



TAHOE FOREST HOSPITAL DISTRICT

2016-03-22 Board Finance Committee Meeting

Tuesday, March 22, 2016 at 2:00 p.m.

Tahoe Conference Room - Tahoe Forest Hospital

10054 Pine Avenue, Truckee, CA 96161

Meeting Book - 2016-03-22 Board Finance Committee Meeting

03/22/16 Finance Committee

AGENDA

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ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports

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6.2.4. Audit Firm RFP Timeline

Oral report

6.2.5. Cash Investment Options

Oral report

6.2.6. Outmigration Strategy

Oral report

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING & 9. NEXT MEETING

8. Agenda Input and 9. Next Meeting Date.pdf Page 59

10. ADJOURN



FINANCE COMMITTEE

AGENDA

Tuesday, March 22, 2016 at 2:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**
Dale Chamblin, Chair; John Mohun, Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
5. **APPROVAL OF MINUTES OF: 02/22/2016** ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. Financial Reports:
 - 6.1.1. Financial Report – February 2016..... ATTACHMENT
 - 6.1.2. Good Better Best Ratio Analysis ATTACHMENT
 - 6.1.3. Property Tax Revenue Analysis..... ATTACHMENT
 - 6.1.4. FYE 2015 Audited Financial Statements - IVCHF ATTACHMENT
 - 6.1.5. FYE 2017 Budget Volumes and FTE’s..... ATTACHMENT
 - 6.2. Board Updates
 - 6.2.1. Meaningful Use Status ATTACHMENT
 - 6.2.2. HIS Financial and Supply Chain Management RFP ATTACHMENT
 - 6.2.3. GO Bond Refinancing Update ATTACHMENT
 - 6.2.4. Audit Firm RFP Timeline
 - 6.2.5. Cash Investment Options
 - 6.2.6. Outmigration Strategy
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.



TAHOE
FOREST
HEALTH
SYSTEM

FINANCE COMMITTEE

DRAFT MINUTES

Monday, February 22, 2016 at 1:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 1:01 p.m.

2. ROLL CALL

Board: Dale Chamblin, Chair; Charles Zipkin, Board Member (sitting in until Director Mohun can arrive)

Staff: Harry Weis, CEO; Crystal Betts, CFO; Jaye Chasseur, Controller; Gayle McAmis, MSC; Martina Rochefort, Clerk of the Board

Other: Gary Hicks, (via phone)

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

Item 5. Approval of Minutes will be reviewed after Item 6.1.

4. INPUT – AUDIENCE

No public was received.

5. APPROVAL OF MINUTES OF: 01/21/2016

Item heard after Item 6.1.

Director Mohun moved to approve the Finance Committee minutes of January 21, 2016, seconded by Director Chamblin.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Refinancing of General Obligation Bonds – Series B (Gary Hicks via phone)

Gary Hicks and CFO reviewed the refinancing of the District's General Obligation Bonds, Series B (2010).

The market has seen an increase in short term interest rates and a drop in long term interest rates. This refunding had not previously been considered due to the market conditions.

The refunding of these bonds would generate savings to reduce debt service. The anticipated debt service savings would be \$8,080,537.50, which exceeds the 5% savings required by the Board in 2015.

Mr. Hicks explained the District is not locked in to refunding the 2010 General Obligation Bonds until the purchase contract is signed and rate is locked in. If the interest rates rise before the purchase contract is signed, the District is not obligated to move forward.

Director Mohun joined the meeting at 1:11 p.m.

Director Zipkin departed the meeting at 1:11 p.m.

Bonds can only be refunded once.

Mr. Hicks indicated taxpayers would benefit from this refunding by reducing the burden they will pay annually. The annual savings for the debt service payment is approximately \$325,000.

The amount of debt has not decreased but the amount paid on interest will decrease.

Discussion was held on original principal amount of the bonds.

Payoff of old bonds occurs through purchase of securities.

If the bonds are refunded, they will keep the original final maturity of August 1, 2040.

CFO will bring additional calculations to Special Board Meeting to show detailed savings to taxpayers.

The date anticipated for the District to sign the purchase contract and lock in interest rates is April 12, 2016.

If the net present value savings drops below 5% because interest rates rise, the District would not have to sign the purchase contract. The only costs incurred if the District did not sign the purchase contract would be for work the attorneys have done.

Mr. Hicks believes the Moody's Aa3 rating of bonds will stand and will sell very well.

Bonds are expected to be sold via public offering but Mr. Hicks will track both public offering and private placement.

Gary Hicks departed the meeting at 1:37 p.m.

6.2. Financial Reports

6.2.1. Financial Report – MSC Six Months ended December 2015

Gayle McAmis presented the Multi-Specialty Clinics (MSC) financials for July 2015 – December 2015.

WRVUs were down 2%. The decrease was attributed to a change in mid-level providers and Dr. Osgood whom also left mid-year.

Discussion was held regarding bringing in a nurse practitioner locums. Ms. McAmis indicated it was costly to bring in a mid-level locums.

Discussion was held regarding Dr. Chase's departure. MSC has a locums coming in a week before Dr. Chase leaves so that there is no break in service.

MSC saw a large increase in pneumococcal immunizations with Medicare payors.

Director Mohun requested to see production now versus when contract was signed data.

Discussion was held about MGMA standards and physicians exceeding 85% target.

6.2.2. Financial Report – January 2016

CFO presented the January 2016 financial report.

January was a strong month overall for the District.

CFO reviewed the January 2016 Statement of Net Position.

Net Patient Accounts Receivable increased by \$3,030,000. A decline was seen in aging categories.

The District received the first installment of property tax revenues. The payment was more than anticipated. Waiting to see if second installment is lower.

New Director of Revenue Cycle will start on March 14, 2016. Business officer manager interviewed has been scheduled.

Discussion was held on whether these new positions would be able to assist when the District moves to a new EMR. New Director of Revenue Cycle has experience with CPSI and EPIC. Potential officer manager has experience with EPIC.

Estimated Settlements, Medi-Cal and Medicare increased \$886,000 after a true up of the 2015 cost report.

The District received reimbursement from Measure C project. \$5.5M remains for completion of Measure C projects.

Accounts Payable decreased by \$1,366,000 due to the cycle of bills in January.

CFO reviewed the January Statement of Revenues, Expenses and Changes in Net Position.

Professional fees (RVU bonuses for MSC, therapy services, consulting fees to analyze therapy services) and supplies (medical supplies sold to patients) were over budget in the expense category.

EBIDA was \$3,224,725 over budget for January and \$8,312,344 over budget year to date.

Contractual Allowances were under budget due to the shift in payor mix from Medicare to Commercial. The District's Income Statement is strong through January.

IVCH revenue for January exceeded budget by \$185,263. Operating revenue and expenses were good for the month. EBIDA for the year is \$966,904 over budget.

CFO reviewed the Statement of Cash Flows.

If EBIDA continued according to budget throughout the remainder of the fiscal year, the District would end with \$57,036,263 in cash, which equates to 176 days cash on hand.

Discussion was held on bond ratings and how the rating agencies determine ratings.

Discussion was held regarding the District's strong February census.

6.2.3. TSC LLC - October and November 2015

CFO reviewed Profit and Loss YTD Comparison for October 2015.

Total Patient Revenue for October was \$133,019.76. After refunds were issued, revenue was \$129,722.49.

The District's Materials Management department just completed a process whereby the Truckee Surgery Center (TSC) will be able to purchase supplies through the hospital. CFO expects to see a reduction of up to 40% in medical supply costs.

TSC's biggest costs are labor and rent.

Net income for TSC in October was \$813.37.

CFO reviewed the TSC Balance Sheet for November 2015.

As of November 30, 2015, TSC's cash on hand was \$287,346.19 and total AR was \$252,620.98.

Director Chamblin inquired if all orthopedic surgeries take place at TSC. Orthopedic surgeries take place at both the hospital and TSC. TSC has mandates that 90% of procedures have to be musculoskeletal. CEO and CFO are discussing what mix procedures would be beneficial to both TSC and TFH.

Carl Gerlach is currently reviewing contracts to see if any of them can be reopened to have higher reimbursement rates.

Gross Profits for TSC in November were \$130,259.60. Payroll expenses saw an increase to \$83,813.71. Net income was -\$32,421.64.

December was a profitable month for TSC so an increase will be seen.

6.3. Tahoe Forest Health System Foundation Financial Statements

6.3.1. FYE 2015 Audited Financial Statements

CFO reviewed the 2015 Audited Financial Statements for the Tahoe Forest Health System Foundation.

Auditors gave a clean opinion on the 2015 Audited Financial Statements for TFHSF.

Cash for 2015 was \$629,921. TFHSF saw a decrease in unconditional promises to give (pledges). One audit adjustment was done in 2015 for \$37,000.

Discussion was held regarding the Community for Cancer Care Endowment held at the Truckee Tahoe Community Foundation on behalf of TFHSF.

The deferred revenue number is from the Gene Upshaw Golf Tournament since a majority of donations are received in June but the event is held in July.

Program support is what is transferred to TFHD for funding of programs.

Discussion was held regarding the time study conducted by Foundation staff. Allocated staff time will be reflected on 2016 audit.

Most CAH hospitals do not have a foundation.

TFHSF's Board accepted the clean and final audit report.

6.3.2. Six Months ended December 2015 Financial Statements

The format of the Foundation's financial statements has been changed to help them get used to reading audited financial statements.

CFO reviewed the Statement of Revenue and Expense (internal) statements for TFHSF.

Actual salaries/wages/benefits number is less than last year due to allocated time study.

Discussion was held on grant writing and the need for a grant writer.

6.4. FY 2017 Budget Process

6.4.1. FY 2017 Budget Timeline

CFO reviewed the 2017 budget timeline.

Currently, Directors at the hospital are reviewing their volumes and revenues.

2017 Budget will be presented to the Board during the first week of June at Special Meeting.

Discussion was held about having a Hospital Finance 101 class for the public held at same time as the Special Meeting.

6.5. TIRHR Line of Credit Amendment

The amendment to the Credit and Security Agreement for the line of credit increase to the Tahoe Institute for Rural Health Research has been fully executed.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

None.

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING

- Good/Better/Best on BBB- ratios
- Outmigration strategy
- Costs of EHR

9. NEXT MEETING DATE

The next Finance Committee meeting will be held on Tuesday, March 22 at 2:00 p.m. in Tahoe Conference Room.

10. ADJOURN

Meeting adjourned at 3:45 p.m.

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT
FEBRUARY 2016 FINANCIAL REPORT
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Board of Directors
Of Tahoe Forest Hospital District

FEBRUARY 2016 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the eight months ended February 29, 2016.

Activity Statistics

- ❑ TFH acute patient days were 442 for the current month compared to budget of 397. This equates to an average daily census of 15.25 compared to budget of 13.69.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Endoscopy procedures, Laboratory tests, Diagnostic Imaging, Mammography, Oncology procedures, Nuclear Medicine, Cat Scans, Oncology Drugs, Physical Therapy, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Radiation Oncology procedures, MRI, PET CTs, Pharmacy units, and Respiratory Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 56.1% in the current month compared to budget of 53.3% and to last month's 66.3%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 58.1%, compared to budget of 53.3% and prior year's 55.4%.
- ❑ EBIDA was \$906,850 (4.9%) for the current month compared to budget of \$378,583 (2.2%), or \$528,267 (2.7%) above budget. Year-to-date EBIDA was \$11,675,499 (8.0%) compared to budget of \$2,836,830 (2.0%) or \$8,838,668 (6.0%) above budget.
- ❑ Cash Collections for the current month were \$10,533,788 which is 83% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 56.1, compared to the prior month of 59.4. Gross Accounts Receivables are \$33,202,394 compared to the prior month of \$33,484,981. The percent of Gross Accounts Receivable over 120 days old is 19.9%, compared to the prior month of 20.0%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 40.2 days. S&P Days Cash on Hand is 178.8. Working Capital cash increased \$4,705,000. Cash collections fell short of target by 17%, the District received funds in from the IGT Program totaling \$2,518,000, reimbursement of \$637,385 for funds advanced on January Measure C projects, and Accounts Payable increased \$447,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$912,000. Cash collections were at 83% of target and days in accounts receivable were 56.1 days, a 3.30 days decrease.
- ❑ Estimated Settlements, Medi-Cal & Medicare decreased a net \$2,825,000 after recording the receipt of funds from the IGT Program.
- ❑ GO Bond Project Fund decreased \$637,385 after reimbursing the District for funds advanced on the January Measure C Projects.
- ❑ The District recorded its 51% share of losses in the Truckee Surgery Center for the month of December.
- ❑ Accounts Payable increased \$447,000 due to the timing of the final check run in February.

