



TAHOE FOREST HOSPITAL DISTRICT

2015-09-23 Board Finance Committee

Sep 23, 2015 at 09:00 AM - 11:00 AM

Foundation Conference Room

Meeting Book - 2015-09-23 Board Finance Committee

Agenda

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| No related materials. | |
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FINANCE COMMITTEE AGENDA

(Revised on 09/21/2015 at 10:56 a.m.)

Wednesday, September 23, 2015 at 9:00 a.m.

Foundation Conference Room, Tahoe Forest Health System Foundation
10976 Donner Pass Road, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Committee Chair; Greg Jellinek, M.D., 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: 8/20/2015 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports:

- 6.1.1. Financial Report- Pre-Audit FYE 2015 ATTACHMENT
- 6.1.2. Financial Report- Pre-Audit FYE 2015 Separate Entities..... ATTACHMENT
- 6.1.3. Financial Report- Pre-Audit FYE 2015 Multi-Specialty Clinics ATTACHMENT
- 6.1.4. Financial Report – August 2015 ATTACHMENT

6.2. Board Updates

- 6.2.1. FYE 2015 Financial Audit

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

Thursday, August 20, 2015 at 2:30 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**

Meeting called to order at 2:35 p.m.

2. **ROLL CALL**

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

Staff: Crystal Betts, Chief Financial Officer; Jaye Chasseur, Controller; Judy Newland, CNO; Jake Dorst, Interim Chief Executive Officer

Other: Jack Armstrong

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

None.

4. **INPUT – AUDIENCE**

None.

5. **APPROVAL OF MINUTES OF: 07/23/2015**

ACTION: Motion made by Director Jellinek, seconded by Director Chamblin, to approve minutes of July 23, 2105. Approved unanimously.

6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**

6.1. **Financial Reports:**

6.1.1. **Financial Report – Updated Preliminary FYE 2015**

The CFO reviewed the open items for the FY2015 year-end close before Pre-Audit statements are published.

AB915 which is the Outpatient Medi-Cal Supplemental. Calculation is based in Remittance Advice (RA) activity and calculates additional monies due from program for true Medi-Cal patients only. This is booked as a receivable. Prior year's calculations have been approximately \$1.2m. The FY2015 receivable is approximately \$600k.

2006 Revenue Bond Refunding & 2008 G.O. Bond Refinancing journal entries are prepared and being reviewed by our auditors. Still looking at the treatment of the Deferred Outflow of Resources from Refunding on the 2008 G.O. Bond transaction.

Property Tax Receivable True Up – We will have a pickup on the EBIDA statement of \$102,000 for the District and \$96,000 for the G.O. Bond RPT.

MU Receivable – We have worked with our reimbursement specialists and are booking a conservative receivable of approximately \$1.3m for TFH and IVCH.

IGT (Intergovernmental Transfer) – We could have three potential receivables to book, one for sure, which is approximately \$167,000. The other two are related to Medi-Cal's expansion of rural care. One with California Health & Wellness and one with Anthem. Anthem will be about \$500,000 & we'll get back \$250,000. California Health & Wellness is about \$700,000 and we'll get back around \$350,000. The second two have been sent to the companies for review. This entry will be discussed during audit as it may not be booked because the contracts may not be approved.

6.1.2. **Financial Report – Preliminary July 2015**

The CFO provided a review of the Statement of Net Position.

Days Cash on Hand was 158 days which is down from June 2015. Working Capital cash decreased \$1.4m, however, Accounts Payable is also down \$1.5m.

Cash collections were below target but work is still being done with the Business Office to refine the calculation due to the change in dynamics with our payor mix. Days in AR are down to 58. Part of the decrease is due to revenues being better than budget for the past three months which brings down AR days in the calculation process.

G.O. Bond Tax Revenue Fund decreased \$2.4m after remitting payment due on the debt service for Series A, B, and C.

Total gross revenue was slightly under budget. I/P revenues were below budget due to a decrease in patient days and lower acuity levels in our patients. O/P revenue exceeded budget. Volumes were higher in ED visits, Home Health visits, Surgery, Laboratory, Mammography, Oncology, Nuclear Medicine, Ultrasound, PET CT, Pharmacy, Oncology Pharmacy, Physical Therapy and Occupational Therapy.

Deductions from Revenue also came in below budget. We saw a slight increase in our Commercial patients and a decrease in Medi-Cal for the first time in long time. We also saw a large pickup on Bad Debt as the processes in the Business Office have been refined and the accounts are being worked. Discussion ensued on how Self Pay accounts are handled through reserves versus a true Bad Debt account that is written off the books.

Discussion took place regarding the update on transitioning to Clear Balance for patient payment plans.

The CFO reviewed the Operating Expenses explaining the variance in Salaries, Wages, and Benefits stems primarily from a three pay period cycle in July.

Medical Insurance was under budget due to less utilization of services. Director Jellinek asked how Medical Insurance the budget is prepared. The CFO explained the process of

working with our Third Party Administrator to determine utilization which goes into the budget calculation.

EBIDA was \$1,936,537 compared to budget of \$861,203, or \$1,069,355 over budget.

The IVCH EBIDA statement was reviewed by the CFO. EBIDA for the month was \$303,112 compared to budget of \$181,900, or \$121,211 over budget.

Discussion took place on the IVCH siding project. Siding was identified as combustible during the 2014 HFAP survey. Project is tentatively scheduled for fall of 2016 but may not transpire due to potential changes in the hospital's CAH status.

The CNO gave an update on the second floor clinic remodels. The Foundation is paying for most of the remodel through fundraising efforts. The remodel is needed due to the increase in patient visits. The CNO foresees volumes increasing even more with the community outreach she is doing.

6.1.3. Financial Update – Truckee Surgery Center LLC

The CFO highlighted events of the recent TSC, LLC board meeting. On the balance sheet it was noted the cash position had decreased and Fixed Assets had increased. The board had voted and approved the purchase of Surgical and Medical equipment. Although the June financial report shows a net loss, YTD the Surgery Center is showing a profit of \$42,000.

TFH has been working with TSC, LLC on areas where costs can be reduced. The District's Bio-Med vendor is now servicing TSC, LLC. The cost is less and they will receive better service.

TSC, LLC will be buying their supplies through the District, taking advantage of our GPO rates and reduce the need to buy supplies in bulk that are not needed. The cost savings are estimated around a 20% reduction but could be greater.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

1. Financial Report-Pre-audit June 2015, with updated year-end key indicators
2. Audit update
3. Financial Report-Preliminary August 2015
4. FYE2015 Review Financial Status of Multi-Specialty Clinics.

9. NEXT MEETING DATE

The next finance committee meeting will take place September 23, 2015 at 1:00 p.m.

10. ADJOURN

Meeting adjourned at 3:41 p.m.

**TAHOE FOREST HOSPITAL DISTRICT
JUNE 2015 FINANCIAL REPORT - PRE-AUDIT
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Board of Directors
Of Tahoe Forest Hospital District

JUNE 2015 FINANCIAL NARRATIVE – PRE-AUDIT

The following is a financial narrative analyzing financial and statistical trends for the twelve months ended June 30, 2015.

Activity Statistics

- ❑ TFH acute patient days were 425 for the current month compared to budget of 388. This equates to an average daily census of 14.2 compared to budget of 12.9.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, MRI exams, Cat Scans, Oncology Drugs, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Nuclear Medicine, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 77.6% in the current month compared to budget of 55.0% and to last month's 52.3%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.5%, compared to budget of 55.0% and prior year's 57.2%.
- ❑ EBIDA was \$4,554,311 (23.6%) for the current month compared to budget of \$246,450 (1.5%), or \$4,307,860 (22.1%) above budget. Year-to-date EBIDA was \$7,190,440 (3.5%) compared to budget of \$1,988,118 (1.0%) or \$5,202,322 (2.5%) over budget.
- ❑ Cash Collections for the current month were \$8,972,596 which is 97% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 60.2, compared to the prior month of 62.1. Gross Accounts Receivables are \$31,478,908 compared to the prior month of \$30,607,423. The percent of Gross Accounts Receivable over 120 days old is 23.4%, compared to the prior month of 25.1%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 34.4 days. S&P Days Cash on Hand is 156.4. Working Capital cash decreased \$2,563,000 and cash collections fell short of target by 3%. The District purchased Dr. Kitts condo for \$600,000, remitted funds to Philips for the new Cat Scan, and advanced funds of \$513,000 for Measure C projects. Funds advanced for the Cat Scan unit were reimbursed through the Municipal Lease in July.
- ❑ Net Patients Accounts Receivable increased approximately \$2,423,000. Cash collections were at 97% of target and days in accounts receivable were 60.2 days, a 1.90 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare increased \$1,650,000 after recording IGT receivables related to Medi-Cal Managed Care contracts and the Medicare estimated receivable attributed to Meaningful Use Stage I Attestation.
- ❑ Total Bond Trustee 2006 decreased \$2,932,000, Deferred Financing Costs increased \$225,000, Interest Payable decreased \$616,000, Current Maturities of Other Long Term Debt decreased \$771,000, and Other Long Term Debt Net of Current Maturities decreased \$1,227,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.
- ❑ Total Bond Trustee GO Bond increased \$30,000, Deferred Outflow of Resources on Refunding and GO Bond Deferred Financing Costs increased \$2,328,970, and GO Bond Debt Net of Current Maturities increased \$2,441,000 after recording the activity related to the refinancing of the GO Bond Series A.

June 2015 Financial Narrative – Pre-Audit

- ❑ GO Bond Project Fund decreased \$728,552 after remitting payment to the District for funds advanced on the May Measure C projects.
- ❑ G.O. Bond Tax Revenue Fund increased \$2,339,337. The District moved the remaining balance of the 1st and 2nd installments of property tax revenues out of Working Capital to cover the debt service payments due at the close of July.
- ❑ Investment in TSC, LLC decreased \$69,000 after booking 51% of the net losses on the March through June activity.
- ❑ An adjustment was made to the Piper Jaffray swap transaction to reflect the fair value at the end of June.
- ❑ Accounts Payable increased \$1,369,000 due to the timing of the final check run in June and accrual of the final year-end invoices.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased a net \$170,000 after truing up the settlement accounts based on the finalized audits of the FY12 and FY13 as filed cost reports.
- ❑ Health Insurance Plan IBNR increased \$310,000 after receiving the year-end report from BRMS and adjusting the booked liability.
- ❑ Workers Compensation Plan IBNR decreased \$602,000 after performing the year-end analysis of the booked liability based on actuarial studies provided by our third party administrator.
- ❑ Comprehensive Liability Insurance IBNR decreased \$67,000 after performing the year-end analysis.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$19,279,543, compared to budget of \$16,001,551 or \$3,277,992 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$7,052,445, compared to budget of \$5,424,138 or \$1,628,307 over budget.
- ❑ Current month's Gross Outpatient Revenue was \$12,227,098, compared to budget of \$10,577,413 or \$1,649,685 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 37.9% Medicare, 16.6% Medi-Cal, .0% County, 5.0% Other, and 40.5% Insurance compared to budget of 34.5% Medicare, 13.4% Medi-Cal, 1.6% County, 6.7% Other, and 43.8% Insurance. Last month's mix was 37.8% Medicare, 18.0% Medi-Cal, .0% County, 3.3% Other, and 40.9% Insurance.
- ❑ Current month's Deductions from Revenue were \$4,320,914 compared to budget of \$7,200,089 or \$2,879,175 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 3.36% increase in Medicare, a 3.24% increase to Medi-Cal, a 1.68% decrease in County, a 1.64% decrease in Other, and Commercial was below budget 3.29%, 2) revenues exceeded budget by 20.5%, 3) the District performed a year-end analysis of its Periodic Interim Payment (PIP) account which resulted in a pickup in our Medicare contractual allowances, 4) the District booked an estimated receivable from Medicare for Meaningful Use Stage I Attestation, and 4) adjustments were made to the Prior Period Settlement accounts after the audited, as-filed cost reports were completed for FY12 and FY13 and booked three IGT receivables related to Medi-Cal Managed Care contracts.

Operating Expenses

| DESCRIPTION | June 2015 Actual | June 2015 Budget | Variance | BRIEF COMMENTS |
|---------------------------------|------------------|------------------|-------------|---|
| Salaries & Wages | 3,667,284 | 3,343,709 | (323,575) | Negative variance in Salaries & Wages related to the booking of Incentive Comp. |
| Employee Benefits | 704,691 | 1,102,808 | 398,116 | Positive variance related to the year-end adjustment of the Pension/Deferred Comp liability accounts. |
| Benefits – Workers Compensation | (548,846) | 51,566 | 600,413 | Year-end adjustment to the Workers Compensation IBNR liability created a positive variance in Benefits – Workers Compensation. |
| Benefits – Medical Insurance | 1,242,510 | 717,510 | (525,001) | Negative variance attributed to the year-end adjustment to the Health Insurance IBNR liability. |
| Professional Fees | 1,826,945 | 1,445,084 | (381,861) | Consulting services for Patient Accounting, Revenue Cycle, Nursing Case Management, and Laboratory, legal and fair market value services provided to the Corporate Compliance department, accrual of the year-end physician RVU bonuses, an increase in Outpatient Therapy revenues, and therapy services provided to our Oncology patients created a negative variance in Professional Fees. |
| Supplies | 2,221,797 | 1,175,839 | (1,045,958) | Surgical Services and Medical Supplies Sold to Patients revenues were above budget by 33.03% and Oncology Drugs sold to Patients revenues surpassed budget by 17.07%, creating a negative variance in the Supplies category. Adjustment of the year-end inventories on hand also aided in the negative variance in Supplies. |
| Purchased Services | 1,301,505 | 829,884 | (471,621) | Services provided to MSC Administration and the Wellness Neighborhood, answering services, Locums coverage in IP Pharmacy, outsourced laboratory testing, building maintenance projects, E.M.R. practice management fees, and radiology reads created a negative variance in Purchased Services. |
| Other Expenses | 836,857 | 515,786 | (321,071) | Negative variance in Outside Training & Travel for Jacobus consultants, The Fox Group, Nursing Administration, and the Emergency Department, CEO recruitment expenses, and final rental payment on the temporary Cat Scan created a negative variance in Other Expenses. |
| Total Expenses | 11,252,743 | 9,182,186 | (2,070,557) | |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JUNE 2015 PRE-AUDIT

| | Jun-15 | May-15 | Jun-14 | |
|--|----------------------|----------------------|----------------------|----|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| * CASH | \$ 11,497,296 | \$ 14,060,098 | \$ 10,315,543 | 1 |
| PATIENT ACCOUNTS RECEIVABLE - NET | 14,854,694 | 12,432,041 | 17,493,626 | 2 |
| OTHER RECEIVABLES | 3,228,156 | 2,851,930 | 3,259,504 | |
| GO BOND RECEIVABLES | (120,270) | (618,015) | 230,127 | |
| ASSETS LIMITED OR RESTRICTED | 5,479,161 | 5,638,197 | 6,106,335 | |
| INVENTORIES | 2,317,563 | 2,508,755 | 2,506,409 | |
| PREPAID EXPENSES & DEPOSITS | 1,454,115 | 1,359,918 | 1,321,334 | |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 4,522,927 | 2,872,736 | 3,259,036 | 3 |
| OTHER CURRENT ASSETS | - | - | - | |
| TOTAL CURRENT ASSETS | <u>43,233,643</u> | <u>41,105,660</u> | <u>44,491,913</u> | |
| NON CURRENT ASSETS | | | | |
| ASSETS LIMITED OR RESTRICTED: | | | | |
| * CASH RESERVE FUND | 40,730,601 | 40,730,601 | 40,636,217 | 1 |
| BANC OF AMERICA MUNICIPAL LEASE | 2,295,723 | 2,295,723 | 2,290,125 | |
| TOTAL BOND TRUSTEE 2002 | 2 | 2 | 2 | |
| TOTAL BOND TRUSTEE 2006 | 414,558 | 3,346,143 | 3,464,501 | 4 |
| TOTAL BOND TRUSTEE GO BOND | 29,818 | - | - | 5 |
| GO BOND PROJECT FUND | 12,148,491 | 12,877,043 | 19,832,145 | 6 |
| GO BOND TAX REVENUE FUND | 2,839,203 | 499,866 | 2,347,711 | 7 |
| BOARD DESIGNATED FUND | 2,297 | 2,297 | 2,297 | |
| DIAGNOSTIC IMAGING FUND | 2,969 | 2,969 | 2,962 | |
| DONOR RESTRICTED FUND | 1,081,058 | 1,103,117 | 753,931 | |
| WORKERS COMPENSATION FUND | 12,798 | 15,874 | 19,026 | |
| TOTAL | 59,557,517 | 60,873,634 | 69,348,918 | |
| LESS CURRENT PORTION | (5,479,161) | (5,638,197) | (6,106,335) | |
| TOTAL ASSETS LIMITED OR RESTRICTED - NET | <u>54,078,357</u> | <u>55,235,437</u> | <u>63,242,584</u> | |
| NONCURRENT ASSETS AND INVESTMENTS: | | | | |
| INVESTMENT IN TSC, LLC | 324,395 | 393,277 | 496,395 | 8 |
| PROPERTY HELD FOR FUTURE EXPANSION | 836,353 | 836,353 | 836,353 | |
| PROPERTY & EQUIPMENT NET | 131,428,469 | 128,404,069 | 116,743,927 | |
| GO BOND CIP, PROPERTY & EQUIPMENT NET | 19,220,182 | 20,296,677 | 27,305,201 | |
| TOTAL ASSETS | <u>249,121,399</u> | <u>246,271,472</u> | <u>253,116,372</u> | |
| DEFERRED OUTFLOW OF RESOURCES: | | | | |
| DEFERRED LOSS ON DEFEASANCE | 581,827 | 585,060 | 620,616 | |
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE | 1,774,439 | 2,013,085 | 1,710,011 | 9 |
| DEFERRED OUTFLOW OF RESOURCES ON REFUNDING | 2,016,320 | - | - | 10 |
| GO BOND DEFERRED FINANCING COSTS | 312,650 | - | - | 10 |
| DEFERRED FINANCING COSTS | 224,700 | - | - | 11 |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>\$ 4,909,937</u> | <u>\$ 2,598,145</u> | <u>\$ 2,330,627</u> | |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| ACCOUNTS PAYABLE | \$ 5,635,467 | \$ 4,266,440 | \$ 5,514,540 | 12 |
| ACCRUED PAYROLL & RELATED COSTS | 8,167,981 | 7,610,170 | 8,302,902 | |
| INTEREST PAYABLE | 24,117 | 640,561 | 612,279 | 13 |
| INTEREST PAYABLE GO BOND | 1,694,846 | 1,559,030 | 1,949,447 | |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 366,356 | 536,561 | 1,112,494 | 14 |
| HEALTH INSURANCE PLAN | 1,307,731 | 997,635 | 997,635 | 15 |
| WORKERS COMPENSATION PLAN | 404,807 | 1,006,475 | 1,006,475 | 16 |
| COMPREHENSIVE LIABILITY INSURANCE PLAN | 824,203 | 890,902 | 890,902 | 17 |
| CURRENT MATURITIES OF GO BOND DEBT | 380,000 | 315,000 | 50,000 | |
| CURRENT MATURITIES OF OTHER LONG TERM DEBT | 1,529,911 | 2,300,830 | 2,245,193 | 18 |
| TOTAL CURRENT LIABILITIES | <u>20,335,418</u> | <u>20,123,604</u> | <u>22,681,867</u> | |
| NONCURRENT LIABILITIES | | | | |
| OTHER LONG TERM DEBT NET OF CURRENT MATURITIES | 31,954,411 | 33,181,604 | 35,346,645 | 19 |
| GO BOND DEBT NET OF CURRENT MATURITIES | 100,570,802 | 98,130,000 | 98,445,000 | 20 |
| DERIVATIVE INSTRUMENT LIABILITY | 1,774,439 | 2,013,085 | 1,710,011 | 9 |
| TOTAL LIABILITIES | <u>154,635,070</u> | <u>153,448,293</u> | <u>158,183,524</u> | |
| NET ASSETS | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 98,315,207 | 94,318,207 | 96,509,544 | |
| RESTRICTED | 1,081,058 | 1,103,117 | 753,931 | |
| TOTAL NET POSITION | <u>\$ 99,396,265</u> | <u>\$ 95,421,323</u> | <u>\$ 97,263,475</u> | |

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JUNE 2015 PRE-AUDIT

1. Working Capital is at 34.4 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 156.4 days. Working Capital cash decreased \$2,563,000. Cash collections fell short of target by 3%. The District purchased Dr. Kitts condo for \$600,000, remitted payment to Philips for the new Cat Scan in the amount of \$858,000, and advanced funds of \$513,000 for Measure C projects. Funds advanced on the Cat Scan unit were reimbursed through the Municipal Lease in July.
2. Net Patient Accounts Receivable increased approximately \$2,423,000. Cash collections were 97% of target. Days in Accounts Receivable are at 60.2 days compared to prior months 62.1 days, a 1.90 days decrease.
3. Estimated Settlements, Medi-Cal and Medicare increased a net \$1,650,000. The District recorded the receipt of the FY2014-2015 IGT funds and booked an additional three IGT receivables related to Medi-Cal Managed Care contracts along with the estimated Medicare receivable for Meaningful Use Stage I Attestation.
4. Total Bond Trustee 2006 decreased \$2,932,000 after recording the activity related to the refunding of these bonds.
5. Total Bond Trustee GO Bond increased \$30,000 after recording the activity related to the refinancing of the GO Bond Series A.
6. G.O. Bond Project Fund decreased \$728,552 after reimbursing the District for funds advanced on Measure C projects.
7. G.O. Bond Tax Revenue Fund increased \$2,339,337. The District moved the balance of the 1st installment of property tax revenues and the receipt of the 2nd installment of property tax revenues out of the Working Capital account to cover the debt service payments due on the Series A, B, C bonds at the close of July.
8. Investment in TSC, LLC decreased \$69,000 after booking 51% the net loss on the Surgery Center for March through June 2015.
9. 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.
10. Deferred Outflow of Resources on Refunding and GO Bond Deferred Financing Costs increased \$2,328,970 after recording the activity related to the refinancing of the GO Bond Series A.
11. Deferred Financing Costs increased \$225,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.

12. Accounts Payable increased \$1,369,000 due to the timing of the final check run in the month and the final year-end invoice accruals.
13. Interest Payable decreased \$616,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.
14. Estimated Settlements, Medi-Cal and Medicare decreased a net \$170,000 after truing up the Medi-Cal and Medicare settlement accounts based on the finalized audits of the FY12 and FY13 as filed cost reports.
15. Health Insurance Plan IBNR increased \$310,000 after receiving the year-end report from BRMS and adjusting the liability.
16. Workers Compensation Plan IBNR decreased \$602,000 after performing the year-end analysis of the liability based on actuarial studies provided by our third party administrator.
17. Comprehensive Liability Insurance Plan IBNR decreased \$67,000 after performing the year-end analysis.
18. Current Maturities of Other Long Term Debt decreased \$771,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.
19. Other Long Term Debt Net of Current Maturities decreased \$1,227,000 after recording the activity related to the refunding of the 2006 Revenue Bonds.
20. GO Bond Debt Net of Current Maturities increased \$2,441,000 after recording the activity related to the refinancing of the GO Bond Series A.

