



TAHOE FOREST HOSPITAL DISTRICT

# 2017-08-22 Board Finance Committee

Tuesday, August 22, 2017 at 9:00am

Tahoe Conference Room - Tahoe Forest Hospital

10054 Pine Avenue, Truckee, CA 96161

# Meeting Book - 2017-08-22 Board Finance Committee

8/22/17 Finance Committee

## AGENDA

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ITEMS 1 - 5: See Agenda

## 6. APPROVAL OF MINUTES

2017-07-25 Board Finance Committee\_DRAFT Minutes.pdf Page 4

## 7. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

### 7.1. Financial Reports

7.1.1. Financial Report - July 2017.pdf Page 9

7.1.2. Truckee Surgery Center May-June 2017  
financials.pdf Page 14

7.2. FY17 Audit Update  
No related materials.

7.3. FY18 Budget Update  
No related materials.

## 8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No related materials.

## 9. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING / 10. NEXT MEETING DATE

9. Items for Next Meeting and 10. Next Meeting Date.pdf Page 22

## 11. ADJOURN



# FINANCE COMMITTEE AGENDA

Tuesday, August 22, 2017 at 9:00 a.m.  
Tahoe Conference Room - Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

**1. CALL TO ORDER**

**2. ROLL CALL**

Dale Chamblin, Chair; Mary Brown, 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. CLOSED SESSION**

**5.1. Approval of Closed Session Minutes: 7/25/2017**

**6. APPROVAL OF MINUTES OF: 7/25/2017 ..... ATTACHMENT**

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

**7.1. Financial Reports**

7.1.1. Financial Report – Preliminary July 2017 ..... ATTACHMENT

7.1.2. Truckee Surgery Center, Inc. – May-June 2017 ..... ATTACHMENT

**7.2. FY17 Audit**

The Finance Committee will receive an update on the status of FY17 audit preparation.

**7.3. FY18 Budget Update**

The Finance Committee will receive an update on the FY18 budget.

**8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

**9. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT**

**10. NEXT MEETING DATE ..... ATTACHMENT**

**11. ADJOURN**

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

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

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

# FINANCE COMMITTEE

## DRAFT MINUTES

Tuesday, July 25, 2017 at 11:00 a.m.  
Eskridge Conference Room - Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA 96161

### 1. CALL TO ORDER

Meeting was called to order at 11:03 a.m.

### 2. ROLL CALL

Board: Dale Chamblin, Chair; Mary Brown, Board Member

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

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

No public comment was received.

### 4. INPUT – AUDIENCE

No changes were made to the agenda.

Open Session recessed at 11:04 a.m.

### 5. CLOSED SESSION

#### 5.1. Report Involving Trade Secrets (Health & Safety Code § 32106)

*Proposed New Program: One (1) item*

*Estimated date of public disclosure: 10/31/2017*

Discussion was held on a privileged item.

Open Session reconvened at 11:52 a.m.

Director Brown returned to the meeting at 11:54 a.m.

### 6. APPROVAL OF MINUTES OF: 6/20/2017

Director Brown inquired about “HELP” referenced in the minutes. CFO clarified HELP is a company used for patient payment plans.

Director Brown moved to approve the June 20, 2017 Board Finance Committee minutes, seconded by Director Chamblin.

### 7. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

#### 7.1. Financial Reports

##### 7.1.1. Financial Report – Preliminary June 2017

CFO highlighted items on the preliminary June financial report.

Days Cash on Hand is 207.1 days.

The District currently has \$79,000,000 in the bank but depending on what expenses look like the cash on hand number may drop.

Days in Accounts Receivable are at 55 days which exceeded target and is better than last year. There was an increase in settlement liability because of our interim Medicare rate review. This will true up when cost report is filed

The District moved \$5,000,000 into its Cash Reserve Fund at LAIF (state pooled investment) that had some interest.

CFO reviewed the June Income Statement.

It was a very busy month. Volumes in almost every department were at or above budget. Revenues were high.

There was a shift in payor mix for June. Medicare payors increased by 2.08% and Commercial decreased by 1.37% compared to budget.

Bad debt is close to budget.

CFO highlighted the year end items that still need to be completed ahead of the audit:

- Need to true up depreciation
- Need final numbers from counties for tax revenue
- Need to true up deferred compensation liability
- Pharmacy inventory which can increase or decrease supply expenses
- Truckee Surgery Center
- Some payroll accrual needs to take place (i.e. true up personal and sick leave)
- Book incentive compensation for management and gain sharing for staff
- Final journal entry for last bond refinancing
- Medicare and Medi-Cal

Auditors will be onsite the last week of August and first week of September. The audit report will be presented October.

CFO noted the FYE 6/30/17 Total TFH Admissions on page 24 was 1,808. Tahoe Forest Hospital was busy and has not seen similar admissions since 2011.

Total TFH ER Visits were 13,850 at FYE 6/30/17, levels not seen since 2008.

June numbers will shift quite a bit once accounting has final numbers.

#### **7.1.2. Quarterly Review – Preliminary FY 17 Financial Status of Separate Entities**

Separate Entities are reported out quarterly.

CFO provided historical background on Home Health and Hospice for Director Brown.

Home Health had a net loss of \$483,917 which is \$320,255 over budget. Hospice had a net income of \$851,495, \$43,768 better than budget.

The Children's Center net operating revenue is \$1,299 under budget which is good. Their net loss is \$21,089. Children's Center Director, Rebekah Shurtleff, operates a tight ship on expenses.

Occupational Health and Health Clinic neutralize each other. Occupational Health was \$295,277 over budget and Health Clinic was \$293,401 better than budget.