February 2016 Financial Narrative

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$18,544,805, compared to budget of \$17,253,467 or \$1,291,339 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$5,867,389, compared to budget of \$5,923,234 or \$55,845 below budget.
- ❑ Current month's Gross Outpatient Revenue was \$12,677,416 compared to budget of \$11,330,232 or \$1,347,184 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 29.3% Medicare, 18.6% Medi-Cal, .0% County, 2.6% Other, and 49.5% Insurance compared to budget of 36.3% Medicare, 18.5% Medi-Cal, .0% County, 3.9% Other, and 41.3% Insurance. Last month's mix was 29.6% Medicare, 19.4% Medi-Cal, .0% County, 3.6% Other, and 47.4% Insurance.
- ❑ Current month's Deductions from Revenue were \$8,146,949 compared to budget of \$8,051,628 or \$95,321 over budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 7.03% decrease in Medicare, a .12% increase to Medi-Cal, a .02% decrease in County, a 1.37% decrease in Other, and Commercial was above budget 8.29%, and 2) Revenues exceeded budget by 7.5%

Operating Expenses

DESCRIPTION	February 2016 Actual	February 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,539,107	3,590,194	51,087	
Employee Benefits	1,154,723	1,137,785	(16,938)	
Benefits – Workers Compensation	42,336	60,541	18,205	
Benefits – Medical Insurance	861,422	750,099	(111,323)	
Professional Fees	1,450,798	1,331,126	(119,672)	Accrual of MSC Physician RVU bonuses, legal and consulting services provided to Administration and TIRHR, and TFH and IVCH Physical and Occupational Therapy revenues exceeding budget created a negative variance in Professional Fees.
Supplies	1,907,126	1,222,788	(684,338)	Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 24.63% and IVCH Surgery and Medical Supplies Sold to Patients revenues exceeded budget, creating an over budget variance in Supplies.
Purchased Services	938,861	852,268	(86,593)	Services provided to the Wellness Neighborhood, Administration for outsourced contract management, Laundry & Linen, and MSC Administration for EMR and Practice Management fees were over budget, creating a negative variance in Purchased Services.
Other Expenses	535,363	469,846	(65,517)	Dues and Subscriptions were over budget in Administration, Governing Board, and IVCH Administration. We also witnessed a negative variance in travel for the Interim Director of Revenue Cycle and Interim Manager in the Business Office along with tuition reimbursements and outside training courses for Education, Information Technology, Human Resources, and Occupational Health.
Total Expenses	10,429,736	9,414,646	(1,015,090)	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
FEBRUARY 2016

	Feb-16	Jan-16	Feb-15	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 13,294,590	\$ 8,589,595	\$ 7,417,436	1
PATIENT ACCOUNTS RECEIVABLE - NET	17,341,902	18,253,564	16,046,120	2
OTHER RECEIVABLES	4,276,155	3,860,562	3,776,795	
GO BOND RECEIVABLES	(123,869)	(515,640)	257,264	
ASSETS LIMITED OR RESTRICTED	5,088,088	4,942,148	5,719,035	
INVENTORIES	2,332,842	2,300,041	2,470,281	
PREPAID EXPENSES & DEPOSITS	1,462,716	1,630,575	1,463,629	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,397,500	6,222,208	3,313,502	3
TOTAL CURRENT ASSETS	<u>47,069,925</u>	<u>45,283,053</u>	<u>40,464,063</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	45,834,718	45,834,718	40,705,163	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	2,294,253	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	750,032	606,921	2,868,311	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	4,896,560	5,533,945	14,921,275	4
GO BOND TAX REVENUE FUND	1,361,348	1,360,035	556,531	
BOARD DESIGNATED FUND	-	-	2,297	
DIAGNOSTIC IMAGING FUND	2,976	2,976	2,967	
DONOR RESTRICTED FUND	1,141,630	1,141,630	1,115,568	
WORKERS COMPENSATION FUND	5,870	4,090	14,245	
TOTAL	<u>54,972,290</u>	<u>55,463,472</u>	<u>62,480,612</u>	
LESS CURRENT PORTION	<u>(5,088,088)</u>	<u>(4,942,148)</u>	<u>(5,719,035)</u>	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>49,884,202</u>	<u>50,521,323</u>	<u>56,761,576</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	202,785	223,258	393,277	5
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	127,581,136	128,080,074	129,996,949	
GO BOND CIP, PROPERTY & EQUIPMENT NET	<u>28,434,198</u>	<u>27,372,282</u>	<u>18,008,052</u>	
TOTAL ASSETS	<u>254,008,599</u>	<u>252,316,343</u>	<u>246,460,269</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	555,968	559,201	594,757	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,880,317	1,880,317	1,936,176	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,955,220	1,962,857	-	
GO BOND DEFERRED FINANCING COSTS	303,176	304,360	-	
DEFERRED FINANCING COSTS	<u>216,378</u>	<u>217,418</u>	<u>-</u>	
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 4,911,058</u>	<u>\$ 4,924,153</u>	<u>\$ 2,530,933</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 5,091,997	\$ 4,645,468	\$ 3,818,482	6
ACCRUED PAYROLL & RELATED COSTS	7,434,064	7,075,002	7,195,309	
INTEREST PAYABLE	189,147	89,486	269,396	
INTEREST PAYABLE GO BOND	348,861	(12,163)	389,820	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	463,361	366,356	1,285,397	
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>18,918,165</u>	<u>17,554,883</u>	<u>18,469,246</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	30,012,849	30,116,631	33,483,513	
GO BOND DEBT NET OF CURRENT MATURITIES	100,009,263	100,013,205	98,130,000	
DERIVATIVE INSTRUMENT LIABILITY	<u>1,880,317</u>	<u>1,880,317</u>	<u>1,936,176</u>	
TOTAL LIABILITIES	<u>150,820,593</u>	<u>149,565,036</u>	<u>152,018,935</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	106,957,434	106,533,830	95,856,699	
RESTRICTED	<u>1,141,630</u>	<u>1,141,630</u>	<u>1,115,568</u>	
TOTAL NET POSITION	<u>\$ 108,099,064</u>	<u>\$ 107,675,460</u>	<u>\$ 96,972,267</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
FEBRUARY 2016

1. Working Capital is at 40.2 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 178.8 days. Working Capital cash increased \$4,705,000. Cash collections fell short of target by 17%, however, cash collections were \$1,194,000 higher than January, the District received funds in from the IGT Program totaling \$2,518,000 (See Note 3), reimbursement of \$637,385 for funds advanced on January Measure C projects (See Note 4), and Accounts Payable increased \$447,000 (See Note 6).
2. Net Patient Accounts Receivable decreased approximately \$912,000. Cash collections were 83% of target. Days in Accounts Receivable are at 56.1 days compared to prior months 59.4 days, a 3.30 days decrease.
3. Estimated Settlements, Medi-Cal & Medicare decreased a net \$2,825,000 after recording the receipt of funds from the IGT Program.
4. GO Bond Project Fund decreased \$637,385 after reimbursing the District for funds advanced on the January Measure C projects.
5. The District recorded its 51% share of losses in the Truckee Surgery Center for the month of December.
6. Accounts Payable increased \$447,000 due to the timing of the final check run in February.

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

WORKING CAPITAL			
US Bank	\$ 12,789,714		
US Bank/Kings Beach Thrift Store	122,678		
US Bank/Truckee Thrift Store	382,199		
Wells Fargo Bank			
Local Agency Investment Fund	<u> -</u>	0.47%	
Total			\$ 13,294,590
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u> -</u>		
Total			\$ -
Building Fund	\$ -		
Cash Reserve Fund	<u>45,834,718</u>	0.47%	
Local Agency Investment Fund			\$ 45,834,718
Banc of America Muni Lease			\$ 979,155
Bonds Cash 2002			\$ 2
Bonds Cash 2006			\$ 750,032
Bonds Cash 2008			\$ 6,257,907
DX Imaging Education	\$ 2,976	0.47%	
Workers Comp Fund - B of A	5,870		
Insurance			
Health Insurance LAIF	-	0.47%	
Comprehensive Liability Insurance LAIF	<u> -</u>	0.47%	
Total			\$ 8,846
TOTAL FUNDS			\$ 67,125,250
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,368	0.03%	
Foundation Restricted Donations	\$ 100,727		
Local Agency Investment Fund	<u>1,032,535</u>	0.47%	
TOTAL RESTRICTED FUNDS			\$ 1,141,630
TOTAL ALL FUNDS			<u><u>\$ 68,266,880</u></u>

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

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	FEB 2015
\$ 18,544,805	\$ 17,253,467	\$ 1,291,339	7.5%		\$ 146,536,566	\$ 141,497,514	\$ 5,039,052	3.6%	\$ 137,794,999
OPERATING REVENUE									
\$ 2,028,382	\$ 1,805,494	\$ 222,888	12.3%		\$ 13,857,128	\$ 14,407,413	\$ (550,285)	-3.8%	\$ 13,609,071
3,839,007	4,117,741	(278,733)	-6.8%		29,094,628	31,693,058	(2,598,431)	-8.2%	32,122,494
5,867,389	5,923,234	(55,845)	-0.9%		42,951,756	46,100,471	(3,148,716)	-6.8%	45,731,564
12,677,416	11,330,232	1,347,184	11.9%		103,584,811	95,397,043	8,187,768	8.6%	92,063,434
12,677,416	11,330,232	1,347,184	11.9%		103,584,811	95,397,043	8,187,768	8.6%	92,063,434
Deductions from Revenue:									
7,573,929	7,074,165	(499,763)	-7.1%		58,296,264	58,043,443	(252,821)	-0.4%	54,421,230
556,825	563,521	6,696	1.2%		4,365,256	4,622,341	257,085	5.6%	4,269,459
1,248	-	(1,248)	0.0%		395,319	-	(395,319)	0.0%	-
14,947	413,942	398,995	96.4%		(562,761)	3,403,468	3,966,229	116.5%	2,491,667
-	-	-	0.0%		(1,133,224)	-	1,133,224	0.0%	270,924
8,146,949	8,051,628	(95,321)	-1.2%		61,360,854	66,069,252	4,708,398	7.1%	61,453,280
50,930	58,410	(7,480)	-12.8%		491,631	484,399	7,232	1.5%	560,967
887,799	532,981	354,818	66.6%		5,761,825	4,431,590	1,330,236	30.0%	5,143,338
11,336,586	9,793,229	1,543,356	15.8%		91,429,168	80,344,250	11,084,918	13.8%	82,046,023
OPERATING EXPENSES									
3,539,107	3,590,194	51,087	1.4%		28,639,807	29,006,960	367,154	1.3%	27,046,703
1,154,723	1,137,785	(16,938)	-1.5%		9,967,913	9,346,295	(621,618)	-6.7%	9,277,799
42,336	60,541	18,205	30.1%		420,163	484,327	64,164	13.2%	410,883
861,422	750,099	(111,323)	-14.8%		5,148,190	6,000,790	852,600	14.2%	5,744,753
1,450,798	1,331,126	(119,672)	-9.0%		12,131,191	11,195,623	(935,568)	-8.4%	14,211,388
1,907,126	1,222,788	(684,338)	-56.0%		12,182,969	10,375,604	(1,807,364)	-17.4%	10,841,172
938,861	852,268	(86,593)	-10.2%		7,245,627	7,021,839	(223,788)	-3.2%	7,250,403
535,363	469,846	(65,517)	-13.9%		4,017,811	4,075,982	58,171	1.4%	4,460,090
10,429,736	9,414,646	(1,015,090)	-10.8%		79,753,669	77,507,419	(2,246,250)	-2.9%	79,243,190
906,850	378,583	528,267	139.5%		11,675,499	2,836,830	8,838,668	311.6%	2,802,833
NON-OPERATING REVENUE/(EXPENSE)									
401,277	393,796	7,480	1.9%		3,153,375	3,133,254	20,121	0.6%	3,031,741
392,691	392,691	-	0.0%		3,143,923	3,141,530	2,392	0.1%	3,151,227
30,956	15,943	15,014	94.2%		225,003	156,719	68,283	43.6%	185,001
426	734	(308)	-42.0%		16,148	11,081	5,067	45.7%	24,000
42,601	34,671	7,929	22.9%		274,614	277,369	(2,755)	-1.0%	296,617
(20,473)	-	(20,473)	0.0%		(121,610)	(75,000)	(46,610)	0.0%	(67,418)
-	-	-	0.0%		-	-	-	0.0%	-
7,500	-	7,500	0.0%		7,500	-	7,500	0.0%	-
-	-	-	0.0%		-	-	-	0.0%	-
(856,217)	(855,178)	(1,039)	-0.1%		(6,818,343)	(6,841,425)	23,082	0.3%	(6,308,288)
(114,160)	(113,524)	(635)	-0.6%		(957,956)	(923,326)	(34,630)	-3.8%	(1,119,893)
(365,904)	(362,660)	(3,244)	-0.9%		(1,895,354)	(1,812,052)	(83,301)	-4.6%	(2,287,921)
(481,304)	(493,527)	12,223	2.5%		(2,972,701)	(2,931,850)	(40,850)	-1.4%	(3,094,935)
\$ 425,546	\$ (114,944)	\$ 540,490	470.2%		\$ 8,702,798	\$ (95,020)	\$ 8,797,818	9259.0%	\$ (292,101)
NET POSITION - BEGINNING OF YEAR					99,396,265				
NET POSITION - AS OF FEBRUARY 29, 2016					\$ 108,099,063				
4.9%	2.2%	2.7%			8.0%	2.0%	6.0%		2.0%
RETURN ON GROSS REVENUE EBIDA									

6) Supplies

Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 24.63%, creating a negative variance in Pharmacy Supplies.

IVCH Surgery and Medical Supplies Sold to Patients revenues exceeded budget, lending to the negative variance in Patient & Other Medical Supplies.

Negative variance in Minor Equipment primarily related to the purchase of sensors for the Laboratory blood gas analyzers.

Pharmacy Supplies	\$	(576,089)	\$	(1,553,913)
Patient & Other Medical Supplies		(92,634)		(131,818)
Food		(2,463)		(61,628)
Office Supplies		(9,389)		(51,804)
Minor Equipment		(6,181)		(41,760)
Imaging Film		506		(560)
Other Non-Medical Supplies		1,911		34,119
Total	\$	(684,338)	\$	(1,807,364)

7) Purchased Services

Negative variance in Miscellaneous for services provided to the Wellness Neighborhood, Administration for outsourced contract management, Laundry and Linen, MSC Administration for EMR and Practice Management fees.

Outsourced management oversight of the retail components at CHSP created a negative variance in The Center. Management fees are paid based on revenue capture at The Center.

Document storage and retrieval and transcriptions services created a negative variance in Medical Records.

Employee Health screenings came in above budget estimations, creating a negative variance in Human Resources.

Positive variance in Patient Accounting related to collection agency fees falling short of budget projections.

Negative variance in Information Technology related to a true-up of licensing.

Miscellaneous	\$	(32,277)	\$	(373,031)
The Center		(9,700)		(54,674)
Diagnostic Imaging Services - All		478		(44,522)
Laboratory		(4,890)		(38,083)
Department Repairs		(1,431)		(33,501)
Medical Records		(10,013)		(16,046)
Human Resources		(21,503)		(6,354)
Pharmacy IP		3,907		(6,020)
Community Development		392		3,133
Hospice		1,493		13,924
Multi-Specialty Clinics		24		38,961
Patient Accounting		14,790		105,131
Information Technology		(27,861)		187,293
Total	\$	(86,593)	\$	(223,788)

8) Other Expenses

Negative variance in Dues and Subscriptions for services provided to Administration, Governing Board, and IVCH Administration.

Travel expenses for the Interim Director of Revenue Cycle, Interim Manager in the Business Office, tuition reimbursements, outside training courses for Education, Information Technology, Human Resources, and Occupational Health created a negative variance in Outside Training & Travel.

