH INSURANCE PLAN	1,307,731	1,307,731	1,307,731	
WORKERS COMPENSATION PLAN	1,120,980	1,120,980	404,807	
COMPREHENSIVE LIABILITY INSURANCE PLAN	751,298	751,298	824,203	
CURRENT MATURITIES OF GO BOND DEBT	975,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,361,788	2,323,994	2,299,911	
TOTAL CURRENT LIABILITIES	21,805,004	25,003,138	17,772,809	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,359,130	29,604,184	32,653,763	
GO BOND DEBT NET OF CURRENT MATURITIES	98,729,550	99,993,493	97,750,000	
DERIVATIVE INSTRUMENT LIABILITY	2,281,527	2,281,527	1,774,439	
TOTAL LIABILITIES	151,175,211	156,882,342	149,951,011	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	112,205,972	110,425,522	97,396,972	
	1,140,621	1,139,843	1,114,450	
TOTAL NET POSITION	\$ 113,346,593	\$ 111,565,365	\$ 98,511,422	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JULY 2016 PRELIMINARY

1. Working Capital is at 23.4 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 182.8 days. Working Capital cash decreased a net \$4,528,000. Cash collections fell short of target by 20%, and Accrued Payroll & Related Costs (See Note 6) decreased \$1,075,000. The District received reimbursement from the G.O. Bond Project Fund (See Note 4) in the amount of \$553,402.
2. Net Patient Accounts Receivable increased approximately \$2,852,000. Cash collections were 80% of target. Days in Accounts Receivable are at 59.7 days compared to prior months 57.3 days, a 2.40 days increase.
3. Total Bond Trustee 2006 decreased \$1,024,000 after remitting the Principal and Interest payments due on July 1, 2016.
4. G.O. Bond Project Fund decreased \$553,402 after remitting reimbursement to the District for funds advanced on the June Measure C projects.
5. G.O. Bond Tax Revenue Fund decreased \$2,280,000. Funds were transferred back to the District's Operating Fund to reimburse the Principal and Interest payments made on the Series, A, B, and C bonds.
6. Accrued Payroll & Related Costs decreased \$1,075,000 due to fewer accrual days in July.
7. Interest Payable decreased \$464,000 after remitting the interest due on the 2002 and 2006 Revenue Bonds.
8. Interest Payable G.O. Bond decreased \$1,149,000 after remitting the interest due on Series A, B, and C.
9. Estimated Settlements, Medi-Cal & Medicare decreased \$1,053,000 after reimbursing the Medi-Cal program for monies due on the FY14 cost report after the final audit was submitted and payment was made to the Medicare Program for overpayment during the FY16 year.

**Tahoe Forest Hospital District
Cash Investment
July 2016**

WORKING CAPITAL

US Bank	\$ 8,077,706		
US Bank/Kings Beach Thrift Store	53,531		
US Bank/Truckee Thrift Store	118,327		
US Bank/Payroll Clearing	(33,853)		
Local Agency Investment Fund	<u>-</u>	0.59%	
Total			\$ 8,215,711

BOARD DESIGNATED FUNDS

US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -

Building Fund	\$ -		
Cash Reserve Fund	<u>55,958,822</u>	0.59%	
Local Agency Investment Fund			\$ 55,958,822

Banc of America Muni Lease			\$ 979,155
Bonds Cash 2002			\$ 2
Bonds Cash 2006			\$ 233,067
Bonds Cash 2008			\$ 2,054,000

DX Imaging Education	\$ 3,164	0.59%	
Workers Comp Fund - B of A	25,591		

Insurance			
Health Insurance LAIF	-	0.59%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.59%	
Total			\$ 28,755

TOTAL FUNDS			\$ 67,469,511
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RESTRICTED FUNDS

Gift Fund			
US Bank Money Market	\$ 8,363	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	<u>1,033,927</u>	0.59%	
TOTAL RESTRICTED FUNDS			\$ 1,140,621

TOTAL ALL FUNDS			\$ 68,610,132
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TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JULY 2016 PRELIMINARY

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JULY 2015
OPERATING REVENUE									
\$ 20,495,464	\$ 20,838,108	\$ (342,644)	-1.6%		\$ 20,495,464	\$ 20,838,108	\$ (342,644)	-1.6%	\$ 19,182,505
Total Gross Revenue									
Gross Revenues - Inpatient									
\$ 2,060,711	\$ 1,827,144	\$ 233,566	12.8%		\$ 2,060,711	\$ 1,827,144	\$ 233,566	12.8%	\$ 1,659,158
3,507,524	3,863,991	(356,467)	-9.2%		3,507,524	3,863,991	(356,467)	-9.2%	3,159,579
5,568,234	5,691,135	(122,900)	-2.2%		5,568,234	5,691,135	(122,900)	-2.2%	4,818,737
Total Gross Revenue - Inpatient									
14,927,229	15,146,973	(219,743)	-1.5%		14,927,229	15,146,973	(219,743)	-1.5%	14,363,768
14,927,229	15,146,973	(219,743)	-1.5%		14,927,229	15,146,973	(219,743)	-1.5%	14,363,768
Total Gross Revenue - Outpatient									
Deductions from Revenue:									
7,911,085	8,508,397	597,312	7.0%		7,911,085	8,508,397	597,312	7.0%	7,494,212
595,595	730,458	134,863	18.5%		595,595	730,458	134,863	18.5%	550,134
-	-	-	0.0%		-	-	-	0.0%	-
(155,113)	316,758	471,871	149.0%		(155,113)	316,758	471,871	149.0%	(32,400)
(131)	-	131	0.0%		(131)	-	131	0.0%	-
8,351,437	9,555,613	1,204,177	12.6%		8,351,437	9,555,613	1,204,177	12.6%	8,011,947
Total Deductions from Revenue									
39,792	58,103	(18,311)	-31.5%		39,792	58,103	(18,311)	-31.5%	49,631
847,447	811,366	36,081	4.4%		847,447	811,366	36,081	4.4%	555,075
Property Tax Revenue- Wellness Neighborhood									
Other Operating Revenue									
13,031,267	12,151,963	879,303	7.2%		13,031,267	12,151,963	879,303	7.2%	11,775,265
TOTAL OPERATING REVENUE									
OPERATING EXPENSES									
3,945,420	3,965,919	20,500	0.5%		3,945,420	3,965,919	20,500	0.5%	3,504,921
1,323,794	1,324,941	1,147	0.1%		1,323,794	1,324,941	1,147	0.1%	1,761,708
43,288	57,011	13,724	24.1%		43,288	57,011	13,724	24.1%	46,609
606,618	694,217	87,599	12.6%		606,618	694,217	87,599	12.6%	291,130
1,968,511	1,798,498	(170,013)	-9.5%		1,968,511	1,798,498	(170,013)	-9.5%	1,412,212
1,509,638	1,782,237	272,600	15.3%		1,509,638	1,782,237	272,600	15.3%	1,526,704
1,002,862	942,468	(60,395)	-6.4%		1,002,862	942,468	(60,395)	-6.4%	912,170
374,677	516,895	142,218	27.5%		374,677	516,895	142,218	27.5%	383,273
10,774,806	11,082,186	307,380	2.8%		10,774,806	11,082,186	307,380	2.8%	9,838,727
TOTAL OPERATING EXPENSE									
2,256,460	1,069,777	1,186,683	110.9%		2,256,460	1,069,777	1,186,683	110.9%	1,936,537
NET OPERATING REVENUE (EXPENSE) EBIDA									
NON-OPERATING REVENUE/(EXPENSE)									
466,708	448,397	18,311	4.1%		466,708	448,397	18,311	4.1%	402,576
391,933	391,933	-	0.0%		391,933	391,933	-	0.0%	392,691
43,568	29,399	14,169	48.2%		43,568	29,399	14,169	48.2%	22,074
5	-	5	0.0%		5	-	5	0.0%	3,009
18,712	38,917	(20,204)	-51.9%		18,712	38,917	(20,204)	-51.9%	14,157
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
(967,356)	(966,316)	(1,040)	-0.1%		(967,356)	(966,316)	(1,040)	-0.1%	(854,169)
(108,431)	(100,459)	(7,972)	-7.9%		(108,431)	(100,459)	(7,972)	-7.9%	(119,533)
(320,371)	(315,492)	(4,879)	-1.5%		(320,371)	(315,492)	(4,879)	-1.5%	(361,025)
(475,232)	(473,621)	(1,611)	-0.3%		(475,232)	(473,621)	(1,611)	-0.3%	(500,220)
TOTAL NON-OPERATING REVENUE/(EXPENSE)									
\$ 1,781,228	\$ 596,155	\$ 1,185,073	-198.8%		\$ 1,781,228	\$ 596,155	\$ 1,185,073	-198.8%	\$ 1,436,318
INCREASE (DECREASE) IN NET POSITION									
NET POSITION - BEGINNING OF YEAR					111,565,365				
NET POSITION - AS OF JULY 31, 2016					\$ 113,346,593				
11.0%	5.1%	5.9%			11.0%	5.1%	5.9%		10.1%
RETURN ON GROSS REVENUE EBIDA					11.0% 5.1% 5.9% 10.1%				