CFO gave Director Brown historical background on the retail pharmacy and benefit of the employee drug plan.

Net loss for the Total Separate Business Entities is \$247,637 over budget. The loss is well within what it was last year.

The District has a contract with Agility Health for therapy services. Their adjusted net income was \$1,245,798, \$164,675 better than budget.

CFO walked through the areas that make up the Center for Health and Sports Performance (CHSP). Fitness Center is the retail side and gym for employees using their wellness bank. Occupational Health Testing is retail for wellness screenings (i.e. fire departments, town employees). Center Operations is for rent and insurance at CHSP.

Salaries for Occupational Health Testing were \$188,466 over budget. This will need to be looked at in 2018.

The adjusted net income for Total CHSP was \$105,255 better than budget because of therapy services.

Both Medical Oncology (facility fees) and MSC Medical Oncology (professional fees) for the cancer program are generating losses but are better than budget.

Oncology drugs had a net income of \$11,210,338, \$1,940,978 better than budget. A few patients are on expensive drugs approved by their insurance.

The total cancer program had a net income of \$9,447,921, \$2,478,206 better than budget.

### **7.1.3. Quarterly Review – Payor Mix**

Gross revenue payor mix remained fairly flat. There was a slight increase in Medi-Cal.

The District saw more Medi-Cal payors on the inpatient side, more than budget. The increase is attributed to some OB, ICU care, 5150 and alcohol/drug abuse patients.

Medicare and Commercial payors trended below budget for inpatient.

### **7.1.4. TIRHR Expenditure Report**

TIRHR does not have discretionary spend. CEO must approve every expense.

There is \$383,200 left on the letter of credit.

Director Chamblin inquired when the board will receive an update from TIRHR. An update from TIRHR will get scheduled for the board.

### **7.2. General Obligation (GO) Bond Property Tax Rate Calculation and Resolution**

The Finance Committee reviewed and discussed a board resolution about the GO Bond Property Tax Rate Calculation.

Placer and Nevada counties have a property assessed value growth of 5.80% over 2016-2017. There was a positive trend over the last six years.

The District collected \$300,000 more than what was projected based on assessed values the counties provided.

CFO recommended using more of the reserve to bring the rate per 100,000 down.

The average reserve range is between 7%-10% so when assessed values decline there is something to fall back on.

CFO felt comfortable using 90% of the reserve. It is up to the board to set the rate.

Director Chamblin stated we do not know what is coming down the road and he would like to keep more in reserve.

Calculations are based on two things: debt service payment and assessed values.

There is stability in knowing what the debt schedule is.

### **7.3. FY18 Budget – Rate Increase**

Finance Committee reviewed and discussed a 5% rate increase effective August 1, 2017.

CFO noted it is unusual to be asking for a rate increase without a budget but August 1 is the annual cycle for rate increases. Contracts with insurance companies only allow for an increase once a year.

The District must provide a 30 day notice to the state when there is a change in room rates.

The normal process is tied to factors such as inflation, decreases, wages and bargaining units.

The District also likes to look at what is happening in the market. We compare ourselves to Barton Memorial, Marshall Medical, Plumas District, Eastern Plumas, Mammoth Hospital, Banner Lassen Medical and Sutter Auburn Faith.

In the comparison on page 73, the most recent California data is from 2016 and most recent Nevada data is from 2014.

CFO highlighted inflation estimates for products within each service line, per the Premier Economic Outlook portfolio dated 4/1/17, reflect increases ranging from 0-6.7%. These increases by service line

are as follows: Cardiovascular Services 0%, Clinical Laboratory Services 2.8%, Facilities 3.8%, Imaging 5.6%, IT/Telecommunications 2.6%, Materials Management 3.3%, Nursing 2.9%, Pharmacy 4.69%, Purchased Services 6.7%, and Surgical Services 3.5%.

The amount identified as mission critical in the capital budget is \$22,000,000.

A 5% aggregate increase is recommended. It would not be a 5% increase across the board.

**8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

- Approval of 5% aggregate increase

**9. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**

- Financial Report – Pre-Audit June 2017, with updated year end key indicators
- Updated Pre-Audit June 2017 Separate Entities (if significantly different from July's report)
- Financial Report – Review of FYE 2017 Multi-Specialty Clinics
- Financial Report – Preliminary July 2017
- Audit Update
- Review of Truckee Surgery Center, Inc. – May-June 2017
- Policy Review – Standing Item
- ACA Repeal/Replacement Information – Standing Item
- Budget update

**10. NEXT MEETING DATE**

The next Finance Committee meeting was scheduled for August 22, 2017 at 9:00 a.m.

**11. ADJOURN**

Meeting adjourned at 1:07 p.m.



TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
JULY 2017 - PRELIMINARY

	Jul-17	PRELIMINARY Jun-17	Jul-16	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 9,507,056	\$ 11,748,820	\$ 8,220,836	1
PATIENT ACCOUNTS RECEIVABLE - NET	17,877,058	18,473,456	18,901,452	2
OTHER RECEIVABLES	4,420,998	4,045,416	4,594,098	
GO BOND RECEIVABLES	575,119	252,615	(285,433)	
ASSETS LIMITED OR RESTRICTED	6,511,823	6,430,605	6,344,728	
INVENTORIES	2,983,540	2,989,296	2,690,052	
PREPAID EXPENSES & DEPOSITS	2,206,022	1,455,988	1,796,229	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	599,582	599,582	4,732,808	
<b>TOTAL CURRENT ASSETS</b>	<b>44,681,198</b>	<b>45,995,777</b>	<b>46,994,770</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	61,374,995	61,244,140	55,958,822	1
BANC OF AMERICA MUNICIPAL LEASE	246,537	246,537	981,619	
TOTAL BOND TRUSTEE 2002	3	3	3	
TOTAL BOND TRUSTEE 2015	136,569	1,316,800	222,350	3
GO BOND PROJECT FUND	1	1	922,601	
GO BOND TAX REVENUE FUND	1,218,968	3,976,560	1,130,156	4
DIAGNOSTIC IMAGING FUND	3,186	3,179	3,164	
DONOR RESTRICTED FUND	1,148,504	1,146,114	1,140,621	
WORKERS COMPENSATION FUND	18,490	7,237	25,591	
TOTAL	64,147,253	67,940,570	60,384,927	
LESS CURRENT PORTION	(6,511,823)	(6,430,605)	(6,344,728)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	57,635,430	61,509,966	54,040,199	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	(301,864)	(301,864)	43,372	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	130,650,773	130,828,393	128,606,625	
GO BOND CIP, PROPERTY & EQUIPMENT NET	33,478,696	33,438,822	29,763,818	
<b>TOTAL ASSETS</b>	<b>266,980,586</b>	<b>272,307,446</b>	<b>260,285,137</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	501,018	504,250	539,807	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,548,299	1,548,299	2,281,527	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	6,243,839	6,267,544	6,528,295	
GO BOND DEFERRED FINANCING COSTS	489,367	491,302	512,582	
DEFERRED FINANCING COSTS	198,693	199,733	211,176	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 8,981,216</b>	<b>\$ 9,011,128</b>	<b>\$ 10,073,387</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 3,959,731	\$ 6,105,342	\$ 6,953,649	5
ACCRUED PAYROLL & RELATED COSTS	9,007,773	8,329,052	8,824,000	6
INTEREST PAYABLE	112,212	415,333	116,078	7
INTEREST PAYABLE GO BOND	(2,087)	1,553,417	-	8
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	161,414	976,749	49,474	9
HEALTH INSURANCE PLAN	1,211,751	1,211,751	1,307,731	
WORKERS COMPENSATION PLAN	1,703,225	1,703,225	1,120,980	
COMPREHENSIVE LIABILITY INSURANCE PLAN	858,290	858,290	751,298	
CURRENT MATURITIES OF GO BOND DEBT	1,145,000	1,260,000	1,260,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	1,286,563	1,953,186	2,379,095	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,443,871</b>	<b>24,366,343</b>	<b>22,762,306</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	26,948,680	27,249,400	28,341,823	
GO BOND DEBT NET OF CURRENT MATURITIES	102,468,764	103,342,185	103,489,812	11
DERIVATIVE INSTRUMENT LIABILITY	1,548,299	1,548,299	2,281,527	
<b>TOTAL LIABILITIES</b>	<b>150,409,614</b>	<b>156,506,227</b>	<b>156,875,468</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS	124,403,684	123,666,233	112,343,214	
RESTRICTED	1,148,504	1,146,114	1,139,843	
<b>TOTAL NET POSITION</b>	<b>\$ 125,552,188</b>	<b>\$ 124,812,347</b>	<b>\$ 113,483,057</b>	

\* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
JULY 2017 - PRELIMINARY

1. Working Capital is at 26.6 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 198.3 days compared to Preliminary June 2017 Days Cash on Hand at 198.5. Working Capital cash decreased a net \$2,242,000. Accounts Payable decreased \$2,146,000 (See Note 5), Accrued Payroll & Related Costs increased \$679,000 (See Note 6), and cash collections fell short of budget by 4%.
2. Net Patient Accounts Receivable decreased approximately \$596,000. Cash collections were 96% of target. Days in Accounts Receivable are at 51.6 days compared to prior months 55.0 days, a 3.40 days decrease.
3. Total Bond Trustee 2015 decreased \$1,180,000 after remitting the principal and interest payments due.
4. GO Bond Tax Revenue Fund decreased \$2,758,000 after remitting the principal and interest payments on the GO Bond Series A, B, and C.
5. Accounts Payable decreased \$2,146,000 due to the timing of the final check run in the month.
6. Accrued Payroll & Related Costs increased \$679,000 as a result of three additional accrued payroll days at the close of July.
7. Interest Payable decreased a net \$303,000 after remitting the interest payment due on the 2015 Revenue Bond.
8. Interest Payable GO Bond decreased a net \$1,556,000 after remitting the interest payments due on the GO Bond Series A, B, and C.
9. Estimated Settlements, Medi-Cal and Medicare decreased a net \$815,000 after remitting an amount due to Medicare for Tahoe Forest Hospital and Incline Village Community Hospital based on interim rate reviews.
10. Current Maturities of Other Long Term Debt decreased \$667,000 after remitting the principal payment due on the 2015 Revenue Bond.
11. GO Bond Debt Net of Current Maturities decreased \$873,000 after remitting the principal payments due on the GO Bond Series A, B, and C.