Negative variance in Miscellaneous is actually a positive for the District. During the FY16 budgeting process assumptions were made on the cost of human resources to upgrade the Laboratory and Surgery software systems. Labor costs that were budgeted to be capitalized as part of the projects are coming in below estimations.

Equipment Rent	\$	(4,549)	\$	(47,830)
Dues and Subscriptions		(7,490)		(41,351)
Outside Training & Travel		(29,552)		(34,752)
Human Resources Recruitment		(4,714)		(18,008)
Other Building Rent		417		(12,759)
Multi-Specialty Clinics Bldg Rent		(1,534)		(12,156)
Multi-Specialty Clinics Equip Rent		(18)		(901)
Innovation Fund		-		-
Physician Services		410		973
Miscellaneous		(39,662)		22,737
Insurance		4,206		35,868
Marketing		3,323		78,317
Utilities		13,646		88,034
Total	\$	(65,517)	\$	58,171

9) District and County Taxes

Total	\$	7,480	\$	20,121
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10) Interest Income

Total	\$	15,014	\$	68,283
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11) Donations

IVCH	\$	(4,303)	\$	989
Operational		12,232		(3,744)
Capital Campaign		-		-
Total		7,929		(2,755)

12) Gain/(Loss) on Joint Investment

The District booked its 51% share in losses at the Truckee Surgery Center for the month of December.

Total	\$	(20,473)	\$	(46,610)
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13) Gain/(Loss) on Sale

Positive variance in Gain/(Loss) on Sale related to the sale of used Ultrasound equipment.

Total	\$	7,500	\$	7,500
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15) Depreciation Expense

Total	\$	(1,039)	\$	23,082
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16) Interest Expense

Total	\$	(635)	\$	(34,630)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
FEBRUARY 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	FEB 2015		
OPERATING REVENUE											
\$ 1,416,237	\$ 1,238,361	\$ 177,875	14.4%		Total Gross Revenue	\$ 11,708,219	\$ 10,340,079	\$ 1,368,140	13.2%	1	\$ 9,970,312
Gross Revenues - Inpatient											
\$ -	\$ 3,513	\$ (3,513)	-100.0%		Daily Hospital Service	\$ 19,427	\$ 24,593	\$ (5,166)	-21.0%		\$ 23,422
-	5,419	(5,419)	-100.0%		Ancillary Service - Inpatient	24,665	37,634	(12,969)	-34.5%		26,199
-	8,932	(8,932)	-100.0%		Total Gross Revenue - Inpatient	44,092	62,227	(18,135)	-29.1%	1	49,621
1,416,237	1,229,429	186,807	15.2%		Gross Revenue - Outpatient	11,664,127	10,277,852	1,386,275	13.5%		9,920,690
1,416,237	1,229,429	186,807	15.2%		Total Gross Revenue - Outpatient	11,664,127	10,277,852	1,386,275	13.5%	1	9,920,690
Deductions from Revenue:											
476,350	339,374	(136,976)	-40.4%		Contractual Allowances	3,674,298	2,836,710	(837,588)	-29.5%	2	2,773,190
46,949	43,030	(3,919)	-9.1%		Charity Care	390,714	359,725	(30,989)	-8.6%	2	322,145
8,541	-	(8,541)	0.0%		Charity Care - Catastrophic Events	8,541	-	(8,541)	0.0%	2	-
123,861	86,060	(37,801)	-43.9%		Bad Debt	533,152	719,450	186,297	25.9%	2	831,007
-	-	-	0.0%		Prior Period Settlements	(150,715)	-	150,715	0.0%	2	15,278
655,701	468,464	(187,237)	-40.0%		Total Deductions from Revenue	4,455,990	3,915,884	(540,105)	-13.8%	2	3,941,620
92,813	63,010	29,803	47.3%		Other Operating Revenue	676,043	510,330	165,713	32.5%	3	580,895
853,349	832,907	20,442	2.5%		TOTAL OPERATING REVENUE	7,928,272	6,934,524	993,748	14.3%		6,609,587
OPERATING EXPENSES											
246,903	255,640	8,737	3.4%		Salaries and Wages	2,019,803	2,106,401	86,598	4.1%	4	1,968,731
77,193	81,377	4,184	5.1%		Benefits	611,234	649,138	37,904	5.8%	4	718,861
2,496	2,490	(6)	-0.2%		Benefits Workers Compensation	18,687	19,922	1,235	6.2%	4	24,765
55,040	47,919	(7,121)	-14.9%		Benefits Medical Insurance	331,205	383,351	52,146	13.6%	4	387,371
214,412	218,904	4,492	2.1%		Professional Fees	1,854,098	1,852,761	(1,336)	-0.1%	5	1,671,895
80,791	48,512	(32,279)	-66.5%		Supplies	587,300	421,968	(165,333)	-39.2%	6	408,212
43,190	42,311	(879)	-2.1%		Purchased Services	331,356	331,774	418	0.1%	7	329,312
75,685	53,546	(22,139)	-41.3%		Other	477,896	414,851	(63,045)	-15.2%	8	397,321
795,710	750,699	(45,011)	-6.0%		TOTAL OPERATING EXPENSE	6,231,580	6,180,166	(51,413)	-0.8%		5,906,469
57,639	82,208	(24,569)	-29.9%		NET OPERATING REV(EXP) EBIDA	1,696,692	754,358	942,335	124.9%		703,119
NON-OPERATING REVENUE/(EXPENSE)											
30	4,333	(4,303)	-99.3%		Donations-IVCH	35,656	34,666	989	2.9%	9	22,091
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(58,359)	(58,359)	0	0.0%		Depreciation	(440,944)	(466,875)	25,931	-5.6%	11	(427,124)
(58,329)	(54,026)	(4,303)	-8.0%		TOTAL NON-OPERATING REVENUE/(EXP)	(405,288)	(432,209)	26,921	6.2%		(405,033)
\$ (690)	\$ 28,182	\$ (28,872)	-102.4%		EXCESS REVENUE(EXPENSE)	\$ 1,291,404	\$ 322,149	\$ 969,255	300.9%		\$ 298,085
4.1%	6.6%	-2.6%			RETURN ON GROSS REVENUE EBIDA	14.5%	7.3%	7.2%			7.1%

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

		Variance from Budget	
		Fav<Unfav>	
		FEB 2016	YTD 2016
1) Gross Revenues			
Acute Patient Days were below budget by 1 at 0 and Observation Days were below budget by 2 at 1.	Gross Revenue -- Inpatient	\$ (8,932)	\$ (18,135)
	Gross Revenue -- Outpatient	186,807	1,386,275
		\$ 177,875	\$ 1,368,140
Outpatient volumes were above budget in Emergency Department visits, Surgical cases, Laboratory tests, Radiology exams, Cat Scans, Pharmacy units, Physical Therapy, and Occupational Therapy.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with an 3.96% increase in Commercial Insurance, a 4.62% decrease in Medicare, a 5.56% increase in Medicaid, a 4.90% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 14.4% and the shift in Payor mix.	Contractual Allowances	\$ (136,976)	\$ (837,588)
	Charity Care	(3,919)	(30,989)
	Charity Care-Catastrophic Event	(8,541)	(8,541)
	Bad Debt	(37,801)	186,297
	Prior Period Settlement	-	150,715
	Total	\$ (187,237)	\$ (540,105)
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in February.	IVCH ER Physician Guarantee	\$ 30,541	\$ 144,414
	Miscellaneous	(738)	21,300
	Total	\$ 29,803	\$ 165,713
4) Salaries and Wages	Total	\$ 8,737	\$ 86,598
Employee Benefits	PL/SL	\$ (745)	\$ 53,482
	Standby	2,613	11,944
	Other	2,234	(20,418)
	Nonproductive	82	(9,511)
	Pension/Deferred Comp	(1)	2,407
	Total	\$ 4,184	\$ 37,904
Employee Benefits - Workers Compensation	Total	\$ (6)	\$ 1,235
Employee Benefits - Medical Insurance	Total	\$ (7,121)	\$ 52,146
5) Professional Fees			
IVCH Physical and Occupational Therapy revenues exceeded budget by 6.01%, creating a negative variance in Therapy Services professional fees.	Multi-Specialty Clinics	\$ 413	\$ (11,128)
	Therapy Services	(5,877)	(10,816)
	Administration	(2,258)	(6,945)
	IVCH ER Physicians	(957)	(3,639)
	Miscellaneous	439	2,197
	Foundation	6,270	11,661
	Sleep Clinic	6,462	17,335
	Total	\$ 4,492	\$ (1,336)
Services provided for project management oversight created a negative variance in Administration.			
Foundation oversight was converted to an FTE, creating a positive variance in Foundation.			
Sleep Clinic professional fees are tied to collections, which fell short in February and created a positive variance in this category.			
6) Supplies			
Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 50.81%, creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (26,308)	\$ (82,819)
	Pharmacy Supplies	(4,617)	(56,506)
	Minor Equipment	(501)	(14,889)
	Food	(1,704)	(8,422)
	Office Supplies	273	(1,520)
	Non-Medical Supplies	416	(859)
	Imaging Film	162	(319)
	Total	\$ (32,279)	\$ (165,333)
Drugs Sold to Patients revenue exceeded budget by 25.54%, creating a negative variance in Pharmacy Supplies.			

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

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>FEB 2016</u>	<u>YTD 2016</u>
7) <u>Purchased Services</u>	Laboratory	\$ 2,104	\$ (18,888)
Negative variance in Department Repairs for a Surgical Scope repair along with minor repairs in Sterile Processing and Engineering.	EVS/Laundry	(1,176)	(4,325)
	Foundation	1,150	(682)
	Pharmacy	307	-
	Surgical Services	-	-
	Department Repairs	(4,596)	371
	Miscellaneous	610	3,220
	Multi-Specialty Clinics	700	4,087
	Diagnostic Imaging Services - All	(1,331)	6,197
	Engineering/Plant/Communications	1,353	10,438
	Total	\$ (879)	\$ 418
8) <u>Other Expenses</u>	Equipment Rent	\$ (10,490)	\$ (68,501)
Negative variance in Equipment Rent related to the final rental payment of the temporary chiller unit while the new unit was being installed.	Utilities	(1,800)	(3,553)
	Dues and Subscriptions	(1,839)	(2,333)
	Outside Training & Travel	(11,551)	(2,264)
Negative variance in Outside Training & Travel for tuition reimbursement.	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	871	871
	Insurance	223	1,782
	Miscellaneous	672	3,366
	Marketing	1,776	7,589
	Total	\$ (22,139)	\$ (63,045)
9) <u>Donations</u>	Total	\$ (4,303)	\$ 989
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ 25,931

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2015	BUDGET FYE 2016	PROJECTED FYE 2016	ACTUAL FEB 2016	BUDGET FEB 2016	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 10,846,836	\$ 906,850	\$ 378,583	\$ 528,267	\$ 4,890,732	\$ 2,113,378	\$ 4,851,424	\$ (1,008,698)
Interest Income	97,528	107,488	133,849	-	-	-	29,198	33,631	44,193	26,827
Property Tax Revenue	5,352,075	5,420,000	5,420,119	117,777	-	117,777	309,907	78,742	3,316,470	1,715,000
Donations	757,929	923,000	915,045	113,390	20,000	93,390	76,191	164,788	169,066	505,000
Debt Service Payments	(3,505,561)	(3,565,581)	(3,393,159)	(247,479)	(235,450)	(12,028)	(1,069,568)	(742,436)	(874,803)	(706,351)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,243,648)	(103,637)	(103,637)	(0)	(310,912)	(310,912)	(310,912)	(310,911)
Copier	(8,962)	(8,760)	(8,759)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(483,555)	-	-	-	(327,132)	-	(156,423)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,657,197)	(143,111)	(131,083)	(12,028)	(429,334)	(429,334)	(405,278)	(393,250)
Physician Recruitment	(155,902)	(311,000)	(288,669)	-	(10,000)	10,000	(216,785)	(5,884)	(6,000)	(60,000)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,418,900)	(15,362)	(157,447)	142,085	(302,633)	(286,725)	(351,431)	(478,111)
Municipal Lease Reimbursement	-	2,295,723	2,295,723	-	500,000	(500,000)	1,319,139	-	-	976,584
GO Bond Project Personal Property	(186,062)	(500,180)	(500,180)	(9,116)	(84,562)	75,446	(8,587)	(8,029)	(83,564)	(400,000)
IT	(1,394,200)	(559,300)	(559,300)	(28,218)	(4,702)	(23,516)	(318,453)	(193,238)	(38,126)	(9,483)
Building Projects	(2,218,063)	(4,487,480)	(4,487,480)	(320,940)	(600,333)	279,393	(337,663)	(674,563)	(1,125,275)	(2,349,980)
Health Information/Business System	(230,852)	(500,000)	(500,000)	(19,196)	(69,597)	50,401	(1,623)	(18,375)	(59,197)	(420,805)
Capital Investments										
Properties	(600,000)	-	-	-	-	-	-	-	-	-
Measure C Scope Modifications	-	(749,287)	(749,287)	(47,050)	(47,050)	-	-	(232,174)	(229,205)	(287,909)
Change in Accounts Receivable	2,648,682	282,832	N1 (541,612)	911,662	1,328,292	(416,630)	522,392	(891,685)	(1,257,560)	1,085,241
Change in Settlement Accounts	(2,438,657)	500,000	N2 831,939	2,518,000	2,514,295	3,705	623,667	(1,173,529)	1,631,801	(250,000)
Change in Other Assets	(1,717,188)	(768,000)	N3 (2,697,456)	(80,577)	400,000	(480,577)	(1,531,558)	(1,330,040)	309,142	(145,000)
Change in Other Liabilities	(30,538)	(71,000)	N4 (334,306)	905,253	500,000	405,253	247,630	(648,182)	31,246	35,000
Change in Cash Balance	1,078,371	(1,347,550)	4,989,080	4,704,995	4,432,027	272,967	4,247,906	(3,814,322)	6,328,181	(1,772,684)
Beginning Unrestricted Cash	50,951,760	52,227,897	52,227,897	54,424,313	54,424,313	-	52,227,897	56,475,803	52,661,481	58,989,662
Ending Unrestricted Cash	52,227,897	50,880,347	57,216,977	59,129,308	58,856,340	272,967	56,475,803	52,661,481	58,989,662	57,216,977
Expense Per Day	333,932	321,141	327,367	332,135	322,715	9,420	317,753	322,438	330,735	327,367
Days Cash On Hand	156	158	175	178	182	(4)	178	163	178	175

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.