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JULY 2016 PRELIMINARY

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>JULY 2016</u>	<u>YTD 2017</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget 11.55% or 44 days. Swing Bed days were over budget 129.03% or 40 days. Inpatient Surgery revenues fell short of budget by 26.85%, creating a negative variance in Inpatient Ancillary Service revenue.	Gross Revenue -- Inpatient	\$ (122,900)	\$ (122,900)
	Gross Revenue -- Outpatient	(219,743)	(219,743)
	Gross Revenue -- Total	<u>\$ (342,644)</u>	<u>\$ (342,644)</u>
Outpatient volumes were below budget in the following departments: Home Health visits, Endoscopy procedures, Radiation Oncology procedures, MRI exams, PET CT exams, Pharmacy units, and Respiratory Therapy.			
2) <u>Total Deductions from Revenue</u>			
The payor mix for July shows a .92% increase to Medicare, a 1.05% decrease to Medi-Cal, .08% decrease to Other, County at budget, and a .21% increase to Commercial when compared to budget. Contractual Allowances were under budget as a result of revenues falling short of budget by 1.6% and the shift in payor mix from Medi-Cal and Other to Medicare and Commercial.	Contractual Allowances	\$ 597,312	\$ 597,312
	Charity Care	134,863	134,863
	Charity Care - Catastrophic	-	-
	Bad Debt	471,871	471,871
	Prior Period Settlements	131	131
	Total	<u>\$ 1,204,177</u>	<u>\$ 1,204,177</u>
3) <u>Other Operating Revenue</u>			
Retail Pharmacy revenues exceeded budget by 22.96%.	Retail Pharmacy	\$ 54,686	\$ 54,686
	Hospice Thrift Stores	12,611	12,611
	The Center (non-therapy)	(12,146)	(12,146)
	IVCH ER Physician Guarantee	230	230
	Children's Center	(8,753)	(8,753)
	Miscellaneous	(10,547)	(10,547)
	Oncology Drug Replacement	-	-
	Grants	-	-
	Total	<u>\$ 36,081</u>	<u>\$ 36,081</u>
	Total	<u>\$ 20,500</u>	<u>\$ 20,500</u>
4) <u>Salaries and Wages</u>			
<u>Employee Benefits</u>	PL/SL	\$ (10,287)	\$ (10,287)
	Nonproductive	(28,947)	(28,947)
	Pension/Deferred Comp	14,436	14,436
	Standby	14,089	14,089
	Other	11,856	11,856
	Total	<u>\$ 1,147</u>	<u>\$ 1,147</u>
<u>Employee Benefits - Workers Compensation</u>	Total	<u>\$ 13,724</u>	<u>\$ 13,724</u>
<u>Employee Benefits - Medical Insurance</u>	Total	<u>\$ 87,599</u>	<u>\$ 87,599</u>
5) <u>Professional Fees</u>			
Negative variance in Multi-Specialty Clinics related to locums coverage for MSC E.N.T. and MSC Orthopedics.	Multi-Specialty Clinics	\$ (129,659)	\$ (129,659)
	Miscellaneous	(43,988)	(43,988)
	IVCH ER Physicians	(6,835)	(6,835)
	TFH Locums	(6,667)	(6,667)
	Human Resources	(3,155)	(3,155)
	Managed Care	(2,659)	(2,659)
	Information Technology	(1,304)	(1,304)
	Oncology	(837)	(837)
	Multi-Specialty Clinics Admin	(364)	(364)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Respiratory Therapy	-	-
	Home Health/Hospice	50	50
	Corporate Compliance	333	333
	Administration	571	571
	Medical Staff Services	1,550	1,550
	Financial Administration	1,785	1,785
	Marketing	2,375	2,375
	TFH/IVCH Therapy Services	5,005	5,005
	The Center (includes OP Therapy)	6,536	6,536
	Sleep Clinic	7,250	7,250
	Total	<u>\$ (170,013)</u>	<u>\$ (170,013)</u>

6) Supplies

Replacement of small instruments in the Surgical Services departments created a negative variance in Minor Equipment.

Surgery revenues fell short of budget by 12.51%, creating a positive variance in Patient & Other Medical Supplies.

Oncology Drugs Sold to Patients revenues were under budget 4.77%, creating a positive variance in Pharmacy Supplies.

Minor Equipment	\$ (9,485)	\$ (9,485)
Food	(921)	(921)
Imaging Film	681	681
Office Supplies	6,784	6,784
Other Non-Medical Supplies	12,120	12,120
Patient & Other Medical Supplies	119,279	119,279
Pharmacy Supplies	144,142	144,142
Total	<u>\$ 272,600</u>	<u>\$ 272,600</u>

7) Purchased Services

Negative variance in Department Repairs related to small maintenance projects performed in the Hospital, Child Care Center, and several Multi-Specialty Clinics sites.