**Tahoe Forest Hospital District  
Cash Investment  
July 2017**

<b>WORKING CAPITAL</b>			
US Bank	\$	8,237,773	
US Bank/Kings Beach Thrift Store		44,052	
US Bank/Truckee Thrift Store		107,587	
US Bank/Payroll Clearing		116,921	
Umpqua Bank		<u>1,000,723</u>	
Total			\$ 9,507,056
 <b>BOARD DESIGNATED FUNDS</b>			
US Bank Savings	\$	-	0.03%
Capital Equipment Fund		<u>-</u>	
Total			\$ -
Building Fund	\$	-	
Cash Reserve Fund		<u>61,374,995</u>	1.05%
Local Agency Investment Fund			\$ 61,374,995
Banc of America Muni Lease			\$ 246,537
Bonds Cash 2002			\$ -
Bonds Cash 2002			\$ 3
Bonds Cash 2015			\$ 136,569
Bonds Cash 2008			\$ 1,218,969
DX Imaging Education	\$	3,186	0.00%
Workers Comp Fund - B of A		18,490	
Insurance			
Health Insurance LAIF		-	0.00%
Comprehensive Liability Insurance LAIF		<u>-</u>	0.00%
Total			<u>\$ 21,676</u>
<b>TOTAL FUNDS</b>			<b>\$ 72,505,806</b>
 <b>RESTRICTED FUNDS</b>			
Gift Fund			
US Bank Money Market	\$	8,363	0.03%
Foundation Restricted Donations	\$	98,331	
Local Agency Investment Fund		<u>1,041,810</u>	0.00%
<b>TOTAL RESTRICTED FUNDS</b>			<b><u>\$ 1,148,504</u></b>
<b>TOTAL ALL FUNDS</b>			<b><u>\$ 73,654,309</u></b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
JULY 2017 - PRELIMINARY

CURRENT MONTH				YEAR TO DATE				PRELIMINARY
ACTUAL	JULY 2016	VAR\$	VAR%	ACTUAL FY18	ACTUAL FY17	VAR\$	VAR%	FYE JUNE 2017
<b>OPERATING REVENUE</b>								
\$ 22,449,704	\$ 20,495,464	\$ 1,954,240	9.5%	\$ 22,449,704	\$ 20,495,464	\$ 1,954,240	9.5%	1 \$ 252,471,669
Total Gross Revenue								
Gross Revenues - Inpatient								
\$ 1,918,858	\$ 2,060,711	\$ (141,853)	-6.9%	\$ 1,918,858	\$ 2,060,711	\$ (141,853)	-6.9%	\$ 23,458,129
3,507,233	3,507,524	(291)	0.0%	3,507,233	3,507,524	(291)	0.0%	48,242,736
5,426,090	5,568,234	(142,144)	-2.6%	5,426,090	5,568,234	(142,144)	-2.6%	1 71,700,865
Total Gross Revenue - Inpatient								
17,023,613	14,927,229	2,096,384	14.0%	17,023,613	14,927,229	2,096,384	14.0%	180,770,804
17,023,613	14,927,229	2,096,384	14.0%	17,023,613	14,927,229	2,096,384	14.0%	1 180,770,804
Total Gross Revenue - Outpatient								
Deductions from Revenue:								
9,775,411	7,911,085	(1,864,326)	-23.6%	9,775,411	7,911,085	(1,864,326)	-23.6%	2 108,121,338
783,595	595,595	(188,000)	-31.6%	783,595	595,595	(188,000)	-31.6%	2 7,615,675
49,831	-	(49,831)	0.0%	49,831	-	(49,831)	0.0%	2 287,548
227,572	(155,113)	(382,684)	-246.7%	227,572	(155,113)	(382,684)	-246.7%	2 (1,486,529)
(11,446)	(131)	11,315	8637.4%	(11,446)	(131)	11,315	8637.4%	2 (928,442)
10,824,964	8,351,437	(2,473,527)	-29.6%	10,824,964	8,351,437	(2,473,527)	-29.6%	113,609,590
Total Deductions from Revenue								
56,957	54,479	2,479	4.6%	56,957	54,479	2,479	4.6%	761,283
504,186	852,572	(348,386)	-40.9%	504,186	852,572	(348,386)	-40.9%	3 8,759,732
Property Tax Revenue- Wellness Neighborhood								
Other Operating Revenue								
12,185,883	13,051,078	(865,195)	-6.6%	12,185,883	13,051,078	(865,195)	-6.6%	148,383,094
<b>TOTAL OPERATING REVENUE</b>								
<b>OPERATING EXPENSES</b>								
4,167,656	3,967,670	(199,986)	-5.0%	4,167,656	3,967,670	(199,986)	-5.0%	4 46,873,882
1,391,744	1,323,794	(67,950)	-5.1%	1,391,744	1,323,794	(67,950)	-5.1%	4 16,012,632
47,151	46,324	(826)	-1.8%	47,151	46,324	(826)	-1.8%	4 1,243,957
1,045,812	606,618	(439,195)	-72.4%	1,045,812	606,618	(439,195)	-72.4%	4 6,783,000
1,499,547	1,835,102	335,555	18.3%	1,499,547	1,835,102	335,555	18.3%	5 22,586,783
1,473,444	1,521,323	47,879	3.1%	1,473,444	1,521,323	47,879	3.1%	6 19,426,535
811,695	935,182	123,487	13.2%	811,695	935,182	123,487	13.2%	7 12,813,473
551,383	378,020	(173,362)	-45.9%	551,383	378,020	(173,362)	-45.9%	8 7,243,372
10,988,431	10,614,033	(374,398)	-3.5%	10,988,431	10,614,033	(374,398)	-3.5%	132,983,633
<b>TOTAL OPERATING EXPENSE</b>								
<b>1,197,452</b>	<b>2,437,045</b>	<b>(1,239,593)</b>	<b>-50.9%</b>	<b>1,197,452</b>	<b>2,437,045</b>	<b>(1,239,593)</b>	<b>-50.9%</b>	<b>15,399,460</b>
<b>NET OPERATING REVENUE (EXPENSE) EBIDA</b>								
<b>NON-OPERATING REVENUE/(EXPENSE)</b>								
449,543	452,021	(2,479)	-0.5%	449,543	452,021	(2,479)	-0.5%	9 6,553,848
404,013	391,933	12,079	3.1%	404,013	391,933	12,079	3.1%	5,561,486
70,972	44,901	26,071	58.1%	70,972	44,901	26,071	58.1%	10 615,373
-	5	(5)	-100.0%	-	5	(5)	-100.0%	363
-	18,712	(18,712)	-100.0%	-	18,712	(18,712)	-100.0%	11 603,614
-	-	-	0.0%	-	-	-	0.0%	12 (345,235)
-	-	-	0.0%	-	-	-	0.0%	12 -
-	-	-	0.0%	-	-	-	0.0%	13 -
-	-	-	0.0%	-	-	-	0.0%	14 -
(967,356)	(967,356)	-	0.0%	(967,356)	(967,356)	-	0.0%	15 (11,135,341)
(93,967)	(101,002)	7,035	7.0%	(93,967)	(101,002)	7,035	7.0%	16 (1,246,889)
(320,815)	(318,481)	(2,333)	-0.7%	(320,815)	(318,481)	(2,333)	-0.7%	(2,719,610)
(457,611)	(479,267)	21,656	4.5%	(457,611)	(479,267)	21,656	4.5%	(2,112,392)
<b>TOTAL NON-OPERATING REVENUE/(EXPENSE)</b>								
<b>\$ 739,841</b>	<b>\$ 1,957,778</b>	<b>\$ (1,217,937)</b>	<b>-62.2%</b>	<b>\$ 739,841</b>	<b>\$ 1,957,778</b>	<b>\$ (1,217,937)</b>	<b>-62.2%</b>	<b>\$ 13,287,069</b>
<b>5.3%</b>	<b>11.9%</b>	<b>-6.6%</b>	<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>5.3%</b>	<b>11.9%</b>	<b>-6.6%</b>	<b>6.1%</b>	

INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
JULY 2017 - PRELIMINARY

CURRENT MONTH				YEAR TO DATE				PRELIMINARY
ACTUAL	JULY 2016	VAR\$	VAR%	ACTUAL	JULY 2016	VAR\$	VAR%	FYE JUNE 2017
				<b>OPERATING REVENUE</b>				
\$ 1,979,189	\$ 1,774,146	\$ 205,043	11.6%	\$ 1,979,189	\$ 1,774,146	\$ 205,043	11.6%	1 \$ 18,325,851
				<b>Gross Revenues - Inpatient</b>				
\$ -	\$ 3,065	\$ (3,065)	-100.0%	\$ -	\$ 3,065	\$ (3,065)	-100.0%	\$ 32,328
103	19,089	(18,986)	-99.5%	103	19,089	(18,986)	-99.5%	44,416
103	22,154	(22,051)	-99.5%	103	22,154	(22,051)	-99.5%	1 76,744
1,979,086	1,751,992	227,093	13.0%	1,979,086	1,751,992	227,093	13.0%	18,249,107
1,979,086	1,751,992	227,093	13.0%	1,979,086	1,751,992	227,093	13.0%	1 18,249,107
				<b>Deductions from Revenue:</b>				
660,008	572,454	(87,554)	-15.3%	660,008	572,454	(87,554)	-15.3%	2 6,570,110
66,822	59,505	(7,317)	-12.3%	66,822	59,505	(7,317)	-12.3%	2 618,066
5,619	-	(5,619)	0.0%	5,619	-	(5,619)	0.0%	2 49,786
61,515	28,202	(33,313)	-118.1%	61,515	28,202	(33,313)	-118.1%	2 720,777
	-	-	0.0%		-	-	0.0%	2 (22,833)
793,964	660,161	(133,803)	-20.3%	793,964	660,161	(133,803)	-20.3%	2 7,935,906
74,041	72,068	1,973	2.7%	74,041	72,068	1,973	2.7%	3 940,954
1,259,266	1,186,053	73,213	6.2%	1,259,266	1,186,053	73,213	6.2%	11,330,899
				<b>OPERATING EXPENSES</b>				
313,208	315,421	2,212	0.7%	313,208	315,421	2,212	0.7%	4 3,193,968
90,225	97,153	6,928	7.1%	90,225	97,153	6,928	7.1%	4 1,212,950
2,357	2,465	108	4.4%	2,357	2,465	108	4.4%	4 23,991
67,080	41,099	(25,981)	-63.2%	67,080	41,099	(25,981)	-63.2%	4 429,566
216,831	243,302	26,472	10.9%	216,831	243,302	26,472	10.9%	5 2,851,583
46,278	60,205	13,927	23.1%	46,278	60,205	13,927	23.1%	6 754,012
36,568	37,965	1,396	3.7%	36,568	37,965	1,396	3.7%	7 594,519
53,465	38,356	(15,109)	-39.4%	53,465	38,356	(15,109)	-39.4%	8 665,819
826,012	835,966	9,954	1.2%	826,012	835,966	9,954	1.2%	9,726,407
<b>433,254</b>	<b>350,087</b>	<b>83,167</b>	<b>23.8%</b>	<b>433,254</b>	<b>350,087</b>	<b>83,167</b>	<b>23.8%</b>	<b>1,604,492</b>
				<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
-	3,858	(3,858)	-100.0%	-	3,858	(3,858)	-100.0%	9 214,399
-	-	-	0.0%	-	-	-	0.0%	10 -
(64,277)	(64,277)	-	0.0%	(64,277)	(64,277)	-	0.0%	11 (716,710)
(64,277)	(60,419)	(3,858)	-6.4%	(64,277)	(60,419)	(3,858)	-6.4%	(502,311)
<b>\$ 368,977</b>	<b>\$ 289,668</b>	<b>\$ 79,309</b>	<b>27.4%</b>	<b>\$ 368,977</b>	<b>\$ 289,668</b>	<b>\$ 79,309</b>	<b>27.4%</b>	<b>\$ 1,102,181</b>
<b>21.9%</b>	<b>19.7%</b>	<b>2.2%</b>	<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>21.9%</b>	<b>19.7%</b>	<b>2.2%</b>	<b>11.3%</b>	