**Tahoe Forest Hospital District
Cash Investment
June 2015 Pre-Audit**

| | | | |
|--|----------------------------|--------|------------------------------------|
| WORKING CAPITAL | | | |
| US Bank | \$ 10,715,542 | | |
| US Bank/Kings Beach Thrift Store | 225,515 | | |
| US Bank/Truckee Thrift Store | 556,239 | | |
| Wells Fargo Bank | | | |
| Local Agency Investment Fund | <u> -</u> | 0.299% | |
| Total | | | \$ 11,497,296 |
| BOARD DESIGNATED FUNDS | | | |
| US Bank Savings | \$ 2,297 | 0.03% | |
| Capital Equipment Fund | <u> -</u> | | |
| Total | | | \$ 2,297 |
| Building Fund | \$ - | | |
| Cash Reserve Fund | <u>40,730,601</u> | 0.299% | |
| Local Agency Investment Fund | | | \$ 40,730,601 |
| Banc of America Muni Lease | | | \$ 2,295,723 |
| Bonds Cash 1999 | | | \$ 2 |
| Bonds Cash 2002 | | | \$ - |
| Bonds Cash 2006 | | | \$ 348,376 |
| Bonds Cash 2008 | | | \$ 14,987,694 |
| DX Imaging Education | \$ 2,969 | 0.299% | |
| Workers Comp Fund - B of A | 12,798 | | |
| Insurance | | | |
| Health Insurance LAIF | - | 0.299% | |
| Comprehensive Liability Insurance LAIF | <u> -</u> | 0.299% | |
| Total | | | \$ 15,767 |
| TOTAL FUNDS | | | \$ 69,877,756 |
| RESTRICTED FUNDS | | | |
| Gift Fund | | | |
| US Bank Money Market | \$ 8,368 | 0.03% | |
| Foundation Restricted Donations | \$ 229,266 | | |
| Local Agency Investment Fund | <u>843,425</u> | 0.299% | |
| TOTAL RESTRICTED FUNDS | | | \$ 1,081,058 |
| TOTAL ALL FUNDS | | | <u><u>\$ 70,958,814</u></u> |

**TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
JUNE 2015 PRE-AUDIT**

| | Current Status | Desired Position | Target | Bond Covenants | FY 2015 Jul 14 to June 15 | FY 2014 Jul 13 to June 14 | FY 2013 Jul 12 to June 13 | FY 2012 Jul 11 to June 12 | FY 2011 Jul 10 to June 11 | FY 2010 Jul 09 to June 10 | FY 2009 Jul 08 to June 09 |
|---|----------------|------------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Return On Equity: Increase (Decrease) in Net Position Net Position | | ↑ | -2.67% (1) | -02 | 2.19% | .001% | -4.0% | 8.7% | 6.3% | 12.4% | 9.8% |
| Days in Accounts Receivable (excludes SNF & MSC) <u>Gross Accounts Receivable</u> 90 Days | | ↓ | FYE 63 Days | | 60 | 75 | 97 | 64 | 59 | 60 | 58 |
| <u>Gross Accounts Receivable</u> 365 Days | | | | | 62 | 75 | 93 | 64 | 59 | 59 | 66 |
| Days Cash on Hand Excludes Restricted: <u>Cash + Short-Term Investments</u> (Total Expenses - Depreciation Expense)/ by 365 | | ↑ | Budget FYE 150 Days Budget 4th Qtr 145 Days Projected 4th Qtr 157 Days | 60 Days BBB- 147 Days | 156 | 164 | 148 | 203 | 209 | 219 | 163 |
| Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances) | | ↓ | 13% | | 18% | 22% | 29% | 15% | 11% | 13% | 13% |
| Accounts Receivable over 120 days (includes payment plan, legal and charitable balances) | | ↓ | 18% | | 23% | 25% | 34% | 19% | 16% | 18% | 20% |
| Cash Receipts Per Day (based on 60 day lag on Patient Net Revenue) excludes managed care reserve | | ↑ | FYE Budget \$294,122 End 4th Qtr Budget \$294,122 End 4th Qtr Actual \$308,592 | | \$290,776 | \$286,394 | \$255,901 | \$254,806 | \$240,383 | \$256,059 | \$258,654 |
| Debt Service Coverage: Excess Revenue over Exp + <u>Interest Exp + Depreciation</u> Debt Principal Payments + Interest Expense | | ↑ | Without GO Bond 1.83 With GO Bond 1.07 | 1.95 | 3.28 1.59 | 2.18 1.29 | .66 .89 | 4.83 2.70 | 4.35 2.45 | 3.48 3.00 | 3.23 2.71 |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 2015 PRE-AUDIT

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD JUNE 2014 | | |
|--|---------------------|---------------------|----------------|------|--|----------------------|-----------------------|---------------------|------------------------|----|--------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | | | |
| \$ 19,279,543 | \$ 16,001,551 | \$ 3,277,992 | 20.5% | | | | | | | | |
| OPERATING REVENUE | | | | | | | | | | | |
| | | | | | Total Gross Revenue | \$ 206,838,355 | \$ 196,580,907 | \$ 10,257,448 | 5.2% | 1 | \$ 188,378,523 |
| | | | | | Gross Revenues - Inpatient | | | | | | |
| \$ 1,896,239 | \$ 1,600,766 | \$ 295,473 | 18.5% | | Daily Hospital Service | \$ 20,501,947 | \$ 19,233,943 | \$ 1,268,004 | 6.6% | | \$ 19,155,747 |
| 5,156,206 | 3,823,372 | 1,332,834 | 34.9% | | Ancillary Service - Inpatient | 48,541,196 | 46,598,586 | 1,942,611 | 4.2% | | 43,242,323 |
| 7,052,445 | 5,424,138 | 1,628,307 | 30.0% | | Total Gross Revenue - Inpatient | 69,043,143 | 65,832,528 | 3,210,614 | 4.9% | 1 | 62,398,070 |
| 12,227,098 | 10,577,413 | 1,649,685 | 15.6% | | Gross Revenue - Outpatient | | | | | | |
| 12,227,098 | 10,577,413 | 1,649,685 | 15.6% | | Total Gross Revenue - Outpatient | 137,795,212 | 130,748,379 | 7,046,833 | 5.4% | | 125,980,453 |
| | | | | | Deductions from Revenue: | | | | | | |
| 5,265,291 | 6,015,975 | 750,684 | 12.5% | | Contractual Allowances | 79,499,338 | 73,900,950 | (5,598,388) | -7.6% | 2 | 72,706,243 |
| 632,079 | 544,053 | (88,026) | -16.2% | | Charity Care | 6,372,980 | 6,683,751 | 310,771 | 4.6% | 2 | 6,074,298 |
| - | - | - | 0.0% | | Charity Care - Catastrophic Events | - | - | - | 0.0% | 2 | - |
| (115,054) | 640,061 | 755,115 | 118.0% | | Bad Debt | 3,321,783 | 7,863,237 | 4,541,454 | 57.8% | 2 | 2,995,454 |
| (1,461,402) | - | 1,461,402 | 0.0% | | Prior Period Settlements | (1,310,360) | - | 1,310,360 | 0.0% | 2 | (1,061,758) |
| 4,320,914 | 7,200,089 | 2,879,175 | 40.0% | | Total Deductions from Revenue | 87,883,741 | 88,447,938 | 564,197 | 0.6% | | 80,714,237 |
| 105,947 | 96,147 | 9,801 | 10.2% | | Property Tax Revenue- Wellness Neighborhood | 838,496 | 1,081,646 | (243,150) | -22.5% | | 636,620 |
| 742,477 | 531,028 | 211,449 | 39.8% | | Other Operating Revenue | 7,608,921 | 6,613,440 | 995,481 | 15.1% | 3 | 7,197,177 |
| 15,807,054 | 9,428,636 | 6,378,417 | 67.6% | | TOTAL OPERATING REVENUE | 127,402,031 | 115,828,056 | 11,573,975 | 10.0% | | 115,498,083 |
| OPERATING EXPENSES | | | | | | | | | | | |
| 3,667,284 | 3,343,709 | (323,575) | -9.7% | | Salaries and Wages | 41,304,998 | 40,965,544 | (339,453) | -0.8% | 4 | 40,486,474 |
| 704,691 | 1,102,808 | 398,116 | 36.1% | | Benefits | 13,417,754 | 13,814,010 | 396,256 | 2.9% | 4 | 12,522,782 |
| (548,846) | 51,566 | 600,413 | 1164.3% | | Benefits Workers Compensation | 10,365 | 618,797 | 608,432 | 98.3% | 4 | 218,832 |
| 1,242,510 | 717,510 | (525,001) | -73.2% | | Benefits Medical Insurance | 9,070,486 | 8,610,115 | (460,371) | -5.3% | 4 | 8,026,166 |
| 1,826,945 | 1,445,084 | (381,861) | -26.4% | | Professional Fees | 21,056,005 | 18,761,537 | (2,294,468) | -12.2% | 5 | 19,209,522 |
| 2,221,797 | 1,175,839 | (1,045,958) | -89.0% | | Supplies | 17,160,233 | 14,289,052 | (2,871,181) | -20.1% | 6 | 14,968,262 |
| 1,301,505 | 829,884 | (471,621) | -56.8% | | Purchased Services | 11,213,964 | 10,008,735 | (1,205,229) | -12.0% | 7 | 10,235,914 |
| 836,857 | 515,786 | (321,071) | -62.2% | | Other | 6,977,786 | 6,772,147 | (205,639) | -3.0% | 8 | 6,121,248 |
| 11,252,743 | 9,182,186 | (2,070,557) | -22.5% | | TOTAL OPERATING EXPENSE | 120,211,591 | 113,839,938 | (6,371,653) | -5.6% | | 111,789,200 |
| 4,554,311 | 246,450 | 4,307,860 | 1748.0% | | NET OPERATING REVENUE (EXPENSE) EBIDA | 7,190,440 | 1,988,118 | 5,202,322 | 261.7% | | 3,708,883 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | | |
| 437,927 | 351,861 | 86,065 | 24.5% | | District and County Taxes | 4,642,110 | 4,294,449 | 347,661 | 8.1% | 9 | 4,265,626 |
| 496,474 | 393,903 | 102,571 | 26.0% | | District and County Taxes - GO Bond | 4,829,411 | 4,726,840 | 102,571 | 2.2% | | 4,744,356 |
| 20,590 | 23,066 | (2,476) | -10.7% | | Interest Income | 281,155 | 267,558 | 13,598 | 5.1% | 10 | 229,540 |
| 2,528 | 681 | 1,847 | 271.4% | | Interest Income-GO Bond | 35,887 | 21,100 | 14,787 | 70.1% | | 51,034 |
| 135,423 | 60,951 | 74,472 | 122.2% | | Donations | 648,045 | 731,411 | (83,366) | -11.4% | 11 | 1,327,603 |
| (68,881) | (56,250) | (12,631) | 0.0% | | Gain/ (Loss) on Joint Investment | (136,300) | (225,000) | 88,700 | 0.0% | 12 | (191,666) |
| - | - | - | 0.0% | | Loss on Impairment of Asset | - | - | - | 0.0% | 12 | - |
| - | - | - | 0.0% | | Gain/ (Loss) on Sale of Equipment | - | - | - | 0.0% | 13 | 1,000 |
| - | - | - | 0.0% | | Impairment Loss | - | - | - | 0.0% | 14 | - |
| (1,296,487) | (809,066) | (487,421) | -60.2% | | Depreciation | (10,099,035) | (9,708,798) | (390,237) | -4.0% | 15 | (8,714,689) |
| (133,353) | (138,462) | 5,109 | 3.7% | | Interest Expense | (1,673,405) | (1,675,418) | 2,013 | 0.1% | 16 | (1,751,126) |
| (171,844) | (369,733) | 197,889 | 53.5% | | Interest Expense-GO Bond | (3,585,511) | (3,011,234) | (574,277) | -19.1% | | (3,639,081) |
| (577,625) | (543,050) | (34,575) | -6.4% | | TOTAL NON-OPERATING REVENUE/(EXPENSE) | (5,057,643) | (4,579,092) | (478,551) | -10.5% | | (3,677,403) |
| \$ 3,976,686 | \$ (296,599) | \$ 4,273,285 | 1440.8% | | INCREASE (DECREASE) IN NET POSITION | \$ 2,132,797 | \$ (2,590,974) | \$ 4,723,771 | 182.3% | | \$ 31,480 |
| | | | | | NET POSITION - BEGINNING OF YEAR | 97,263,468 | | | | | |
| | | | | | NET POSITION - AS OF JUNE 30, 2015 | \$ 99,396,265 | | | | | |
| 23.6% | 1.5% | 22.1% | | | RETURN ON GROSS REVENUE EBIDA | 3.5% | 1.0% | 2.5% | | | 2.0% |

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JUNE 2015 PRE-AUDIT

| | | Variance from Budget | |
|--|----------------------------------|-----------------------------|-----------------|
| | | Fav / <Unfav> | |
| | | JUNE 2015 | YTD 2015 |
| 1) <u>Gross Revenues</u> | | | |
| Acute Patient Days were over budget 9.54% or 37 days. Swing bed days were under budget 11.11% or 3 days. The acuity levels in our patients were very high which attributed to Inpatient Ancillary Service revenues exceeding budget by 34.9%. | Gross Revenue -- Inpatient | \$ 1,628,307 | \$ 3,210,614 |
| | Gross Revenue -- Outpatient | 1,649,685 | 7,046,833 |
| | Gross Revenue -- Total | \$ 3,277,992 | \$ 10,257,448 |
| Outpatient volumes were above budget in the following departments: Emergency Department visits, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Radiation Oncology, MRI, Cat Scan, Physical Therapy, and Occupational Therapy. | | | |
| 2) <u>Total Deductions from Revenue</u> | | | |
| The payor mix for June shows a 3.36% increase to Medicare, a 3.24% increase to Medi-Cal, 1.64% decrease to Other, a 1.68% decrease to County, and a 3.29% decrease to Commercial when compared to budget. Contractual Allowances were over budget due to the shift in payor mix and increase in revenues for the month, however, we also performed the year-end analysis of our Periodic Interim Payment (PIP) which resulted in a pickup in our Medicare contractual allowances and booked the Meaningful Use Stage I Attestation receivable. | Contractual Allowances | \$ 750,684 | \$ (5,598,388) |
| | Managed Care Reserve | - | - |
| | Charity Care | (88,026) | 310,771 |
| | Charity Care - Catastrophic | - | - |
| | Bad Debt | 755,115 | 4,541,454 |
| | Prior Period Settlements | 1,461,402 | 1,310,360 |
| | Total | \$ 2,879,175 | \$ 564,197 |
| We ended the year on a positive note in our Bad Debt category as our patient population continues to migrate to the State Health Insurance Exchanges or qualifies for Medical. | | | |
| Prior Period Settlements were positive after truing up the Medi-Cal and Medicare settlement accounts based on the finalized audits of the as-filed cost reports for FY12 and FY13. The District also booked three IGT Receivables for FY14 as a result of the new Medi-Cal Managed Care contracts that were finalized in June 2015. | | | |
| 3) <u>Other Operating Revenue</u> | | | |
| IVCH ER Physician Guarantee is tied to collections, which exceeded budget estimations. | Retail Pharmacy | \$ 3,527 | \$ 219,285 |
| | Hospice Thrift Stores | 4,971 | 1,680 |
| | The Center (non-therapy) | (5,654) | 12,855 |
| | IVCH ER Physician Guarantee | 32,894 | 180,849 |
| | Children's Center | 2,080 | 13,380 |
| | Miscellaneous | 188,115 | 322,665 |
| | Oncology Drug Replacement | - | - |
| | Grants | (14,483) | 244,766 |
| | Total | \$ 211,449 | \$ 995,481 |
| Positive variance in Miscellaneous attributed to Quality Assurance fees received from the State of California for calendar year 2014. | | | |
| 4) <u>Salaries and Wages</u> | | | |
| Negative variance in Salaries and Wages related to the booking of Incentive Comp. | Total | \$ (323,575) | \$ (339,453) |
| <u>Employee Benefits</u> | | | |
| Paid Leave/Sick Leave is showing a positive variance after adjusting the monthly liabilities. | PL/SL | \$ 51,765 | \$ 420,153 |
| | Nonproductive | (8,232) | (266,641) |
| | Pension/Deferred Comp | 365,652 | 368,094 |
| | Standby | 3,442 | (42,068) |
| | Other | (14,512) | (83,282) |
| | Total | \$ 398,116 | \$ 396,256 |
| Positive variance in Pension/Deferred Comp related to the year-end adjustment to the liability accounts. | | | |
| Negative variance in Other associated with employer payroll taxes accrued on the Incentive Comp. | | | |
| <u>Employee Benefits - Workers Compensation</u> | | | |
| The District performed its year end analysis of the Workers Compensation IBNR Liability which resulted in a positive pickup on the EBIDA statement. | Total | \$ 600,413 | \$ 608,432 |
| <u>Employee Benefits - Medical Insurance</u> | | | |
| Negative variance in Medical Insurance related to the year-end adjustment of the IBNR liability account and higher claims paid during the month. | Total | \$ (525,001) | \$ (460,371) |
| 5) <u>Professional Fees</u> | | | |
| Negative variance in Patient Accounting/Admitting for services provided by Jacobus Consulting. The majority of these costs ended in June. | Patient Accounting/Admitting | \$ (54,640) | \$ (857,150) |
| | Corporate Compliance | (66,599) | (839,317) |
| | Miscellaneous | (59,613) | (500,219) |
| | Multi-Specialty Clinics | (264,527) | (277,597) |
| | The Center (includes OP Therapy) | (35,053) | (219,457) |
| | TFH/IVCH Therapy Services | 3,456 | (151,062) |
| | Oncology | (15,715) | (76,586) |
| | Financial Administration | 35,248 | (40,005) |
| | Business Performance | - | - |
| | Multi-Specialty Clinics Admin | 831 | 6,518 |
| | Home Health/Hospice | 150 | 8,721 |
| | Marketing | 1,000 | 11,875 |
| | Administration | 17,807 | 14,956 |
| | Human Resources | 6,070 | 17,902 |
| | Information Technology | 23 | 26,839 |
| Consulting services provided to Laboratory, Revenue Cycle, and Nursing Case Management created a negative variance in Miscellaneous. | | | |
| Negative variance in Multi-Specialty Clinics related to the accrual of physician RVU bonuses. | | | |
| OP Physical and Occupational Therapy revenues exceeded budget by 21.35% creating a negative variance in The Center (includes OP Therapy). | | | |

5) **Professional Fees (Cont.)**

Negative variance in Oncology associated with Therapy services provided to our patients.

Positive variance in Financial Administration related to the year-end true-up of Audit Fees payable.

| | | |
|------------------------|---------------------|-----------------------|
| IVCH ER Physicians | 432 | 27,706 |
| Medical Staff Services | (7,180) | 44,960 |
| Sleep Clinic | 2,746 | 57,360 |
| Managed Care | 7,087 | 66,126 |
| Respiratory Therapy | 16,928 | 191,774 |
| TFH Locums | 29,690 | 192,188 |
| Total | <u>\$ (381,861)</u> | <u>\$ (2,294,468)</u> |

6) **Supplies**

Surgical Services and Medical Supplies Sold to Patients revenues exceeded budget by 33.03%, creating a negative variance in Patient & Other Medical Supplies. We also adjusted our year end inventory balances based on the final counts performed by our outside Inventory Management company.

Oncology Drugs Sold to Patients revenues exceeded budget by 17.07%, creating a negative variance in Pharmacy Supplies.

| | | |
|----------------------------------|-----------------------|-----------------------|
| Patient & Other Medical Supplies | \$ (758,934) | \$ (1,863,235) |
| Pharmacy Supplies | (268,620) | (996,812) |
| Minor Equipment | (18,371) | (85,852) |
| Other Non-Medical Supplies | (9,500) | (62,296) |
| Imaging Film | 393 | 7,645 |
| Office Supplies | (240) | 53,347 |
| Food | 9,314 | 76,022 |
| Total | <u>\$ (1,045,958)</u> | <u>\$ (2,871,181)</u> |

7) **Purchased Services**

Negative variance in Miscellaneous associated with services provided for our outsourced answering service, consulting work performed for MSC Administration and purchased services for the Wellness Neighborhood.

Locums coverage created a negative variance in Pharmacy IP.

Outsourced lab testing created a negative variance in Laboratory.

District wide building maintenance projects created a negative variance in Department repairs.

E.M.R. practice management fees created a negative variance in Multi-Specialty Clinics. These fees are tied to visits which exceeded budget in June.

Network Maintenance fell short of budget projections, creating a positive variance in Information Technology.

Diagnostic Imaging reads are tied to volumes which exceeded budget in most of the D.I. cost centers. This created a negative variance in Diagnostic Imaging Services - All.

| | | |
|-----------------------------------|---------------------|-----------------------|
| Miscellaneous | \$ (263,346) | \$ (793,936) |
| Pharmacy IP | (14,879) | (218,377) |
| Department Repairs | (120,094) | (114,027) |
| Laboratory | (34,033) | (95,907) |
| Patient Accounting | (6,356) | (57,845) |
| Human Resources | 6,885 | (27,974) |
| Multi-Specialty Clinics | (10,845) | (24,949) |
| The Center | (3,847) | (20,172) |
| Community Development | 234 | (1,607) |
| Medical Records | 1,485 | 3,824 |
| Hospice | 1,211 | 9,712 |
| Information Technology | 20,957 | 55,073 |
| Diagnostic Imaging Services - All | (48,992) | 80,955 |
| Total | <u>\$ (471,621)</u> | <u>\$ (1,205,229)</u> |

8) **Other Expenses**

Negative variance in Outside Training & Travel associated with Jacobus Consultants, The Fox Group, Nursing Administration and Emergency Department travel and lodging.

Negative variance in Human Resources Recruitment related to the CEO search.

Negative variance in Equipment Rent associated with the final rental payment due on the temporary Cat Scan.

Comprehensive Liability Insurance IBNR was reviewed at year-end and an adjustment was made to the booked liability creating a positive variance in this category.