Expenses advanced to the Foundation for the Gene Upshaw Memorial Golf Tournament created a negative variance in Miscellaneous.

Outsourced radiology reads created a negative variance in Diagnostic Imaging Services - All.

Negative variance in Patient Accounting related to collection agency fees.

Practice Management and E.M.R. visit fees were over budget which created a negative variance in Multi-Specialty Clinics.

Department Repairs	\$ (38,159)	\$ (38,159)
Miscellaneous	(16,145)	(16,145)
Diagnostic Imaging Services - All	(13,738)	(13,738)
Patient Accounting	(13,100)	(13,100)
Multi-Specialty Clinics	(9,236)	(9,236)
Laboratory	(4,137)	(4,137)
Hospice	(2,567)	(2,567)
Pharmacy IP	(1,204)	(1,204)
Medical Records	(1,187)	(1,187)
The Center	1,279	1,279
Community Development	2,700	2,700
Information Technology	7,565	7,565
Human Resources	27,535	27,535
Total	<u>\$ (60,395)</u>	<u>\$ (60,395)</u>

8) Other Expenses

Services provided for management training in Emotional Intelligence created a negative variance in Outside Training & Travel.

Dues & Subscriptions budgeted for Oncology, Medical Records, and Administration came in lower than estimated, creating a positive variance in this category.

Recruitment fees for the District's Chief Operating Officer fell short of budget estimations due to hiring a candidate internally.

Outside Training & Travel	\$ (14,213)	\$ (14,213)
Insurance	(1,894)	(1,894)
Innovation Fund	-	-
Multi-Specialty Clinics Equip Rent	90	90
Other Building Rent	181	181
Physician Services	1,295	1,295
Multi-Specialty Clinics Bldg Rent	3,044	3,044
Utilities	4,285	4,285
Equipment Rent	4,825	4,825
Dues and Subscriptions	12,228	12,228
Human Resources Recruitment	24,858	24,858
Marketing	25,772	25,772
Miscellaneous	81,747	81,747
Total	<u>\$ 142,218</u>	<u>\$ 142,218</u>

9) District and County Taxes

Total	<u>\$ 18,311</u>	<u>\$ 18,311</u>
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10) Interest Income

Total	<u>\$ 14,169</u>	<u>\$ 14,169</u>
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11) Donations

IVCH	\$ 3,858	\$ 3,858
Operational	(24,062)	(24,062)
Capital Campaign		
Total	<u>(20,204)</u>	<u>(20,204)</u>

12) Gain/(Loss) on Joint Investment

Total	<u>\$ -</u>	<u>\$ -</u>
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13) Gain/(Loss) on Sale

Total	<u>\$ -</u>	<u>\$ -</u>
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15) Depreciation Expense

Total	<u>\$ (1,040)</u>	<u>\$ (1,040)</u>
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16) Interest Expense

Total	<u>\$ (7,972)</u>	<u>\$ (7,972)</u>
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JULY 2016 PRELIMINARY

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD JULY 2015		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%			
OPERATING REVENUE											
\$ 1,774,146	\$ 1,811,554	\$ (37,408)	-2.1%		Total Gross Revenue	\$ 1,774,146	\$ 1,811,554	\$ (37,408)	-2.1%	1	\$ 1,718,536
Gross Revenues - Inpatient											
\$ 3,065	\$ -	\$ 3,065	0.0%		Daily Hospital Service	\$ 3,065	\$ -	\$ 3,065	0.0%		\$ -
19,089	3,230	15,859	491.0%		Ancillary Service - Inpatient	19,089	3,230	15,859	491.0%		14,526
22,154	3,230	18,924	585.9%		Total Gross Revenue - Inpatient	22,154	3,230	18,924	585.9%	1	14,526
1,751,992	1,808,324	(56,331)	-3.1%		Gross Revenue - Outpatient	1,751,992	1,808,324	(56,331)	-3.1%		1,704,010
1,751,992	1,808,324	(56,331)	-3.1%		Total Gross Revenue - Outpatient	1,751,992	1,808,324	(56,331)	-3.1%	1	1,704,010
Deductions from Revenue:											
572,454	583,592	11,138	1.9%		Contractual Allowances	572,454	583,592	11,138	1.9%	2	531,467
59,505	68,334	8,829	12.9%		Charity Care	59,505	68,334	8,829	12.9%	2	57,179
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
28,202	65,608	37,405	57.0%		Bad Debt	28,202	65,608	37,405	57.0%	2	83,780
-	-	-	0.0%		Prior Period Settlements	-	-	-	0.0%	2	-
660,161	717,533	57,372	8.0%		Total Deductions from Revenue	660,161	717,533	57,372	8.0%	2	672,425
72,068	73,280	(1,212)	-1.7%		Other Operating Revenue	72,068	73,280	(1,212)	-1.7%	3	78,223
1,186,053	1,167,300	18,753	1.6%		TOTAL OPERATING REVENUE	1,186,053	1,167,300	18,753	1.6%		1,124,334
OPERATING EXPENSES											
315,421	324,350	8,929	2.8%		Salaries and Wages	315,421	324,350	8,929	2.8%	4	260,486
97,153	102,693	5,540	5.4%		Benefits	97,153	102,693	5,540	5.4%	4	130,449
2,465	1,417	(1,048)	-74.0%		Benefits Workers Compensation	2,465	1,417	(1,048)	-74.0%	4	2,489
41,099	44,618	3,519	7.9%		Benefits Medical Insurance	41,099	44,618	3,519	7.9%	4	19,125
245,552	248,766	3,214	1.3%		Professional Fees	245,552	248,766	3,214	1.3%	5	253,128
60,205	96,249	36,044	37.4%		Supplies	60,205	96,249	36,044	37.4%	6	63,129
38,571	43,631	5,060	11.6%		Purchased Services	38,571	43,631	5,060	11.6%	7	40,141
38,356	53,608	15,252	28.5%		Other	38,356	53,608	15,252	28.5%	8	52,275
838,822	915,332	76,510	8.4%		TOTAL OPERATING EXPENSE	838,822	915,332	76,510	8.4%		821,222
347,231	251,968	95,263	37.8%		NET OPERATING REV(EXP) EBIDA	347,231	251,968	95,263	37.8%		303,112
NON-OPERATING REVENUE/(EXPENSE)											
3,858	-	3,858	0.0%		Donations-IVCH	3,858	-	3,858	0.0%	9	-
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(64,277)	(64,277)	-	0.0%		Depreciation	(64,277)	(64,277)	-	0.0%	11	(58,359)
(60,419)	(64,277)	3,858	6.0%		TOTAL NON-OPERATING REVENUE/(EXP)	(60,419)	(64,277)	3,858	6.0%		(58,359)
\$ 286,812	\$ 187,691	\$ 99,121	52.8%		EXCESS REVENUE(EXPENSE)	\$ 286,812	\$ 187,691	\$ 99,121	52.8%		\$ 244,753
19.6%	13.9%	5.7%			RETURN ON GROSS REVENUE EBIDA	19.6%	13.9%	5.7%			17.6%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JULY 2016 PRELIMINARY**