Truckee Surgery Center LLC  
**Balance Sheet**  
As of May 31, 2017

	May 31, 17	Apr 30, 17
<b>ASSETS</b>		
<b>Current Assets</b>		
Checking/Savings		
Bank of the West	168,919.16	186,018.91
Petty Cash	209.11	212.22
Total Checking/Savings	169,128.27	186,231.13
<b>Accounts Receivable</b>		
Accounts Receivable		
Allowance for Doubtful Accounts	-53,301.19	-50,018.93
Accounts Receivable - Other	347,963.65	333,569.98
Total Accounts Receivable	294,662.46	283,551.05
Total Accounts Receivable	294,662.46	283,551.05
<b>Other Current Assets</b>		
Prepaid Expense		
Franchise Tax Prepaid	466.65	533.32
Gen & Prof Liability Ins	6,789.02	7,920.52
Preventative Maint	9,586.70	10,321.00
Property Insurance	1,004.02	1,171.35
Worker's Comp	623.49	1,246.90
Total Prepaid Expense	18,469.88	21,193.09
Total Other Current Assets	18,469.88	21,193.09
<b>Total Current Assets</b>	<b>482,260.61</b>	<b>490,975.27</b>
<b>Fixed Assets</b>		
Furniture & Fixtures	14,087.00	14,087.00
Instruments	27,805.38	27,805.38
Leasehold Improvements	853,418.00	853,418.00
Machinery & Equipment	87,129.12	87,129.12
Surgical & Medical Equipment	215,098.69	215,098.69
Accumulated Depreciation	-391,252.81	-391,252.81
Goodwill	3,914,333.00	3,914,333.00
Accumulated Amortization	-1,565,734.51	-1,565,734.51
Total Fixed Assets	3,154,883.87	3,154,883.87
<b>Other Assets</b>		
Rent Deposit	20,256.00	20,256.00
Total Other Assets	20,256.00	20,256.00
<b>TOTAL ASSETS</b>	<b>3,657,400.48</b>	<b>3,666,115.14</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		
Accounts Payable	22,552.18	63,690.20
Total Accounts Payable	22,552.18	63,690.20
<b>Credit Cards</b>		
BankCard 0253	0.00	2,545.43
Total Credit Cards	0.00	2,545.43

Truckee Surgery Center LLC  
**Balance Sheet**  
As of May 31, 2017

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	May 31, 17	Apr 30, 17
<b>Other Current Liabilities</b>		
Franchise Tax Payable	2,500.00	2,000.00
Property Taxes Payable	4,432.50	3,546.00
Billing Fee Due	9,330.37	8,579.45
Compensated Absences	37,873.84	39,878.06
Payroll Liabilities	78.76	537.80
<b>Total Other Current Liabilities</b>	<b>54,215.47</b>	<b>54,541.31</b>
<b>Total Current Liabilities</b>	<b>76,767.65</b>	<b>120,776.94</b>
<b>Total Liabilities</b>	<b>76,767.65</b>	<b>120,776.94</b>
<b>Equity</b>		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	2,986,307.79	2,986,307.79
<b>Total Tahoe Forest Hospital</b>	<b>2,986,307.79</b>	<b>2,986,307.79</b>
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	604,650.70	604,650.70
<b>Total Truckee Surgery Center Inc</b>	<b>604,650.70</b>	<b>604,650.70</b>
<b>Net Income</b>	<b>-10,325.66</b>	<b>-45,620.29</b>
<b>Total Equity</b>	<b>3,580,632.83</b>	<b>3,545,338.20</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>3,657,400.48</u></b>	<b><u>3,666,115.14</u></b>

**Truckee Surgery Center LLC**  
**Profit & Loss YTD Comparison**  
 May 2017

	May 17	Jan - May 17
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>Patient Revenue</b>		
Private Pay	5,600.00	6,127.00
Medbridge	164,236.61	706,298.24
Medical Record Copy Fee	0.00	15.00
Patient Revenue - Other	0.00	120.00
<b>Total Patient Revenue</b>	169,836.61	712,560.24
<b>Refunds</b>		
Patient Refund	0.00	-1,194.85
<b>Total Refunds</b>	0.00	-1,194.85
<b>Total Income</b>	169,836.61	711,365.39
<b>Gross Profit</b>	169,836.61	711,365.39
<b>Expense</b>		
<b>Billing Service</b>	8,077.51	35,155.05
<b>General Office</b>		
Dues and Subscriptions	396.86	1,414.85
Office Supplies	383.76	814.68
Postage and Delivery	148.88	290.51
Printing and Reproduction	392.01	1,845.01
<b>Total General Office</b>	1,321.51	4,365.05
<b>Liability Gen'l, Prof Insurance</b>	1,131.50	6,062.50
<b>Property Insurance Expense</b>	167.33	836.65
<b>Licenses and Permits</b>	0.00	888.00
<b>Linen</b>	1,931.36	8,594.30
<b>Medical Supplies Total</b>		
Gas Medical	723.90	2,574.91
Implants	23,116.04	142,391.39
Instrument Expense	2,544.97	7,832.45
Medical Supplies	10,544.95	64,696.65
Pharmacy	3,651.67	15,001.87
Patient Nutrition	258.71	854.62
Medical Supplies Total - Other	-981.35	0.00
<b>Total Medical Supplies Total</b>	39,858.89	233,351.89
<b>Other Expenses</b>		
Bank Charges	44.15	208.75
Cleaning Supplies	283.99	1,226.84
Educational	200.00	538.63
Equipment Rental/Lease	262.84	4,336.35
Merchant Fees	69.70	588.69
Miscellaneous	3.11	-126.79
Travel	-200.00	0.00
<b>Total Other Expenses</b>	663.79	6,772.47
<b>Payroll Expenses</b>		
<b>Health Insurance Total</b>		
Health	8,021.42	39,195.45
Dental	690.63	3,453.15
Vision	132.50	662.50
HSA	0.00	0.00
<b>Total Health Insurance Total</b>	8,844.55	43,311.10