Electricity and Natural Gas came in below budget due to the milder summer temperatures.

| | | |
|------------------------------------|---------------------|---------------------|
| Outside Training & Travel | \$ (78,452) | \$ (456,490) |
| Miscellaneous | (254,644) | (223,503) |
| Human Resources Recruitment | (67,362) | (94,794) |
| Physician Services | (3,515) | (28,822) |
| Multi-Specialty Clinics Equip Rent | - | (825) |
| Innovation Fund | - | - |
| Other Building Rent | (4,075) | 6,710 |
| Equipment Rent | (12,458) | 14,799 |
| Multi-Specialty Clinics Bldg Rent | 1,535 | 25,234 |
| Dues and Subscriptions | 4,478 | 53,877 |
| Insurance | 72,523 | 132,069 |
| Utilities | 9,103 | 159,607 |
| Marketing | 11,796 | 206,498 |
| Total | <u>\$ (321,071)</u> | <u>\$ (205,639)</u> |

9) **District and County Taxes**

| | | |
|-------|------------------|-------------------|
| Total | <u>\$ 86,065</u> | <u>\$ 347,661</u> |
|-------|------------------|-------------------|

10) **Interest Income**

| | | |
|-------|-----------------|------------------|
| Total | <u>\$ (878)</u> | <u>\$ 15,195</u> |
|-------|-----------------|------------------|

11) **Donations**

| | | |
|------------------|---------------|-----------------|
| IVCH | \$ (4,200) | \$ (28,309) |
| Operational | 78,672 | (55,057) |
| Capital Campaign | - | - |
| Total | <u>74,472</u> | <u>(83,366)</u> |

12) **Gain/(Loss) on Joint Investment**

The District booked its 51% activity in the TSC, LLC at the close of FY15, creating a negative variance in Gain/(Loss) on Joint Investment.

| | | |
|-------|--------------------|------------------|
| Total | <u>\$ (12,631)</u> | <u>\$ 88,700</u> |
|-------|--------------------|------------------|

12) **Gain/(Loss) on Impairment of Asset**

| | | |
|-------|-------------|-------------|
| Total | <u>\$ -</u> | <u>\$ -</u> |
|-------|-------------|-------------|

13) **Gain/(Loss) on Sale**

| | | |
|-------|-------------|-------------|
| Total | <u>\$ -</u> | <u>\$ -</u> |
|-------|-------------|-------------|

14) **Impairment Loss**

| | | |
|-------|-------------|-------------|
| Total | <u>\$ -</u> | <u>\$ -</u> |
|-------|-------------|-------------|

15) **Depreciation Expense**

Depreciation expense was true-up at year-end creating a negative variance during the month of June. Negative variance also attributed to amortization of the cost of issuance on the refunding and refinancing of the 2006 Revenue Bond and 2008 General Obligation Bond, Series A.

| | | |
|-------|---------------------|---------------------|
| Total | <u>\$ (487,421)</u> | <u>\$ (390,237)</u> |
|-------|---------------------|---------------------|

16) **Interest Expense**

| | | |
|-------|-----------------|-----------------|
| Total | <u>\$ 5,109</u> | <u>\$ 2,013</u> |
|-------|-----------------|-----------------|

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
JUNE 2015 PRE-AUDIT

| | Current Status | Desired Position | Target | FY 2015 Jul 14 to June 15 | FY 2014 Jul 13 to June 14 | FY 2013 Jul 12 to June 13 | FY 2012 Jul 11 to June 12 | FY 2011 Jul 10 to June 11 | FY 2010 Jul 09 to June 10 | FY 2009 Jul 08 to June 09 |
|--|---|------------------|--------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Total Margin: <u>Increase (Decrease) In Net Position</u> Total Gross Revenue |  | ↑ | FYE -1.3% | 1.0% | .01% | -2.2% | 5.3% | 3.6% | 5.8% | 4.6% |
| Charity Care: <u>Charity Care Expense</u> Gross Patient Revenue |  | ↓ | FYE 3.4% | 3.1% | 3.2% | 3.2% | 2.6% | 3.0% | 3.1% | 2.5% |
| Bad Debt Expense: <u>Bad Debt Expense</u> Gross Patient Revenue |  | ↓ | FYE 4.0% | 1.6% | 1.6% | 4.6% | 4.3% | 3.8% | 4.1% | 4.6% |
| Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue |  | ↑ | FYE 4.0% | 9.1% | 4.9% | 11.5% | 10.8% | 12.3% | 6.7% | 5.0% |
| Operating Expense Variance to Budget (Under<Over>) |  | ↑ | -0- | \$(6,371,653) | \$2,129,279 | \$(1,498,683) | \$790,439 | \$15,188 | \$2,662,695 | <\$1,292,399> |
| EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue |  | ↑ | FYE 1.0% | 3.5% | 2.0% | .9% | 5.6% | 5.1% | 6.6% | 4.4% |

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JUNE 2015 PRE-AUDIT

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD JUNE 2014 | |
|--|--------------------|-------------------|-----------------|--|-------------------|--------------------|-------------------|-----------------|------------------------|-------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | | |
| OPERATING REVENUE | | | | | | | | | | |
| \$ 1,153,885 | \$ 1,153,665 | \$ 220 | 0.0% | Total Gross Revenue | \$ 14,797,824 | \$ 14,172,427 | \$ 625,398 | 4.4% | 1 | \$ 13,812,942 |
| Gross Revenues - Inpatient | | | | | | | | | | |
| \$ - | \$ - | \$ - | 0.0% | Daily Hospital Service | \$ 33,538 | \$ 34,940 | \$ (1,402) | -4.0% | | \$ 74,931 |
| - | 3,803 | (3,803) | -100.0% | Ancillary Service - Inpatient | 55,135 | 67,994 | (12,859) | -18.9% | | 94,479 |
| - | 3,803 | (3,803) | -100.0% | Total Gross Revenue - Inpatient | 88,673 | 102,934 | (14,261) | -13.9% | 1 | 169,410 |
| 1,153,885 | 1,149,861 | 4,023 | 0.3% | Gross Revenue - Outpatient | 14,709,151 | 14,069,492 | 639,659 | 4.5% | | 13,643,532 |
| 1,153,885 | 1,149,861 | 4,023 | 0.3% | Total Gross Revenue - Outpatient | 14,709,151 | 14,069,492 | 639,659 | 4.5% | 1 | 13,643,532 |
| Deductions from Revenue: | | | | | | | | | | |
| 137,904 | 351,366 | 213,462 | 60.8% | Contractual Allowances | 4,106,515 | 4,269,209 | 162,694 | 3.8% | 2 | 3,936,244 |
| 37,378 | 39,225 | 1,847 | 4.7% | Charity Care | 479,403 | 481,863 | 2,460 | 0.5% | 2 | 549,470 |
| - | - | - | 0.0% | Charity Care - Catastrophic Events | - | - | - | 0.0% | 2 | - |
| 41,946 | 46,145 | 4,199 | 9.1% | Bad Debt | 1,088,696 | 566,897 | (521,799) | -92.0% | 2 | 797,146 |
| (105,961) | - | 105,961 | 0.0% | Prior Period Settlements | (100,552) | - | 100,552 | 0.0% | 2 | 14,581 |
| 111,267 | 436,736 | 325,469 | 74.5% | Total Deductions from Revenue | 5,574,062 | 5,317,969 | (256,093) | -4.8% | 2 | 5,297,441 |
| 69,401 | 44,307 | 25,094 | 56.6% | Other Operating Revenue | 858,988 | 688,876 | 170,112 | 24.7% | 3 | 645,735 |
| 1,112,019 | 761,236 | 350,783 | 46.1% | TOTAL OPERATING REVENUE | 10,082,750 | 9,543,334 | 539,416 | 5.7% | | 9,161,236 |
| OPERATING EXPENSES | | | | | | | | | | |
| 226,335 | 246,955 | 20,621 | 8.3% | Salaries and Wages | 2,910,654 | 3,022,369 | 111,715 | 3.7% | 4 | 2,956,662 |
| 47,258 | 87,152 | 39,895 | 45.8% | Benefits | 1,005,609 | 1,069,261 | 63,652 | 6.0% | 4 | 975,252 |
| (41,605) | 2,717 | 44,322 | 1631.6% | Benefits Workers Compensation | (7,587) | 32,598 | 40,185 | 123.3% | 4 | (6,850) |
| 83,504 | 48,049 | (35,455) | -73.8% | Benefits Medical Insurance | 611,273 | 576,592 | (34,681) | -6.0% | 4 | 489,372 |
| 201,843 | 222,485 | 20,642 | 9.3% | Professional Fees | 2,502,507 | 2,620,635 | 118,128 | 4.5% | 5 | 2,452,575 |
| 28,953 | 43,676 | 14,723 | 33.7% | Supplies | 611,481 | 582,400 | (29,082) | -5.0% | 6 | 598,519 |
| 59,825 | 35,724 | (24,101) | -67.5% | Purchased Services | 499,880 | 458,015 | (41,865) | -9.1% | 7 | 450,655 |
| 43,406 | 55,286 | 11,880 | 21.5% | Other | 597,960 | 618,176 | 20,216 | 3.3% | 8 | 570,062 |
| 649,518 | 742,044 | 92,526 | 12.5% | TOTAL OPERATING EXPENSE | 8,731,776 | 8,980,046 | 248,270 | 2.8% | | 8,486,247 |
| 462,501 | 19,192 | 443,309 | 2309.9% | NET OPERATING REV(EXP) EBIDA | 1,350,973 | 563,288 | 787,686 | 139.8% | | 674,989 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | |
| - | 4,200 | (4,200) | -100.0% | Donations-IVCH | 22,091 | 50,400 | (28,309) | -56.2% | 9 | 691,114 |
| - | - | - | 0.0% | Gain/ (Loss) on Sale | - | - | - | 0.0% | 10 | - |
| (64,066) | (53,601) | (10,465) | 19.5% | Depreciation | (652,335) | (643,217) | (9,119) | -1.4% | 11 | (613,299) |
| (64,066) | (49,401) | (14,665) | -29.7% | TOTAL NON-OPERATING REVENUE/(EXP) | (630,245) | (592,817) | (37,428) | -6.3% | | 77,815 |
| \$ 398,435 | \$ (30,209) | \$ 428,644 | -1418.9% | EXCESS REVENUE(EXPENSE) | \$ 720,729 | \$ (29,529) | \$ 750,258 | -2540.8% | | \$ 752,804 |
| 40.1% | 1.7% | 38.4% | | RETURN ON GROSS REVENUE EBIDA | 9.1% | 4.0% | 5.2% | | | 4.9% |

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JUNE 2015 PRE-AUDIT**

| | | Variance from Budget | |
|--|----------------------------------|-----------------------------|---------------------|
| | | Fav<Unfav> | |
| | | JUNE 2015 | YTD 2015 |
| 1) Gross Revenues | | | |
| Acute Patient Days were at budget at 0 and Observation Days were below budget by 1 at 2. | Gross Revenue -- Inpatient | \$ (3,803) | \$ (14,261) |
| | Gross Revenue -- Outpatient | 4,023 | 639,659 |
| | | <u>\$ 220</u> | <u>\$ 625,398</u> |
| Outpatient volumes exceeded budget in Emergency Department visits and Laboratory tests. | | | |
| 2) Total Deductions from Revenue | | | |
| We saw a shift in our payor mix with a 5.02% increase in Commercial, Insurance, a 4.37% decrease in Medicare, a 7.41% increase in Medicaid, a 7.68% decrease in Other, and a .38% decrease in County. Positive variance in Contractual Allowances is a result of the shift in Payor mix and booking the Meaningful Use Stage I Attestation receivable. | Contractual Allowances | \$ 213,462 | \$ 162,694 |
| | Charity Care | 1,847 | 2,460 |
| | Charity Care-Catastrophic Event | - | - |
| | Bad Debt | 4,199 | (521,799) |
| | Prior Period Settlement | 105,961 | 100,552 |
| | Total | <u>\$ 325,469</u> | <u>\$ (256,093)</u> |
| 3) Other Operating Revenue | | | |
| IVCH ER Physician Guarantee is tied to collections which exceeded budget in June. | IVCH ER Physician Guarantee | \$ 32,894 | \$ 180,849 |
| | Miscellaneous | (7,800) | (10,737) |
| | Total | <u>\$ 25,094</u> | <u>\$ 170,112</u> |
| 4) Salaries and Wages | | | |
| | Total | <u>\$ 20,621</u> | <u>\$ 111,715</u> |
| Employee Benefits | | | |
| Positive variance in Pension/Deferred Comp resulted from truing up the liability accounts at year-end. | PL/SL | \$ 5,302 | \$ 28,287 |
| | Standby | 2,859 | 11,088 |
| | Other | 3,103 | (4,770) |
| | Nonproductive | (100) | (3,474) |
| | Pension/Deferred Comp | 28,731 | 32,521 |
| | Total | <u>\$ 39,895</u> | <u>\$ 63,652</u> |
| Employee Benefits - Workers Compensation | | | |
| The District performed its year end analysis of the Workers Compensation IBNR Liability which resulted in a positive pickup on the EBIDA statement. | Total | <u>\$ 44,322</u> | <u>\$ 40,185</u> |
| Employee Benefits - Medical Insurance | | | |
| Negative variance in Medical Insurance related to the year-end adjustment of the IBNR liability account. | Total | <u>\$ (35,455)</u> | <u>\$ (34,681)</u> |
| 5) Professional Fees | | | |
| Negative variance in Foundation related to contracted Fundraising services. | Foundation | \$ (2,629) | \$ (14,715) |
| | Multi-Specialty Clinics | 3,327 | (3,339) |
| | Miscellaneous | (1,511) | 1,342 |
| | Administration | 150 | 1,800 |
| IVCH OP Physical and Occupational Therapy revenues fell short of budget by 23.24% creating a positive variance in Therapy Services Pro Fees. | IVCH ER Physicians | 432 | 27,706 |
| | Therapy Services | 18,127 | 47,973 |
| | Sleep Clinic | 2,746 | 57,360 |
| | Total | <u>\$ 20,642</u> | <u>\$ 118,128</u> |
| 6) Supplies | | | |
| Medical Supplies Sold to Patients revenues exceeded budget by 134.02%, creating a negative variance in Patient & Other Medical Supplies. This was offset after truing up the year end adjustment to the inventory on hand. | Patient & Other Medical Supplies | \$ 13,768 | \$ (42,028) |
| | Non-Medical Supplies | (1,940) | (3,573) |
| | Minor Equipment | 91 | (555) |
| | Food | 9 | 227 |
| | Office Supplies | (987) | 1,423 |
| | Imaging Film | 316 | 1,985 |
| Drugs Sold to Patients revenue fell short of budget by 18.41%, creating a positive variance in Pharmacy Supplies. | Pharmacy Supplies | 3,467 | 13,439 |
| | Total | <u>\$ 14,723</u> | <u>\$ (29,082)</u> |

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JUNE 2015 PRE-AUDIT**

| | | Variance from Budget | |
|---|------------------------------------|-----------------------------|--------------------|
| | | Fav<Unfav> | |
| | | JUNE 2015 | YTD 2015 |
| 7) <u>Purchased Services</u> | | | |
| Negative variance in Miscellaneous related to outsourced management of the Medically Managed Fitness program and nutritional services provided for Community Health events. | Miscellaneous | \$ (3,668) | \$ (35,705) |
| | EVS/Laundry | (1,072) | (9,834) |
| | Laboratory | (7,003) | (5,956) |
| | Engineering/Plant/Communications | (482) | (2,031) |
| | Diagnostic Imaging Services - All | (11,385) | (1,807) |
| Negative variance in Laboratory related to a maintenance agreement on equipment and services provided for outsourced lab testing. | Pharmacy | 1,100 | (1,706) |
| | Surgical Services | - | - |
| | Multi-Specialty Clinics | 45 | 1,972 |
| Negative variance in Diagnostic Imaging Services - All related to the accrual of purchased services for imaging reads. | Department Repairs | 395 | 6,463 |
| | Foundation | (2,030) | 6,740 |
| | Total | \$ (24,101) | \$ (41,865) |
| 8) <u>Other Expenses</u> | | | |
| Comprehensive Liability Insurance IBNR was reviewed at year end and an adjustment was made to the booked liability creating a positive variance in Insurance. | Outside Training & Travel | \$ 1,094 | \$ (15,074) |
| | Other Building Rent | (582) | (2,911) |
| | Equipment Rent | 1,908 | (4,781) |
| | Dues and Subscriptions | (2,711) | (3,293) |
| | Multi-Specialty Clinics Equip Rent | - | - |
| Controllable expenses continue to be monitored closely creating positive variances in most of the "Other Expenses" categories. | Physician Services | - | - |
| | Multi-Specialty Clinics Bldg Rent | - | - |
| | Miscellaneous | 389 | 4,214 |
| | Insurance | 7,355 | 9,702 |
| | Utilities | 2,799 | 11,116 |
| | Marketing | 1,629 | 21,242 |
| | Total | \$ 11,880 | \$ 20,216 |
| 9) <u>Donations</u> | Total | \$ (4,200) | \$ (28,309) |
| 10) <u>Gain/(Loss) on Sale</u> | Total | \$ - | \$ - |
| 11) <u>Depreciation Expense</u> | Total | \$ (10,465) | \$ (9,119) |
| Year-end depreciation was trued up creating a negative variance in Depreciation Expense. | | | |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

| | AUDITED FYE 2014 | BUDGET FYE 2015 | PRE-AUDIT FYE 2015 | PRE-AUDIT JUNE 2015 | PROJECTED JUNE 2015 | DIFFERENCE | ACTUAL 1ST QTR | ACTUAL 2ND QTR | ACTUAL 3RD QTR | PRE-AUDIT 4TH QTR |
|------------------------------------|---------------------|--------------------|-----------------------|------------------------|------------------------|--------------|-------------------|-------------------|-------------------|----------------------|
| Net Operating Rev/(Exp) - EBIDA | \$ 3,742,843 | \$ 2,008,740 | \$ 7,190,440 | \$ 4,554,311 | \$ 208,429 | \$ 4,345,882 | \$ 3,469,494 | \$ (1,330,346) | \$ 1,213,071 | \$ 3,838,221 |
| Interest Income | 90,129 | 96,542 | 97,528 | - | - | - | 19,503 | 25,120 | 26,432 | 26,472 |
| Property Tax Revenue | 5,285,587 | 5,376,000 | 5,352,075 | 13,074 | - | 13,074 | 237,157 | 73,132 | 2,877,602 | 2,164,184 |
| Donations | 1,132,315 | 600,300 | 757,929 | 35,813 | - | 35,813 | 221,165 | 146,247 | 143,748 | 246,768 |
| Debt Service Payments | (4,308,075) | (3,926,699) | (3,505,561) | (267,788) | (104,367) | (163,421) | (1,123,831) | (790,940) | (955,720) | (635,070) |
| Bank of America - 2012 Muni Lease | (1,243,647) | (1,243,644) | (1,243,531) | (103,637) | (103,637) | (0) | (310,795) | (310,912) | (310,912) | (310,912) |
| Bank of America - 2007 Muni Lease | (421,721) | - | - | - | - | - | - | - | - | - |
| Copier | (100,214) | (105,000) | (8,962) | (730) | (730) | 0 | (2,393) | (2,197) | (2,912) | (1,460) |
| 2002 Revenue Bond | (633,393) | (664,805) | (660,296) | (163,421) | - | (163,421) | (332,811) | - | (164,064) | (163,421) |
| 2006 Revenue Bond | (1,909,100) | (1,913,250) | (1,592,771) | - | - | - | (477,831) | (477,831) | (477,831) | (159,277) |
| Physician Recruitment | (129,886) | (150,000) | (155,902) | (5,496) | (5,407) | (89) | (27,246) | (16,112) | (16,233) | (96,310) |
| Investment in Capital | - | - | - | - | - | - | - | - | - | - |
| Equipment | (2,157,004) | (1,748,150) | (2,491,260) | (1,547,205) | (1,625,000) | 77,795 | (270,964) | (334,607) | (205,260) | (1,680,429) |
| Municipal Lease Reimbursement | 748,489 | 1,250,000 | - | - | - | - | - | - | - | - |
| GO Bond Project Personal Property | (703,327) | (747,761) | (186,062) | (47,840) | - | (47,840) | (24,369) | (38,923) | (74,627) | (48,143) |
| IT | (339,004) | (2,804,763) | (1,394,200) | 48,506 | (75,000) | 123,506 | (113,054) | (1,092,933) | (84,068) | (104,145) |
| Building Projects | (1,339,652) | (3,557,916) | (2,218,063) | (138,880) | (320,000) | 181,120 | (617,090) | (596,944) | (543,309) | (460,720) |
| Health Information/Business System | (349,125) | (1,105,000) | (230,852) | - | - | - | (30,303) | (200,549) | - | - |
| Capital Investments | - | - | - | - | - | - | - | - | - | - |
| MOB Suite Acquisition-Unbudgeted | - | - | (600,000) | (600,000) | (600,000) | - | - | - | - | (600,000) |
| Change in Accounts Receivable | 3,825,683 | 1,989,042 | N1 2,648,682 | (2,422,653) | (568,000) | (1,854,653) | 1,214,891 | 874,623 | (67,768) | 626,936 |
| Change in Settlement Accounts | 1,070,839 | (900,000) | N2 (2,438,657) | (1,820,396) | - | (1,820,396) | (310,047) | (368,631) | (1,291,183) | (468,796) |
| Change in Other Assets | 527,205 | (548,326) | N3 (1,519,421) | (1,674,641) | (341,036) | (1,333,605) | (997,401) | (1,846,663) | 1,957,036 | (632,392) |
| Change in Other Liabilities | (40,000) | 805,000 | N4 (30,538) | 1,310,394 | 455,000 | 855,394 | 547,692 | (1,069,219) | 755,696 | (264,707) |
| Change in Cash Balance | 7,057,017 | (3,362,991) | 1,276,138 | (2,562,801) | (2,975,381) | 412,580 | 2,195,597 | (6,566,745) | 3,735,417 | 1,911,870 |
| Beginning Unrestricted Cash | 43,894,743 | 50,951,760 | N5 50,951,760 | 54,790,699 | 54,790,699 | - | 50,951,760 | 53,147,357 | 46,580,612 | 50,316,029 |
| Ending Unrestricted Cash | 50,951,760 | 47,588,769 | 52,227,898 | 52,227,897 | 51,815,318 | 412,580 | 53,147,357 | 46,580,612 | 50,316,029 | 52,227,898 |
| Expense Per Day | 311,010 | 316,480 | 333,932 | 333,932 | 329,442 | 4,490 | 328,735 | 329,124 | 332,048 | 333,932 |
| Days Cash On Hand | 164 | 150 | 156 | 156 | 157 | (2) | 162 | 142 | 152 | 156 |

Footnotes:

- N1 - Change in Accounts Receivable reflects the 60 day delay in collections. For example, in July 2014 we are collecting May 2014.
- 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.
- N5 - Change in Beginning Unrestricted Cash is different than as presented in budget package due to final adjustments for fiscal year end 2014.