	S&P Stand Alone Small Hospitals Comparatives for Tahoe Forest Hospital District			S&P Stand Alone All Hospitals Comparatives for Tahoe Forest Hospital District			Moody's Freestanding Single-State & Multi-State Healthcare Systems Comparatives for Tahoe Forest Hospital District			Tahoe Forest Hospital District							
	BBB- Good	Better	AA+ Best	BBB- Good	Better	AA+ Best	Baa3 Good	Better	Aa2 Best	2009	2010	2011	2012	2013	2014	2015	2016
	EBIDA Margin	10.3%	13.8%	20.6%	10.2%	12.8%	16.1%	2.8%	5.8%	10.9%	13.6%	17.3%	15.3%	15.2%	11.2%	10.8%	12.5%
Operating EBIDA Margin	8.3%	11.8%	13.0%	8.6%	10.0%	13.4%	8.9%	9.7%	11.7%	11.8%	15.8%	14.6%	14.3%	10.3%	10.0%	11.7%	18.4%
Operating Margin	1.3%	3.4%	6.1%	1.5%	2.8%	6.0%	0.5%	2.7%	5.9%	3.4%	7.6%	5.2%	6.0%	0.4%	-1.3%	0.8%	8.5%
Days' Cash on Hand	164.8	237.4	528.0	141.7	251.5	401.8	147.3	211.0	375.7	153.3	220.2	205.2	203.5	146.9	161.4	155.0	174.7
Days in Accounts Receivable	53.1	44.7	46.5	50.1	48.4	51.8	44.9	49.4	50.4	56.2	51.2	59.2	58.7	82.0	71.6	54.8	49.7
L-T Debt to Capital	31.7%	26.7%	18.2%	39.4%	29.4%	19.4%	40.1%	36.0%	24.9%	48.5%	44.9%	53.9%	51.8%	58.5%	58.1%	57.3%	54.9%
MADS Coverage Ratio (x)	2.4	3.6	6.2	2.7	4.4	7.4	3.3	4.7	7.5	2.4	1.9	2.1	1.5	1.2	1.2	1.7	1.8
Unrestricted Cash to Debt	112.2%	182.3%	352.3%	102.2%	179.6%	331.2%	102.3%	142.3%	252.6%	58.3%	78.2%	50.3%	53.1%	32.7%	38.7%	40.5%	45.5%
Average Age of Plant (years)	11.7	10.8	10.3	12.2	11.0	9.5	9.3	10.8	11.2	10.9	12.7	13.3	15.2	11.4	10.5	10.5	

	Standard & Poor's Stand-Alone Small Hospitals Median Ratios				Comparatives for Tahoe Forest Hospital District		
	BBB-	BBB	BBB+	All A Categories Combined	BBB-Good	Better	All A Best
EBIDA Margin	10.3%	13.4%	14.2%	20.6%	10.3%	13.8%	20.6%
Operating EBIDA Margin	8.3%	11.1%	12.4%	13.0%	8.3%	11.8%	13.0%
Operating Margin	1.3%	2.8%	4.0%	6.1%	1.3%	3.4%	6.1%
Days' Cash on Hand	164.8	238.4	236.4	528.0	164.8	237.4	528.0
Days in Accounts Receivable	53.1	45.2	44.1	46.5	53.1	44.7	46.5
L-T Debt to Capital	31.7%	27.4%	25.9%	18.2%	31.7%	26.7%	18.2%
MADS Coverage Ratio (x)	2.4	3.3	3.8	6.2	2.4	3.6	6.2
Unrestricted Cash to Debt	112.2%	169.4%	195.2%	352.3%	112.2%	182.3%	352.3%
Average Age of Plant (years)	11.7	9.8	11.8	10.3	11.7	10.8	10.3

U.S. Not-For-Profit Health Care Stand-Alone Small Hospital Median Ratios - September 1, 2015

	Standard & Poor's Stand-Alone All Hospitals Median Ratios							Comparatives for Tahoe Forest Hospital District			
	BBB-	BBB	BBB+	A-	A	A+	AA-	AA+	BBB-Good	Better	AA+ Best
EBIDA Margin	10.2%	10.8%	11.6%	11.5%	12.9%	15.4%	14.7%	16.1%	10.2%	12.8%	16.1%
Operating EBIDA Margin	8.6%	8.5%	8.7%	9.8%	9.9%	12.0%	10.9%	13.4%	8.6%	10.0%	13.4%
Operating Margin	1.5%	0.4%	1.8%	3.0%	2.5%	4.3%	4.6%	6.0%	1.5%	2.8%	6.0%
Days' Cash on Hand	141.7	150.9	207.9	202.6	273.1	316.0	358.5	401.8	141.7	251.5	401.8
Days in Accounts Receivable	50.1	47.1	46.1	47.2	50.2	49.6	50.0	51.8	50.1	48.4	51.8
L-T Debt to Capital	39.4%	35.5%	31.8%	32.6%	28.8%	24.5%	23.4%	19.4%	39.4%	29.4%	19.4%
MADS Coverage Ratio (x)	2.7	2.8	3.3	3.8	4.8	5.7	5.7	7.4	2.7	4.4	7.4
Unrestricted Cash to Debt	102.2%	101.1%	157.4%	149.9%	187.2%	221.7%	260.1%	331.2%	102.2%	179.6%	331.2%
Average Age of Plant (years)	12.2	11.6	12.2	10.8	10.9	10.1	10.6	9.5	12.2	11.0	9.5

U.S. Not-For-Profit Health Care Stand-Alone Ratios - September 1, 2015

Moody's Single-State & Multi-State Healthcare System Median Ratios

**Comparatives for
Tahoe Forest Hospital District**

	Baa3	Baa2	Baa1	A3	A2	A1	Aa3	Aa2	Baa3 Good	Better	Aa2 Best
EBIDA Margin	2.8%	3.5%	4.5%	5.5%	6.7%	6.9%	7.4%	10.9%	2.8%	5.8%	10.9%
Operating EBIDA Margin	8.9%	8.9%	8.4%	9.3%	10.6%	11.1%	10.0%	11.7%	8.9%	9.7%	11.7%
Operating Margin	0.5%	1.4%	1.8%	3.0%	3.0%	3.4%	3.7%	5.9%	0.5%	2.7%	5.9%
Days' Cash on Hand	147.3	147.2	160.9	197.2	235.6	258.2	267.0	375.7	147.3	211.0	375.7
Days in Accounts Receivable	44.9	45.1	52.2	50.6	49.3	51.3	48.0	50.4	44.9	49.4	50.4
L-T Debt to Capital	40.1%	44.6%	41.0%	38.3%	31.5%	30.9%	29.6%	24.9%	40.1%	36.0%	24.9%
MADS Coverage Ratio (x)	3.3	3.4	3.6	4.2	5.4	5.3	6.3	7.5	3.3	4.7	7.5
Unrestricted Cash to Debt	102.3%	92.0%	100.0%	127.6%	170.1%	164.7%	199.1%	252.6%	102.3%	142.3%	252.6%
Average Age of Plant (years)	9.3	10.3	10.6	10.8	11.1	11.0	10.9	11.2	9.3	10.8	11.2

Freestanding Hospitals, Single-State & Multi-State Healthcare Systems Medians, FY 2014

TAHOE FOREST HOSPITAL DISTRICT
SUMMARY OF FINANCIAL STATEMENTS AND RATIO ANALYSIS (000's OMITTED)

	2009	2010	2011	2012	2013	2014	2015	8 months 2016
Net Patient Revenue	\$96,471	\$92,423	\$94,323	\$99,795	\$101,567	\$107,664	\$118,955	\$85,176
Tax Revenue	6,555	6,223	7,824	8,048	10,705	9,647	10,310	6,789
Other Operating Revenue	7,024	6,335	6,596	6,711	6,142	6,711	6,984	5,762
Total Operating Revenues	110,050	104,981	108,743	114,554	118,414	124,022	136,249	97,727
Total Operating Expenses	106,348	97,034	103,074	107,636	117,918	125,658	135,176	89,425
Income from Operations	3,702	7,947	5,669	6,918	496	(1,636)	1,073	8,302
Net Nonoperating Income	2,051	1,559	740	1,079	1,079	987	1,060	401
Excess of Revenue Over Expenses	5,753	9,506	6,409	7,997	1,575	(649)	2,133	8,703
Add Depreciation & Amortization Expense	5,696	5,304	5,372	4,966	7,239	8,642	9,613	6,818
Add Interest Expense on Revenue Debt	2,234	2,140	1,922	1,819	1,836	1,751	1,620	958
Add Interest Expense on GO Debt	1,307	1,217	2,945	2,665	2,612	3,639	3,639	1,895
Less GO Bond Ad Valorem Taxes	(1,600)	(1,590)	(2,918)	(3,223)	(4,987)	(4,744)	(4,829)	(3,144)
Less Unrestricted Ad Valorem Taxes	(4,955)	(4,633)	(4,906)	(4,825)	(5,717)	(4,902)	(5,481)	(3,645)
Impairment losses	0	0	0	0	5,679	0	0	0
EBIDA	\$14,990	\$18,167	\$16,648	\$17,447	\$13,262	\$13,383	\$17,005	\$18,374
Operating EBIDA	\$12,939	\$16,608	\$15,908	\$16,368	\$12,183	\$12,396	\$15,945	\$17,973
EBIDA Margin	13.62%	17.31%	15.31%	15.23%	11.20%	10.79%	12.48%	18.80%
Operating EBIDA Margin	11.76%	15.82%	14.63%	14.29%	10.29%	10.00%	11.70%	18.39%
Operating Margin	3.36%	7.57%	5.21%	6.04%	0.42%	-1.32%	0.79%	8.50%
Revenue Debt Maximum Annual Debt Service	\$4,564	\$3,653	\$3,091	\$4,316	\$4,305	\$3,852	\$3,573	\$3,573
All Debt Maximum Annual Debt Service	\$6,290	\$9,658	\$8,106	\$11,264	\$11,020	\$11,020	\$10,044	\$10,044
MADS Coverage Ratio - No Go Bond	3.28x	4.97x	5.39x	4.04x	3.08x	3.47x	4.76x	5.14x
MADS Coverage Ratio	2.38x	1.88x	2.05x	1.55x	1.20x	1.21x	1.69x	1.83x
Cash and Cash Equivalents	\$18,579	\$16,324	\$16,019	\$16,839	\$10,345	\$10,316	\$11,497	\$13,295
Board Designated Assets	23,688	39,024	38,919	40,408	34,202	41,414	41,830	45,835
Total Unrestricted Cash	\$42,267	\$55,348	\$54,938	\$57,247	\$44,547	\$51,730	\$53,327	\$59,130
Daily Cash Requirements	\$276	\$251	\$268	\$281	\$303	\$321	\$344	\$339
Days' Cash on Hand	153.3	220.2	205.2	203.5	146.9	161.4	155.0	174.7
Net Other Long-term Debt	\$43,094	\$41,357	\$36,771	\$35,347	\$37,592	\$35,347	\$31,571	\$30,013
Net GO Bond Long-term Debt	\$29,400	\$29,400	\$72,400	\$72,400	\$98,495	\$98,445	\$100,225	\$100,009
Unrestricted Net Assets	76,868	86,673	93,227	100,419	96,603	96,509	98,315	106,957
Total Capital	\$149,362	\$157,430	\$202,398	\$208,166	\$232,690	\$230,301	\$230,111	\$236,979
Unrestricted Cash to L-T Debt - No GO Bond	98.1%	133.8%	149.4%	162.0%	118.5%	146.3%	168.9%	197.0%
Unrestricted Cash to L-T Debt	58.3%	78.2%	50.3%	53.1%	32.7%	38.7%	40.5%	45.5%
L-T Debt to Capitalization - No GO Bond	35.9%	32.3%	28.3%	26.0%	28.0%	26.8%	24.3%	21.9%
L-T Debt to Capitalization	48.5%	44.9%	53.9%	51.8%	58.5%	58.1%	57.3%	54.9%
Net Accounts Receivable	\$14,866	\$12,975	\$15,289	\$16,045	\$22,808	\$21,125	\$17,870	\$17,342
Net Patient Revenue	\$96,471	\$92,423	\$94,323	\$99,795	\$101,567	\$107,664	\$118,955	\$85,176
Days in Accounts Receivable	56	51	59	59	82	72	55	50

**Tahoe Forest Hospital District
Analysis of Property Tax Revenues**

	2010	2011	2012	2013	2014	2015	2016
Gross Patient Revenue	153,249,520	151,182,547	158,223,647	177,905,726	188,378,523	206,838,355	146,536,566
Net Patient Revenue	92,422,631	94,323,305	99,795,015	101,566,879	107,664,272	118,954,594	85,175,712
Total Expenses	88,374,590	92,834,594	98,186,356	106,230,960	112,491,713	120,577,427	79,753,669
Total Expenses including Depreciation and Interest Expense	97,034,670	103,074,294	107,636,189	117,918,460	126,524,336	135,449,135	89,425,322
GO Bond Property Tax Revenue	1,589,924	2,917,548	3,222,798	4,986,760	4,744,356	4,829,411	3,143,923
Other Property Tax Revenue	4,633,377	4,906,170	4,824,796	5,716,834	4,902,246	5,480,605	3,645,006
Total Property Tax Revenue	6,223,301	7,823,718	8,047,594	10,703,594	9,646,602	10,310,016	6,788,929
Total Property Tax Revenue as a % of Gross Patient Revenue	4.06%	5.18%	5.09%	6.02%	5.12%	4.98%	4.63%
Total Property Tax Revenue as a % of Net Patient Revenue	6.73%	8.29%	8.06%	10.54%	8.96%	8.67%	7.97%
Total Property Tax Revenue as a % of Total Expenses	7.04%	8.43%	8.20%	10.08%	8.58%	8.55%	8.51%
Total Property Tax Revenue as a % of Total Expenses including Depr and Int	6.41%	7.59%	7.48%	9.08%	7.62%	7.61%	7.59%
GO Bond Property Tax Revenue as a % of Gross Patient Revenue	1.04%	1.93%	2.04%	2.80%	2.52%	2.33%	2.15%
GO Bond Property Tax Revenue as a % of Net Patient Revenue	1.72%	3.09%	3.23%	4.91%	4.41%	4.06%	3.69%
GO Bond Property Tax Revenue as a % of Total Expenses	1.80%	3.14%	3.28%	4.69%	4.22%	4.01%	3.94%
GO Bond Property Tax Revenue as a % of Total Expenses including Depr and Int	1.64%	2.83%	2.99%	4.23%	3.75%	3.57%	3.52%
Other Property Tax Revenue as a % of Gross Patient Revenue	3.02%	3.25%	3.05%	3.21%	2.60%	2.65%	2.49%
Other Property Tax Revenue as a % of Net Patient Revenue	5.01%	5.20%	4.83%	5.63%	4.55%	4.61%	4.28%
Other Property Tax Revenue as a % of Total Expenses	5.24%	5.28%	4.91%	5.38%	4.36%	4.55%	4.57%
Other Property Tax Revenue as a % of Total Expenses including Depr and Int	4.77%	4.76%	4.48%	4.85%	3.87%	4.05%	4.08%