**Truckee Surgery Center LLC**  
**Profit & Loss YTD Comparison**  
**May 2017**

	May 17	Jan - May 17
Employee Benefit	535.16	1,121.18
Payroll Taxes	3,300.58	19,829.65
Retirement Contribution	741.67	3,776.53
Wages	38,914.95	209,205.15
Work Comp	623.41	3,117.05
Payroll Expenses - Other	59.50	273.00
<b>Total Payroll Expenses</b>	<b>53,019.82</b>	<b>280,633.66</b>
<b>Professional Fees</b>		
Accounting	0.00	2,950.00
Consulting	500.00	3,545.00
Pension Fees	0.00	100.00
Transcription Services	252.23	1,454.59
<b>Total Professional Fees</b>	<b>752.23</b>	<b>8,049.59</b>
<b>Rent &amp; CAM</b>	<b>13,065.12</b>	<b>65,325.60</b>
<b>Repairs</b>		
Building/Equipment Repairs	3,004.96	15,216.18
Instrument Refurbishing	0.00	3,353.50
Instrument Repairs	1,497.89	3,140.37
Maintenance-Preventative	3,409.30	13,808.56
Repairs - Other	787.00	787.00
<b>Total Repairs</b>	<b>8,699.15</b>	<b>36,305.61</b>
<b>Taxes</b>		
Property	2,284.16	11,420.80
State	566.67	2,833.35
Taxes - Other	0.00	-28.80
<b>Total Taxes</b>	<b>2,850.83</b>	<b>14,225.35</b>
<b>Utilities</b>		
Alarm Monitor	0.00	362.25
Cable	79.24	396.20
Gas and Electric	2,349.54	16,346.33
Medical Waste	115.56	651.48
Sewer	0.00	1,153.62
Telephone	458.60	2,290.45
<b>Total Utilities</b>	<b>3,002.94</b>	<b>21,200.33</b>
<b>Total Expense</b>	<b>134,541.98</b>	<b>721,766.05</b>
<b>Net Ordinary Income</b>	<b>35,294.63</b>	<b>-10,400.66</b>
<b>Other Income/Expense</b>		
Other Income		
Other Income	0.00	75.00
<b>Total Other Income</b>	<b>0.00</b>	<b>75.00</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>75.00</b>
<b>Net Income</b>	<b>35,294.63</b>	<b>-10,325.66</b>

**Truckee Surgery Center LLC**  
**Profit & Loss YTD Comparison**  
**June 2017**

	Jun 17	Jan - Jun 17
Ordinary Income/Expense		
Income		
Patient Revenue		
Private Pay	0.00	6,127.00
Medbridge	71,115.37	777,413.61
Medical Record Copy Fee	0.00	15.00
Patient Revenue - Other	0.00	120.00
Total Patient Revenue	71,115.37	783,675.61
Refunds		
Patient Refund	0.00	-1,194.85
Total Refunds	0.00	-1,194.85
Total Income	71,115.37	782,480.76
Gross Profit	71,115.37	782,480.76
Expense		
Billing Service	3,513.89	38,668.94
General Office		
Dues and Subscriptions	559.00	1,973.85
Office Supplies	475.02	1,289.70
Postage and Delivery	72.29	362.80
Printing and Reproduction	0.00	1,845.01
Total General Office	1,106.31	5,471.36
Liability Gen'l, Prof Insurance	1,131.50	7,194.00
Property Insurance Expense	167.33	1,003.98
Licenses and Permits	80.00	968.00
Linen	0.00	8,594.30
Medical Supplies Total		
Gas Medical	276.27	2,851.18
Implants	27,201.49	169,592.88
Instrument Expense	1,447.01	9,279.46
Medical Supplies	6,129.92	70,826.57
Pharmacy	2,096.14	17,098.01
Patient Nutrition	143.44	998.06
Medical Supplies Total - Other	0.00	0.00
Total Medical Supplies Total	37,294.27	270,646.16
Other Expenses		
Bank Charges	65.90	274.65
Cleaning Supplies	0.00	1,226.84
Educational	1,100.00	1,638.63
Equipment Rental/Lease	252.34	4,588.69
Interest Expense	18.89	18.89
Merchant Fees	175.06	763.75
Miscellaneous	0.00	-126.79
Travel	0.00	0.00
Total Other Expenses	1,612.19	8,384.66
Payroll Expenses		
Health Insurance Total		
Health	5,358.52	44,553.97
Dental	348.78	3,801.93
Vision	132.50	795.00
HSA	0.00	0.00
Total Health Insurance Total	5,839.80	49,150.90