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | HOME HEALTH | | | | HOSPICE | | | |
|------------------------------------|-------------|-----------|-----------------------------|------------------------|-----------|-----------|-----------------------------|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE | | ACTUAL | BUDGET | \$ VARIANCE | |
| | | | FAVORABLE/ (UNFAVORABLE) | PRIOR YTD JUNE 2014 | | | FAVORABLE/ (UNFAVORABLE) | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 1,802,671 | 1,965,008 | (162,337) | 1,912,985 | 1,429,513 | 2,135,536 | (706,023) | 1,213,706 |
| Deduction From Rev | 991,772 | 1,081,085 | 89,313 | 1,101,168 | 740,042 | 1,105,542 | 365,500 | 559,853 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 810,899 | 883,923 | (73,024) | 811,817 | 689,471 | 1,029,994 | (340,523) | 653,853 |
| Operating Expense: | | | | | | | | |
| Salaries | 620,034 | 593,764 | (26,270) | 558,154 | 333,138 | 507,804 | 174,666 | 368,294 |
| Benefits | 289,911 | 264,014 | (25,897) | 261,379 | 282,005 | 345,341 | 63,336 | 224,090 |
| Professional Fees | 329 | 400 | 71 | 725 | 16,550 | 25,200 | 8,650 | 18,370 |
| Supplies | 18,968 | 10,716 | (8,252) | 11,105 | 73,263 | 68,878 | (4,385) | 45,053 |
| Purchased Services | 53,762 | 56,940 | 3,178 | 74,629 | 65,868 | 75,580 | 9,712 | 51,837 |
| Other Expenses | 25,705 | 28,822 | 3,117 | 32,038 | 53,117 | 53,652 | 535 | 44,056 |
| Total Operating Expenses | 1,008,710 | 954,656 | (54,054) | 938,030 | 823,941 | 1,076,455 | 252,514 | 751,700 |
| Net Operating Rev (Exp) | (197,811) | (70,733) | (127,078) | (126,213) | (134,470) | (46,461) | (88,009) | (97,847) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | 100 | (100) | 100 | 25,657 | 40,000 | (14,343) | 25,523 |
| Thrift Store Net Income | - | - | - | - | 425,694 | 422,854 | 2,840 | 332,556 |
| Employee Benefit - EE Discounts | - | - | - | - | - | - | - | - |
| Depreciation | (9,373) | (9,373) | - | (24,944) | (7,464) | (7,464) | - | (4,299) |
| Total Non-Operating Rev/(Exp) | (9,373) | (9,273) | (100) | (24,844) | 443,887 | 455,390 | (11,503) | 353,780 |
| Net Income/(Loss) | (207,185) | (80,007) | (127,178) | (151,057) | 309,417 | 408,929 | (99,512) | 255,933 |
| Units | 3,575 | 3,990 | (415) | 3,778 | 3,666 | 4,835 | (1,169) | 3,355 |
| Gross Revenue/Unit | 504.24 | 492.48 | 11.76 | 506.35 | 389.94 | 441.68 | (51.74) | 361.76 |
| Total Operating Expense/Unit | 282.16 | 239.26 | (42.89) | 248.29 | 224.75 | 222.64 | (2.11) | 224.05 |

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | CHILDRENS CENTER | | | | OCCUPATIONAL HEALTH | | | |
|--------------------------------------|------------------|------------------|--|------------------------|---------------------|-----------------|--|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 851,406 | 838,026 | 13,380 | 805,133 | 542,787 | 464,648 | 78,139 | 440,571 |
| Deduction From Rev | - | - | - | - | 142,798 | 122,241 | (20,557) | 94,723 |
| Other Operating Revenue | - | - | - | - | 99 | 750 | (651) | 690 |
| Total Operating Revenue | 851,406 | 838,026 | 13,380 | 805,133 | 400,088 | 343,157 | 56,931 | 346,538 |
| Operating Expense: | | | | | | | | |
| Salaries | 409,798 | 397,029 | (12,769) | 388,919 | 150,835 | 141,036 | (9,799) | 154,585 |
| Benefits | 310,344 | 324,858 | 14,515 | 276,732 | 67,950 | 71,250 | 3,300 | 85,848 |
| Professional Fees | - | - | - | - | 10,792 | 7,920 | (2,872) | 8,518 |
| Supplies | 22,867 | 14,272 | (8,595) | 15,620 | 39,042 | 38,083 | (959) | 36,339 |
| Purchased Services | 23,284 | 18,480 | (4,804) | 22,698 | 137,921 | 151,948 | 14,027 | 121,029 |
| Other Expenses | 35,419 | 37,296 | 1,877 | 37,239 | 33,376 | 32,796 | (581) | 65,209 |
| Total Operating Expenses | 801,712 | 791,935 | (9,776) | 741,208 | 439,916 | 443,032 | 3,116 | 471,528 |
| Net Operating Rev (Exp) | 49,694 | 46,091 | 3,604 | 63,925 | (39,829) | (99,876) | 60,047 | (124,990) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | 14,285 | 20,000 | (5,715) | - | - | - | - | - |
| Thrift Store Net Income | - | - | - | - | - | - | - | - |
| Employee Benefit - EE Discounts | (223,518) | (210,000) | (13,518) | (213,363) | - | - | - | - |
| Depreciation | (36,820) | (38,422) | 1,602 | (39,896) | (23) | (23) | - | - |
| Total Non-Operating Rev/(Exp) | (246,053) | (228,422) | (17,631) | (253,259) | (23) | (23) | - | - |
| Net Income/(Loss) | (196,359) | (182,331) | (14,028) | (189,334) | (39,852) | (99,899) | 60,047 | (124,990) |
| Units | 19,327 | 18,900 | 427 | 18,902 | 2,731 | 2,600 | 131 | 2,567 |
| Gross Revenue/Unit | 44.05 | 44.34 | (0.29) | 42.60 | 198.75 | 178.71 | 20.04 | 171.63 |
| Total Operating Expense/Unit | 41.48 | 41.90 | 0.42 | 39.21 | 161.08 | 170.40 | 9.31 | 183.69 |

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | HEALTH CLINIC | | | | RETAIL PHARMACY | | | |
|------------------------------------|---------------|-----------|--|------------------------|-----------------|-----------|--|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 557,013 | 509,437 | 47,576 | 475,254 | 2,694,624 | 2,475,339 | 219,285 | 2,499,714 |
| Deduction From Rev | 378,910 | 346,546 | (32,364) | 275,647 | 936,157 | 841,616 | (94,541) | 743,480 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 178,103 | 162,891 | 15,212 | 199,607 | 1,758,467 | 1,633,723 | 124,744 | 1,756,234 |
| Operating Expense: | | | | | | | | |
| Salaries | 330,899 | 287,707 | (43,192) | 309,433 | 338,389 | 357,738 | 19,349 | 371,787 |
| Benefits | 153,483 | 145,578 | (7,905) | 153,576 | 180,141 | 193,108 | 12,967 | 174,446 |
| Professional Fees | 11,650 | 9,600 | (2,050) | 9,600 | - | - | - | 3,861 |
| Supplies | 16,983 | 20,524 | 3,542 | 18,982 | 1,417,627 | 1,331,213 | (86,415) | 1,373,504 |
| Purchased Services | 17,682 | 13,957 | (3,725) | 17,010 | 32,791 | 32,760 | (31) | 35,016 |
| Other Expenses | 20,669 | 24,090 | 3,421 | 23,598 | 65,367 | 66,738 | 1,371 | 66,565 |
| Total Operating Expenses | 551,366 | 501,456 | (49,909) | 532,199 | 2,034,316 | 1,981,557 | (52,759) | 2,025,179 |
| Net Operating Rev (Exp) | (373,262) | (338,565) | (34,697) | (332,592) | (275,849) | (347,834) | 71,984 | (268,945) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Thrift Store Net Income | - | - | - | - | - | - | - | - |
| Employee Benefit - EE Discounts | - | - | - | - | - | - | - | - |
| Depreciation | (501) | (501) | - | (419) | - | - | - | - |
| Total Non-Operating Rev/(Exp) | (501) | (501) | - | (419) | - | - | - | - |
| Net Income/(Loss) | (373,763) | (339,066) | (34,697) | (333,011) | (275,849) | (347,834) | 71,984 | (268,945) |
| Units | 3,402 | 3,300 | 102 | 3,106 | 26,185 | 27,800 | (1,615) | 26,270 |
| Gross Revenue/Unit | 163.73 | 154.37 | 9.36 | 153.01 | 102.91 | 89.04 | 13.87 | 95.15 |
| Total Operating Expense/Unit | 162.07 | 151.96 | (10.11) | 171.35 | 77.69 | 71.28 | (6.41) | 77.09 |

Employee Drug Plan

| | |
|----------------------------|-----------|
| Plan Costs | (981,549) |
| Captured through Retail Rx | 616,532 |
| Net Plan Costs | (365,017) |

| | |
|-------------------------------|------------------|
| Net Operating Income | (275,849) |
| Net Employee Drug Plan Costs | (365,017) |
| Net Financial Position | (640,866) |

**TAHOE FOREST HOSPITAL DISTRICT
SEPARATE BUSINESS ENTERPRISES
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | TOTAL SEPARATE BUSINESS ENTITIES | | | |
|---|---|------------------|--|--------------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 7,878,014 | 8,387,994 | (509,980) | 7,347,363 |
| Deduction From Rev | 3,189,679 | 3,497,030 | 307,351 | 2,774,871 |
| Other Operating Revenue | 99 | 750 | (651) | 690 |
| Total Operating Revenue | 4,688,433 | 4,891,714 | (203,280) | 4,573,182 |
| <u>Operating Expense:</u> | | | | |
| Salaries | 2,183,095 | 2,285,078 | 101,983 | 2,151,172 |
| Benefits | 1,283,834 | 1,344,149 | 60,316 | 1,176,071 |
| Professional Fees | 39,321 | 43,120 | 3,799 | 41,074 |
| Supplies | 1,588,750 | 1,483,685 | (105,064) | 1,500,603 |
| Purchased Services | 331,308 | 349,665 | 18,357 | 322,219 |
| Other Expenses | 233,653 | 243,394 | 9,740 | 268,705 |
| Total Operating Expenses | 5,659,961 | 5,749,092 | 89,131 | 5,459,844 |
| Net Operating Rev (Exp) | (971,528) | (857,378) | (114,149) | (886,662) |
| <u>Non - Operating Rev / (Exp)</u> | | | | |
| Donations | 39,942 | 60,100 | (20,158) | 25,623 |
| Thrift Store Net Income | 425,694 | 422,854 | 2,840 | 332,556 |
| Employee Benefit - EE Discounts | (223,518) | (210,000) | (13,518) | (213,363) |
| Depreciation | (54,181) | (55,783) | 1,602 | (69,558) |
| Total Non-Operating Rev/(Exp) | 187,937 | 217,171 | (29,234) | 75,258 |
| Net Income/(Loss) | (783,591) | (640,207) | (143,384) | (811,404) |
| Units | 58,886 | 61,425 | (2,539) | 57,978 |
| Gross Revenue/Unit | 133.78 | 136.56 | (2.77) | 126.73 |
| Total Operating Expense/Unit | 96.12 | 93.60 | 2.52 | 94.17 |

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | THERAPY SERVICES | | | | SPORTS PERFORMANCE LAB | | | |
|------------------------------------|------------------|--------------|--|------------------------|------------------------|-------------|--|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | \$ 4,201,793 | \$ 3,410,788 | \$ 791,005 | \$ 3,322,749 | \$ 25,354 | \$ 840 | \$ 24,514 | \$ 920 |
| Deduction From Rev | 1,390,793 | 1,128,971 | (261,823) | 1,099,830 | - | - | - | - |
| Other Operating Revenue | 1,427 | 1,680 | (253) | 1,549 | - | - | - | - |
| Total Operating Revenue | \$ 2,812,427 | \$ 2,283,497 | \$ 528,930 | \$ 2,224,468 | \$ 25,354 | \$ 840 | \$ 24,514 | \$ 920 |
| Operating Expense: | | | | | | | | |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ 2,816 | \$ 3,216 | \$ 400 | \$ 3,026 |
| Benefits | - | - | - | - | 2,096 | 1,251 | (845) | 1,273 |
| Professional Fees | 1,645,512 | 1,412,385 | (233,127) | 1,399,954 | - | - | - | - |
| Supplies | 39,465 | 36,777 | (2,688) | 33,356 | 4,036 | - | (4,036) | - |
| Purchased Services | 78,539 | 69,370 | (9,169) | 72,931 | 10,058 | - | (10,058) | - |
| Other Expenses | 2,733 | 5,801 | 3,067 | 3,398 | - | - | - | - |
| Total Operating Expenses | \$ 1,766,249 | \$ 1,524,333 | \$ (241,917) | \$ 1,509,639 | \$ 19,007 | \$ 4,467 | \$ (14,540) | \$ 4,299 |
| Net Operating Rev (Exp) | \$ 1,046,177 | \$ 759,165 | \$ 287,013 | \$ 714,829 | \$ 6,347 | \$ (3,627) | \$ 9,974 | \$ (3,379) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Depreciation | (8,294) | (8,294) | - | (8,205) | - | - | - | - |
| Total Non-Operating Rev/(Exp) | (8,294) | (8,294) | - | (8,205) | - | - | - | - |
| Net Income/(Loss) | \$ 1,037,883 | \$ 750,870 | \$ 287,013 | \$ 706,624 | \$ 6,347 | \$ (3,627) | \$ 9,974 | \$ (3,379) |
| Overhead Allocation Based on Sq Ft | \$ (205,715) | \$ (217,330) | 11,615 | \$ (214,182) | \$ (56,669) | \$ (59,869) | 3,200 | \$ (59,001) |
| Adjusted Net Income/(Loss) | \$ 832,168 | \$ 533,540 | \$ 298,628 | \$ 492,442 | \$ (50,322) | \$ (63,496) | \$ 13,174 | \$ (62,380) |
| Units | 55,670 | 49,625 | 6,045 | 49,807 | 742 | 10 | 732 | 7 |
| Gross Revenue/Unit | \$ 75.48 | \$ 68.73 | \$ 6.75 | \$ 66.71 | \$ 34.17 | \$ 84.00 | \$ (49.83) | \$ 131.43 |
| Total Operating Expense/Unit | \$ 35.42 | \$ 35.10 | \$ (0.33) | \$ 34.61 | \$ 101.99 | \$ 6,433.57 | \$ 6,331.59 | \$ 9,042.93 |

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | FITNESS CENTER | | | | HP/EDUCATION/WELLNESS | | | |
|------------------------------------|----------------|--------------|---|------------------------|-----------------------|--------------|---|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | \$ 180,428 | \$ 174,000 | \$ 6,428 | \$ 175,610 | \$ 15,182 | \$ 14,100 | \$ 1,082 | \$ 13,053 |
| Deduction From Rev | - | - | - | - | - | - | - | - |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | \$ 180,428 | \$ 174,000 | \$ 6,428 | \$ 175,610 | \$ 15,182 | \$ 14,100 | \$ 1,082 | \$ 13,053 |
| Operating Expense: | | | | | | | | |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ 22,492 | \$ 10,797 | \$ (11,695) | \$ 20,819 |
| Benefits | - | - | - | - | 8,528 | 6,306 | (2,222) | 6,259 |
| Professional Fees | - | - | - | - | - | - | - | - |
| Supplies | 3,684 | 4,026 | 342 | 5,587 | 6,277 | 5,841 | (435) | 5,398 |
| Purchased Services | 191,319 | 185,992 | (5,327) | 171,342 | 19,866 | 22,825 | 2,959 | 20,843 |
| Other Expenses | - | - | - | - | 3,695 | 3,814 | 119 | 3,347 |
| Total Operating Expenses | \$ 195,002 | \$ 190,018 | \$ (4,984) | \$ 176,929 | \$ 60,856 | \$ 49,583 | \$ (11,274) | \$ 56,666 |
| Net Operating Rev (Exp) | \$ (14,574) | \$ (16,018) | \$ 1,443 | \$ (1,319) | \$ (45,674) | \$ (35,483) | \$ (10,191) | \$ (43,613) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Depreciation | (842) | (842) | - | (8,602) | - | - | - | (3,615) |
| Total Non-Operating Rev/(Exp) | (842) | (842) | - | (8,602) | - | - | - | (3,615) |
| Net Income/(Loss) | \$ (15,417) | \$ (16,860) | \$ 1,443 | \$ (9,921) | \$ (45,674) | \$ (35,483) | \$ (10,191) | \$ (47,228) |
| Overhead Allocation Based on Sq Ft | \$ (109,070) | \$ (115,229) | 6,158 | \$ (113,559) | \$ (157,581) | \$ (166,479) | 8,898 | \$ (164,067) |
| Adjusted Net Income/(Loss) | \$ (124,487) | \$ (132,089) | \$ 7,602 | \$ (123,480) | \$ (203,255) | \$ (201,961) | \$ (1,294) | \$ (211,295) |
| Units | 2,677 | 2,550 | 127 | 2,649 | 2,132 | 1,344 | 788 | 1,898 |
| Gross Revenue/Unit | \$ 67.40 | \$ 68.24 | \$ (0.84) | \$ 66.29 | \$ 7.12 | \$ 10.49 | \$ (3.37) | \$ 6.88 |
| Total Operating Expense/Unit | \$ 113.59 | \$ 119.70 | \$ 6.12 | \$ 109.66 | \$ 102.46 | \$ 160.76 | \$ 58.30 | \$ 116.30 |

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | OCCUPATIONAL HEALTH TESTING | | | | CENTER OPERATIONS | | | |
|--------------------------------------|-----------------------------|-------------------|--|-------------------|---------------------|---------------------|--|---------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) PRIOR YTD | | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) PRIOR YTD | |
| | | | BUDGET | JUNE 2014 | | | BUDGET | JUNE 2014 |
| Gross Operating Revenue | \$ 114,828 | \$ 133,744 | \$ (18,916) | \$ 100,534 | \$ - | \$ - | \$ - | \$ - |
| Deduction From Rev | - | - | - | - | - | - | - | - |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | \$ 114,828 | \$ 133,744 | \$ (18,916) | \$ 100,534 | \$ - | \$ - | \$ - | \$ - |
| Operating Expense: | | | | | | | | |
| Salaries | \$ 12,380 | \$ 12,629 | \$ 248 | \$ 13,428 | \$ - | \$ - | \$ - | \$ - |
| Benefits | 7,590 | 8,269 | 679 | 6,491 | - | - | - | - |
| Professional Fees | - | - | - | - | 23,530 | 37,200 | 13,670 | 38,350 |
| Supplies | 296 | 271 | (25) | 390 | 505 | 1,530 | 1,024 | 1,500 |
| Purchased Services | 22,666 | 20,785 | (1,881) | 17,984 | 22,207 | 24,757 | 2,550 | 20,553 |
| Other Expenses | 620 | 400 | (220) | 173 | 376,243 | 377,340 | 1,097 | 370,034 |
| Total Operating Expenses | \$ 43,553 | \$ 42,354 | \$ (1,199) | \$ 38,466 | \$ 422,485 | \$ 440,827 | \$ 18,342 | \$ 430,437 |
| Net Operating Rev (Exp) | \$ 71,275 | \$ 91,390 | \$ (20,115) | \$ 62,068 | \$ (422,485) | \$ (440,827) | \$ 18,342 | \$ (430,437) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | (145,284) | (159,000) | 13,716 | (160,701) |
| Total Non-Operating Rev/(Exp) | - | - | - | - | (145,284) | (159,000) | 13,716 | (160,701) |
| Net Income/(Loss) | \$ 71,275 | \$ 91,390 | \$ (20,115) | \$ 62,068 | \$ (567,769) | \$ (599,827) | \$ 32,058 | \$ (591,138) |
| Overhead Allocation Based on Sq Ft | \$ - | \$ - | \$ - | \$ - | \$ 529,036 | \$ 558,907 | (29,871) | \$ 550,811 |
| Adjusted Net Income/(Loss) | \$ 71,275 | \$ 91,390 | \$ (20,115) | \$ 62,068 | \$ (38,733) | \$ (40,920) | 2,187 | \$ (40,327) |
| Units | 1,257 | 1,350 | (93) | 1,364 | | | | |
| Gross Revenue/Unit | \$ 91.35 | \$ 99.07 | \$ (7.72) | \$ 73.71 | | | | |
| Total Operating Expense/Unit | \$ 34.65 | \$ 31.37 | \$ (3.27) | \$ 28.20 | | | | |

**TAHOE FOREST HOSPITAL DISTRICT
CENTER FOR HEALTH AND SPORTS PERFORMANCE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | TOTAL CENTER FOR HEALTH & SPORTS PERFORMANCE | | | |
|---|---|---------------------|---|--------------------------------|
| | \$ VARIANCE | | | |
| | ACTUAL | BUDGET | FAVORABLE/ (UNFAVORABLE BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | \$ 4,537,585 | \$ 3,733,472 | \$ 804,113 | \$ 3,812,866 |
| Deduction From Rev | 1,390,793 | 1,128,971 | (261,823) | 1,099,830 |
| Other Operating Revenue | 1,427 | 1,680 | (253) | 1,549 |
| Total Operating Revenue | \$ 3,148,219 | \$ 2,606,181 | \$ 542,037 | \$ 2,514,585 |
| <u>Operating Expense:</u> | | | | |
| Salaries | \$ 37,688 | \$ 26,642 | \$ (11,046) | \$ 37,273 |
| Benefits | 18,213 | 15,825 | (2,388) | 14,023 |
| Professional Fees | 1,669,042 | 1,449,585 | (219,457) | 1,438,304 |
| Supplies | 54,262 | 48,445 | (5,818) | 46,231 |
| Purchased Services | 344,655 | 323,729 | (20,926) | 303,653 |
| Other Expenses | 383,291 | 387,355 | 4,064 | 376,952 |
| Total Operating Expenses | \$ 2,507,152 | \$ 2,251,581 | \$ (255,571) | \$ 2,216,436 |
| Net Operating Rev (Exp) | \$ 641,066 | \$ 354,600 | \$ 286,466 | \$ 298,149 |
| <u>Non - Operating Rev / (Exp)</u> | | | | |
| Donations | - | - | - | - |
| Depreciation | (154,420) | (168,137) | 13,716 | (181,123) |
| Total Non-Operating Rev/(Exp) | (154,420) | (168,137) | 13,716 | (181,123) |
| Net Income/(Loss) | \$ 486,646 | \$ 186,464 | \$ 300,182 | \$ 117,026 |
| Overhead Allocation Based on Sq Ft | - | - | - | - |
| Adjusted Net Income/(Loss) | \$ 486,646 | \$ 186,464 | \$ 300,182 | \$ 117,026 |
| Units | 62,478 | 54,879 | 7,599 | 55,725 |
| Gross Revenue/Unit | \$ 72.63 | \$ 68.03 | \$ 4.60 | \$ 64.83 |
| Total Operating Expense/Unit | \$ 40.13 | \$ 41.03 | \$ 0.90 | \$ 39.77 |