Incline Village Community Hospital Foundation

Incline Village, Nevada

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

June 30, 2015 and 2014



**K · C O E
I S O M**

Incline Village Community Hospital Foundation

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June 30, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Incline Village Community Hospital Foundation
Incline Village, Nevada

We have audited the accompanying financial statements of Incline Village Community Hospital Foundation (the Foundation), a not-for-profit organization, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

KCoe Jam, LLP

March 11, 2016
Chico, California

Incline Village Community Hospital Foundation

STATEMENTS OF FINANCIAL POSITION

June 30	2015	2014
ASSETS		
Cash and cash equivalents	\$ 570,599	\$ 395,440
Unconditional promises to give - net	2,255	8,193
Due from Parasol Tahoe Community Foundation	-	75,000
TOTAL ASSETS	\$ 572,854	\$ 478,633
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 6,303	\$ -
Due to Tahoe Forest Hospital District	-	301,054
Total Liabilities	6,303	301,054
Net Assets		
Unrestricted	206,304	95,377
Temporarily restricted	360,247	82,202
Total Net Assets	566,551	177,579
TOTAL LIABILITIES AND NET ASSETS	\$ 572,854	\$ 478,633

The accompanying notes are an integral part of these financial statements.

Incline Village Community Hospital Foundation

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2015	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions - net	\$ 256,309	\$ 290,284	\$ 546,593
Investment gain	201	-	201
Net assets released from restrictions	12,239	(12,239)	-
Total Support and Revenue	268,749	278,045	546,794
Expenses			
Program expenses:			
Program support	32,558	-	32,558
Supporting services:			
Supplies	2,414	-	2,414
Professional fees	103,422	-	103,422
Purchased services	11,153	-	11,153
Wages and benefits	2,549	-	2,549
Bank fees	2,696	-	2,696
Other	3,030	-	3,030
Total Supporting Services	125,264	-	125,264
Total Expenses	157,822	-	157,822
Change in Net Assets	110,927	278,045	388,972
Net Assets - Beginning of Year	95,377	82,202	177,579
Net Assets - End of Year	\$ 206,304	\$ 360,247	\$ 566,551

The accompanying notes are an integral part of these financial statements.

Incline Village Community Hospital Foundation

STATEMENTS OF ACTIVITIES

(Continued)

Year Ended June 30, 2014	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions - net	\$ 223,990	\$ 45,788	\$ 269,778
Investment gain	449	-	449
Net assets released from restrictions	669,623	(669,623)	-
Total Support and Revenue	894,062	(623,835)	270,227
Expenses			
Program expenses:			
Program support	688,527	-	688,527
Supporting services:			
Supplies	609	-	609
Professional fees	86,638	-	86,638
Purchased services	22,200	-	22,200
Bank fees	1,842	-	1,842
Other	2,033	-	2,033
Total Supporting Services	113,322	-	113,322
Total Expenses	801,849	-	801,849
Change in Net Assets	92,213	(623,835)	(531,622)
Net Assets - Beginning of Year	3,164	706,037	709,201
Net Assets - End of Year	\$ 95,377	\$ 82,202	\$ 177,579

The accompanying notes are an integral part of these financial statements.

Incline Village Community Hospital Foundation

STATEMENTS OF CASH FLOWS

Years Ended June 30	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 388,972	\$ (531,622)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Provision for uncollectible promises to give	(1,145)	(708)
Changes in operating assets and liabilities:		
Unconditional promises to give	7,083	6,202
Due from Parasol Tahoe Community Foundation	75,000	(75,000)
Accounts payable	6,303	-
Due to Tahoe Forest Hospital District	(301,054)	301,054
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	175,159	(300,074)
Cash - Beginning of Year	395,440	695,514
Cash - End of Year	\$ 570,599	\$ 395,440

The accompanying notes are an integral part of these financial statements.

Incline Village Community Hospital Foundation

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the financial statements.

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

Basis of Presentation The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation, and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents The Foundation maintains its cash at financial institutions. At times, the account balances at a financial institution may exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit; and, as a result, there is a concentration of credit risk related to amounts in excess of FDIC insurance coverage.

Contributions and Promises to Give The Foundation reports gifts of cash and other assets at the time the gift is made. Unconditional promises to give are recognized as revenue or gains in the period the promise is made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected beyond 12 months from the pledge date are recorded at their net present values. The amortization of the imputed discount is reported as contribution income.

Incline Village Community Hospital Foundation

NOTES TO THE FINANCIAL STATEMENTS

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Management provides for probable uncollectible amounts through a provision for uncollectible promises to give and an adjustment to a valuation allowance based on its assessment of the current status of individual promises. Promises that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2015 and 2014, the valuation allowance was \$251 and \$910, respectively. Contribution income is presented net of the provision for uncollectible promises to give.

Recognition of Donor Restrictions Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted assets, depending on the nature of the restriction. When a temporary restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. When restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Foundation reports both the contribution received and the related expense in unrestricted net assets.

Endowment and Improvement Funds The Foundation entered into agreements with The Parasol Tahoe Community Foundation (Parasol) to establish endowment and improvement funds with Parasol. These funds provide the opportunity for supporters of the Foundation to contribute directly to Parasol. While the agreements with Parasol state that the purpose of the funds is to support the Foundation and its mission, the agreements also grant to Parasol a variance power over the funds. In accordance with generally accepted accounting principles, the Foundation is precluded from recognizing the contributions to these funds, or its potential rights to the assets held by Parasol in these funds, in its financial statements. As Parasol makes payments to the Foundation from these funds, the Foundation recognizes such payments as contribution revenue. The Parasol endowment and investment funds totaled \$26,728 and \$129,136 at June 30, 2015 and 2014, respectively.

During the year ended June 30, 2014, the Foundation transferred \$75,000 to Parasol under the arrangements of a short-term investment without granting variance power to Parasol. These funds were transferred back to the Foundation subsequent to June 30, 2014.

Donated Services Certain individuals and organizations have contributed significant amounts of time without compensation to the activities of the Foundation. The financial statements do not reflect the value of all of these contributed services because no reliable basis exists for determining a comparable dollar amount.

The Foundation also receives in-kind support from the District, principally in the form of professional and purchased services. The value of this support, as measured by actual expenses paid on the Foundation's behalf, is included in contribution revenue and supporting services expenses. This support totaled \$122,567 and \$111,480 for the years ended June 30, 2015 and 2014, respectively.

Income Taxes The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not a private foundation under Section 509(a)(2). The Foundation has not entered into any activities that would jeopardize its tax-exempt status. Income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. However, there have been no unrelated business activities identified; accordingly, no provision for income taxes is required.

Incline Village Community Hospital Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The Foundation files exempt organization returns in the U.S. federal jurisdiction. The federal returns for fiscal years 2011 and thereafter remain subject to examination by the Internal Revenue Service.

The Foundation accounts for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes and how an uncertain tax position is recognized in financial statements. The Foundation analyzes tax positions taken in previously filed returns and tax positions expected to be taken in future returns. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Foundation's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2015 and 2014, and the Foundation does not expect this to change significantly over the next 12 months.

Date of Management's Evaluation Management has evaluated subsequent events through March 11, 2016, the date the report was available to be issued.

2. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

June 30		2015		2014
Amount due or collectible in less than one year	\$	2,650	\$	6,734
Amount due or collectible in one to five years		-		2,999
Total Unconditional Promises to Give		2,650		9,733
Less: Unamortized discount		(144)		(630)
Less: Allowance for uncollectible amounts		(251)		(910)
Unconditional Promises to Give - Net	\$	2,255	\$	8,193

Promises to give that are not to be received within the subsequent year are discounted at 3% per year.

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

June 30		2015		2014
Capital Campaign - Phase II	\$	359,328	\$	76,149
Medical equipment		919		6,053
Total Temporarily Restricted Net Assets	\$	360,247	\$	82,202

Incline Village Community Hospital Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

4. RELATED-PARTY TRANSACTIONS

The Foundation exists to support and enhance healthcare in the Incline Village Community Hospital service area. Accordingly, the majority of the Foundation's program support expenditures represent payments directly to, or on behalf of, the Incline Village Community Hospital in furtherance of these purposes.

Incline Village Community Hospital is part of the Tahoe Forest Hospital District. The Foundation receives in-kind support from the Tahoe Forest Hospital District, principally in the form of professional and purchased services. The value of this support, as measured by actual expenses paid on the Foundation's behalf, is included in contribution revenue and supporting services expenses. This support totaled \$122,567 and \$111,480 for the years ended June 30, 2015 and 2014, respectively.

5. FINANCIAL COMMITMENTS

In accordance with the Foundation's mission to support and enhance healthcare in the Incline Village Community Hospital service area, the Foundation has made the following financial commitments:

June 30, 2015

Second-floor health center renovation	\$	375,000
Second-floor health center equipment		50,000
First-floor laboratory renovation		182,000
Total	\$	607,000