		Variance from Budget	
		Fav<Unfav>	
		JULY 2016	YTD 2017
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget by 1 at 2 and Observation Days were below budget by 3 at 0.	Gross Revenue -- Inpatient	\$ 18,924	\$ 18,924
	Gross Revenue -- Outpatient	(56,331)	(56,331)
		\$ (37,408)	\$ (37,408)
Outpatient volumes were under budget in Surgical cases, Physical Therapy, and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with a 2.14% decrease in Commercial Insurance, a 5.66% increase in Medicare, a .78% decrease in Medicaid, a 2.74% decrease in Other, and County was at budget. Positive variance in Contractual Allowances is a result of revenues falling short of budget by 2.1% and the shift in payor mix to Medicare from Medicaid and Other.	Contractual Allowances	\$ 11,138	\$ 11,138
	Charity Care	8,829	8,829
	Charity Care-Catastrophic Event	-	-
	Bad Debt	37,405	37,405
	Prior Period Settlement	-	-
	Total	\$ 57,372	\$ 57,372
3) <u>Other Operating Revenue</u>			
	IVCH ER Physician Guarantee	\$ 230	\$ 230
	Miscellaneous	(1,441)	(1,441)
	Total	\$ (1,212)	\$ (1,212)
4) <u>Salaries and Wages</u>			
	Total	\$ 8,929	\$ 8,929
<u>Employee Benefits</u>			
	PL/SL	\$ 695	\$ 695
	Standby	4	4
	Other	4,485	4,485
	Nonproductive	(269)	(269)
	Pension/Deferred Comp	624	624
	Total	\$ 5,540	\$ 5,540
<u>Employee Benefits - Workers Compensation</u>			
	Total	\$ (1,048)	\$ (1,048)
<u>Employee Benefits - Medical Insurance</u>			
	Total	\$ 3,519	\$ 3,519
5) <u>Professional Fees</u>			
Negative variance in IVCH ER Physician fees due to overlap coverage needed for continuity of patient care.	IVCH ER Physicians	\$ (6,835)	\$ (6,835)
	Foundation	(431)	(431)
	Miscellaneous	165	165
	Administration	264	264
	Therapy Services	1,322	1,322
	Multi-Specialty Clinics	1,480	1,480
	Sleep Clinic	7,250	7,250
	Total	\$ 3,214	\$ 3,214
Sleep Clinic collections fees fell short of budget in July, creating a positive variance in Sleep Clinic Pro Fees.			
6) <u>Supplies</u>			
Oncology Drugs Sold to Patients revenue fell short of budget by 71.34%, creating a positive variance in Pharmacy Supplies.	Food	\$ (823)	\$ (823)
	Minor Equipment	(785)	(785)
	Office Supplies	(321)	(321)
	Non-Medical Supplies	(99)	(99)
	Imaging Film	268	268
	Pharmacy Supplies	11,445	11,445
	Patient & Other Medical Supplies	26,358	26,358
	Total	\$ 36,044	\$ 36,044
Surgery revenues exceeded budget by 34.38%, however, orthopedic surgeries requiring higher cost implantable supplies did not meet budget estimations.			

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JULY 2016 PRELIMINARY**

		Variance from Budget	
		Fav<Unfav>	
		JULY 2016	YTD 2017
7) <u>Purchased Services</u>			
Negative variance in Diagnostic Imaging Services - All related to outsourced radiology reads.	Diagnostic Imaging Services - All	\$ (2,081)	\$ (2,081)
	Pharmacy	-	-
	Surgical Services	-	-
	EVS/Laundry	90	90
	Multi-Specialty Clinics	190	190
	Foundation	644	644
	Engineering/Plant/Communications	1,441	1,441
	Miscellaneous	1,490	1,490
	Department Repairs	1,643	1,643
	Laboratory	1,645	1,645
	Total	\$ 5,060	\$ 5,060
8) <u>Other Expenses</u>			
The initial insurance renewal estimates received during the budgeting process came in below actual renewal coverage. This will create a negative budget variance during FY17.	Insurance	\$ (1,872)	\$ (1,872)
	Outside Training & Travel	(620)	(620)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	-	-
	Dues and Subscriptions	1,084	1,084
	Equipment Rent	2,616	2,616
	Marketing	2,875	2,875
	Utilities	4,369	4,369
	Miscellaneous	6,800	6,800
	Total	\$ 15,252	\$ 15,252
9) <u>Donations</u>	Total	\$ 3,858	\$ 3,858
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ -