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | MEDICAL ONCOLOGY | | | | MSC MEDICAL ONCOLOGY | | | |
|------------------------------------|-------------------------|---------------|--|--------------------------------|-----------------------------|---------------|--|--------------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 2,189,366 | 1,529,497 | 659,869 | 1,511,804 | 885,830 | 1,052,362 | (166,532) | 857,100 |
| Deduction From Rev | 934,866 | 653,100 | (281,766) | 628,789 | 465,348 | 552,831 | 87,483 | 447,207 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 1,254,500 | 876,397 | 378,103 | 883,015 | 420,483 | 499,531 | (79,049) | 409,893 |
| Operating Expense: | | | | | | | | |
| Salaries | 1,363,672 | 1,249,818 | (113,855) | 1,455,359 | - | - | - | - |
| Benefits | 596,007 | 601,048 | 5,041 | 597,361 | - | - | - | - |
| Professional Fees | 301,087 | 264,260 | (36,827) | 349,056 | 840,493 | 825,000 | (15,493) | 825,000 |
| Supplies | 74,938 | 66,645 | (8,293) | 71,396 | 9,710 | 1,875 | (7,835) | 1,638 |
| Purchased Services | 103,119 | 102,886 | (233) | 114,759 | 26,166 | 6,120 | (20,046) | 6,954 |
| Other Expenses | 215,977 | 226,855 | 10,877 | 220,547 | - | - | - | - |
| Total Operating Expenses | 2,654,800 | 2,511,511 | (143,289) | 2,808,478 | 876,369 | 832,995 | (43,374) | 833,592 |
| Net Operating Rev (Exp) | (1,400,300) | (1,635,114) | 234,814 | (1,925,463) | (455,886) | (333,464) | (122,422) | (423,699) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | 251,863 | 164,000 | 87,863 | 351,451 | - | - | - | - |
| Depreciation | (123,308) | (123,308) | - | (147,555) | - | - | - | (252) |
| Total Non-Operating Rev/(Exp) | 128,555 | 40,692 | 87,863 | 203,896 | - | - | - | (252) |
| Net Income/(Loss) | (1,271,745) | (1,594,422) | 322,677 | (1,721,567) | (455,886) | (333,464) | (122,422) | (423,951) |
| Units | 7,322 | 5,100 | 2,222 | 5,537 | 4,937 | 5,400 | (463) | 4,336 |
| Gross Revenue/Unit | 299.01 | 299.90 | (0.89) | 273.04 | 179.43 | 194.88 | (15.46) | 197.67 |
| Total Operating Expense/Unit | 362.58 | 492.45 | 129.87 | 507.22 | 177.51 | 154.26 | (23.25) | 192.25 |

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | RADIATION ONCOLOGY | | | | MSC RADIATION ONCOLOGY | | | |
|------------------------------------|--------------------|-----------|--|------------------------|------------------------|-----------|--|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 3,760,102 | 3,897,826 | (137,724) | 3,980,585 | 649,991 | 788,347 | (138,356) | 770,349 |
| Deduction From Rev | 1,422,152 | 1,474,242 | 52,090 | 1,631,480 | 338,330 | 410,346 | 72,016 | 394,924 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 2,337,950 | 2,423,584 | (85,634) | 2,349,105 | 311,661 | 378,001 | (66,340) | 375,425 |
| Operating Expense: | | | | | | | | |
| Salaries | 440,631 | 608,550 | 167,919 | 370,572 | - | - | - | - |
| Benefits | 265,257 | 326,513 | 61,256 | 176,126 | - | - | - | - |
| Professional Fees | 212,509 | 172,750 | (39,759) | 183,730 | 521,516 | 512,000 | (9,516) | 512,000 |
| Supplies | 3,702 | 4,069 | 367 | 12,321 | - | - | - | - |
| Purchased Services | 373,835 | 347,448 | (26,387) | 334,929 | - | - | - | - |
| Other Expenses | 15,683 | 13,621 | (2,063) | 15,492 | - | - | - | - |
| Total Operating Expenses | 1,311,617 | 1,472,950 | 161,333 | 1,093,170 | 521,516 | 512,000 | (9,516) | 512,000 |
| Net Operating Rev (Exp) | 1,026,333 | 950,634 | 75,699 | 1,255,935 | (209,855) | (133,999) | (75,855) | (136,575) |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Depreciation | (603,170) | (603,170) | - | (599,500) | - | - | - | (252) |
| Total Non-Operating Rev/(Exp) | (603,170) | (603,170) | - | (599,500) | - | - | - | (252) |
| Net Income/(Loss) | 423,163 | 347,464 | 75,699 | 656,435 | (209,855) | (133,999) | (75,855) | (136,827) |
| Units | 3,390 | 3,650 | (260) | 4,174 | 705 | 2,000 | (1,295) | 1,559 |
| Gross Revenue/Unit | 1,109.17 | 1,067.90 | 41.28 | 953.66 | 921.97 | 394.17 | 527.80 | 494.13 |
| Total Operating Expense/Unit | 386.91 | 403.55 | 16.64 | 261.90 | 739.74 | 256.00 | (483.74) | 328.42 |

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | ONCOLOGY LAB | | | | ONCOLOGY DRUGS | | | |
|------------------------------------|--------------|----------|---|------------------------|----------------|------------|---|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 262,392 | 236,165 | 26,227 | 234,768 | 18,966,397 | 18,831,614 | 134,783 | 17,034,673 |
| Deduction From Rev | 108,252 | 97,432 | (10,820) | 97,706 | 7,687,231 | 7,632,602 | (54,629) | 7,073,016 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 154,140 | 138,733 | 15,407 | 137,062 | 11,279,166 | 11,199,012 | 80,154 | 9,961,657 |
| Operating Expense: | | | | | | | | |
| Salaries | 109,148 | 97,125 | (12,023) | 103,332 | - | - | - | - |
| Benefits | 45,559 | 44,529 | (1,031) | 47,393 | - | - | - | - |
| Professional Fees | - | - | - | - | - | - | - | - |
| Supplies | 1,775 | 8,248 | 6,472 | 6,944 | 3,857,528 | 3,268,425 | (589,103) | 3,119,143 |
| Purchased Services | - | 1,000 | 1,000 | 135 | - | - | - | - |
| Other Expenses | 1,180 | - | (1,180) | - | - | - | - | - |
| Total Operating Expenses | 157,662 | 150,901 | (6,761) | 157,804 | 3,857,528 | 3,268,425 | (589,103) | 3,119,143 |
| Net Operating Rev (Exp) | (3,523) | (12,168) | 8,646 | (20,742) | 7,421,638 | 7,930,587 | (508,949) | 6,842,514 |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | - | - | - | - |
| Depreciation | (777) | (777) | - | (777) | - | - | - | - |
| Total Non-Operating Rev/(Exp) | (777) | (777) | - | (777) | - | - | - | - |
| Net Income/(Loss) | (4,299) | (12,945) | 8,646 | (21,519) | 7,421,638 | 7,930,587 | (508,949) | 6,842,514 |
| Units | 3,568 | 2,827 | 741 | 3,016 | 56,824 | 96,685 | (39,861) | 81,446 |
| Gross Revenue/Unit | 73.54 | 83.54 | (10.00) | 77.84 | 333.77 | 194.77 | 139.00 | 209.15 |
| Total Operating Expense/Unit | 44.19 | 53.38 | 9.19 | 52.32 | 67.89 | 33.80 | (34.08) | 38.30 |

**TAHOE FOREST HOSPITAL DISTRICT
CANCER PROGRAM
FOR THE TWELVE MONTHS ENDING JUNE 30, 2015
PRE-AUDIT**

| | PET CT | | | | TOTAL CANCER PROGRAM | | | |
|------------------------------------|-----------|-----------|---|------------------------|----------------------|-------------|---|------------------------|
| | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 | ACTUAL | BUDGET | \$ VARIANCE FAVORABLE/ (UNFAVORABLE) BUDGET | PRIOR YTD JUNE 2014 |
| Gross Operating Revenue | 1,288,999 | 1,156,742 | 132,257 | 1,116,600 | 28,003,077 | 27,492,553 | 510,524 | 25,505,879 |
| Deduction From Rev | 510,052 | 457,719 | (52,333) | 459,445 | 11,466,231 | 11,278,273 | 187,959 | 10,732,567 |
| Other Operating Revenue | - | - | - | - | - | - | - | - |
| Total Operating Revenue | 778,947 | 699,024 | 79,923 | 657,155 | 16,536,846 | 16,214,281 | 322,565 | 14,773,312 |
| Operating Expense: | | | | | | | | |
| Salaries | 42,426 | 48,843 | 6,417 | - | 1,955,877 | 2,004,336 | (48,459) | 1,929,263 |
| Benefits | 12,840 | 14,646 | 1,805 | - | 919,663 | 986,735 | (67,071) | 820,880 |
| Professional Fees | - | - | - | - | 1,875,604 | 1,774,010 | 101,594 | 1,869,786 |
| Supplies | 54,332 | 47,032 | (7,300) | 42,852 | 4,001,986 | 3,396,294 | 605,692 | 3,254,294 |
| Purchased Services | 183,427 | 176,189 | (7,238) | 182,297 | 686,547 | 633,643 | 52,904 | 639,074 |
| Other Expenses | 214 | 175 | (39) | 178 | 233,054 | 240,650 | (7,596) | 236,217 |
| Total Operating Expenses | 293,240 | 286,886 | (6,354) | 225,327 | 9,672,732 | 9,035,668 | (637,064) | 8,749,514 |
| Net Operating Rev (Exp) | 485,707 | 412,137 | 73,569 | 431,828 | 6,864,114 | 7,178,613 | (314,499) | 6,023,798 |
| Non - Operating Rev / (Exp) | | | | | | | | |
| Donations | - | - | - | - | 251,863 | 164,000 | 87,863 | 351,451 |
| Depreciation | (436,358) | (436,358) | - | (436,358) | (1,865,440) | (1,865,440) | - | (1,883,696) |
| Total Non-Operating Rev/(Exp) | (436,358) | (436,358) | - | (436,358) | (1,613,577) | (1,701,440) | 87,863 | (1,532,245) |
| Net Income/(Loss) | 49,349 | (24,221) | 73,569 | (4,530) | 5,250,537 | 5,477,173 | (226,636) | 4,491,553 |
| Units | 285 | 262 | 23 | 265 | 77,031 | 115,924 | (38,893) | 100,333 |
| Gross Revenue/Unit | 4,522.80 | 4,415.05 | 107.76 | 4,213.58 | 363.53 | 237.16 | 126.37 | 254.21 |
| Total Operating Expense/Unit | 1,028.91 | 1,094.99 | 66.07 | 850.29 | 125.57 | 77.94 | (47.62) | 87.20 |

Tahoe Forest Multi-Specialty Clinics
FY 15 Year End (July 2014 – June 2015) Report to the Finance Committee and Board
Executive Summary
September 11, 2015

Total Operations. In FY 2015, Work Relative Value Units (WRVUs) increased by 8% relative to FY 2014. Gross charges were 12% higher, and net revenue was 3% higher. Provider expense was 15% higher, clinic operating expense was 2% higher and the overall net loss was 21% higher. However, the net loss was 15% less than budget.

- Nearly all specialties experienced growth in WRVUs. Although Internal Medicine and related subspecialties were down by 2%, significant increases were seen in pediatrics (14%), general surgery (19%), GI (11%), ENT (10%), Sports Medicine (7%), Audiology (9%), and Neurology (126%). The growth in General Surgery and Neurology were fueled by the ramp-up of new physicians added in FY 14. Dr. Conyers (General Surgery) joined the MSC in August 2013 and Dr. Forner (Neurology) joined the MSC in December 2013.
- Dr. Higgins left the MSC's Incline Clinic at the end of January 2014. Currently, Dr. Vayner (pediatrics) and Dr. Scholnick (internal medicine / cardiology) provide the physician coverage to this clinic, but MSC management is actively recruiting and hopes to supplement their services with an additional part-time physician by the end of calendar year 2015.
- The growth in charges (12%) was due to the 8% growth in RVUs, coupled with a routine 5% price increase implemented in October 2014.
- The net revenue increase (3%) fell short of the growth in charges. This is partially due to the fact that nearly all of the MSC's contracts are based on fixed fee schedules, so price increases have a relatively small impact on net revenue. Equally important, our percentage of charges from Medi-Cal patients increased from 22% to 26%. In addition to the increased percentage of patients presenting with Medi-Cal, approximately two-thirds of our Medi-Cal patients transitioned from straight Medi-Cal into one of the two Medi-Cal managed care plans. Our reimbursement from these plans for routine office visits is approximately 40% less than what Medi-Cal paid, which is inconsistent with both the intent and language of these agreements. Ms. Betts is actively working with the plan representatives to resolve the dispute about payment rates and methodology.
- Provider expense increased by 15%, in part due to the departure of less expensive provider FTEs (allergy nurse and family practitioner) and the increase in more expensive specialists. In addition, the Board approved a 15% decrease in the WRVU target in November 2013 as partial compensation for malpractice insurance and benefits. This was coupled with an increase in WRVU production. As a result, production-based bonuses were accrued for some providers who did not earn them in the past, and bonuses were larger for those who did earn them previously. The Board-approved shift from the FY 14 compensation platform to the FY 16 platform, effective in January 2015, also contributed to this increase.
- Total clinic operating expenses were 2% higher than the prior year, with the largest increases noted in employee benefits (10%) and medical supplies and drugs (8%). The employee benefits are somewhat artificially inflated, as the actual self-insured health insurance cost is allocated to cost centers on the basis of budgeted FTEs rather than actual FTEs, and the MSC's actual FTEs were 11% less than budget. Had actual FTEs been used instead, the allocation would have

been approximately \$90,000 less. Salaries and wages were virtually unchanged relative to the prior year. The replacement of several higher level management positions with lower cost line staff more than offset inflationary increases in wage rates.

- Clinic support FTEs were 1% lower than prior year and provider FTEs were 2% lower than prior year, resulting in an FTE per provider ratio of 2.66, which was 1% higher than the prior year, but still well below the median of 3.16 reported in the 2013 MGMA Cost Survey for multispecialty groups with primary and specialty care. FTEs ran 11% below budget due to open positions.

Individual Clinic Highlights

ENT / Audiology / Allergy Clinic. Work RVUs in the ENT Clinic increased by 13% year over year. This growth included a 10% increase for Dr. Chase and a 9% increase for the audiologists. Dr. Forner also temporarily worked in the ENT clinic one day per week. However gross charges increased only by 1%. The significant disparity between the RVU growth and the revenue growth is due to the suspension of the allergy program. Allergy work accounted for only 4% of Dr. Chase's RVUs, but 16% of his charges in FY 14, since the charges are driven more by the cost of the antigens and the allergy nurse than by Dr. Chase's oversight of the program. Net revenue was up by 2%.

Provider expense in this clinic was up by 15% from prior year, due to the addition of Dr. Forner and an increase in Dr. Chase's production-based incentive, which were partially offset by the elimination of the allergy nurse.

Internal Medicine / Pulmonology. Overall, Work RVUs in the Internal Medicine / Pulmonology clinic increased by 0.3% relative to prior year. Dr. Tirdel's Work RVUs were 2% lower than prior year, but both of the Nurse Practitioners experienced an increase. RVUs for both Bev Mustain and Lisa Beck in this clinic were 5% higher.

Provider expense was 13% higher due to Dr. Tirdel's contract changes, coupled with an increase in Nurse Practitioner time spent in this clinic.

Operating expenses in the clinic were virtually unchanged relative to prior year.

Internal Medicine / Cardiology. The GI / General Surgery clinic was folded into the Internal Medicine / Cardiology space following the termination of the Mountain Medical lease in the fall of 2013. However due to the distinctly different nature of these practices, we are continuing to report them as two separate clinics. Clinic overhead costs were allocated between the two clinics for the purpose of this report.

Total WRVUs were 5% lower in the Internal Medicine / Cardiology clinic than prior year, primarily due to a 9% decrease in Dr. Lombard's RVUs and a 4% decrease in Dr. Burkholder's RVUs. In addition, Dr. Scholnick's RVUs in the Internal Medicine / Cardiology Clinic decreased by 7% due his increased presence in the Incline clinic; however his combined RVUs for the two clinics increased by 4%. These decreases were partially offset by an increase in Lisa Beck's production; her RVUs in the Internal Medicine Cardiology Clinic increased by 31% and her overall RVUs by 16%.

Gross charges were 1% higher, and net revenue was 5% lower than prior year. Provider expense increased by 6% based on the contract changes and the production-based bonuses.

Clinic operating expenses were 1% higher than prior year.

Pediatrics. Work RVUs in the pediatric clinic were 11% higher than prior year. Each provider within the clinic saw growth in RVU volumes. In FY 14, volumes in this clinic were particularly hard hit in November and December when the state converted its Medi-Cal patients to managed care. Medi-Cal's share of the payor mix in this clinic grew from 46% to 49%. In addition, some changes were implemented to the patient schedule that improved visit availability.

Gross charges were 15% higher than prior year and net revenue was 2% lower. The disparity between gross charges and net revenue was almost entirely attributable to the decreased payment rates from the Medi-Cal managed care plans, coupled with the increase in the percentage of Medi-Cal patients.

Provider expense increased by 15%, and clinic operating expense increased by 1% relative to the prior year.

GI / General Surgery. Provider FTEs in the GI / General Surgery Clinic increased 4%, since both Dr. Conyers (who started in August 2013) and Dr. Schaffer (who doubled his time in late July 2013) were working full time for the entirety of FY 15. This increase in provider FTEs, coupled with continued growth in the practice, resulted in a 14% increase in Work RVUs, a 15% increase in gross charges and a 15% increase in net revenue. Provider expense increased by 12%.

Due to the staffing and supplies required to support the growth in the practice, clinic operating expense increased by 14%.

Incline Village. Work RVUs in the Incline Village clinic were 4% higher than prior year, in spite of Dr. Osgood's mid-year departure to spend more time in his Truckee practice.

Gross charges were 13% higher, but net revenues were only 1% higher. Interestingly, this clinic had the largest increase in Medicaid, from 4% of gross charges to 13%. Provider expense was 34% higher. Clinic operating expense increased by 14%. The net operating loss increased by 151%.

Sports Medicine. Work RVUs in the Sports Medicine clinic were 38% higher than prior year. In addition to a 7% increase in Dr. Winans' RVUs, Dr. Forner (neurology) was added to the practice in December 2013. As a direct result of the growth, charges were 49% higher, net revenue was 32% higher, provider expense was 61% higher, and clinic operating expenses were 47% higher than the prior year. The net operating margin in this clinic decreased to just under break even.

Tahoe Forest MSC - RVU Summary
For the period July 2014 - June 2015 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) | | | | | | |
| FAMILY PRACTICE | | | | | | |
| Higgins | INCLINE | - | 1,031 | 0.0% | n/a - termed | |
| SUBTOTAL - FAMILY PRACTICE | | <u>-</u> | <u>1,031</u> | <u>0.0%</u> | | |
| INTERNAL MEDICINE | | | | | | |
| Burkholder (IM) | IMCARD | 4,197 | 4,377 | 95.9% | 4,044 | 103.8% |
| Lombard (IM / Cardiology) | IMCARD | 4,754 | 5,237 | 90.8% | 4,584 | 103.7% |
| Scholnick (IM / Cardiology) | IMCARD, INCLINE | 5,702 | 5,474 | 104.2% | 4,584 | 124.4% |
| Tirdel (IM / Pulmonology) | IMPULM | 6,166 | 6,264 | 98.4% | 5,267 | 117.1% |
| SUBTOTAL - INTERNAL MEDIINE | | <u>20,819</u> | <u>21,352</u> | <u>97.5%</u> | <u>18,479</u> | <u>112.7%</u> |
| PEDIATRICS | | | | | | |
| Arth | PEDS | 4,192 | 4,123 | 101.7% | 3,707 | 113.1% |
| Brown | PEDS | 4,757 | 3,819 | 124.6% | 3,707 | 128.3% |
| Uglum | PEDS | 4,050 | 3,714 | 109.1% | 3,707 | 109.3% |
| Vayner | PEDS, INCLINE | 4,253 | 3,519 | 120.9% | 3,707 | 114.7% |
| SUBTOTAL - PEDIATRICS | | <u>17,252</u> | <u>15,176</u> | <u>113.7%</u> | <u>14,828</u> | <u>116.4%</u> |
| PHYSICIAN EXTENDERS | | | | | | |
| Beck (PA) | IMCARD, IMPULM | 2,787 | 2,406 | 115.9% | n/a - salaried | |
| Lang-Ree (PNP) | PEDS | 1,397 | 1,141 | 122.5% | n/a - salaried | |
| Mustain (NP) | IMPULM | 2,284 | 2,176 | 104.9% | n/a - salaried | |
| Smith (NP) | INCLINE | 370 | 237 | 156.4% | n/a - salaried | |
| SUBTOTAL - PHYSICIAN EXTENDERS | | <u>6,839</u> | <u>5,960</u> | <u>114.7%</u> | | |
| SUBTOTAL - PRIMARY CARE PROVIDERS | | <u>44,910</u> | <u>43,519</u> | <u>103.2%</u> | | |
| SPECIALISTS | | | | | | |
| GENERAL SURGERY | | | | | | |
| Conyers | GI/GS | 4,342 | 2,981 | 145.7% | * 5,880 | 73.9% |
| Cooper | GI/GS | 3,720 | 3,780 | 98.4% | 5,373 | 69.2% |
| SUBTOTAL - GENERAL SURGERY | | <u>8,062</u> | <u>6,762</u> | <u>119.2%</u> | <u>11,253</u> | <u>71.7%</u> |
| NEPHROLOGY | | | | | | |
| Clark | IMCARD | 49 | 85 | 57.3% | n/a - paid on production | |
| Quigley | IMCARD | 106 | 100 | 106.2% | n/a - paid on production | |
| SUBTOTAL - NEPHROLOGY | | <u>154</u> | <u>184</u> | <u>83.7%</u> | | |
| AUDIOLOGY | | | | | | |
| Hodes | ENT | 335 | - | | n/a - paid on production | |
| Johnson | ENT | 46 | - | | n/a - paid on production | |
| Schellin | ENT | 192 | 528 | 36.3% | n/a - paid on production | |
| SUBTOTAL - AUDIOLOGY | | <u>574</u> | <u>528</u> | <u>108.6%</u> | | |
| SINGLE PROVIDER SPECIALTIES PAID ON BASE PLUS PRODUCTION BONUS | | | | | | |
| Chase (ENT) | ENT | 5,228 | 4,773 | 109.5% | 4,415 | 118.4% |
| Osgood (Orthopedic Surgery) | INCLINE | 467 | 689 | 67.8% | 791 | 59.1% |
| Schaffer (Gastroenterology) | GI/GS | 5,748 | 5,161 | 111.4% | * 5,049 | 113.8% |
| Winans (Sports Medicine) | SPORTS | 2,763 | 2,584 | 106.9% | 2,184 | 126.6% |
| SUBTOTAL - SINGLE PROVIDER SPECIALTIES ON BASE/BONUS | | <u>14,206</u> | <u>13,207</u> | <u>107.6%</u> | <u>12,438</u> | <u>114.2%</u> |

Tahoe Forest MSC - RVU Summary

For the period July 2014 - June 2015 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 | | | | | | |
| Fornier (Neurology) | ENT, SPORTS | 2,331 | 1,030 | 226.2% | <i>n/a - paid on production</i> | |
| Hardy (Pediatric Pulmonology) | PEDS | 107 | 92 | 116.4% | <i>n/a - paid on production</i> | |
| Koch (Palliative Care) | IMPULM | - | 38 | 0.0% | <i>n/a - paid on production</i> | |
| SUBTOTAL - SINGLE PROVIDER SPECIALTIES | | <u>2,439</u> | <u>1,161</u> | <u>210.1%</u> | | |
| SUBTOTAL - SPECIALISTS | | <u>25,435</u> | <u>21,841</u> | <u>116.5%</u> | | |
| GRAND TOTAL | | <u>70,345</u> | <u>65,360</u> | <u>107.6%</u> | | |