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Acutal	Acutal	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
16010 ICU										
ICU - Inpatient Days	438	445	278	234	205	200	191	200	9	4.7%
ICU - Med/Surg Days	303	331	299	350	405	335	327	325	(2)	-0.6%
ICU - Stepdown Days	429	369	406	329	351	360	381	360	(21)	-5.5%
ICU - Swing Days	0	0	0	0	0	0	0	0	0	0.0%
ICU - Short Stays - Ambulatory	0	0	0	0	0	0	0	0	0	0.0%
ICU - Short Stays - Observation	27	27	19	43	26	20	18	20	2	11.1%
ICU TFHD Summary	1,197	1,172	1,002	956	987	915	917	905	(12)	-1.3%
16170 Med Surg										
M/S - Inpatient Days	3,086	2,989	2,990	2,779	2,590	2,780	2,514	2,500	(14)	-0.6%
M/S - Swing Days	204	211	252	283	231	220	330	330	0	0.0%
M/S 3170- Short Stay-Ambulatory	85	31	85	190	146	150	154	150	(4)	-2.6%
M/S 3170- Short Stays-Observation	293	329	433	440	258	315	248	250	2	0.8%
Med-Surg TFHD Summary	3,668	3,560	3,760	3,692	3,225	3,465	3,246	3,230	(16)	-0.5%
16380 Obstetrics										
OB/GYN Patient Days	731	695	872	920	940	910	923	920	(3)	-0.3%
Med/Surg Days in OB	196	129	9	14	2	5	0	0	0	0.0%
OB - Swing Days	0	0	0	0	0	0	0	0	0	0.0%
OB - Short Stays - Ambulatory	0	0	0	0	0	0	0	0	0	0.0%
OB - Short Stays - Observation	4	1	28	23	23	30	33	30	(3)	-9.1%
OB Days TFHD Summary	931	825	909	957	965	945	956	950	(6)	-0.6%
16530 Nursery										
Newborn days	788	773	797	877	881	840	842	840	(2)	-0.2%
Nursery Re-admits	8	5	12	2	2	4	0	0	0	0.0%
Newborn Days TFHD Summary	796	778	809	879	883	844	842	840	(2)	-0.2%
16580 Skilled Nursing Facility										
SNF days	11,446	11,828	11,723	12,133	12,086	12,410	11,917	12,100	183	1.5%
17010 Emergency Room										
Admits from E/R	1,247	963	1,113	1,181	1,024	1,121	1,071	1,052	(19)	-1.8%
E/R Visits - Total Registrations	13,154	12,343	12,416	12,704	12,631	12,450	13,006	12,750	(256)	-2.0%
17070 Perinatal										
Perinatal O/P visits	10,142	8,033	7,791	7,246	4,280	6,600	3,194	4,250	1,056	33.1%
17072 Diabetic Center										
Diabetic Center TFHD Summary	0	0	0	0	0	0	0	0	0	0.0%
17085 TFH Clinic										
TFH Health Clinic O/P visits	3,740	3,595	3,072	3,106	3,402	3,400	3,513	3,450	(63)	-1.8%
Flu Shots - TFH Health Clinic	173	188	132	30	24	25	2	20	18	900.0%
17090 TC Occupational Therapy										
OT - TC O/P Procedures	805	864	1,130	1,047	1,221	1,120	1,245	1,150	(95)	-7.6%
17180 TC Physical Therapy										
PT - TC O/P Procedures	8,130	8,960	11,919	16,540	16,441	14,450	17,618	16,500	(1,118)	-6.3%
17181 Oncology Lab										
Oncology Lab tests	2,560	2,344	2,558	3,016	3,568	3,344	3,484	3,185	(299)	-8.6%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Acutal	Acutal	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
17290 Home Health										
Home Health Nursing Units	2,072	2,082	2,239	2,191	2,139	2,175	2,142	2,140	(2)	-0.1%
Home Health Aide Units	725	695	500	341	141	300	196	200	4	2.0%
Home Health Speech Therapy Units	32	26	3	2	19	0	7	10	3	42.9%
Home Health Occupational Therapy Units	172	244	355	416	477	425	524	475	(49)	-9.4%
Home Health Social Services Units	273	168	115	95	85	90	97	90	(7)	-7.2%
Home Health PT Units	806	803	768	733	714	755	766	750	(16)	-2.1%
Home Health - Dietary Counseling	0	0	0	0	0	0	0	0	0	0.0%
Home Health - Medicare Visits	3,110	3,271	3,269	2,860	2,719	2,800	2,913	2,800	(113)	-3.9%
Home Health - MediCal Visits	96	62	7	33	90	40	86	90	4	4.7%
Home Health - Commercial Visits	766	626	639	825	692	800	653	680	27	4.1%
Home Health - Self Pay Visits	108	59	65	64	74	70	66	70	4	6.1%
Home Health Units TFHD Summary	4,080	4,018	3,980	3,782	3,575	3,710	3,718	3,640	(78)	-2.1%
17310 Hospice										
Hospice Medicare Visits	3,006	2,492	7,214	4,599	4,354	5,000	4,480	4,450	(30)	-0.7%
Hospice MediCal Visits	162	66	140	903	278	475	441	425	(16)	-3.6%
Hospice Commercial Visits	397	110	827	1,027	674	940	902	850	(52)	-5.8%
Hospice Other Visits	31	11	68	11	5	30	14	15	1	7.1%
Hospice Medicare Days	5,398	4,842	4,624	3,152	3,020	3,350	3,087	3,050	(37)	-1.2%
Hospice MediCal Days	334	26	94	598	190	300	312	300	(12)	-3.8%
Hospice Commercial Days	676	55	530	742	452	650	607	600	(7)	-1.2%
Hospice Other Days	147	77	57	35	4	40	19	20	1	5.3%
Hospice Days TFHD Summary	6,555	5,000	5,305	4,527	3,666	4,340	4,025	3,970	(55)	-1.4%
17400 Labor and Delivery										
Total Deliveries	379	348	365	366	383	375	374	375	1	0.3%
17420 Surgery										
OR I/P minutes	85,935	75,164	81,680	87,515	82,715	85,575	83,434	83,230	(204)	-0.2%
OR O/P minutes	58,890	81,352	73,537	68,250	64,577	68,200	63,941	65,569	1,628	2.5%
OR I/P Cases	750	697	774	845	815	815	822	820	(2)	-0.2%
OR O/P Cases	846	1,137	1,008	1,001	965	1,000	950	975	25	2.6%
Surgey Minutes TFHD	144,825	156,516	155,217	155,765	147,292	153,775	147,375	148,799	1,424	1.0%
Surgery Cases TFHD	1,596	1,834	1,782	1,846	1,780	1,815	1,772	1,795	23	1.3%
17428 Pain Clinic										
Pain Center minutes	41,299	30,164	27,859	24,553	24,109	25,000	25,920	25,000	(920)	-3.5%
17429 SPD										
SPD - I/P minutes	85,935	75,164	81,680	87,515	82,715	86,798	84,066	83,845	(221)	-0.3%
SPD - O/P minutes	58,890	81,352	73,537	70,050	64,577	65,000	62,391	63,862	1,471	2.4%
Sterile Processing TFHD Summary	144,825	156,516	155,217	157,565	147,292	151,798	146,457	147,707	1,250	0.9%
17430 PAAS										
I/P Recovery minutes	51,120	46,190	49,158	56,914	56,655	51,345	52,827	52,685	(142)	-0.3%
O/P Recovery minutes	19,660	31,365	30,209	30,032	25,237	27,500	26,381	27,058	677	2.6%
Procedure Room minutes	8,956	7,434	4,393	5,347	6,419	5,350	5,377	5,350	(27)	-0.5%
ASD minutes	225,644	260,349	247,841	281,223	359,066	290,000	324,384	320,000	(4,384)	-1.4%
Total PAAS Minutes Summary	305,380	345,338	331,601	373,516	447,377	374,195	408,969	405,093	(3,876)	-0.9%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Acutal	Acutal	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
17450 Anesthesia										
Anesthesia - I/P minutes	90,086	79,028	87,469	92,912	86,826	91,454	88,768	88,560	(208)	-0.2%
Anesthesia - O/P minutes	62,007	87,750	81,743	76,337	71,479	66,650	65,786	67,517	1,731	2.6%
Anesthesia - Elsewhere minutes	16,942	15,341	15,697	16,731	18,323	17,063	15,576	15,600	24	0.2%
Anesthesia - G/I I/P Minutes	2,004	2,140	1,262	3,264	2,686	3,820	3,658	3,450	(208)	-5.7%
Anesthesia - G/I O/P Minutes	12,763	9,567	8,944	10,715	10,752	11,036	10,620	10,608	(12)	-0.1%
Anesthesia TFHD Summary	183,802	193,826	195,115	199,959	190,066	190,023	184,408	185,735	1,327	0.7%
17500 Laboratory										
Lab - TFH I/P Tests	29,831	31,692	31,048	28,297	29,426	27,780	28,714	27,982	(732)	-2.5%
Lab - TFH O/P Tests	86,524	105,004	79,290	83,447	100,426	91,596	97,304	97,000	(304)	-0.3%
Lab - MOB O/P Tests - 8664	4,987	6,202	5,656	4,723	5,936	5,000	5,643	5,500	(143)	-2.5%
Lab - Tahoe City O/P Tests - 7875	12,571	11,721	9,643	9,985	11,374	10,400	10,501	10,500	(1)	0.0%
Lab - Incline Village O/P Tests	4,835	4,558	4,774	4,599	4,485	4,550	4,501	4,500	(1)	0.0%
Lab - Clinic Accounts	8,062	8,216	7,891	7,056	6,715	7,050	6,694	6,700	6	0.1%
Lab - Send Outs IP	3,933	3,543	3,606	3,660	3,898	4,200	4,052	4,000	(52)	-1.3%
Lab - Send Outs OP	34,883	43,420	21,840	23,000	15,580	19,200	16,864	16,222	(642)	-3.8%
Laboratory TFHD Summary	185,626	214,356	163,748	164,767	177,840	169,776	174,273	172,404	(1,869)	-1.1%
17540 Blood Bank										
Total Blood Units	550	687	530	627	570	625	578	570	(8)	-1.4%
17590 EKG										
EKG - I/P Procedures	658	593	563	483	513	541	463	489	26	5.6%
EKG - O/P Procedures	1,679	1,616	1,810	1,798	2,111	1,800	1,895	1,800	(95)	-5.0%
EKG TFHD Summary	2,337	2,209	2,373	2,281	2,624	2,341	2,358	2,289	(69)	-2.9%
17592 Stress EKG										
Stress EKG - I/P Procedures	6	2	0	1	0	0	0	0	0	0.0%
Stress EKG - O/P Procedures	46	27	40	38	48	40	54	50	(4)	-7.4%
Stress EKG TFHD Summary	52	29	40	39	48	40	54	50	(4)	-7.4%
17593 Cardiac Rehab										
Cardiac Rehab - Phase II	480	251	310	565	643	565	643	600	(43)	-6.7%
Cardiac Rehab - Phase III	3,160	3,151	2,498	2,364	2,185	2,360	2,361	2,360	(1)	0.0%
Cardiac Rehab TFHD Summary	3,640	3,402	2,808	2,929	2,828	2,925	3,004	2,960	(44)	-1.5%
17595 Pulmonary Rehab										
Pulmonary Rehab	6	0	20	0	0	0	0	0	0	0.0%
17630 Diagnostic Imaging										
Diagnostic Imaging - I/P Exams	1,950	1,867	1,865	1,288	1,204	1,352	1,134	1,141	7	0.6%
Diagnostic Imaging - O/P Exams	7,649	7,211	7,068	7,095	7,501	7,470	7,411	7,395	(16)	-0.2%
Vascular I/P Exams	99	149	121	95	250	127	213	204	(9)	-4.2%
Vascular O/P Exams	173	230	179	184	277	200	252	225	(27)	-10.7%
Diagnostic Inaging TFHD Summary	9,599	9,078	8,933	8,383	8,705	8,822	8,545	8,536	(9)	-0.1%
Vascular Image TFHD Summary	272	379	300	279	527	327	465	429	(36)	-7.7%
17632 Womens Imaging Center										
Dexa Exams	398	408	352	399	477	406	464	460	(4)	-0.9%
Mammography Exams	3,020	3,103	2,874	2,878	3,070	2,900	2,877	2,875	(2)	-0.1%
Womens Imaging TFHD Summary	3,418	3,511	3,226	3,277	3,547	3,306	3,341	3,335	(6)	-0.2%
17633 MOB Diagnostic Imaging										
MOB O/P Exams - Xrays -17633	926	945	889	1,027	1,080	1,025	1,135	1,100	(35)	-3.1%
MOB Diagnostic TFHD Summary	1,675	945	889	1,027	1,080	1,025	1,135	1,100	(35)	-3.1%
17641 Oncology										
Oncology Procedures	4,655	3,870	6,044	5,537	7,322	5,980	7,079	6,500	(579)	-8.2%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Actual	Actual	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
17642 Radiation Oncology										
<i>Radiation Oncology Procedures</i>	0	0	3,599	4,174	3,390	3,600	4,023	3,600	(423)	-10.5%
17650 Nuclear Medicine										
<i>Nuclear Med - I/P Exams</i>	56	46	35	24	41	34	29	30	1	3.4%
<i>Nuclear Med - O/P Exams</i>	314	277	293	274	272	275	302	275	(27)	-8.9%
<i>Nuc Med TFHD Summary</i>	370	323	328	298	313	309	331	305	(26)	-7.9%
17660 MRI										
<i>MRI - I/P Exams</i>	96	105	79	85	65	78	67	66	(1)	-1.5%
<i>MRI - O/P Exams</i>	1,648	1,800	1,705	1,851	1,838	1,793	1,848	1,849	1	0.1%
<i>MRI TFHD Summary</i>	1,744	1,905	1,784	1,936	1,903	1,871	1,915	1,915	0	0.0%
17670 Ultrasound										
<i>Ultrasound - I/P Exams</i>	534	529	442	416	322	406	356	360	4	1.1%
<i>Ultrasound - O/P Exams</i>	2,663	2,966	2,601	2,754	2,902	2,780	2,824	2,800	(24)	-0.8%
<i>Ultrasound TFHD Summary</i>	3,197	3,495	3,043	3,170	3,224	3,186	3,180	3,160	(20)	-0.6%
17672 Briner Ultrasound										
<i>Breast Ultrasound Exams</i>	1,003	1,113	1,057	1,094	1,351	1,160	1,225	1,236	11	0.9%
17680 CT										
<i>CT - I/P Exams</i>	623	568	457	152	246	287	223	228	5	2.2%
<i>CT - O/P Exams</i>	3,508	2,976	3,014	3,065	3,141	3,013	3,030	3,060	30	1.0%
<i>Cat Scan TFHD Summary</i>	4,131	3,544	3,471	3,217	3,387	3,300	3,253	3,288	35	1.1%
17685 PET CT										
<i>PET CT - I/P Exams</i>	4	6	12	7	2	8	7	6	(1)	-14.3%
<i>PET CT - O/P Exams</i>	172	218	262	258	283	265	294	285	(9)	-3.1%
<i>PET Cat Scan TFHD Summary</i>	176	224	274	265	285	273	301	291	(10)	-3.3%
17690 Vascular Imaging										
<i>Vascular I/P Exams</i>	99	149	121	95	250	127	213	204	(9)	-4.2%
<i>Vascular O/P Exams</i>	173	230	179	184	277	200	252	225	(27)	-10.7%
<i>Vascular Image TFHD Summary</i>	272	379	300	279	527	327	465	429	(36)	-7.7%
17710 Pharmacy										
<i>Pharmacy - I/P units</i>	118,089	116,441	111,490	97,331	94,182	97,230	97,045	92,559	(4,486)	-4.6%
<i>Pharmacy - O/P units</i>	190,880	88,415	79,935	63,204	74,773	70,344	74,311	72,038	(2,273)	-3.1%
<i>Pharmacy TFHD Summary</i>	308,969	204,856	191,425	160,535	168,955	167,574	171,356	164,597	(6,759)	-3.9%
17711 Oncology Drugs Sold to Patients										
<i>Oncology Pharmacy Units</i>	182,999	138,239	224,551	81,446	56,824	54,717	63,244	57,850	(5,394)	-8.5%
17712 IV										
<i>IV - I/P units</i>	11,957	13,588	11,632	9,649	9,838	10,464	9,720	9,666	(54)	-0.6%
<i>IV - O/P units</i>	8,792	9,258	8,857	7,095	8,165	8,155	8,327	8,160	(167)	-2.0%
<i>IV TFHD Summary</i>	20,749	22,846	20,489	16,744	18,003	18,619	18,047	17,826	(221)	-1.2%
17720 Respiratory Therapy										
<i>RT - I/P Minutes</i>	215,904	195,960	171,576	129,408	116,808	128,714	113,186	113,006	(180)	-0.2%
<i>RT - O/P Minutes</i>	18,840	19,464	24,600	18,384	15,552	17,430	15,665	15,682	17	0.1%
<i>RT TFHD Summary</i>	234,744	215,424	196,176	147,792	132,360	146,144	128,851	128,688	(163)	-0.1%
17730 Pulmonary Function										
<i>Pulmonary - I/P Procedures</i>	770	762	261	74	47	93	76	78	2	2.6%
<i>Pulmonary - O/P Procedures</i>	302	274	179	186	162	185	191	185	(6)	-3.1%
<i>Pulmonary TFHD Summary</i>	1,072	1,036	440	260	209	278	267	263	(4)	-1.5%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Actual	Actual	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
17760 Gastro-Intestinal Services										
<i>Gastro/Int OR I/P Minutes</i>	5,224	6,777	3,990	9,489	6,822	8,719	8,080	8,221	141	1.7%
<i>Gastro/Int OR O/P Minutes</i>	31,395	34,083	30,665	40,180	42,211	39,150	39,771	39,576	(195)	-0.5%
<i>Gastro/Int I/P Recovery Minutes</i>	211	220	96	636	692	688	675	690	15	2.2%
<i>Gastro/Int O/P Recovery Minutes</i>	483	103	113	537	402	270	196	203	7	3.6%
<i>Gastro/Int I/P ASD Minutes</i>	95	204	185	258	179	119	337	242	(95)	-28.2%
<i>Gastro/Int O/P ASD Minutes</i>	101,549	112,819	100,009	129,546	145,077	132,300	129,385	128,860	(525)	-0.4%
<i>Gastro/Int OR I/P Cases</i>	86	108	62	125	91	125	113	115	2	1.8%
<i>Gastro/Int OR O/P Cases</i>	1,143	1,226	1,088	1,380	1,379	1,350	1,363	1,360	(3)	-0.2%
<i>Gastro/Int Total Minutes Summary</i>	138,957	154,206	135,058	180,646	195,383	181,246	178,444	177,792	(652)	-0.4%
<i>Total Gastro/Int Total Cases Summary</i>	1,229	1,334	1,150	1,505	1,470	1,475	1,476	1,475	(1)	-0.1%
17770 Physical Therapy										
<i>PT - TK I/P Procedures</i>	4,806	4,475	4,606	5,123	5,977	5,278	5,793	5,725	(68)	-1.2%
<i>PT - TK - SNF Procedures</i>	1,862	1,395	927	1,835	3,554	2,110	2,171	2,178	7	0.3%
<i>Physical Therapy Procedures Summary</i>	6,668	5,870	5,533	6,958	9,531	7,388	7,964	7,903	(61)	-0.8%
17780 Speech Therapy										
<i>ST - I/P Procedures</i>	36	42	41	68	42	55	59	60	1	1.7%
<i>ST - SNF Procedures</i>	52	20	38	66	150	75	53	48	(5)	-9.4%
<i>Speech Therapy TFHD Summary</i>	88	62	79	134	192	130	112	108	(4)	-3.6%
17790 Occupational Therapy										
<i>OT - I/P Procedures</i>	3,652	3,562	3,953	4,132	4,231	4,074	4,354	4,240	(114)	-2.6%
<i>OT - SNF Procedures</i>	1,394	975	853	1,674	2,215	1,613	1,730	1,754	24	1.4%
<i>Occupational Therapy IP TFHD Summary</i>	5,046	4,537	4,806	5,806	6,446	5,687	6,084	5,994	(90)	-1.5%
18340 Dietary										
<i>Patient Meals</i>	52,556	53,537	53,699	56,494	54,950	71,214	60,748	55,265	(5,483)	-9.0%
<i>Pantries</i>	16,629	16,379	16,117	15,387	18,218	28,647	22,643	17,325	(5,318)	-23.5%
<i>Non-Patient Meals</i>	239,218	243,100	253,884	237,680	241,767	237,000	221,421	222,000	579	0.3%
<i>Dietary TFHD Summary</i>	308,403	313,016	323,700	309,561	314,935	336,861	304,812	294,590	(10,222)	-3.4%
18350 Laundry & Linen										
<i>Pounds</i>	259,631	222,651	245,358	255,659	257,521	290,000	245,470	244,780	(690)	-0.3%
18490 Child Care Center										
<i>Child Care Days</i>	18,721	17,971	17,956	18,902	19,327	19,000	19,891	19,500	(391)	-2.0%
18560 Admitting & Communication										
<i>Registrations</i>	55,447	53,327	49,480	53,858	58,032	59,350	59,804	58,500	(1,304)	-2.2%
18590 Financial Administration										
<i>Acute Admissions</i>	1,789	1,681	1,652	1,606	1,679	1,690	1,632	1,630	(2)	-0.1%
<i>Swing Admissions</i>	34	31	44	41	37	40	59	60	1	1.7%
<i>Acute Patient Days</i>	5,183	4,963	4,866	4,629	4,493	4,630	4,339	4,305	(34)	-0.8%
<i>Swing Days</i>	204	211	252	283	231	220	330	330	0	0.0%
<i>Adjusted Patient Days</i>	12,601	12,403	13,405	14,736	13,781	15,004	15,687	0	(15,687)	-100.0%
<i>ICU Average Daily Census</i>	3	3	3	3	3	2	2	2	(0)	-1.2%
<i>OB/GYN Average Daily Census</i>	3	2	2	3	3	4	3	3	(0)	-0.8%
<i>Medical / Surgical - Acute - ADC</i>	9	8	8	8	8	8	7	7	(0)	-0.6%
<i>Medical / Surgical - Swing - ADC</i>	1	1	1	1	1	1	1	1	0	0.0%
<i>Acute Discharges</i>	1,776	1,679	1,643	1,624	1,667	1,690	1,632	1,630	(2)	-0.1%
<i>Swing Discharges</i>	33	30	45	42	35	40	59	60	1	1.7%
<i>Avg Length of Stay</i>	3	3	3	3	3	3	3	3	(0)	-0.7%
<i>Total Admissions TFHD</i>	1,823	1,712	1,696	1,647	1,716	1,730	1,691	1,690	(1)	-0.1%
<i>Total Discharges TFHD</i>	1,809	1,709	1,688	1,666	1,702	1,730	1,691	1,690	(1)	-0.1%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Actual	Actual	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
18660 Occ Health										
Occupational Health Visits - 18660	2,219	2,489	2,507	2,567	2,731	2,600	2,637	2,625	(12)	-0.5%
Flu Shots - Occupational Health	278	358	290	247	321	250	136	250	114	83.8%
Occ Health TFHD Summary	2,497	2,847	2,797	2,814	3,052	2,850	2,773	2,875	102	3.7%
18662 Infection Control/Employee Health										
Employee Wellness Visits - 18662	1,192	1,202	1,236	1,352	1,035	1,300	779	900	121	15.5%
Flu Shots - Infection Control	834	737	841	817	908	850	837	850	13	1.6%
18664 Lab Draw MOB										
Lab Draw Test - OH - 18864	3,660	4,503	4,082	4,677	5,248	4,500	4,684	4,600	(84)	-1.8%
19513 MSC - ENT										
Chase Visits	2,565	2,435	2,461	2,630	2,792	2,558	2,230	2,141	(89)	-4.0%
19518 MSC - SURGERY										
Cooper/Conyers Visits	0	645	751	1,539	1,883	1,655	1,701	1,920	219	12.9%
19521 MSC - IM Pulmonary										
Tirdel Visits	6,464	6,632	6,359	5,909	6,104	5,762	5,240	5,338	98	1.9%
19525 MSC - IM Cardiology										
T. Lombard/Scholnick Visits	4,462	5,584	4,941	5,669	5,164	5,181	4,392	9,945	5,553	126.4%
19527 MSC - Oncology										
Heifetz/Koppel/Kaime Visits	2,880	2,927	3,424	4,730	4,937	4,718	4,187	4,700	513	12.3%
19527 MSC - Internal Medicine										
Burkholder Visits	1,406	1,928	1,803	2,094	2,385	1,985	1,769	2,062	293	16.6%
17081 MSC - Radiation Oncology										
Palmer Visits	0	0	658	1,629	705	1,400	1,010	1,006	(4)	-0.4%
19529 MSC - Urology										
Bretan Visits	0	0	0	0	0	0	0	1,530	1,530	100.0%
19533 MSC - G.I. Schaffer										
Schaffer Visits	389	735	677	1,212	1,426	1,194	1,140	2,026	886	77.7%
19534 MSC - Pediatrics										
North Lake Pediatrics Visits	3,029	9,483	9,998	10,308	11,190	9,480	9,398	11,086	1,688	18.0%
17801 MSC - Audiology										
Audiology	474	562	649	645	321	262	313	671	358	114.4%
19550 Retail Pharmacy										
Prescriptions	33,552	30,387	27,633	26,270	26,185	27,400	27,211	27,200	(11)	0.0%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Acutal	Acutal	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
26170 Med-Surg										
<i>Inpatient Days</i>	22	10	16	25	8	10	8	10	2	25.0%
<i>Observation Days</i>	40	36	25	25	17	25	25	25	0	0.0%
<i>Med Surg Days IVCH Summary</i>	62	46	41	50	25	35	33	35	2	6.1%
27010 Emergency Room										
<i>Total Emergency Visits</i>	4,194	3,892	3,908	3,560	3,720	3,675	3,797	3,700	(97)	-2.6%
<i>Flu Shots</i>	448	436	362	397	449	400	217	400	183	84.3%
27085 IVCH Clinic										
<i>IVCH Clinic Visits</i>	0	0	345	858	1,347	1,020	1,318	1,560	242	18.4%
27420 Surgery										
<i>OR IP Minutes</i>	0	0	0	0	0	0	0	0	0	0.0%
<i>OR OP Minutes</i>	17,339	15,742	12,630	8,794	8,180	7,505	8,309	8,265	(44)	-0.5%
<i>OR IP Cases</i>	0	0	0	0	0	0	0	0	0	0.0%
<i>OR OP Cases</i>	155	152	124	92	93	95	98	95	(3)	-3.1%
<i>Surgery Cases IVCH Summary</i>	155	152	124	92	93	95	98	95	(3)	-3.1%
<i>Surgery Minutes IVCH Summary</i>	17,339	15,742	12,630	8,794	8,180	7,505	8,309	8,265	(44)	-0.5%
27428 Pain Clinic										
<i>Pain Clinic Minutes</i>	8,367	390	0	0	0	0	0	0	0	0.0%
27429 SPD										
<i>Surgery Cases IVCH Summary</i>	155	152	124	92	93	95	98	95	(3)	-3.1%
27430 PAAS										
<i>PACU IP Minutes</i>	0	0	0	0	0	0	0	0	0	0.0%
<i>PACU OP Minutes</i>	4,796	4,587	3,778	2,693	2,475	2,636	2,565	2,518	(47)	-1.8%
<i>Total ASD Minutes</i>	34,714	35,064	26,097	18,424	17,227	17,765	18,755	17,861	(894)	-4.8%
<i>PAAS IVCH Summary</i>	39,510	39,651	29,875	21,117	19,702	20,401	21,320	20,379	(941)	-4.4%
27450 Anesthesia										
<i>Anesthesia IP Minutes</i>	0	0	0	0	0	0	0	0	0	0.0%
<i>Anesthesia OP Minutes</i>	18,021	16,311	13,883	9,040	8,454	7,838	8,628	8,506	(122)	-1.4%
<i>Anesthesia Elsewhere Minutes</i>	0	0	0	0	0	0	0	0	0	0.0%
<i>Anesthesia Minutes IVCH Summary</i>	18,021	16,311	13,883	9,040	8,454	7,838	8,628	8,506	(122)	-1.4%
27470 Med Supplies sold to Patients										
<i>Total Emergency Visits</i>	4,194	3,892	3,908	3,560	3,720	3,675	3,797	3,700	(97)	-2.6%
27500 Lab										
<i>Lab - Inpatient Billable Tests</i>	83	81	123	92	77	8	40	36	(4)	-10.0%
<i>Lab - Outpatient Billable Tests</i>	21,357	20,927	22,068	23,844	26,458	23,350	23,210	23,350	140	0.6%
<i>EKG</i>	580	486	483	484	575	500	636	600	(36)	-5.7%
<i>Reference Lab</i>	2,673	2,717	2,021	1,968	1,829	1,900	1,848	1,850	2	0.1%
<i>Blood</i>	0	1	3	0	0	0	0	0	0	0.0%
<i>Laboratory IVCH Summary</i>	24,693	24,212	24,698	26,388	28,939	25,758	25,734	25,836	102	0.4%
27540 Blood										
<i>Blood</i>	0	1	3	0	0	0	0	0	0	0.0%
27590 EKG										
<i>EKG</i>	580	486	483	484	575	500	636	600	(36)	-5.7%
27630 Diagnostic Imaging										
<i>Radiology - I/P Exams</i>	5	3	7	3	0	0	3	3	0	0.0%
<i>Radiology - O/P Exams (Inc. Mammo & U/S)</i>	1,055	1,030	923	835	762	825	784	800	16	2.0%
<i>Radiology - ER Exams</i>	1,606	1,536	1,483	1,459	1,504	1,490	1,630	1,480	(150)	-9.2%
<i>Diagnostic Imaging IVCH Summary</i>	2,666	2,569	2,413	2,297	2,266	2,315	2,417	2,283	(134)	-5.5%