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	PRELIMINARY FYE 2016	BUDGET FYE 2017	PROJECTED FYE 2017	PRELIMINARY JULY 2016	BUDGET JULY 2016	DIFFERENCE	PROJECTED 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 16,721,502	\$ 8,354,249	\$ 9,750,156	2,256,460	\$ 1,069,777	1,186,683	\$ 4,360,687	\$ 1,394,954	\$ 3,062,467	\$ 932,048
Interest Income	160,650	249,285	249,612	70,617	70,290	327	70,617	48,762	60,097	70,136
Property Tax Revenue	6,120,218	5,682,000	5,698,114	110,114	94,000	16,114	326,114	78,000	3,020,000	2,274,000
Donations	702,908	1,023,000	1,153,197	130,197	-	130,197	180,197	90,000	405,000	478,000
Debt Service Payments	(3,441,272)	(3,568,341)	(3,567,302)	(744,660)	(745,698)	1,039	(1,228,048)	(725,083)	(889,087)	(725,083)
Bank of America - 2012 Muni Lease Copier	(1,243,650)	(1,243,644)	(1,243,644)	(103,637)	(103,637)	(0)	(310,911)	(310,911)	(310,911)	(310,911)
2002 Revenue Bond	(8,758)	(11,520)	(11,519)	(959)	(960)	1	(2,879)	(2,880)	(2,880)	(2,880)
2015 Revenue Bond	(483,555)	(668,008)	(660,955)	(496,951)	(504,004)	7,053	(496,951)	-	(164,004)	-
Physician Recruitment	(1,705,309)	(1,645,169)	(1,651,183)	(143,111)	(137,097)	(6,014)	(417,306)	(411,292)	(411,292)	(411,292)
Investment in Capital	(263,769)	(120,000)	(110,000)	-	(10,000)	10,000	(20,000)	(30,000)	(30,000)	(30,000)
Equipment	(1,495,214)	(1,262,750)	(1,262,750)	(112,861)	(326,750)	213,889	(980,250)	(275,000)	(7,500)	-
Municipal Lease Reimbursement	1,319,139	979,000	979,000	-	-	-	-	979,000	-	-
GO Bond Project Personal Property	(432,135)	(279,000)	(279,000)	(56,623)	-	(56,623)	(279,000)	-	-	-
IT	(888,802)	(297,578)	(297,578)	(44,689)	(99,193)	54,504	(297,578)	-	-	-
Building Projects	(2,095,500)	(4,315,500)	(4,315,500)	(642,114)	(454,167)	(187,947)	(1,362,500)	(1,609,000)	(709,000)	(635,000)
Health Information/Business System	(92,807)	(7,000,000)	(7,000,000)	-	-	-	(1,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Capital Investments										
Properties	-	(2,794,000)	(2,794,000)	(10,000)	(740,000)	730,000	(2,365,000)	-	(429,000)	-
Measure C Scope Modifications	-	(2,476,716)	(2,476,716)	-	(675,572)	675,572	(2,026,716)	(450,000)	-	-
Change in Accounts Receivable	(1,119,613)	(2,183,288)	N1 (2,539,700)	(2,852,025)	(2,495,613)	(356,412)	(3,175,186)	131,796	(210,814)	714,505
Change in Settlement Accounts	1,387,101	1,175,000	N2 336,895	(838,105)	-	(838,105)	(2,516,105)	3,038,000	(435,000)	250,000
Change in Other Assets	(3,119,093)	(890,622)	N3 (758,052)	(245,872)	(378,442)	132,570	(571,872)	(469,762)	6,718	276,864
Change in Other Liabilities	2,950,987	(320,000)	N4 (298,722)	(1,478,722)	(1,500,000)	21,278	(378,722)	280,000	(800,000)	600,000
Change in Cash Balance	16,404,918	(8,045,261)	(7,532,346)	(4,458,282)	(6,191,368)	1,733,086	(11,263,363)	481,666	1,043,881	2,205,470
Beginning Unrestricted Cash	52,227,897	68,632,815	68,632,815	68,632,815	68,632,815	-	68,632,815	57,369,452	57,851,118	58,894,999
Ending Unrestricted Cash	68,632,815	60,778,463	61,100,469	64,174,533	62,441,447	1,733,086	57,369,452	57,851,118	58,894,999	61,100,469
Expense Per Day	338,339	355,605	354,785	351,072	360,730	(9,658)	356,998	354,759	357,131	355,605
Days Cash On Hand	203	171	172	183	173	10	161	163	165	172

Footnotes:

- N1 - Change in Accounts Receivable reflects the 30 day delay in collections.
- N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.
- N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.
- N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.



REQUEST FOR PROPOSALS

FOR PROFESSIONAL AUDITING SERVICES

TAHOE FOREST HOSPITAL DISTRICT
PO BOX 759
10121 PINE AVENUE
TRUCKEE, CA 96161

TAHOE FOREST HEALTH SYSTEM
FOUNDATION
PO BOX 2508
10976 DONNER PASS ROAD
TRUCKEE, CA 96161

INCLINE VILLAGE COMMUNITY HOSPITAL
FOUNDATION
880 ALDER AVENUE
INCLINE VILLAGE, NV 89451

Crystal Betts, Chief Financial Officer

REQUEST FOR PROPOSALS

TABLE OF CONTENTS

I. INTRODUCTIONS

- A. General Information
- B. Term of Engagement

II. NATURE OF SERVICES REQUIRED

- A. General
- B. Scope of Work to be Performed and Audit Standards to be Followed
- C. Special Considerations
- D. Reports to be Issued
- E. Working Paper Retention and Access to Working Papers

III. DESCRIPTION OF THE ENTITIES

- A. Name and Brief Description of Entities
- B. Name, Address, Email and Telephone Number of Contact Person(s)
- C. Organization's Principal Contact Person

IV. TIME REQUIREMENTS

- A. Proposal Calendar
- B. Notification and Contract Dates
- C. Dates Audit May Commence
- D. Schedule for the Audits
 - 1. Interim Work
 - 2. Detailed Audit Plan
 - 3. Field Work
 - 4. Draft Reports
 - 5. Final Report Presentation
- E. Entrance and Exit Conferences
- F. Report Preparation

V. PROPOSAL REQUIREMENTS

- A. General Requirements
 - 1. Inquiries
 - 2. Submission of Proposals

- B. Technical Proposal
 - 1. General Requirements
 - 2. Independence
 - 3. License to Practice in California and Nevada
 - 4. Firm Qualifications and Experience
 - 5. Partner, Supervisory, and Staff Qualifications and Experience
 - 6. Similar Engagements with other District Hospitals and Foundations
 - 7. Specific Audit Approach
 - 8. Assistance to be Provided to the Auditor
 - 9. Identification of Anticipated Potential Audit Problems
 - 10. Report Format

- C. Dollar Cost Bid
 - 1. Total All-Inclusive Maximum Price
 - 2. Rates by Partner, Specialist, Supervisory and Staff level TIMES the hours anticipated for each (rates x hours =)
 - 3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates
 - 4. Rates for Additional Professional Services
 - 5. Manner of Payment

VI. EVALUATION PROCEDURES

- A. Audit Committee
- B. Review of Proposals
- C. Evaluation Criteria
 - 1. Mandatory Elements
 - 2. Technical Qualifications
 - 3. Audit Approach
 - 4. Dollar Cost Bid
- D. Oral Presentation
- E. Final Selection
- F. Right to Reject Proposals

TAHOE FOREST HEALTH SYSTEM
REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

Tahoe Forest Hospital District is requesting proposals from qualified firms of certified public accountants to audit Tahoe Forest Hospital District (District), Tahoe Forest Health System Foundation (TFHSF), and Incline Village Community Hospital Foundation (IVCHF) for the fiscal years June 30, 2017, 2018 and 2019. These audits are to be performed in accordance with audit standards generally accepted in the United States of America, and for the District, in accordance with the State Controller's minimum Audit Requirement for California Special Districts.

There is no expressed or implied obligation for the District, TFHSF, or IVCHF to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Copies of the proposals must be received by Crystal Betts, Chief Financial Officer, Tahoe Forest Hospital District, by October 10, 2016. The District reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by an audit committee.

During the evaluation process, the District reserves the right to request additional information or clarification from proposers or to allow corrections or error or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is selected.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted otherwise in the proposals submitted and confirmed in the contracts between the District, TFHSF, IVCHF and the firm selected.

It is anticipated that the selection of a firm will be completed by November 4, 2016. Following notification of the selected firm, it is expected a contract will be executed between both parties by November 17, 2016.

B. Term of Engagement

A 3 year contract is contemplated.

II. NATURE OF SERVICES REQUIRED

A. General

The District is soliciting the services of qualified firms of certified public accountants to audit the District, TFHSF, and IVCHF. These audits are to be performed in accordance with the provisions contained in this Request for Proposals.