SUMMARY BY CLINIC

| | | | |
|---------------------------------|----------------------|----------------------|----------------------|
| ENT | 6,256 | 5,550 | 112.7% |
| GI / GENERAL SURGERY | 13,607 | 11,923 | 114.1% |
| INCLINE VILLAGE | 3,761 | 3,617 | 104.0% |
| INTERNAL MEDICINE / CARDIOLOGY | 14,350 | 15,167 | 94.6% |
| INTERNAL MEDICINE / PULMONOLOGY | 9,875 | 9,841 | 100.3% |
| PEDIATRICS | 17,627 | 15,898 | 110.9% |
| SPORTS MEDICINE | 4,640 | 3,366 | 137.9% |
| GRAND TOTAL | <u>70,116</u> | <u>65,361</u> | <u>107.3%</u> |

** July - Dec 2014 targets for these two providers reflect contract terms negotiated prior to the 15% benefit / malpractice allowance
Had these contracts been on the same platform as other providers, the target would have been 15% lower*

FY 15 MSC Income Statement July 2014 - June 2015 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 | 1,209,926 | 1,196,435 | 101% | 1,253,130 | 97% | 1,517,288 | 1,412,522 | 107% | 1,620,834 | 94% | 2,252,021 | 2,228,666 | 101% | 2,408,584 | 93% |
| Contractual Allowances | (562,845) | (564,787) | 100% | (617,189) | 91% | (578,304) | (519,447) | 111% | (660,524) | 88% | (963,386) | (872,587) | 110% | (1,090,417) | 88% |
| Net revenue | <u>647,081</u> | <u>631,648</u> | <u>102%</u> | <u>635,941</u> | <u>102%</u> | <u>938,984</u> | <u>893,075</u> | <u>105%</u> | <u>960,310</u> | <u>98%</u> | <u>1,288,635</u> | <u>1,356,079</u> | <u>95%</u> | <u>1,318,167</u> | <u>98%</u> |
| Other operating revenue | <u>17,963</u> | <u>10,952</u> | 164% | - | | <u>12,613</u> | <u>10,364</u> | 122% | - | | <u>33,982</u> | <u>29,301</u> | 116% | - | |
| Provider expense | | | | | | | | | | | | | | | |
| Physician fees | 441,772 | 345,782 | 128% | 358,736 | 123% | 360,173 | 327,955 | 110% | 372,626 | 97% | 806,812 | 747,382 | 108% | 778,752 | 104% |
| Non-physician salaries/benefits | - | 39,571 | 0% | 95,794 | 0% | 215,143 | 181,767 | 118% | 202,083 | 106% | 68,538 | 80,998 | 85% | 75,539 | 91% |
| Total provider expense | <u>441,772</u> | <u>385,354</u> | <u>115%</u> | <u>454,530</u> | <u>97%</u> | <u>575,316</u> | <u>509,722</u> | <u>113%</u> | <u>574,709</u> | <u>100%</u> | <u>875,350</u> | <u>828,380</u> | <u>106%</u> | <u>854,291</u> | <u>102%</u> |
| Clinic Operating Expenses: | | | | | | | | | | | | | | | |
| Salaries and wages | 142,764 | 156,794 | 91% | 151,896 | 94% | 183,001 | 175,509 | 104% | 192,341 | 95% | 260,028 | 237,078 | 110% | 288,948 | 90% |
| Benefits | 98,703 | 82,574 | 120% | 83,328 | 118% | 101,121 | 95,505 | 106% | 107,326 | 94% | 139,371 | 136,328 | 102% | 164,244 | 85% |
| Admin services & supplies | 39,640 | 41,917 | 95% | 39,607 | 100% | 61,571 | 76,927 | 80% | 74,448 | 83% | 58,864 | 71,315 | 83% | 59,670 | 99% |
| Medical supplies & drugs | 55,629 | 62,275 | 89% | 83,095 | 67% | 46,748 | 21,614 | 216% | 21,271 | 220% | 36,668 | 34,154 | 107% | 39,997 | 92% |
| Building Rent / Utilities | 59,162 | 61,085 | 97% | 61,787 | 96% | 57,914 | 79,316 | 73% | 81,713 | 71% | 74,410 | 83,110 | 90% | 79,448 | 94% |
| Other operating expense | 3,929 | 4,648 | 85% | 5,612 | 70% | 20,769 | 22,999 | 90% | 21,122 | 98% | 6,934 | 9,231 | 75% | 16,002 | 43% |
| Total clinic operating expenses | <u>399,827</u> | <u>409,293</u> | <u>98%</u> | <u>425,325</u> | <u>94%</u> | <u>471,125</u> | <u>471,868</u> | <u>100%</u> | <u>498,222</u> | <u>95%</u> | <u>576,276</u> | <u>571,216</u> | <u>101%</u> | <u>648,307</u> | <u>89%</u> |
| Net operating margin | (176,555) | (152,047) | 116% | (243,914) | 72% | (94,844) | (78,151) | 121% | (112,621) | 84% | (129,009) | (14,217) | 907% | (184,431) | 70% |
| Allocation of administrative overhead | (147,066) | (152,880) | | (175,537) | | (213,409) | (216,154) | | (265,072) | | (292,876) | (328,216) | | (363,850) | |
| Net profit (loss) | <u>(323,621)</u> | <u>(304,927)</u> | <u>106%</u> | <u>(419,451)</u> | <u>77%</u> | <u>(308,253)</u> | <u>(294,305)</u> | <u>105%</u> | <u>(377,693)</u> | <u>82%</u> | <u>(421,885)</u> | <u>(342,434)</u> | <u>123%</u> | <u>(548,281)</u> | <u>77%</u> |
| Ratios: | | | | | | | | | | | | | | | |
| Provider cost as % net revenue | 68% | 61% | | 71% | | 61% | 57% | | 60% | | 68% | 61% | | 65% | |
| Clinic op cost as % net revenue | 62% | 65% | | 67% | | 50% | 53% | | 52% | | 45% | 42% | | 49% | |
| Overhead cost as % net revenue | 23% | 24% | | 28% | | 23% | 24% | | 28% | | 23% | 24% | | 28% | |
| Clinic support FTEs | 3.69 | 4.01 | 92% | 3.80 | 97% | 5.09 | 5.00 | 102% | 5.00 | 102% | 6.65 | 6.25 | 106% | 6.82 | 97% |
| Provider FTEs | 1.49 | 1.89 | 79% | 2.10 | 71% | 2.41 | 2.23 | 108% | 2.30 | 105% | 3.16 | 3.34 | 95% | 3.45 | 92% |
| Clinic support FTEs per provider | 2.48 | 2.12 | 117% | 1.81 | 137% | 2.11 | 2.24 | 94% | 2.17 | 97% | 2.10 | 1.87 | 112% | 1.98 | 106% |
| Payor Mix | | | | | | | | | | | | | | | |
| Medicare | 24.5% | 24.9% | | | | 41.9% | 41.0% | | | | 49.7% | 50.4% | | | |
| Medicaid / Medi-Cal | 20.9% | 18.4% | | | | 10.2% | 6.5% | | | | 12.0% | 7.5% | | | |
| Commercial | 49.3% | 51.6% | | | | 46.5% | 49.2% | | | | 36.5% | 38.6% | | | |
| Self Pay | 5.2% | 5.0% | | | | 1.5% | 3.3% | | | | 1.8% | 3.4% | | | |

FY 15 MSC Income Statement July 2014 - June 2015 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 | 4,345,766 | 3,775,861 | 115% | 4,176,504 | 104% | 2,284,216 | 1,982,705 | 115% | 2,000,783 | 114% | 623,520 | 551,438 | 113% | 526,716 | 118% |
| Contractual Allowances | (2,890,765) | (2,287,290) | 126% | (2,736,903) | 106% | (1,230,473) | (1,065,898) | 115% | (1,141,786) | 108% | (244,571) | (174,801) | 140% | (195,879) | 125% |
| Net revenue | <u>1,455,001</u> | <u>1,488,571</u> | <u>98%</u> | <u>1,439,601</u> | <u>101%</u> | <u>1,053,743</u> | <u>916,807</u> | <u>115%</u> | <u>858,997</u> | <u>123%</u> | <u>378,949</u> | <u>376,638</u> | <u>101%</u> | <u>330,837</u> | <u>115%</u> |
| Other operating revenue | <u>42,500</u> | <u>99,167</u> | <u>43%</u> | <u>-</u> | | <u>35,927</u> | <u>21,903</u> | <u>164%</u> | <u>-</u> | | <u>5,326</u> | <u>16,490</u> | <u>32%</u> | <u>-</u> | |
| Provider expense | | | | | | | | | | | | | | | |
| Physician fees | 790,961 | 689,522 | 115% | 724,661 | 109% | 1,129,532 | 1,006,217 | 112% | 1,052,120 | 107% | 327,742 | 247,103 | 133% | 183,893 | 178% |
| Non-physician salaries/benefits | <u>88,392</u> | <u>77,830</u> | <u>114%</u> | <u>75,140</u> | <u>118%</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,890</u> | <u>9,275</u> | <u>161%</u> | <u>-</u> | <u>-</u> |
| Total provider expense | <u>879,353</u> | <u>767,352</u> | <u>115%</u> | <u>799,801</u> | <u>110%</u> | <u>1,129,532</u> | <u>1,006,217</u> | <u>112%</u> | <u>1,052,120</u> | <u>107%</u> | <u>342,633</u> | <u>256,378</u> | <u>134%</u> | <u>183,893</u> | <u>186%</u> |
| Clinic Operating Expenses: | | | | | | | | | | | | | | | |
| Salaries and wages | 335,734 | 327,921 | 102% | 394,893 | 85% | 233,493 | 199,353 | 117% | 217,283 | 107% | 91,858 | 100,721 | 91% | 127,416 | 72% |
| Benefits | 205,743 | 188,164 | 109% | 213,927 | 96% | 137,755 | 108,038 | 128% | 112,976 | 122% | 62,315 | 39,724 | 157% | 67,500 | 92% |
| Admin services & supplies | 125,212 | 122,383 | 102% | 115,453 | 108% | 56,543 | 61,185 | 92% | 51,887 | 109% | 14,141 | 18,253 | 77% | 17,359 | 81% |
| Medical supplies & drugs | 313,039 | 333,570 | 94% | 335,395 | 93% | 34,745 | 29,176 | 119% | 34,780 | 100% | 61,254 | 37,530 | 163% | 31,791 | 193% |
| Building Rent / Utilities | 80,310 | 79,435 | 101% | 80,566 | 100% | 70,998 | 69,694 | 102% | 69,085 | 103% | 15,606 | 15,606 | 100% | 15,606 | 100% |
| Other operating expense | <u>16,853</u> | <u>14,442</u> | <u>117%</u> | <u>24,487</u> | <u>69%</u> | <u>6,628</u> | <u>7,918</u> | <u>84%</u> | <u>13,915</u> | <u>48%</u> | <u>7,431</u> | <u>9,021</u> | <u>82%</u> | <u>8,912</u> | <u>83%</u> |
| Total clinic operating expenses | <u>1,076,893</u> | <u>1,065,915</u> | <u>101%</u> | <u>1,164,721</u> | <u>92%</u> | <u>540,161</u> | <u>475,364</u> | <u>114%</u> | <u>499,925</u> | <u>108%</u> | <u>252,605</u> | <u>220,855</u> | <u>114%</u> | <u>268,585</u> | <u>94%</u> |
| Net operating margin | (458,744) | (245,530) | 187% | (524,921) | 87% | (580,024) | (542,870) | 107% | (693,048) | 84% | (210,963) | (84,106) | 251% | (121,641) | 173% |
| Allocation of administrative overhead | <u>(330,688)</u> | <u>(360,284)</u> | | <u>(397,369)</u> | | <u>(239,491)</u> | <u>(221,898)</u> | | <u>(237,107)</u> | | <u>(86,126)</u> | <u>(91,159)</u> | | <u>(91,320)</u> | |
| Net profit (loss) | <u>(789,432)</u> | <u>(605,814)</u> | <u>130%</u> | <u>(922,290)</u> | <u>86%</u> | <u>(819,515)</u> | <u>(764,768)</u> | <u>107%</u> | <u>(930,154)</u> | <u>88%</u> | <u>(297,089)</u> | <u>(175,265)</u> | <u>170%</u> | <u>(212,961)</u> | <u>140%</u> |
| Ratios: | | | | | | | | | | | | | | | |
| Provider cost as % net revenue | 60% | 52% | | 56% | | 107% | 110% | | 122% | | 90% | 68% | | 56% | |
| Clinic op cost as % net revenue | 74% | 72% | | 81% | | 51% | 52% | | 58% | | 67% | 59% | | 81% | |
| Overhead cost as % net revenue | 23% | 24% | | 28% | | 23% | 24% | | 28% | | 23% | 24% | | 28% | |
| Clinic support FTEs | 9.67 | 8.68 | 111% | 9.80 | 99% | 6.06 | 4.93 | 123% | 5.93 | 102% | 2.31 | 2.77 | 83% | 3.10 | 74% |
| Provider FTEs | 4.35 | 4.42 | 98% | 4.50 | 97% | 3.00 | 2.88 | 104% | 3.00 | 100% | 0.82 | 0.99 | 83% | 0.80 | 103% |
| Clinic support FTEs per provider | 2.22 | 1.96 | 113% | 2.18 | 102% | 2.02 | 1.71 | 118% | 1.98 | 102% | 2.81 | 2.80 | 100% | 3.88 | 72% |
| Payer Mix | | | | | | | | | | | | | | | |
| Medicare | 0.4% | 0.3% | | | | 33.2% | 33.0% | | | | 34.2% | 39.2% | | | |
| Medicaid / Medi-Cal | 48.8% | 46.3% | | | | 14.2% | 10.5% | | | | 13.0% | 4.0% | | | |
| Commercial | 49.9% | 51.9% | | | | 51.5% | 53.5% | | | | 50.7% | 54.0% | | | |
| Self Pay | 0.9% | 1.5% | | | | 1.0% | 3.0% | | | | 2.1% | 2.8% | | | |

FY 15 MSC Income Statement July 2014 - June 2015 with comparison to Prior Year and Budget

Clinic Roll-up (Page 3)

| | Sports Medicine / Neurology | | | | | Administration | | | | | Total | | | | |
|---------------------------------------|-----------------------------|-----------------|-------------|------------------|-------------|------------------|------------------|-------------|------------------|-------------|--------------------|--------------------|-------------|--------------------|-------------|
| | Actual | Prior Yr | %PY | Budget | %Bud | Actual | Prior Yr | %PY | Budget | %Bud | Actual | Prior Yr | %PY | Budget | %Bud |
| Revenue | | | | | | | | | | | | | | | |
| Gross Charges | 802,651 | 539,565 | 149% | 470,789 | 170% | | | | | | 13,035,388 | 11,687,192 | 112% | 12,457,340 | 105% |
| Contractual Allowances | (367,389) | (209,454) | 175% | (214,504) | 171% | | | | | | (6,837,733) | (5,694,265) | 120% | (6,657,202) | 103% |
| Net revenue | <u>435,262</u> | <u>330,111</u> | <u>132%</u> | <u>256,285</u> | <u>170%</u> | | | | | | <u>6,197,655</u> | <u>5,992,927</u> | <u>103%</u> | <u>5,800,138</u> | <u>107%</u> |
| Other operating revenue | <u>19,139</u> | <u>10,952</u> | 175% | - | | | | | | | <u>167,450</u> | <u>199,127</u> | 84% | - | |
| Provider expense | | | | | | | | | | | | | | | |
| Physician fees | 284,843 | 176,390 | 161% | 219,954 | 130% | 9,725 | 7,500 | 130% | 8,400 | 116% | 4,151,559 | 3,547,851 | 117% | 3,699,143 | 112% |
| Non-physician salaries/benefits | - | - | | - | | - | - | | - | | <u>386,963</u> | <u>389,442</u> | 99% | <u>448,555</u> | 86% |
| Total provider expense | <u>284,843</u> | <u>176,390</u> | <u>161%</u> | <u>219,954</u> | <u>130%</u> | <u>9,725</u> | <u>7,500</u> | | <u>8,400</u> | | <u>4,538,523</u> | <u>3,937,293</u> | <u>115%</u> | <u>4,147,698</u> | <u>109%</u> |
| Clinic Operating Expenses: | | | | | | | | | | | | | | | |
| Salaries and wages | 79,558 | 50,847 | 156% | 62,935 | 126% | 630,163 | 708,538 | 89% | 823,377 | 77% | 1,956,599 | 1,956,761 | 100% | 2,259,089 | 87% |
| Benefits | 34,817 | 29,989 | 116% | 34,632 | 101% | 302,288 | 306,222 | 99% | 324,282 | 93% | 1,082,114 | 986,543 | 110% | 1,108,215 | 98% |
| Admin services & supplies | 20,012 | 17,854 | 112% | 14,783 | 135% | 368,186 | 368,213 | 100% | 343,963 | 107% | 744,170 | 778,047 | 96% | 717,169 | 104% |
| Medical supplies & drugs | 30,601 | 16,393 | 187% | 21,177 | 144% | 351 | 2,433 | 14% | 1,500 | 23% | 579,035 | 537,145 | 108% | 569,006 | 102% |
| Building Rent / Utilities | 270 | - | | - | | 72,422 | 37,947 | 191% | 83,976 | 86% | 431,093 | 426,193 | 101% | 472,181 | 91% |
| Other operating expense | <u>7,961</u> | <u>3,018</u> | <u>264%</u> | <u>5,250</u> | <u>152%</u> | <u>25,445</u> | <u>19,636</u> | <u>130%</u> | <u>15,499</u> | <u>164%</u> | <u>95,950</u> | <u>90,913</u> | <u>106%</u> | <u>110,799</u> | <u>87%</u> |
| Total clinic operating expenses | <u>173,219</u> | <u>118,101</u> | <u>147%</u> | <u>138,776</u> | <u>125%</u> | <u>1,398,856</u> | <u>1,442,989</u> | <u>97%</u> | <u>1,592,596</u> | <u>88%</u> | <u>4,888,961</u> | <u>4,775,602</u> | <u>102%</u> | <u>5,236,458</u> | <u>93%</u> |
| Net operating margin | (3,660) | 46,571 | -8% | (102,445) | 4% | (1,408,581) | (1,450,489) | 97% | (1,600,996) | 97% | (3,062,379) | (2,520,841) | 121% | (3,584,018) | 85% |
| Allocation of administrative overhead | <u>(98,925)</u> | <u>(79,898)</u> | | <u>(70,742)</u> | | <u>1,408,581</u> | <u>1,450,489</u> | | <u>1,600,996</u> | | - | - | | - | |
| Net profit (loss) | <u>(102,585)</u> | <u>(33,327)</u> | <u>308%</u> | <u>(173,187)</u> | <u>59%</u> | - | - | | - | | <u>(3,062,379)</u> | <u>(2,520,841)</u> | <u>121%</u> | <u>(3,584,018)</u> | <u>85%</u> |
| Ratios: | | | | | | | | | | | | | | | |
| Provider cost as % net revenue | 65% | 53% | | 86% | | | | | | | 73% | 66% | | 72% | |
| Clinic op cost as % net revenue | 40% | 36% | | 54% | | | | | | | 56% | 56% | | 63% | |
| Overhead cost as % net revenue | 23% | 24% | | 28% | | | | | | | 23% | 24% | | 27% | |
| Clinic support FTEs | 2.06 | 1.38 | 149% | 1.60 | 129% | 7.67 | 10.74 | 71% | 12.35 | 62% | 43.19 | 43.74 | 99% | 48.40 | 89% |
| Provider FTEs | 1.02 | 0.82 | 124% | 0.83 | 124% | | | | | | 16.25 | 16.57 | 98% | 16.98 | 96% |
| Clinic support FTEs per provider | 2.02 | 1.68 | 120% | 1.94 | 104% | | | | | | 2.66 | 2.64 | 101% | 2.85 | 93% |
| Payer Mix | | | | | | | | | | | | | | | |
| Medicare | 30.1% | 26.5% | | | | | | | | | 25.2% | 25.9% | | | |
| Medicaid / Medi-Cal | 18.5% | 10.5% | | | | | | | | | 25.7% | 21.5% | | | |
| Commercial | 50.1% | 60.6% | | | | | | | | | 47.5% | 49.8% | | | |
| Self Pay | 1.3% | 2.4% | | | | | | | | | 1.6% | 2.8% | | | |

**TAHOE FOREST HOSPITAL DISTRICT
AUGUST 2015 FINANCIAL REPORT
INDEX**

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Board of Directors
Of Tahoe Forest Hospital District

AUGUST 2015 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the two months ended August 31, 2015.

Activity Statistics

- ❑ TFH acute patient days were 273 for the current month compared to budget of 398. This equates to an average daily census of 8.81 compared to budget of 12.84.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Oncology Lab, Oncology procedures, Radiation Oncology, Oncology Drugs, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Diagnostic Imaging, Mammography, MRI exams, Ultrasounds, Cat Scans, PET CT, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 56.4% in the current month compared to budget of 53.4% and to last month's 58.2%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.3%, compared to budget of 53.4% and prior year's 57.4%.
- ❑ EBIDA was \$1,839,240 (10.1%) for the current month compared to budget of \$925,556 (4.8%), or \$913,684 (5.2%) above budget. Year-to-date EBIDA was \$3,762,629 (10.0%) compared to budget of \$1,792,759 (4.7%) or \$1,969,870 (5.4%) over budget.
- ❑ Cash Collections for the current month were \$10,080,268 which is 87% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 54.6, compared to the prior month of 58.1. Gross Accounts Receivables are \$31,399,650 compared to the prior month of \$32,477,468. The percent of Gross Accounts Receivable over 120 days old is 21.4%, compared to the prior month of 21.0%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 41.9 days. S&P Days Cash on Hand is 173.2. Working Capital cash increased \$2,951,000. Accounts Payable and Accrued Payroll & Related Costs increased \$1,378,000 and \$388,000, respectively. The District received \$525,000 from the State on its SNF Supplemental Reimbursement, Property Tax revenue in the amount of \$216,000 and various rebates and refunds totaling \$191,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$768,000. Cash collections were at 87% of target and days in accounts receivable were 54.6 days, a 3.5 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased a net \$460,000 after recording the receipt of the Medi-Cal SNF Supplemental Reimbursement.
- ❑ G.O. Bond Tax Revenue Fund increased \$176,491. Final payment of the FY2015 property tax revenues were received during the month.
- ❑ Accounts Payable increased \$1,378,000 due to the timing of the final check run in August.
- ❑ Accrued Payroll & Related Costs increased \$388,000 due to an increase in payroll days to accrue at month's end.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$18,292,665, compared to budget of \$19,113,136 or \$820,471 below budget.
- ❑ Current month's Gross Inpatient Revenue was \$4,553,428, compared to budget of \$5,950,829 or \$1,397,401 below budget.
- ❑ Current month's Gross Outpatient Revenue was \$13,739,237, compared to budget of \$13,162,307 or \$576,930 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 38.4% Medicare, 15.9% Medi-Cal, .0% County, 3.0% Other, and 42.7% Insurance compared to budget of 36.2% Medicare, 18.6% Medi-Cal, .0% County, 3.8% Other, and 41.4% Insurance. Last month's mix was 38.2% Medicare, 16.4% Medi-Cal, .0% County, 4.8% Other, and 40.6% Insurance.
- ❑ Current month's Deductions from Revenue were \$7,980,969 compared to budget of \$8,911,482 or \$930,512 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 2.22% increase in Medicare, a 2.70% decrease to Medi-Cal, a .02% decrease in County, a .82% decrease in Other, and Commercial was above budget 1.32%, 2) revenues fell short of budget by 4.3%, and 3) we continue to see a pickup in Bad Debt as Self-Pay accounts are worked.