DEPARTMENTAL VOLUME TRENDS

	2011	2012	2013	2014	2015	2016	2016	2017	Variance	%
	Acutal	Acutal	Actual	Actual	Actual	Budget	Annualized	Budget	Inc/(Dec)	Inc/(Dec)
27680 Cat Scan										
CT - I/P Exams	2	1	1	3	0	0	0	0	0	0.0%
CT - O/P Exams	230	162	152	157	169	155	137	160	23	16.8%
CT - ER Exams	548	473	461	471	507	478	602	518	(84)	-14.0%
CT IVCH Summary	780	636	614	631	676	633	739	678	(61)	-8.3%
27710 Drugs Sold to Patients										
Pharmacy - I/P Units	332	115	262	649	170	199	210	190	(20)	-9.5%
Pharmacy - O/P Units	11,647	11,043	11,296	7,859	8,436	8,085	8,461	8,251	(210)	-2.5%
Pharmacy IVCH Summary	11,979	11,158	11,558	8,508	8,606	8,284	8,671	8,441	(230)	-2.7%
27712 IV										
IV's - I/P Units	38	28	59	63	7	15	11	11	0	0.0%
IV's - O/P Units	2,632	2,510	1,946	893	107	515	308	150	(158)	-51.3%
IV IVCH Summary	2,670	2,538	2,005	956	114	530	319	161	(158)	-49.5%
27720 Respiratory Therapy										
RT - I/P Procedures	81	24	50	107	86	0	58	55	(3)	-5.2%
RT - O/P Procedures	2,533	2,114	1,736	1,589	1,660	0	893	900	7	0.8%
RT IVCH Summary	2,614	2,138	1,786	1,696	1,746	0	951	955	4	0.4%
27770 Physical Therapy										
PT - Procedures	25,081	25,614	30,054	29,640	28,572	30,000	30,178	29,000	(1,178)	-3.9%
27790 Occupational Therapy										
OT - Procedures	1,185	1,168	1,212	1,195	1,691	1,200	1,107	1,125	18	1.6%
27874 Sleep Clinic										
Sleep Clinic Visits	197	202	193	143	127	155	160	150	(10)	-6.3%
28282 Diamond Ski Aid										
Diamond Peak - Patient Seen	249	329	329	308	246	325	356	290	(66)	-18.5%
28340 Dietary										
Patient Meals	948	883	889	869	864	860	856	861	5	0.6%
Pantry	2,116	1,984	2,210	2,421	2,163	2,200	2,270	2,250	(20)	-0.9%
Non-Patient Meals	0	0	0	0	0	0	0	0	0	0.0%
Dietary IVCH Summary	3,064	2,867	3,099	3,290	3,027	3,060	3,126	3,111	(15)	-0.5%
28560 Admitting										
Registrations	9,984	9,723	9,753	9,314	9,102	9,400	9,290	9,300	10	0.1%
28610 Administration										
Acute Admissions	9	9	9	11	8	10	8	10	2	25.0%
29523 MSC - IM Peds										
IM/Peds Visits	1,785	1,298	1,389	1,641	1,683	1,707	1,624	2,508	884	54.4%
29530 MSC - Orthopedics										
Osgood Visits	0	0	182	361	236	0	0	0	0	0.0%