B. Scope of Work to be Performed and Audit Standards to be Followed

The District, TFHSF, and IVCHF desires the audit be performed in accordance with auditing standards generally accepted in the United States of America. In addition, the District audit must be conducted in accordance with the State Controller's Minimum Audit Requirements for California Special Districts. The District includes TFHSF and IVCHF as blended component units of the District's combined financial statements. All significant inter-entity accounts and transactions need to be eliminated in the combined financial statements.

C. Special Considerations

The District will require the Combined Financial Statements with Independent Auditors' Report be presented to the District's Board of Directors at their meeting in October following the close of the fiscal year.

TFHSF and IVCHF will require Financial Statements with Independent Auditors' Report be presented to their Board of Directors at their meetings in November following the close of the fiscal year.

D. Reports to be Issued

Following the completion of the audit, the auditor shall issue:

1. Combined Financial Statements with Independent Auditors' Report for the District.
2. A financial ratio report that will compare identified key ratios for the District to other hospitals in California and Nationally, other District Hospitals, Critical Access Hospitals, investment grade bond rated Hospitals, and Office of Statewide Health Planning and Development (OSHDP) data.
3. Financial Statements with Independent Auditors' Report for TFHSF.
4. Financial Statements with Independent Auditors' Report for IVCHF.
5. A management letter providing a summation of audit findings and/or recommendations affecting the financial statements, internal controls, accounting practices or procedures, accounting systems, or any other material matter for the District, TFHSF, and IVCHF.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years unless the firm is notified in writing by the District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. Chief Executive Officer of Tahoe Forest Hospital District
2. Chief Financial Officer of Tahoe Forest Hospital District
3. Controller of Tahoe Forest Hospital District

Working papers for TFHSF may also be requested by:

1. Director of Fund Development for Tahoe Forest Health System Foundation

Working paper for IVCHF may also be requested by:

1. Director of Foundation and Community Development for Incline Village Community Hospital Foundation.

III. DESCRIPTION OF THE ENTITIES

A. Name and Brief Description of Entities

Tahoe Forest Hospital District (the District) is a political subdivision of the State of California. It was established on May 2, 1949 under the provisions of Local Health Care District Law as set forth in the Health and Safety code of the State of California. The District owns and operates

Tahoe Forest Hospital (a critical access hospital) in Truckee, California and Incline Village Community Hospital (a critical access hospital) in Incline Village, Nevada. The District is governed by an elected Board of Directors.

The District has a 51% equity interest in Truckee Surgery Center, LLC (TSC), an ambulatory surgery center. The District is unable to unilaterally impose its will on TSC and accordingly, accounts for its investment in TSC under the equity method. TSC does not issue audited financial statements. TSC is governed by an appointed Board of Directors.

The District also is the sole member of Tahoe Institute for Rural Health Research, a California nonprofit public benefit corporation, tax exempt under Section 501(c)(3). The District, as the sole member, appoints 10 members of the 12 member appointed Board of Directors. Funding for the Institute primarily comes from governmental and foundation grants, and private donations. Tahoe Institute for Rural Health Research does not issue audited financial statements.

In addition, the District wholly owns and controls a California limited liability company named TIRHR, LLC. TIRHR, LLC is governed by an appointed Board of Directors. TIRHR, LLC does not issue audited financial statements.

Tahoe Forest Health System Foundation (TFHSF) is a not-for-profit organization which was formed to support and enhance healthcare excellence in the communities served by Tahoe Forest Hospital, a part of the Tahoe Forest Hospital District. TFHSF provides these communities the opportunity to assist and invest in the development of comprehensive healthcare resources. TFHSF is governed by an appointed Board of Directors.

Incline Village Community Hospital Foundation (IVCHF) is a not-for-profit organization which was formed to support and enhance healthcare excellence in the communities served by Incline Village Community Hospital, a part of Tahoe Forest Hospital District. IVCHF provides these communities the opportunity to assist and invest in the development of comprehensive healthcare resources. IVCHF is governed by an appointed Board of Directors.

B. Name, Address, Email and Telephone Number of Contact Person(s)

The names, addresses, email addresses and telephone numbers of contact persons for the District, TFHSF, and IVCHF are included in APPENDIX A.

C. Organization's Principal Contact Person

The auditor's principal contact with the District, TFHSF, and IVCHF will be Crystal Betts or a designated representative who will coordinate the assistance to be provided by the District, TFHSF, and IVCHF to the auditor.

IV. TIME REQUIREMENTS

A. Proposal Calendar

Request for Proposals issued:	August 29, 2016
Due date for Proposals:	October 10, 2016

B. Notification and Contract Dates

Selected firms for on-site interviews:	October 17 – 28, 2016
Selected firm notified by:	November 4, 2016
Contract date:	November 17, 2016

C. Dates Audit May Commence January 1, 2017

The District will notify TFHSF and IVCHF of pending audits. Actual visitation dates are to be scheduled by the audit firm directly with the District for all organizations.

D. Schedule for the Audits

Each of the following shall be completed by the auditor no later than the dates indicated:

1. Interim Work – The auditor shall complete all interim work by March 1, 2017.
2. Detailed Audit Plan – The auditor shall provide a detailed audit plan to the District, TFHSF, and IVCHF by April 30, 2017.
3. Field Work – The auditor shall complete all field work during the last week of August 2017, and the first week of September 2017.

4. Draft Reports – The auditor shall have drafts of the audit report(s), recommendations to management, and financial ratio report for the District available for review by the District by September 30, 2017. The auditor shall have drafts of the audit report(s) and recommendations to management for TFHSF and IVCHF available for review by the District, TFHSF, and IVCHF by October 31, 2017.
5. Final Report Presentation – The auditor shall attend the District’s Board of Director’s meeting presently scheduled for October 27, 2016 to formally present the District’s audit report(s) and financial reports to the District’s Board of Directors for their review and acceptance. The auditor shall attend TFHSF’s and IVCHF’s Board of Director’s meeting scheduled in November 2017 to formally present the TFHSF and IVCHF audit report(s) to the Foundation’s Board of Directors for their review and acceptance.

E. Entrance and Exit Conferences

At a minimum, the following conferences should be held by the dates indicated on the schedule:

Following January 1, 2017 – Initial Meeting – The purpose of this meeting will be to advise the District, TFHSF, and IVCHF of the interim work to be performed. This meeting will also be used to establish overall liaisons for the audit and other needs of the auditor. This meeting may be via phone or in person.

On the last day of field work being conducted during the first week of September 2017 – Exit Conference – The purpose of this meeting will be to summarize the results of the field work and to review significant findings in written reports for the District, TFHSF, and IVCHF.