Operating Expenses

| DESCRIPTION | August 2015 Actual | August 2015 Budget | Variance | BRIEF COMMENTS |
|---------------------------------|--------------------|--------------------|-----------|--|
| Salaries & Wages | 3,531,711 | 3,741,654 | 209,942 | |
| Employee Benefits | 1,029,940 | 1,164,304 | 134,364 | We saw a positive variance in PL/SL due to fewer vacation days taken than anticipated and Employer payroll taxes were under budget due to the decrease in Salaries, Wages, and PL/SL. |
| Benefits – Workers Compensation | 44,869 | 60,541 | 15,672 | |
| Benefits – Medical Insurance | 483,108 | 750,099 | 266,991 | Positive variance is due to a decrease in paid claims. |
| Professional Fees | 1,603,266 | 1,429,328 | (173,938) | Legal services provided to TIRHR and the Compliance Department and higher volumes in Neurology and Nephrology which are tied to physician compensation created a negative variance in Professional Fees. |
| Supplies | 1,345,381 | 1,363,323 | 17,942 | Oncology Pharmacy revenues exceeded budget by 3.18%, creating a negative variance in Pharmacy Supplies. This was offset, in part, by Surgical Services and Medical Supplies Sold to Patients revenues coming in below budget by 16.28% and creating a positive variance in Patient & Other Medical Supplies. |
| Purchased Services | 787,512 | 887,986 | 100,473 | Lower volumes in Diagnostic Imaging – All, Patient Accounting collection agency fees, and services provided to Information Technology for Software and Network Maintenance came in below budget, creating a positive variance in Purchased Services. |
| Other Expenses | 331,074 | 491,288 | 160,214 | Controllable expenses are being monitored closely by Senior Leadership creating positive variances in most of the Other Expenses section. |
| Total Expenses | 9,156,862 | 9,888,523 | 731,661 | |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
AUGUST 2015

| | Aug-15 | Jul-15 | Aug-14 | |
|--|-----------------------|-----------------------|-----------------------|---|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| * CASH | \$ 13,009,477 | \$ 10,058,866 | \$ 8,289,521 | 1 |
| PATIENT ACCOUNTS RECEIVABLE - NET | 15,306,144 | 16,074,308 | 19,082,442 | 2 |
| OTHER RECEIVABLES | 4,323,038 | 3,697,227 | 3,895,021 | |
| GO BOND RECEIVABLES | 398,788 | 179,492 | 798,005 | |
| ASSETS LIMITED OR RESTRICTED | 5,143,103 | 4,926,489 | 5,666,962 | |
| INVENTORIES | 2,312,070 | 2,331,950 | 2,510,313 | |
| PREPAID EXPENSES & DEPOSITS | 1,638,053 | 1,695,976 | 2,050,760 | |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 3,899,303 | 4,359,408 | 3,265,292 | 3 |
| TOTAL CURRENT ASSETS | <u>46,029,976</u> | <u>43,323,717</u> | <u>45,558,316</u> | |
| NON CURRENT ASSETS | | | | |
| ASSETS LIMITED OR RESTRICTED: | | | | |
| * CASH RESERVE FUND | 40,759,110 | 40,759,110 | 40,655,350 | 1 |
| BANC OF AMERICA MUNICIPAL LEASE | 979,068 | 976,584 | 2,291,388 | |
| TOTAL BOND TRUSTEE 2002 | 2 | 2 | 2 | |
| TOTAL BOND TRUSTEE 2006 | 382,220 | 239,109 | 2,459,893 | |
| TOTAL BOND TRUSTEE GO BOND | 29,818 | 29,818 | - | |
| GO BOND PROJECT FUND | 11,639,767 | 11,639,898 | 19,261,009 | |
| GO BOND TAX REVENUE FUND | 662,645 | 486,154 | 44,944 | 4 |
| BOARD DESIGNATED FUND | 2,297 | 2,297 | 2,297 | |
| DIAGNOSTIC IMAGING FUND | 2,971 | 2,971 | 2,963 | |
| DONOR RESTRICTED FUND | 1,157,248 | 1,114,450 | 805,658 | |
| WORKERS COMPENSATION FUND | 10,613 | 6,241 | 18,660 | |
| TOTAL | <u>55,625,757</u> | <u>55,256,633</u> | <u>65,542,163</u> | |
| LESS CURRENT PORTION | <u>(5,143,103)</u> | <u>(4,926,489)</u> | <u>(5,666,962)</u> | |
| TOTAL ASSETS LIMITED OR RESTRICTED - NET | <u>50,482,654</u> | <u>50,330,143</u> | <u>59,875,201</u> | |
| NONCURRENT ASSETS AND INVESTMENTS: | | | | |
| INVESTMENT IN TSC, LLC | 324,395 | 324,395 | 496,395 | |
| PROPERTY HELD FOR FUTURE EXPANSION | 836,353 | 836,353 | 836,353 | |
| PROPERTY & EQUIPMENT NET | 130,297,190 | 130,820,592 | 115,915,487 | |
| GO BOND CIP, PROPERTY & EQUIPMENT NET | <u>21,246,865</u> | <u>20,110,541</u> | <u>28,145,561</u> | |
| TOTAL ASSETS | <u>249,217,433</u> | <u>245,745,740</u> | <u>250,827,313</u> | |
| DEFERRED OUTFLOW OF RESOURCES: | | | | |
| DEFERRED LOSS ON DEFEASANCE | 575,363 | 578,595 | 614,151 | |
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE | 1,774,439 | 1,774,439 | 1,710,011 | |
| DEFERRED OUTFLOW OF RESOURCES ON REFUNDING | 2,001,044.98 | 2,008,682.56 | - | |
| GO BOND DEFERRED FINANCING COSTS | 310,281.44 | 311,465.72 | - | |
| DEFERRED FINANCING COSTS | <u>222,619</u> | <u>223,660</u> | <u>-</u> | |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>\$ 4,883,747</u> | <u>\$ 4,896,842</u> | <u>\$ 2,324,162</u> | |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| ACCOUNTS PAYABLE | \$ 5,554,035 | \$ 4,176,283 | \$ 4,145,292 | 5 |
| ACCRUED PAYROLL & RELATED COSTS | 7,614,695 | 7,226,455 | 7,263,029 | 6 |
| INTEREST PAYABLE | 227,023 | 125,570 | 269,898 | |
| INTEREST PAYABLE GO BOND | 358,673 | (2,352) | 389,737 | |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 366,399 | 366,399 | 1,112,494 | |
| HEALTH INSURANCE PLAN | 1,307,731 | 1,307,731 | 997,635 | |
| WORKERS COMPENSATION PLAN | 404,807 | 404,807 | 1,006,475 | |
| COMPREHENSIVE LIABILITY INSURANCE PLAN | 824,203 | 824,203 | 890,902 | |
| CURRENT MATURITIES OF GO BOND DEBT | 530,000 | 530,000 | 315,000 | |
| CURRENT MATURITIES OF OTHER LONG TERM DEBT | 2,323,994 | 2,323,994 | 2,300,830 | |
| TOTAL CURRENT LIABILITIES | <u>19,511,559</u> | <u>17,283,090</u> | <u>18,691,292</u> | |
| NONCURRENT LIABILITIES | | | | |
| OTHER LONG TERM DEBT NET OF CURRENT MATURITIES | 30,630,641 | 30,732,986 | 34,085,186 | |
| GO BOND DEBT NET OF CURRENT MATURITIES | 100,032,917 | 100,036,860 | 98,130,000 | |
| DERIVATIVE INSTRUMENT LIABILITY | <u>1,774,439</u> | <u>1,774,439</u> | <u>1,710,011</u> | |
| TOTAL LIABILITIES | <u>151,949,556</u> | <u>149,827,374</u> | <u>152,616,489</u> | |
| NET ASSETS | | | | |
| NET INVESTMENT IN CAPITAL ASSETS RESTRICTED | <u>100,994,377</u> | <u>99,700,758</u> | <u>99,729,327</u> | |
| | <u>1,157,248</u> | <u>1,114,450</u> | <u>805,658</u> | |
| TOTAL NET POSITION | <u>\$ 102,151,625</u> | <u>\$ 100,815,208</u> | <u>\$ 100,534,986</u> | |

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
AUGUST 2015

1. Working Capital is at 41.9 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 173.2 days. Working Capital cash increased \$2,951,000. Accounts Payable increased (See Note 5) by \$1,378,000, Accrued Payroll & Related Costs increased (See Note 6) \$388,000, the District received payment in the amount of \$525,000 on its SNF Supplemental Reimbursement (See Note 3), final payment of FY2015 property tax revenues in the amount of \$216,000, and various rebates and refunds totaling \$191,000.
2. Net Patient Accounts Receivable decreased approximately \$768,000. Cash collections were 87% of target. Days in Accounts Receivable are at 54.6 days compared to prior months 58.1 days, a 3.5 days decrease.
3. Estimated Settlements, Medi-Cal and Medicare decreased a net \$460,000 after recording the receipt of the SNF Supplemental Reimbursement.
4. GO Bond Tax Revenue Fund increased \$176,491. Final payment of the FY2015 property tax revenues were received in August.
5. Accounts Payable increased \$1,378,000 due to the timing of the final check run in the month.
6. Accrued Payroll & Related Costs increased \$388,000 due to an increase in payroll days to accrue at month's end.

**Tahoe Forest Hospital District
Cash Investment
August 2015**

| | | | |
|--|-------------------|--------|-----------------------------|
| WORKING CAPITAL | | | |
| US Bank | \$ 12,947,695 | | |
| US Bank/Kings Beach Thrift Store | 37,436 | | |
| US Bank/Truckee Thrift Store | 67,144 | | |
| Wells Fargo Bank | | | |
| Local Agency Investment Fund | <u>-</u> | 0.330% | |
| Total | | | \$ 13,052,275 |
| BOARD DESIGNATED FUNDS | | | |
| US Bank Savings | \$ 2,297 | 0.03% | |
| Capital Equipment Fund | <u>-</u> | | |
| Total | | | \$ 2,297 |
| Building Fund | | | |
| Cash Reserve Fund | \$ - | | |
| Local Agency Investment Fund | <u>40,759,110</u> | 0.330% | |
| | | | \$ 40,759,110 |
| Banc of America Muni Lease | | | |
| | | | \$ 979,068 |
| Bonds Cash 2002 | | | |
| | | | \$ 2 |
| Bonds Cash 2006 | | | |
| | | | \$ 316,038 |
| Bonds Cash 2008 | | | |
| | | | \$ 12,302,412 |
| DX Imaging Education | | | |
| Workers Comp Fund - B of A | \$ 2,971 | 0.330% | |
| | 10,613 | | |
| Insurance | | | |
| Health Insurance LAIF | - | 0.330% | |
| Comprehensive Liability Insurance LAIF | <u>7,249</u> | 0.330% | |
| Total | | | <u>\$ 20,832</u> |
| TOTAL FUNDS | | | \$ 67,432,033 |
| RESTRICTED FUNDS | | | |
| Gift Fund | | | |
| US Bank Money Market | \$ 8,368 | 0.03% | |
| Foundation Restricted Donations | \$ 226,677 | | |
| Local Agency Investment Fund | <u>879,405</u> | 0.330% | |
| TOTAL RESTRICTED FUNDS | | | <u>\$ 1,114,450</u> |
| TOTAL ALL FUNDS | | | <u><u>\$ 68,546,483</u></u> |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2015

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD | |
|---|-------------------|-------------------|----------------|------|--|-------------------|---------------------|----------------|-----------|---------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | AUG 2014 | |
| \$ 18,292,665 | \$ 19,113,136 | \$ (820,471) | -4.3% | | \$ 37,475,170 | \$ 38,392,739 | \$ (917,569) | -2.4% | 1 | \$ 38,964,424 |
| OPERATING REVENUE | | | | | | | | | | |
| Total Gross Revenue | | | | | \$ 37,475,170 | \$ 38,392,739 | \$ (917,569) | -2.4% | 1 | \$ 38,964,424 |
| Gross Revenues - Inpatient | | | | | | | | | | |
| \$ 1,499,311 | \$ 1,883,988 | \$ (384,677) | -20.4% | | \$ 3,158,469 | \$ 3,734,268 | \$ (575,799) | -15.4% | | \$ 3,947,621 |
| 3,054,117 | 4,066,841 | (1,012,724) | -24.9% | | 6,213,696 | 8,376,764 | (2,163,068) | -25.8% | | 8,693,383 |
| 4,553,428 | 5,950,829 | (1,397,401) | -23.5% | | 9,372,165 | 12,111,032 | (2,738,867) | -22.6% | 1 | 12,641,004 |
| Total Gross Revenue - Inpatient | | | | | 9,372,165 | 12,111,032 | (2,738,867) | -22.6% | 1 | 12,641,004 |
| Gross Revenue - Outpatient | | | | | | | | | | |
| 13,739,237 | 13,162,307 | 576,930 | 4.4% | | 28,103,005 | 26,281,707 | 1,821,298 | 6.9% | | 26,323,420 |
| 13,739,237 | 13,162,307 | 576,930 | 4.4% | | 28,103,005 | 26,281,707 | 1,821,298 | 6.9% | 1 | 26,323,420 |
| Deductions from Revenue: | | | | | | | | | | |
| Contractual Allowances | | | | | 15,121,410 | 15,704,265 | 582,854 | 3.7% | 2 | 15,064,197 |
| 603,690 | 624,636 | 20,946 | 3.4% | | 1,153,824 | 1,254,988 | 101,164 | 8.1% | 2 | 1,294,191 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| (249,919) | 463,886 | 713,805 | 153.9% | | (282,318) | 933,854 | 1,216,172 | 130.2% | 2 | 258,155 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| 7,980,969 | 8,911,482 | 930,512 | 10.4% | | 15,992,916 | 17,893,106 | 1,900,190 | 10.6% | | 16,616,543 |
| 38,970 | 59,785 | (20,815) | -34.8% | | 88,600 | 120,217 | (31,616) | -26.3% | | 154,403 |
| 645,436 | 552,639 | 92,797 | 16.8% | | 1,200,512 | 1,088,714 | 111,798 | 10.3% | 3 | 1,242,356 |
| 10,996,102 | 10,814,079 | 182,023 | 1.7% | | 22,771,366 | 21,708,563 | 1,062,803 | 4.9% | | 23,744,640 |
| TOTAL OPERATING REVENUE | | | | | 22,771,366 | 21,708,563 | 1,062,803 | 4.9% | | 23,744,640 |
| OPERATING EXPENSES | | | | | | | | | | |
| Salaries and Wages | | | | | 7,036,632 | 7,437,393 | 400,761 | 5.4% | 4 | 6,862,112 |
| 3,531,711 | 3,741,654 | 209,942 | 5.6% | | 2,791,648 | 2,435,726 | (355,921) | -14.6% | 4 | 2,499,030 |
| 1,029,940 | 1,164,304 | 134,364 | 11.5% | | 91,477 | 121,082 | 29,604 | 24.4% | 4 | 124,350 |
| 44,869 | 60,541 | 15,672 | 25.9% | | 774,238 | 1,500,197 | 725,960 | 48.4% | 4 | 1,472,208 |
| 483,108 | 750,099 | 266,991 | 35.6% | | 3,045,812 | 2,819,203 | (226,609) | -8.0% | 5 | 3,308,397 |
| 1,603,266 | 1,429,328 | (173,938) | -12.2% | | 2,872,085 | 2,792,632 | (79,453) | -2.8% | 6 | 2,844,792 |
| 1,345,381 | 1,363,323 | 17,942 | 1.3% | | 1,682,499 | 1,833,080 | 150,581 | 8.2% | 7 | 1,812,018 |
| 787,512 | 887,986 | 100,473 | 11.3% | | 714,345 | 976,490 | 262,145 | 26.8% | 8 | 960,236 |
| 331,074 | 491,288 | 160,214 | 32.6% | | 19,008,737 | 19,915,804 | 907,068 | 4.6% | | 19,883,143 |
| 9,156,862 | 9,888,523 | 731,661 | 7.4% | | TOTAL OPERATING EXPENSE | | | | | |
| 1,839,240 | 925,556 | 913,684 | 98.7% | | 3,762,629 | 1,792,759 | 1,969,870 | 109.9% | | 3,861,497 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | |
| 413,237 | 392,422 | 20,816 | 5.3% | | 815,814 | 784,197 | 31,617 | 4.0% | 9 | 741,613 |
| 392,691 | 392,691 | - | 0.0% | | 785,383 | 785,383 | - | 0.0% | | 787,807 |
| 27,884 | 20,678 | 7,207 | 34.9% | | 51,653 | 40,642 | 11,011 | 27.1% | 10 | 46,723 |
| 3,100 | 1,887 | 1,214 | 64.3% | | 6,109 | 3,773 | 2,336 | 61.9% | | 6,915 |
| - | 34,671 | (34,671) | -100.0% | | 14,157 | 69,342 | (55,185) | -79.6% | 11 | 66,437 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 12 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 12 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 13 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 14 | - |
| (856,217) | (855,178) | (1,039) | -0.1% | | (1,711,427) | (1,710,356) | (1,070) | -0.1% | 15 | (1,618,132) |
| (117,615) | (116,211) | (1,404) | -1.2% | | (237,148) | (232,543) | (4,605) | -2.0% | 16 | (282,472) |
| (365,904) | (362,660) | (3,244) | -0.9% | | (731,808) | (705,697) | (26,111) | -3.7% | | (779,626) |
| (502,823) | (491,701) | (11,122) | -2.3% | | TOTAL NON-OPERATING REVENUE/(EXPENSE) | | | | | |
| | | | | | (1,007,268) | (965,260) | (42,008) | -4.4% | | (1,030,735) |
| \$ 1,336,417 | \$ 433,855 | \$ 902,562 | -208.0% | | \$ 2,755,361 | \$ 827,499 | \$ 1,927,862 | -233.0% | | \$ 2,830,762 |
| NET POSITION - BEGINNING OF YEAR | | | | | 99,396,265 | | | | | |
| NET POSITION - AS OF AUGUST 31, 2015 | | | | | \$ 102,151,625 | | | | | |
| 10.1% | 4.8% | 5.2% | | | 10.0% | 4.7% | 5.4% | | | 9.9% |
| RETURN ON GROSS REVENUE EBIDA | | | | | 10.0% | | | | | |

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2015

| | | Variance from Budget | |
|---|----------------------------------|-----------------------------|-----------------|
| | | Fav / <Unfav> | |
| | | AUG 2015 | YTD 2016 |
| 1) Gross Revenues | | | |
| Acute Patient Days were below budget 31.41% or 125 days. Swing bed days were under budget 26.09% or 6 days. We also saw a lower acuity level in our patients which created a negative variance in IP Ancillary revenues. | Gross Revenue -- Inpatient | \$ (1,397,401) | \$ (2,738,867) |
| | Gross Revenue -- Outpatient | 576,930 | 1,821,298 |
| | Gross Revenue -- Total | \$ (820,471) | \$ (917,569) |
| Outpatient volumes were above budget in the following departments: Endoscopy procedures, Laboratory tests, Oncology Lab, Oncology procedures, Radiation Oncology procedures, Nuclear Medicine, Oncology Drugs, Physical Therapy, PET CT, Pharmacy units, Oncology Pharmacy units, Physical Therapy, and Occupational Therapy. | | | |
| 2) Total Deductions from Revenue | | | |
| The payor mix for August shows a 2.22% increase to Medicare, a 2.70% decrease to Medi-Cal, .82% decrease to Other, a .02% decrease to County, and a 1.32% increase to Commercial when compared to budget. Contractual Allowances were under budget due to revenues falling short of budget by 4.3%. | Contractual Allowances | \$ 195,761 | \$ 582,854 |
| | Managed Care Reserve | - | - |
| | Charity Care | 20,946 | 101,164 |
| | Charity Care - Catastrophic | - | - |
| | Bad Debt | 713,805 | 1,216,172 |
| | Prior Period Settlements | - | - |
| | Total | \$ 930,512 | \$ 1,900,190 |
| We continue to see a positive pickup in Bad Debt as work continues in the Business Office on Self Pay accounts. | | | |
| 3) Other Operating Revenue | | | |
| Retail Pharmacy revenues fell short of budget by 20.23%. | Retail Pharmacy | \$ (45,851) | \$ (85,836) |
| | Hospice Thrift Stores | 21,159 | 30,758 |
| | The Center (non-therapy) | (11,449) | (3,382) |
| Hospice Thrift Stores revenues exceeded budget by 23.63%. | IVCH ER Physician Guarantee | 1,918 | 15,817 |
| | Children's Center | 12,284 | 30,121 |
| Occupational Health testing and Gym memberships fell below budget creating a negative variance in The Center (non-therapy). | Miscellaneous | 115,986 | 126,820 |
| | Oncology Drug Replacement | - | - |
| | Grants | (1,250) | (2,500) |
| | Total | \$ 92,797 | \$ 111,798 |
| Rebates and refunds from BETA Insurance and AT&T created a positive variance in Miscellaneous. | | | |
| 4) Salaries and Wages | | | |
| | Total | \$ 209,942 | \$ 400,761 |
| Employee Benefits | | | |
| Positive variance in PL/SL is a result of fewer vacation days taken. | PL/SL | \$ 99,512 | \$ (246,463) |
| | Nonproductive | (16,813) | (30,818) |
| | Pension/Deferred Comp | 372 | (8,571) |
| Positive variance in Other related to employer payroll taxes due to the decrease in Salaries, Wages, and PL/SL. | Standby | (1,285) | (41,350) |
| | Other | 52,579 | (28,719) |
| | Total | \$ 134,364 | \$ (355,921) |
| Employee Benefits - Workers Compensation | | | |
| | Total | \$ 15,672 | \$ 29,604 |
| Employee Benefits - Medical Insurance | | | |
| Positive variance in Medical Insurance related to a decrease in paid claims. | Total | \$ 266,991 | \$ 725,960 |
| 5) Professional Fees | | | |
| Legal services provided to TIRHR created a negative variance in Miscellaneous. | Miscellaneous | \$ (120,603) | \$ (147,376) |
| | TFH/IVCH Therapy Services | (8,677) | (51,203) |
| | Corporate Compliance | (41,000) | (37,724) |
| Legal services provided to the Corporate Compliance department created a negative variance in this category. | Multi-Specialty Clinics | (42,254) | (36,845) |
| | Administration | (5,088) | (27,752) |
| | The Center (includes OP Therapy) | (4,582) | (25,947) |
| Higher volumes in Neurology and Nephrology created a negative variance in Multi-Specialty Clinics. These physician contracts are tied to WRVU's, which exceeded budget in August. | TFH Locums | (9,744) | (6,356) |
| | Multi-Specialty Clinics Admin | (3,415) | (4,032) |
| | Managed Care | (3,188) | (3,303) |
| | Home Health/Hospice | (679) | (79) |
| Positive variance in Information Technology due to a decrease in Consulting Services needed in August. | Patient Accounting/Admitting | - | - |
| | Business Performance | - | - |
| | Respiratory Therapy | 200 | 400 |
| Positive variance in Medical Staff Services is a result of decreased usage of Legal services. | IVCH ER Physicians | 1,052 | 867 |
| | Sleep Clinic | (65) | 4,020 |
| | Marketing | 2,375 | 4,750 |
| | Human Resources | 6,196 | 8,392 |
| Positive variance in Financial Administration related to budgeted professional fees for service line analyses that were not performed in August. | Information Technology | 10,020 | 10,376 |
| | Oncology | 7,953 | 12,998 |
| | Medical Staff Services | 22,870 | 28,297 |
| | Financial Administration | 14,692 | 43,908 |
| | Total | \$ (173,938) | \$ (226,609) |

6) **Supplies**

Oncology Drugs Sold to Patients revenues exceeded budget by 3.18%, creating a negative variance in Pharmacy Supplies.