**Truckee Surgery Center LLC**  
**Profit & Loss YTD Comparison**  
**June 2017**

	Jun 17	Jan - Jun 17
Employee Benefit	360.38	1,481.56
Payroll Taxes	3,066.47	22,896.12
Retirement Contribution	636.70	4,413.23
Wages	38,609.00	247,814.15
Work Comp	623.41	3,740.46
Payroll Expenses - Other	57.75	330.75
<b>Total Payroll Expenses</b>	<b>49,193.51</b>	<b>329,827.17</b>
Professional Fees		
Accounting	1,645.00	4,595.00
Consulting	100.00	3,645.00
Pension Fees	0.00	100.00
Transcription Services	262.05	1,716.64
<b>Total Professional Fees</b>	<b>2,007.05</b>	<b>10,056.64</b>
Rent & CAM	13,065.12	78,390.72
Repairs		
Building/Equipment Repairs	722.57	15,938.75
Instrument Refurbishing	0.00	3,353.50
Instrument Repairs	0.00	3,140.37
Maintenance-Preventative	6,907.55	20,716.11
Repairs - Other	0.00	787.00
<b>Total Repairs</b>	<b>7,630.12</b>	<b>43,935.73</b>
Taxes		
Property	2,284.16	13,704.96
State	566.67	3,400.02
Taxes - Other	381.88	353.08
<b>Total Taxes</b>	<b>3,232.71</b>	<b>17,458.06</b>
Utilities		
Alarm Monitor	72.45	434.70
Cable	79.25	475.45
Gas and Electric	1,895.88	18,242.21
Medical Waste	79.92	731.40
Sewer	0.00	1,153.62
Telephone	462.94	2,753.39
<b>Total Utilities</b>	<b>2,590.44</b>	<b>23,790.77</b>
<b>Total Expense</b>	<b>122,624.44</b>	<b>844,390.49</b>
<b>Net Ordinary Income</b>	<b>-51,509.07</b>	<b>-61,909.73</b>
Other Income/Expense		
Other Income		
Other Income	0.00	75.00
<b>Total Other Income</b>	<b>0.00</b>	<b>75.00</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>75.00</b>
<b>Net Income</b>	<b>-51,509.07</b>	<b>-61,834.73</b>

## Truckee Surgery Center LLC

## Balance Sheet

As of June 30, 2017

07/12/17

Accrual Basis

	Jun 30, 17	May 31, 17
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
Bank of the West	175,161.05	168,919.16
Petty Cash	180.76	209.11
Total Checking/Savings	175,341.81	169,128.27
Accounts Receivable		
Accounts Receivable		
Allowance for Doubtful Accounts	-52,463.69	-53,301.19
Accounts Receivable - Other	283,311.71	347,963.65
Total Accounts Receivable	230,848.02	294,662.46
Total Accounts Receivable	230,848.02	294,662.46
Other Current Assets		
Prepaid Expense		
Franchise Tax Prepaid	3,399.98	466.65
Gen & Prof Liability Ins	5,657.52	6,789.02
Preventative Maint	7,098.65	9,586.70
Property Insurance	836.69	1,004.02
Worker's Comp	0.08	623.49
Total Prepaid Expense	16,992.92	18,469.88
Total Other Current Assets	16,992.92	18,469.88
Total Current Assets	423,182.75	482,260.61
Fixed Assets		
Furniture & Fixtures	14,087.00	14,087.00
Instruments	27,805.38	27,805.38
Leasehold Improvements	853,418.00	853,418.00
Machinery & Equipment	87,129.12	87,129.12
Surgical & Medical Equipment	215,098.69	215,098.69
Accumulated Depreciation	-391,252.81	-391,252.81
Goodwill	3,914,333.00	3,914,333.00
Accumulated Amortization	-1,565,734.51	-1,565,734.51
Total Fixed Assets	3,154,883.87	3,154,883.87
Other Assets		
Rent Deposit	20,256.00	20,256.00
Total Other Assets	20,256.00	20,256.00
<b>TOTAL ASSETS</b>	<b>3,598,322.62</b>	<b>3,657,400.48</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	17,147.55	22,552.18
Total Accounts Payable	17,147.55	22,552.18
Credit Cards		
BankCard 0253	1,138.33	0.00
Total Credit Cards	1,138.33	0.00

## Truckee Surgery Center LLC

## Balance Sheet

As of June 30, 2017

07/12/17

Accrual Basis

	Jun 30, 17	May 31, 17
Other Current Liabilities		
Franchise Tax Payable	0.00	2,500.00
Property Taxes Payable	5,319.00	4,432.50
Billing Fee Due	6,409.55	9,330.37
Compensated Absences	39,022.67	37,873.84
Payroll Liabilities	161.76	78.76
Total Other Current Liabilities	50,912.98	54,215.47
Total Current Liabilities	69,198.86	76,767.65
Total Liabilities	69,198.86	76,767.65
Equity		
Tahoe Forest Hospital		
Tahoe Forest Hospital Equity	2,986,307.79	2,986,307.79
Total Tahoe Forest Hospital	2,986,307.79	2,986,307.79
Truckee Surgery Center Inc		
Truckee Surgery Cntr Inc Equity	604,650.70	604,650.70
Total Truckee Surgery Center Inc	604,650.70	604,650.70
Net Income	-61,834.73	-10,325.66
Total Equity	3,529,123.76	3,580,632.83
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,598,322.62</b>	<b>3,657,400.48</b>

**FINANCE COMMITTEE**

**RECOMMENDED AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING**

1. Financial Report – Pre-Audit June 2017, with updated year end key indicators
2. Updated Pre-Audit June 2017 Separate Entities (if significantly different from last reporting)
3. Financial Report – Review of FYE 2017 Multi-Specialty Clinics
4. Financial Report – Preliminary August 2017
5. Audit Update
6. Policy Review – Standing Item
7. ACA Repeal/Replacement Information – Standing Item

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

1. Dates for September 2017 Finance Committee Meeting
  - a. Tuesday, September 26, 2017                      2 hrs – 11am-4pm
  - b. Monday, September 25, 2017                      2 hrs – 9am-12pm, or 1-4pm