F. Report Preparation

Report preparation, editing, and printing shall be the responsibility of the auditor.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries – Inquiries concerning the Request for Proposals and the subject of the RFPs must be made to:

Crystal Betts, CFO
Tahoe Forest Hospital District
P.O. Box 759
10121 Pine Avenue
Truckee, CA 96161
cbetts@tfhd.com
530-582-6656

2. Submission of Proposals – The following material is required to be received by October 10, 2016 for a proposing firm to be considered:
 - a. A master copy (so marked) of a Technical Proposal and two (2) copies to include the following:
 - i. Title Page: Title page showing the RFP’s subject; the firm’s name; the name, address, telephone number, and email address of a contact person; and date of proposal.
 - ii. Table of Contents
 - iii. Transmittal Letter: A signed letter of transmittal briefly stating the proposer’s understanding of the work to be done, the commitment to perform the engagement, and a statement that the proposal is a firm and irrevocable offer for forty-five (45) days.
 - iv. Technical Proposal: The technical proposal should follow the order set forth in Section V. B. of this Request for Proposals.
 - v. Executed copies of Proposer Guarantees and Warranties attached to the RFP (APPENDIX B and C).
 - b. The proposer shall submit an original and two (2) copies of a dollar cost bid.
 - c. Proposers should send the completed proposal to the following address:

Crystal Betts, CFO
Tahoe Forest Hospital District

P.O. Box 759
10121 Pine Avenue
Truckee, CA 96161

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the District, TFHSF, and IVCHF in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation.

The technical proposal should demonstrate the qualifications of the firm and/or the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The technical proposal should address all the points outlined in the RFP. The proposal should be prepared simply and economically providing a straight-forward, concise description of the proposer's capabilities to satisfy the requirements of the RFP.

While additional data may be presented, the following subjects—Items #2 through #10—must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of Tahoe Forest Hospital District, Tahoe Forest Health System Foundation, and Incline Village Community Hospital Foundation to be audited.

3. License to Practice in California and Nevada

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered/licensed to practice in California and Nevada.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's healthcare, non-profit (foundation), and governmental audit staff, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

The firm should describe their expertise, knowledge and experience with auditing healthcare organizations, non-profits (foundation), and governmental entities. Provide a listing of relevant client references.

The firm should also describe their capabilities in other accounting and management advisory services as they relate to healthcare, non-profits (foundation) and governmental entities.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. A copy of the firm's most recent "Peer Review" report must be submitted with the proposal.

5. Partner, Supervisory, and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff and other supervisors and specialists who would be assigned to the engagement and indicate whether each person is registered/licensed to practice as a certified public accountant in California and Nevada. The firm should provide information on the healthcare, non-profit (foundation), and/or governmental auditing experience of each person—including information on relevant continuing professional education for the past three (3) years. The firm also should indicate how the quality of staff over the term of the agreement will be assured. Provide biographies and/or resumes for each member of the engagement team highlighting their specific experience in healthcare, non-profits and governmental entities.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written

permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with other District Hospitals and Foundations

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan—including an explanation of the audit methodology to be followed—to perform the services required in Section II of this Request for Proposals. In developing the work plan, reference should be made to such sources of information.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Type and extent of sampling techniques to be used in the engagement

8. Assistance to be Provided to the Auditor

Assistance by the District, TFHSF, and IVCHF personnel will be available during the audit to assist the auditors by providing information, securing records for audit purposes, providing explanations, and typing requested confirmations. Any assistance the auditor requires which is not listed here must be requested in writing as an element of the firm's proposal.

The following supporting schedules and documents will be prepared by the District, TFHSF and IVCHF personnel and furnished to the auditors at the sole cost of the District, TFHSF, and IVCHF in connection with examinations of the financial statements:

- a. Trial balance as of June 30th
- b. General ledger as of June 30th
- c. Reconciliation of all bank accounts as of June 30th
- d. Detail of patient accounts receivable balances as of June 30th
- e. Detail of other accounts receivable balances as of June 30th
- f. Detail of yearend inventory analysis
- g. Detail of prepaid expense and deposits as of June 30th
- h. Analysis of amounts due/from Federal and/or State government as of June 30th
- i. Detail listing of property, plant, and equipment as of June 30th
- j. Detail of accounts payable balances as of June 30th
- k. Detail of accrued payroll and related benefits as of June 30th
- l. Analysis of long-term debt and capital lease obligations as of June 30th
- m. Analysis and reconciliation of all balance sheet items not mentioned above
- n. Revenue and expenditure account detail
- o. Other documents or schedules as mutually agreed upon between the auditor and the District, TFHSF, and IVCHF

All District, TFHSF, and IVCHF records must be audited on site and may not be removed to a remote site. All documents and records must be kept in an orderly manner while under audit; in addition, said records must be returned to the person from whom they were obtained in a timely and orderly fashion.

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the District, TFHSF, and/or IVCHF.

10. Report Format

The proposal should include sample formats for required reports.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in the RFP. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

The District, TFHSF, and IVCHF will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

The first page of the dollar cost bid should include the following:

- a. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District, TFHSF, and IVCHF.
- b. A total all-inclusive maximum price.

2. Rates by Partner, Specialist, Supervisory, and Staff level TIMES the hours anticipated for each (rates x hours =)

The second page of the dollar cost bid should include a schedule of professional fees and expenses presented in the format provided in the attachment (APPENDIX D) that supports the total all-inclusive maximum price.

3. Out-of-Pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

All estimated out-of-pocket expenses to be reimbursed should be presented in the dollar cost bid in the format provided in the attachment (APPENDIX D).

All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for the District, TFHSF, or IVCHF to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report

issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District, TFHSF, or IVCHF and the firm. Any such additional work agreed to between the District, TFHSF, or IVCHF and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

VI. EVALUATION PROCEDURES

A. Audit Committee

Proposals submitted will be evaluated by the Audit Committee selected by the District.

B. Review of Proposals

The District, TFHSF, and IVCHF will use a point formula during the review process to score proposals. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The District, TFHSF, and IVCHF reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process:

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in California and Nevada.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the District, TFHSF, and IVCHF.
- d. The firm adheres to the instructions in the RFP on preparing and submitting the proposal.

2. Technical Qualification (Maximum points – 40)

- a. The qualification of the firm's professional personnel to be assigned to the engagement and of the firm's management support personnel to be available for technical consultation (0 – 20 points)
- b. The firm's past experience and performance on comparable engagements (0 – 20 points)

3. Audit Approach (Maximum points – 40)

- a. Adequacy of proposed staffing plan for various segments of the engagement (0 – 20 points)
- b. Adequacy of sampling techniques (0 – 20 points)

4. Dollar Cost Bid (Maximum points – 20)

D. Oral Presentation

During the evaluation process, the District, TFHSF, and IVCHF may, at its discretion, request any one or all of the firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District, TFHSF, and IVCHF may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

It is anticipated that a firm will be selected by November 4, 2016. Following notification of the firm selected, it is expected a contract will be executed between both parties by November 17, 2016.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District, TFHSF, and IVCHF and the firm selected. The District, TFHSF, and IVCHF reserve the right, without prejudice, to reject any or all proposals.