Surgery and Medical Supplies Sold to Patients revenues fell short of budget by 16.28% creating a positive variance in Patient & Other Medical Supplies.

| | | |
|----------------------------------|------------------|--------------------|
| Pharmacy Supplies | \$ (88,453) | \$ (303,605) |
| Food | (4,322) | (16,310) |
| Office Supplies | 5,063 | 50 |
| Imaging Film | 531 | 432 |
| Other Non-Medical Supplies | 2,026 | 12,955 |
| Minor Equipment | 16,267 | 19,794 |
| Patient & Other Medical Supplies | 86,830 | 207,231 |
| Total | \$ 17,942 | \$ (79,453) |

7) **Purchased Services**

Negative variance in Department Repairs attributed to District wide building repairs and an increase in equipment maintenance costs.

Volumes fell below budget in the the Diagnostic Imaging Services - All, creating a positive variance in this category.

Collection Agency fees came in below budget estimations, creating a positive variance in Patient Accounting.

Positive variance in Information Technology related to a decrease in services provided for Software and Network Maintenance during the month.

| | | |
|-----------------------------------|-------------------|-------------------|
| Department Repairs | \$ (28,825) | \$ (17,018) |
| Laboratory | 1,730 | (10,509) |
| The Center | (7,553) | (2,020) |
| Community Development | 392 | 783 |
| Multi-Specialty Clinics | 3,389 | 1,114 |
| Medical Records | 133 | 2,279 |
| Hospice | (1,539) | 2,466 |
| Pharmacy IP | 1,893 | 2,484 |
| Miscellaneous | 6,202 | 14,636 |
| Human Resources | 8,645 | 15,896 |
| Diagnostic Imaging Services - All | 24,395 | 22,588 |
| Patient Accounting | 17,970 | 35,941 |
| Information Technology | 73,642 | 81,942 |
| Total | \$ 100,473 | \$ 150,581 |

8) **Other Expenses**

CEO Recruitment fees came in below budget in August, creating a positive variance in Human Resources Recruitment.

Natural Gas and Electricity needs were less than budget estimations, creating a positive variance in Utilities.

Controllable costs are being monitored very closely by Senior Leadership, creating positive variances in the majority of the Other Expenses categories.

| | | |
|------------------------------------|-------------------|-------------------|
| Other Building Rent | \$ (3,127) | \$ (5,554) |
| Multi-Specialty Clinics Equip Rent | (18) | (36) |
| Innovation Fund | - | - |
| Physician Services | 4 | 8 |
| Multi-Specialty Clinics Bldg Rent | 524 | 1,002 |
| Dues and Subscriptions | (801) | 1,846 |
| Marketing | (2,417) | 6,286 |
| Insurance | 4,206 | 10,630 |
| Equipment Rent | 1,833 | 12,662 |
| Outside Training & Travel | (2,690) | 16,583 |
| Human Resources Recruitment | 13,616 | 19,449 |
| Utilities | 10,912 | 35,770 |
| Miscellaneous | 138,174 | 163,501 |
| Total | \$ 160,214 | \$ 262,145 |

9) **District and County Taxes**

| | | |
|--------------|------------------|------------------|
| Total | \$ 20,816 | \$ 31,617 |
|--------------|------------------|------------------|

10) **Interest Income**

| | | |
|--------------|-----------------|------------------|
| Total | \$ 7,207 | \$ 11,011 |
|--------------|-----------------|------------------|

11) **Donations**

| | | |
|------------------|-----------------|-----------------|
| IVCH | \$ (4,333) | \$ (8,667) |
| Operational | (30,338) | (46,518) |
| Capital Campaign | - | - |
| Total | (34,671) | (55,185) |

12) **Gain/(Loss) on Joint Investment**

| | | |
|--------------|-------------|-------------|
| Total | \$ - | \$ - |
|--------------|-------------|-------------|

13) **Gain/(Loss) on Sale**

| | | |
|--------------|-------------|-------------|
| Total | \$ - | \$ - |
|--------------|-------------|-------------|

15) **Depreciation Expense**

| | | |
|--------------|-------------------|-------------------|
| Total | \$ (1,039) | \$ (1,070) |
|--------------|-------------------|-------------------|

16) **Interest Expense**

| | | |
|--------------|-------------------|-------------------|
| Total | \$ (1,404) | \$ (4,605) |
|--------------|-------------------|-------------------|

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD AUG 2014 |
|--|-------------------|-------------------|---------------|--|-------------------|-------------------|-------------------|---------------|-----------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | |
| OPERATING REVENUE | | | | | | | | | |
| \$ 1,808,862 | \$ 1,489,972 | \$ 318,890 | 21.4% | Total Gross Revenue | \$ 3,527,397 | \$ 3,030,124 | \$ 497,273 | 16.4% | 1 \$ 2,983,679 |
| Gross Revenues - Inpatient | | | | | | | | | |
| \$ 16,574 | \$ 3,513 | \$ 13,061 | 371.8% | Daily Hospital Service | \$ 16,574 | \$ 3,513 | \$ 13,061 | 371.8% | \$ 15,190 |
| 9,621 | 4,080 | 5,540 | 135.8% | Ancillary Service - Inpatient | 24,146 | 6,535 | 17,611 | 269.5% | 13,083 |
| 26,195 | 7,594 | 18,601 | 244.9% | Total Gross Revenue - Inpatient | 40,720 | 10,048 | 30,672 | 305.2% | 1 28,273 |
| 1,782,667 | 1,482,378 | 300,289 | 20.3% | Gross Revenue - Outpatient | 3,486,677 | 3,020,076 | 466,601 | 15.4% | 2,955,406 |
| 1,782,667 | 1,482,378 | 300,289 | 20.3% | Total Gross Revenue - Outpatient | 3,486,677 | 3,020,076 | 466,601 | 15.4% | 1 2,955,406 |
| Deductions from Revenue: | | | | | | | | | |
| 516,694 | 408,900 | (107,794) | -26.4% | Contractual Allowances | 1,048,161 | 832,810 | (215,351) | -25.9% | 2 806,455 |
| 63,392 | 51,883 | (11,509) | -22.2% | Charity Care | 120,571 | 105,703 | (14,868) | -14.1% | 2 101,445 |
| - | - | - | 0.0% | Charity Care - Catastrophic Events | - | - | - | 0.0% | 2 - |
| 56,342 | 103,766 | 47,425 | 45.7% | Bad Debt | 140,121 | 211,405 | 71,284 | 33.7% | 2 122,178 |
| - | - | - | 0.0% | Prior Period Settlements | - | - | - | 0.0% | 2 - |
| 636,428 | 564,550 | (71,878) | -12.7% | Total Deductions from Revenue | 1,308,853 | 1,149,918 | (158,936) | -13.8% | 2 1,030,078 |
| 65,052 | 62,985 | 2,067 | 3.3% | Other Operating Revenue | 143,275 | 125,970 | 17,305 | 13.7% | 3 167,249 |
| 1,237,485 | 988,407 | 249,079 | 25.2% | TOTAL OPERATING REVENUE | 2,361,819 | 2,006,177 | 355,642 | 17.7% | 2,120,850 |
| OPERATING EXPENSES | | | | | | | | | |
| 256,056 | 285,035 | 28,979 | 10.2% | Salaries and Wages | 505,480 | 581,483 | 76,003 | 13.1% | 4 520,662 |
| 8,833 | 85,206 | 76,373 | 89.6% | Benefits | 139,282 | 179,354 | 40,072 | 22.3% | 4 219,671 |
| 2,505 | 2,490 | (15) | -0.6% | Benefits Workers Compensation | 4,994 | 4,981 | (14) | -0.3% | 4 7,614 |
| 31,216 | 47,919 | 16,703 | 34.9% | Benefits Medical Insurance | 50,341 | 95,838 | 45,497 | 47.5% | 4 99,329 |
| 251,580 | 250,444 | (1,135) | -0.5% | Professional Fees | 504,707 | 491,979 | (12,728) | -2.6% | 5 400,980 |
| 57,568 | 59,464 | 1,896 | 3.2% | Supplies | 120,696 | 120,303 | (393) | -0.3% | 6 104,809 |
| 46,926 | 41,011 | (5,915) | -14.4% | Purchased Services | 87,067 | 82,048 | (5,020) | -6.1% | 7 102,920 |
| 55,546 | 49,758 | (5,789) | -11.6% | Other | 107,821 | 101,211 | (6,611) | -6.5% | 8 107,179 |
| 710,231 | 821,327 | 111,097 | 13.5% | TOTAL OPERATING EXPENSE | 1,520,390 | 1,657,197 | 136,807 | 8.3% | 1,563,164 |
| 527,255 | 167,079 | 360,175 | 215.6% | NET OPERATING REV(EXP) EBIDA | 841,428 | 348,980 | 492,449 | 141.1% | 557,686 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | |
| - | 4,333 | (4,333) | -100.0% | Donations-IVCH | - | 8,667 | (8,667) | -100.0% | 9 - |
| - | - | - | 0.0% | Gain/ (Loss) on Sale | - | - | - | 0.0% | 10 - |
| (58,359) | (58,359) | 0 | 0.0% | Depreciation | (116,718) | (116,719) | 1 | 0.0% | 11 (107,202) |
| (58,359) | (54,026) | (4,333) | -8.0% | TOTAL NON-OPERATING REVENUE/(EXP) | (116,718) | (108,052) | (8,666) | -8.0% | (107,202) |
| \$ 468,896 | \$ 113,053 | \$ 355,843 | 314.8% | EXCESS REVENUE(EXPENSE) | \$ 724,710 | \$ 240,927 | \$ 483,783 | 200.8% | \$ 450,484 |
| 29.1% | 11.2% | 17.9% | | RETURN ON GROSS REVENUE EBIDA | 23.9% | 11.5% | 12.3% | | 18.7% |

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015**

| | | <u>Variance from Budget</u> | |
|--|----------------------------------|-----------------------------|---------------------|
| | | <u>Fav<Unfav></u> | |
| | | <u>AUG 2015</u> | <u>YTD 2016</u> |
| 1) <u>Gross Revenues</u> | | | |
| Acute Patient Days were above budget by 1 at 2 and Observation Days were below budget by 2 at 0. | Gross Revenue -- Inpatient | \$ 18,601 | \$ 30,672 |
| | Gross Revenue -- Outpatient | 300,289 | 466,601 |
| | | <u>\$ 318,890</u> | <u>\$ 497,273</u> |
| Outpatient volumes exceeded budget in Emergency Department visits, Laboratory tests, Diagnostic Imaging, Cat Scans, and Pharmacy units. | | | |
| 2) <u>Total Deductions from Revenue</u> | | | |
| We saw a shift in our payor mix with an 8.40% increase in Commercial, Insurance, an 8.88% decrease in Medicare, a 3.44% increase in Medicaid, a 2.95% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 21.4% and a shift from Bad Debt. | Contractual Allowances | \$ (107,794) | \$ (215,351) |
| | Charity Care | (11,509) | (14,868) |
| | Charity Care-Catastrophic Event | - | - |
| | Bad Debt | 47,425 | 71,284 |
| | Prior Period Settlement | - | - |
| | Total | <u>\$ (71,878)</u> | <u>\$ (158,936)</u> |
| 3) <u>Other Operating Revenue</u> | | | |
| | IVCH ER Physician Guarantee | \$ 1,918 | \$ 15,817 |
| | Miscellaneous | 149 | 1,488 |
| | Total | <u>\$ 2,067</u> | <u>\$ 17,305</u> |
| 4) <u>Salaries and Wages</u> | | | |
| | Total | <u>\$ 28,979</u> | <u>\$ 76,003</u> |
| <u>Employee Benefits</u> | | | |
| Positive variance in PL/SL is the result of employees moving positions from IVCH to TFH and reclassifying these related expenses to the appropriate home departments. | PL/SL | \$ 70,023 | \$ 44,440 |
| | Standby | 1,178 | (1,454) |
| | Other | 4,901 | 1,045 |
| | Nonproductive | (100) | (4,884) |
| | Pension/Deferred Comp | 371 | 926 |
| | Total | <u>\$ 76,373</u> | <u>\$ 40,072</u> |
| <u>Employee Benefits - Workers Compensation</u> | | | |
| | Total | <u>\$ (15)</u> | <u>\$ (14)</u> |
| <u>Employee Benefits - Medical Insurance</u> | | | |
| Positive variance in Medical Insurance due to a decrease in claims paid. | Total | <u>\$ 16,703</u> | <u>\$ 45,497</u> |
| 5) <u>Professional Fees</u> | | | |
| Negative variance in Foundation associated with services provided for fundraising activities. | Foundation | \$ (5,164) | \$ (8,261) |
| | Therapy Services | 1,306 | (7,491) |
| | Multi-Specialty Clinics | 1,616 | (2,866) |
| | Administration | - | - |
| | IVCH ER Physicians | 1,052 | 867 |
| | Miscellaneous | 119 | 1,003 |
| | Sleep Clinic | (65) | 4,020 |
| | Total | <u>\$ (1,135)</u> | <u>\$ (12,728)</u> |
| 6) <u>Supplies</u> | | | |
| Medical Supplies Sold to Patients revenue exceeded budget by 80.93%, creating a negative variance in Patient & Other Medical Supplies | Patient & Other Medical Supplies | \$ (3,090) | \$ (4,600) |
| | Minor Equipment | (1,206) | (913) |
| | Imaging Film | 187 | (282) |
| | Food | (114) | 489 |
| | Non-Medical Supplies | (230) | 494 |
| | Office Supplies | 66 | 515 |
| | Pharmacy Supplies | 6,283 | 3,903 |
| | Total | <u>\$ 1,896</u> | <u>\$ (393)</u> |
| Drugs Sold to Patients revenue fell short of budget by 7.84%, creating a positive variance in Pharmacy Supplies. | | | |

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015**

| | | Variance from Budget | |
|--|------------------------------------|-----------------------------|-------------------|
| | | Fav<Unfav> | |
| | | AUG 2015 | YTD 2016 |
| 7) <u>Purchased Services</u> | Laboratory | \$ (905) | \$ (7,091) |
| A Stewardship event hosted by the Foundation created a negative variance in this category. | Foundation | (1,965) | (4,558) |
| | EVS/Laundry | (3,017) | (3,279) |
| | Surgical Services | - | - |
| Negative variance in EVS/Laundry attributed to stripping, scrubbing, and waxing the hospital's floors as well as an increase in laundry usage. | Pharmacy | 307 | 307 |
| | Department Repairs | (491) | 486 |
| | Multi-Specialty Clinics | (125) | 940 |
| | Miscellaneous | (2,945) | 1,342 |
| Outsourced management of the Medically Managed Fitness program created a negative variance in Miscellaneous. | Diagnostic Imaging Services - All | 1,894 | 2,472 |
| | Engineering/Plant/Communications | 1,332 | 4,362 |
| | Total | \$ (5,915) | \$ (5,020) |
| 8) <u>Other Expenses</u> | Miscellaneous | \$ (1,637) | \$ (3,518) |
| Negative variance in Miscellaneous associated with sponsorships. | Utilities | (2,681) | (2,179) |
| | Equipment Rent | (834) | (1,699) |
| Utility increases in Electricity, Propane, and Telephone costs created a negative variance in this category. | Marketing | (1,079) | (1,446) |
| | Other Building Rent | (595) | (1,190) |
| | Dues and Subscriptions | (513) | (606) |
| | Physician Services | - | - |
| | Multi-Specialty Clinics Equip Rent | - | - |
| | Insurance | 223 | 446 |
| | Multi-Specialty Clinics Bldg Rent | 595 | 1,190 |
| | Outside Training & Travel | 733 | 2,392 |
| | Total | \$ (5,789) | \$ (6,611) |
| 9) <u>Donations</u> | Total | \$ (4,333) | \$ (8,667) |
| 10) <u>Gain/(Loss) on Sale</u> | Total | \$ - | \$ - |
| 11) <u>Depreciation Expense</u> | Total | \$ - | \$ 1 |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

| | PRE-AUDIT FYE 2015 | BUDGET FYE 2016 | PROJECTED FYE 2016 | ACTUAL AUG 2015 | BUDGET AUG 2015 | DIFFERENCE | PROJECTED 1ST QTR | BUDGET 2ND QTR | BUDGET 3RD QTR | BUDGET 4TH QTR |
|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|--------------------|-------------|----------------------|-------------------|-------------------|-------------------|
| Net Operating Rev/(Exp) - EBIDA | \$ 7,190,440 | \$ 2,054,135 | \$ 4,022,376 | \$ 1,839,240 | \$ 925,556 | \$ 913,684 | \$ 3,895,811 | \$ 2,218 | \$ 1,133,045 | \$ (1,008,698) |
| Interest Income | 97,528 | 107,488 | 110,216 | - | - | - | 29,198 | 27,087 | 27,104 | 26,827 |
| Property Tax Revenue | 5,352,075 | 5,420,000 | 5,424,907 | 215,985 | 85,000 | 130,985 | 309,907 | - | 2,890,000 | 2,225,000 |
| Donations | 757,929 | 923,000 | 923,295 | 55,295 | 35,000 | 20,295 | 115,295 | 105,000 | 90,000 | 613,000 |
| Debt Service Payments | (3,505,561) | (3,565,581) | (3,388,709) | (247,479) | (247,478) | (0) | (1,069,587) | (742,435) | (870,355) | (706,351) |
| Bank of America - 2012 Muni Lease | (1,243,531) | (1,243,644) | (1,243,645) | (103,637) | (103,637) | (0) | (310,912) | (310,911) | (310,911) | (310,911) |
| Copier | (8,962) | (8,760) | (8,760) | (730) | (730) | 0 | (2,190) | (2,190) | (2,190) | (2,190) |
| 2002 Revenue Bond | (660,296) | (668,008) | (491,136) | - | - | - | (327,132) | - | (164,004) | - |
| 2006 Revenue Bond | (1,592,771) | - | - | - | - | - | - | - | - | - |
| 2015 Revenue Bond | - | (1,645,169) | (1,645,169) | (143,111) | (143,111) | (0) | (429,334) | (429,334) | (393,250) | (393,250) |
| Physician Recruitment | (155,902) | (311,000) | (310,807) | (205,609) | (205,500) | (109) | (220,807) | (30,000) | (30,000) | (30,000) |
| Investment in Capital | | | | | | | | | | |
| Equipment | (2,491,260) | (1,418,900) | (1,418,900) | (64,597) | (69,550) | 4,953 | (328,378) | (443,250) | (647,272) | - |
| Municipal Lease Reimbursement | - | 2,295,723 | 2,295,723 | - | - | - | 1,319,139 | 500,000 | 476,584 | - |
| GO Bond Project Personal Property | (186,062) | (500,180) | (500,180) | (2,452) | (2,155) | (297) | (65,343) | (184,747) | (125,045) | (125,045) |
| IT | (1,394,200) | (559,300) | (559,300) | (23,573) | (26,352) | 2,779 | (101,800) | (222,500) | (130,000) | (105,000) |
| Building Projects | (2,218,063) | (4,487,480) | (4,487,480) | (239,194) | (542,914) | 303,720 | (1,113,721) | (2,687,759) | (301,000) | (385,000) |
| Health Information/Business System | (230,852) | (500,000) | (500,000) | - | - | - | (1,623) | - | (248,377) | (250,000) |
| Capital Investments | | | | | | | | | | |
| Properties | (600,000) | - | - | - | - | - | - | - | - | - |
| Measure C Scope Modifications | - | (749,287) | (749,287) | - | - | - | (136,204) | (95,971) | (258,556) | (258,556) |
| Change in Accounts Receivable | 2,648,682 | 282,832 | N1 143,964 | 768,164 | 796,322 | (28,158) | (329,000) | (180,204) | 217,927 | 435,241 |
| Change in Settlement Accounts | (2,438,657) | 500,000 | N2 1,438,667 | 460,105 | - | 460,105 | 623,667 | 1,065,000 | - | (250,000) |
| Change in Other Assets | (1,519,421) | (768,000) | N3 (1,760,870) | (1,472,718) | (85,000) | (1,387,718) | (1,665,870) | 125,000 | (75,000) | (145,000) |
| Change in Other Liabilities | (30,538) | (71,000) | N4 (440,962) | 1,867,444 | 1,125,000 | 742,444 | 155,038 | (556,000) | (325,000) | 285,000 |
| Change in Cash Balance | 1,276,138 | (1,347,550) | 242,653 | 2,950,611 | 1,787,929 | 1,162,682 | 1,415,742 | (3,318,561) | 1,824,055 | 321,418 |
| Beginning Unrestricted Cash | 50,951,760 | 52,227,898 | 52,227,898 | 50,817,976 | 50,817,976 | - | 52,227,898 | 53,643,640 | 50,325,079 | 52,149,134 |
| Ending Unrestricted Cash | 52,227,898 | 50,894,702 | 52,470,551 | 53,768,587 | 52,605,906 | 1,162,682 | 53,643,640 | 50,325,079 | 52,149,134 | 52,470,551 |
| Expense Per Day | 333,932 | 321,141 | 318,623 | 310,418 | 324,973 | (14,556) | 312,742 | 314,048 | 319,087 | 318,623 |
| Days Cash On Hand | 156 | 158 | 165 | 173 | 162 | 10 | 172 | 160 | 163 | 165 |

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.

FINANCE COMMITTEE

RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING

1. Financial Report – September 2015 Quarterly Packet
2. Quarterly Review Financial Status of Separate Entities
3. Quarterly Review of Revenue Payor Mix
4. TIRHR Expenditure Report
5. FYE 2015 Draft Audited Financial Statements

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

1. Thursday, October 22, 2015 2 hrs – 1:00-3:00pm Eskridge Conference Room
2. Friday, October 23, 2015 2 hrs – 1:00-3:00pm Eskridge Conference Room
3. Wednesday, October 21, 2015 2 hrs – 11:00am-1:00pm Eskridge Conference Room