DEPARTMENTAL VOLUME TRENDS

	2011 Acutal	2012 Acutal	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Annualized	2017 Budget	Variance Inc/(Dec)	% Inc/(Dec)
57770 Physical Therapy <i>PT - TK O/P Procedures</i>	38,921	36,855	38,193	42,712	45,686	43,125	46,844	44,000	(2,844)	-6.1%
57771 Aquatic Therapy <i>PT - Aquatic Visits</i>	3,047	2,831	3,087	1,632	2,611	2,400	2,617	2,600	(17)	-0.6%
57780 Speech Therapy <i>ST - O/P Procedures</i>	133	130	163	440	425	450	470	450	(20)	-4.3%
57790 Occupational Therapy <i>OT - O/P Procedures</i>	3,771	3,520	4,723	5,123	6,948	5,125	6,625	6,215	(410)	-6.2%
57802 Sports Performance Training & Testing <i>TCHSP - Sports Lab</i>	545	7	6	7	742	200	418	400	(18)	-4.3%
58660 Occupational Health Testing <i>TCHSP - Occupational Hlth Testing</i>	1,526	1,067	1,166	1,364	1,257	1,380	1,542	1,300	(242)	-15.7%
58771 Fitness Center <i>TCHSP - Memberships</i>	2,362	2,802	2,546	2,649	2,677	2,600	2,534	2,600	66	2.6%
58775 HP Fitness/Wellness/Massage <i>TCHSP - Fitness/Weight/Nutrition/Other</i>	1,860	2,490	1,773	1,898	2,132	1,780	1,535	1,500	(35)	-2.3%
59194 MSC - Sports Medicine <i>Winans Visits</i>	1,465	1,424	1,408	1,971	2,855	2,150	2,503	2,961	458	18.3%

TAHOE FOREST HOSPITAL DISTRICT
TOTAL FTE SUMMARY - HISTORICAL TREND
BUDGET FY 2017

Dept #	Dept Name	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	BUDGET FY 2016	FYTD 2016	BUDGET FY 2017	BUDGET FY 2017 vs PROJECTED FY 2016	BUDGET FY 2017 vs BUDGET FY 2016
18615	TFH Foundation	1.94	1.76	2.72	3.71	3.03	2.68	1.80	1.82	1.80	-0.02	0.00
28615	IVCH Foundation	0.73	1.00	0.49	0.00	0.00	0.03	0.00	0.04	0.60	0.56	0.60
TOTAL FOUNDATIONS		2.67	2.76	3.21	3.71	3.03	2.71	1.80	1.86	2.40	0.54	0.60
TOTAL VOLUNTEERS		0.36	0.37	0.37	0.45	0.45	0.43	0.45	0.45	0.50	0.05	0.05
TOTAL CENTER OPERATIONS		6.91	6.56	4.24	0.37	0.49	0.56	0.40	0.57	0.40	-0.17	0.00
18010	Tahoe Institute for Rural Health Research	0.00	0.20	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18011	HRSA Grant	0.00	0.00	0.66	1.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18633	Wellness Neighbor	0.00	0.00	0.00	0.16	0.30	1.35	1.75	1.74	5.40	3.66	3.65
18595	Innovation Fund	0.96	0.00	0.00	0.90	0.19	0.00	0.00	0.00	0.00	0.00	0.00
18215	Baldrige/Process Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18216	Magnet Program	0.03	0.04	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18220	Systems Performance	0.04	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INITIATIVE PROGRAMS		1.03	0.28	0.97	2.23	0.49	1.35	1.75	1.74	5.40	3.66	3.65
18492	CPSI Conversion	0.00	0.00	1.54	1.91	0.25	1.98	0.00	0.23	0.00	-0.23	0.00
18493	SOFT Upgrade - In FY2016	0.00	0.00	1.15	2.10	0.21	0.00	2.53	0.60	0.00	-0.60	-2.53
18494	PICIS Upgrade - In FY2016	0.00	0.00	1.50	0.84	0.15	0.00	0.86	0.00	0.00	0.00	-0.86
18495	System Upgrade	0.68	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18465	Measure C	0.00	0.98	0.96	1.00	0.86	0.44	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITALIZED LABOR		0.68	1.05	5.15	5.85	1.47	2.42	3.39	0.83	0.00	-0.83	-3.39
GRAND TOTAL TFHD		480.69	514.42	502.00	561.16	551.75	552.87	562.81	563.97	618.63	54.66	55.82

Meaningful Use Status Update

2015 Meaningful Use

- July, 2015: Successful attestation for MU Stage 1 for both TFH and IVCH.
- 90 day reporting period from April 1, 2015-June 30, 2015.
- Utilized T Systems (ED), CPSI and InteHealth (Patient Portal).
- T Systems allowed the CPOE measure to be met at both facilities.

2016 Meaningful Use (MU becomes a full calendar year attestation)

- ONC Final Rules for MU changed the requirements such that all CAH hospitals no matter what stage they were at in the attestation process would need to meet Stage 2 requirements.
- This changed the CPOE required percentage such that TFH and IVCH could no longer meet the measure using T Systems.
- Would require implementation of CPSI CPOE house wide and in full use by January 2016.
- CPSI CPOE had breaks and safety issues.
- Recommendation of Executive Steering committee, Med Tech Council and Physician Advisory group to continue work toward a new EHR and the RFI process for a new enterprise EHR solution. Decision to hold off on any further CPSI implementations including CPSI CPOE.
- Financial analysis of impact was a decreased reimbursement of Medicare of 0.33%. Calculated estimate of total financial impact was a potential of \$180,000.

2017 Meaningful Use

- Unless new EHR is fully implemented by Jan. 1, 2017 and MU statistics are obtainable to meet all stage 2 criteria, TFH and IVCH will need to apply for a hardship exemption. The deadline for this application is Nov. 30, 2018 for the MU reporting period of Jan. 1 2017-Dec. 31, 2018.
- If hardship exemption is not obtained, the Medicare reimbursement will drop another 0.33%.
- This would be the final reduction and would be corrected with a successful attestation.

CPSI Physician Applications	Column1
Expenses Outstanding when Project Stopped October 2015	
Training and Travel-CPSI staff	6,500.00
Staffing-including physician hours	132,313.00
RX Printers	7,500.00
Sure Scripts	20,000.00
Interfaces for Sure Scripts	36,000.00
WOWs with PC	21,000.00
Total	223,313.00

We had a combined budget for the Point of Care (ICU, MS, OB) and Physician Apps. We extracted what was left after we halted the physician project. Please see spreadsheet attached that is titled Phys Apps Outstanding Expenses.

The total is approximately \$223,133.00

Please note that the decision to halt the project was not cost related but related to the safety of the CPOE product at the time. It was not ready in the CW5 version and that was our only option. Other CPSI hospitals were using the CW4 product but we were locked into CW5. Certain portions of the product were not functioning properly which made it very unsafe. The Physician Advisory Team made the recommendation to not move forward and the project was halted twice. We retested each time and still found serious issues.

In the mean time, the MU rules for all Stage 1 level hospitals changed such that we would have to be ready with CPOE on January 1, 2016 and run for a full calendar year to meet the stats. We would no longer qualify as we had for year 1 using CPOE stats in T Systems.

The decision was made by the Executive Steering Committee and Physician Advisory Team to take the financial penalty hit or apply for possible hardship but not to implement CPOE. We were moving forward with a RFI process at this time for a new EHR vendor.



To: Crystal Betts, CFO
From: Jaye Chasseur, Controller
Date: March 15, 2016

Finance Committee Informational Report
H.I.S. Financial and Supply Chain Management RFP Summary

Request for Proposals (RFP) were emailed in early January 2016 to Oracle, NTT Data, Premier (Aperex), and Infor (formerly Lawson). To date, we have received responses from NTT Data and Premier and are awaiting a possible response from Infor.

Contents of the RFP included:

- Background of Tahoe Forest Hospital District
- Fundamental System Requirements
- Non-Clinical Requirements
- System Requirements for:
 - General Ledger
 - Cost Accounting
 - Budgeting
 - Accounts Payable
 - Supply Chain Management
 - Fixed Assets
- Vendor Questionnaire – Functional and Background Qualifications

Software demonstrations have been scheduled with NTT Data on March 30, 2016 and Premier on March 31, 2016.

The total cost of ownership for five years is being evaluated as well, based on the initial RFP responses.

TO: INTERESTED PARTIES

FROM: GARY HICKS

DATE: MARCH 16, 2016

**RE: TAHOE FOREST HOSPITAL DISTRICT
2016 GENERAL OBLIGATION REFUNDING BONDS
FINANCE SCHEDULE**

The following is a revised finance schedule for the above-referenced issue to assist financing team members in planning for critical dates and events. Please contact me at your earliest convenience should any of the dates indicated present a problem for any interested party.

<u>DATE</u>	<u>TASK TO BE COMPLETED</u>
February 22, 2016 1:00 p.m.	* District Finance Committee meeting – review of bond financing.
February 24, 2016 8:30 a.m.	* District Board meeting - review of bond financing and financial analysis. Review of Initial Resolution.
February 29, 2016	* Request for Proposals sent to underwriters.
March 2, 2016	* Tax and AV data provided by California Municipal Statistics, Inc.
March 4, 2016	* Distribution of initial draft of the Official Statement, Bond Resolution and others (the “Bond Documents”) by Disclosure Counsel & Bond Counsel.
March 9, 2016	* Proposals from underwriters received.
March 10, 2016 10:00 a.m.	* Document review conference call.
March 14, 2016	* Selection of underwriting syndicate.
March 14, 2016	* Selection of remaining finance team members.
March 15, 2016	* Distribute revised Bond Documents.

TAHOE FOREST HOSPITAL DISTRICT
GENERAL OBLIGATION BOND FINANCE SCHEDULE
PAGE 2

March 15, 2016	* Send information (Bond documents, Preliminary Official Statement, updated financial statements, utilization data and financial analysis) to Moody's.
March 21, 2016 1:00 p.m.	Document review conference call.
March 22, 2016 11:00 a.m.	Conference call with Moody's.
March 23, 2016	Deliver Bond Resolution and Preliminary Official Statement to the District for inclusion in Board member packets.
March 28, 2016 8:00 a.m.	Due diligence session at Tahoe Forest Hospital.
March 28, 2016	Discussion with District management. (9:00 a.m. to approx. 10:00 a.m.).
March 28, 2016	Document review conference call. (follows management call, if needed).
March 29, 2016	Secure Bond rating from Moody's.
March 29, 2016 5:00 p.m.	Special District Board meeting – review bond financing process, passage of Bond Resolution, Preliminary Official Statement and other related documents.
March 30, 2016	Rule 15c2-12 certificate executed by the District.
March 30, 2016 12:00 noon	Final comments to Bond Counsel and Disclosure Counsel.
March 30, 2016	Secure consent letter from auditor regarding inclusion of 2015 audit as an appendix to the Preliminary Official Statement.
March 31, 2016	Last day to complete due diligence work.
March 31, 2016	Deliver Preliminary Official Statement to printer.
March 31, 2016	Distribution of Preliminary Official Statement.
April 1, 2016	Pre-marketing of G.O. Bonds.
April 8, 2016 1:00 p.m.	Market update call with underwriting syndicate.

TAHOE FOREST HOSPITAL DISTRICT
GENERAL OBLIGATION BOND FINANCE SCHEDULE
PAGE 3

April 11, 2016 8:00 a.m.	Retail pre-pricing conference call.
April 11, 2016	Order period for retail only orders (from 8:30 a.m. to 2:30 p.m.).
April 12, 2016 8:00 a.m.	Institutional pre-pricing conference call.
April 12, 2016	Order period for retail and institutional orders (from 8:30 a.m. to 10:00 a.m.).
April 12, 2016 11:30 a.m.	Pricing call and sale date. Execute Bond Purchase Contract.
April 13, 2016	District delivers G.O. Bond debt service schedule to County Auditor/Controller's offices.
April 18, 2016	Distribution of final Closing Documents.
April 19, 2016	Final Official Statements printed and delivered to Interested Parties.
April 25, 2016	Bond Documents and certificates sent out for signature.
May 2, 2016	Bond Documents and certificates executed and sent to Bond Counsel.
May 11, 2016 2:00 p.m.	Bond Pre-closing.
May 12, 2016	Bond Closing.
June 15, 2018	Notice of redemption sent by Escrow Agent to redeem the 2010 Bonds
August 1, 2018	Redemption of the 2010 Bonds.

I look forward to working with all those involved with this financing. Should any of the scheduled dates established above for the completion of tasks cause difficulty for any participant, please contact me immediately at (801)-225-0731 to resolve any potential problem areas.

* Task Completed.

FINANCE COMMITTEE

RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING

1. Financial Report – March 2016 Quarterly Packet
2. Quarterly Review Financial Status of Separate Entities
3. Quarterly Review of Revenue Payor Mix
4. TIRHR Expenditure Report
5. 2017 Budget Update
6. Board Education & Updates:
 - a. GO Bond Refinancing Update
 - b. Insurance: Companies, Coverage Types, Coverage Limits
 - c. Cash Investment Options
 - d. Outmigration Strategy

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

1. Monday, April 25, 2016 3 hrs – 9:00am-5:00pm