APPENDICES

A. LIST OF KEY PERSONNEL, OFFICE LOCATIONS, TELEPHONE NUMBERS,
AND EMAIL ADDRESS

B. PROPOSER GUARANTEES

C. PROPOSER WARRANTIES

D. PART 1 – SCHEDULE OF PROFESSIONAL FEES & EXPENSES FOR AUDIT
TAHOE FOREST HOSPITAL DISTRICT

PART 2 – SCHEDULE OF PROFESSIONAL FEES & EXPENSES FOR AUDIT
TAHOE FOREST HEALTH SYSTEM FOUNDATION

PART 3 – SCHEDULE OF PROFESSIONAL FEES & EXPENSES FOR AUDIT
INCLINE VILLAGE COMMUNITY HOSPITAL FOUNDATION

APPENDIX A

**Tahoe Forest Hospital District
P.O. Box 759
10121 Pine Avenue
Truckee, CA 96161**

Key Personnel:

Chief Financial Officer: Crystal Betts
Physical Location: 10054 Pine Avenue, Truckee, CA
Email: cbetts@tfhd.com
Phone: 530-582-6656

Controller: Jaye Chasseur
Physical Location: 12047 Donner Pass Road, Truckee, CA
Email: jchasseur@tfhd.com
Phone: 530-582-3489

**Tahoe Forest Health System Foundation
P.O. Box 2508
10976 Donner Pass Road
Truckee, CA 96161**

Key Personnel: (In addition to the Chief Financial Officer and Controller listed above)

Director – Fund Development: Martha Simon
Physical Location: 10976 Donner Pass Road, Truckee, CA
Email: msimon@tfhd.com
Phone: 530-582-6329

**Incline Village Community Hospital Foundation
880 Alder Avenue
Incline Village, NV 89451**

Key Personnel: (In addition to the Chief Financial Officer and Controller listed above)

Director – Foundation and Community Engagement: Elizabeth (Betsy) Kinsley
Physical Location: 880 Alder Avenue, Incline Village, NV
Email: ekinsley@tfhd.com
Phone: 775-888-4204

APPENDIX B

PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, NATURE OF SERVICES REQUIRED.

Signature of Official _____

Typed Name _____

Title _____

Firm Name _____

Date _____

APPENDIX C

PROPOSER WARRANTIES

- A. Proposer warrants that it will obtain an Errors and Omissions insurance policy providing a prudent amount of coverage for willful or negligent acts or omissions of any officers, employees, or agents thereof.

- B. Proposer warrants that it and its officers, employees, servants and agents will act as an independent contractor(s) and is solely responsible for necessary and adequate worker’s compensation insurance and personal injury, property damage and automobile liability insurance. Proposer shall procure and maintain worker’s compensation insurance at its own expense and as required by California and Nevada State law.

- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the District, TFHSF, or IVCHF.

- D. Proposer agrees to abide by all applicable laws, rules and regulations, and administrative rulings of the United States and the States of California and Nevada. Unless otherwise agreed in writing, the contract, and the interpretation thereof, shall be governed by the laws of the State of California. Venue for any legal proceeding arising out of such contract shall be in the County of Nevada, State of California.

- E. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official _____

Typed Name _____

Title _____

Firm Name _____

Date _____

APPENDIX D

Part 1

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF
TAHOE FOREST HOSPITAL DISTRICT**

Services as described in the Request for Proposals, Section II

	Hours	Standard Hourly Rates	Quoted Hourly Rates	TOTAL
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of-Pocket Expenses:				
Meals and Lodging		_____		
Transportation		_____		
Other (specify)		_____		
Subtotal Out-of-Pocket Expenses				\$ _____
TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX D

Part 2

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF
TAHOE FOREST HEALTH SYSTEM FOUNDATION**

Services as described in the Request for Proposals, Section II

	Hours	Standard Hourly Rates	Quoted Hourly Rates	TOTAL
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of-Pocket Expenses:				
Meals and Lodging		_____		
Transportation		_____		
Other (specify)		_____		
Subtotal Out-of-Pocket Expenses				\$ _____
TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX D

Part 3

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF
INCLINE VILLAGE COMMUNITY HOSPITAL FOUNDATION**

Services as described in the Request for Proposals, Section II

	Hours	Standard Hourly Rates	Quoted Hourly Rates	TOTAL
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of-Pocket Expenses:				
Meals and Lodging		_____		
Transportation		_____		
Other (specify)		_____		
Subtotal Out-of-Pocket Expenses				\$ _____
TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR AUDIT				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

**TAHOE FOREST HOSPITAL DISTRICT
FINANCIAL AUDIT FIRM REVIEW
CONTRACT FOR FISCAL YEARS 6/30/17-06/30/19**

OPTIONS FOR FINANCIAL AUDIT FIRM CONTRACT:

- A) Remain with Kcoe Isom for another 3 years
 - 1. With Same Partner - Bill Peterson
 - 3. With New Partner - Dawn Buchanan

- B) Send out a Request for Proposal to 5-7 Firms
 - Kcoe Isom
 - TCA Partners
 - WIPFLI
 - Moss Adams
 - Eide Baily
 - KPMG

LIST OF HOSPITALS AND THEIR EXISTING OR FUTURE AUDIT FIRM

Hospital:	Firm:
Mammoth Hospital	Eide Baily
Mendocino Regional (Adventist)	Ernst & Young
Sutter Lakeside Hospital	Ernst & Young
Northern Inyo Hospital	KC Miller CPA
Colusa Regional Medical Center	Kcoe Isom
John C. Fremont Healthcare District	Kcoe Isom
Orchard Hospital (Biggs Gridley)	Kcoe Isom
Oroville Hospital	Kcoe Isom
Plumas	Kcoe Isom
Southern Humboldt	Kcoe Isom
Catalina Island Medical Center	TCA Partners
Colalinga Regional Medical Center	TCA Partners
Hazel Hawkins Memorial Hospital	TCA Partners
Hi-Desert Medial Center	TCA Partners
Mendocino Coast District Hospital	TCA Partners
Mountains Community (Trinity)	TCA Partners
Seneca Healthcare District	TCA Partners
Southern Inyo Hospital	TCA Partners
St. Rose Hospital	TCA Partners
Mayers Memorial Hospital District	WIPFLI

Alternative Firms:

- Deloitte & Touche
- Moss Adams
- KPMG

FINANCE COMMITTEE

RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING

1. Financial Report – Pre-audit June 2016
2. Audit Update
3. Financial Report – Preliminary August 2016
4. Audit Committee Member Selection

RECOMMENDED DATE(s) AND TIME(s) FOR NEXT FINANCE COMMITTEE MEETING

1. Wednesday, September 21, 2016 2 hrs – 1-4pm