



TAHOE FOREST HOSPITAL DISTRICT

# 2018-03-08 Board Finance Committee

Thursday, March 8, 2018 at 9:00am

Tahoe Conference Room - Tahoe Forest Hospital

10054 Pine Avenue, Truckee, CA 96161

# Meeting Book - 2018-03-08 Board Finance Committee

3/8/18 Finance Committee

## AGENDA

2018-03-08 Board Finance Committee\_FINAL Agenda.pdf Page 3

ITEMS 1 - 4: See Agenda

### 5. APPROVAL OF MINUTES

2018-02-20 Board Finance Committee\_DRAFT Minutes.pdf Page 4

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

#### 6.1. Financial Reports

6.1.1. Financial Packet - January 2018.pdf Page 7

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

No related materials.

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

No related materials.

### 10. ADJOURN



# FINANCE COMMITTEE AGENDA

Thursday, March 08, 2018 at 9:00 a.m.  
Tahoe Conference Room - Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**
2. **ROLL CALL**  
Chuck Zipkin, M.D., 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. **APPROVAL OF MINUTES OF: 02/20/2018 ..... ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
  - 6.1. **Financial Reports**
    - 6.1.1. Financial Report – January 2018..... ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**
9. **NEXT MEETING DATE**
10. **ADJOURN**

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

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

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

# FINANCE COMMITTEE

## DRAFT MINUTES

Tuesday, February 20, 2018 at 3:00 p.m.  
Tahoe Conference Room - Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

### 1. CALL TO ORDER

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

### 2. ROLL CALL

Board: Chuck Zipkin, M.D., Chair; Mary Brown, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Judy Newland, Chief Operating Officer; Jaye Chasseur, Controller; Jeremy Bennett, Director of Revenue Cycle; Martina Rochefort, Clerk of the Board

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

No changes were made to the agenda.

### 4. INPUT – AUDIENCE

No public comment was received.

### 5. APPROVAL OF MINUTES OF: 10/25/2017

Director Zipkin asked questions about the definition of Intergovernmental Transfers (IGTs) and Truckee Surgery Center good will referenced in the minutes.

**Director Brown moved to approve the Finance Committee minutes of October 25, 2017 as presented, seconded by Director Zipkin.**

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

#### 6.1. Financial Reports

##### 6.1.1. Financial Report – Preliminary November 2017

Finance Committee members felt a special meeting should have been called to review the financials. The change in the EMR and business accounting system coupled with a bad snow year and CFO on vacation during the committee meeting feel like a “perfect storm”. Director Brown felt the magnitude of the loss was alarming.

CEO noted he saw the financial statements at the same time the board saw them.

CEO also stated that system conversions are the most trying thing an organization goes through.

Controller noted the backfill of positions was high for first month of the Epic conversion and then bad winter.

Controller reviewed the balance sheet.

Cash decreased by \$5,857,000.

S&P Days Cash on Hand was at 170.

Cash collections were 87% of target.

The District sent in funds for the PRIME program.

Accounts Payable decreased \$1,290,000.

When Accounts Receivable ages out over 120 days, the District has a policy to reserve it at 100%. Some show in contractual allowances and some in bad debt depending on payor type.

The District has a third party handling CPSI account. It is taking longer to correct items; therefore, taking longer to receive payment.

There is also a high amount of self-pay accounts. As of last week, the District still had \$10,000,000 outstanding and about half is self-pay.

Accounts Receivable in Epic was at \$38,000,000 as of this morning. Gross Accounts Receivable is at \$48,000,000.

The backfill of staff during the first month of the system conversion was more than expected. Purchased services were over \$412,000. Physicians fall under Professional Fees. CEO said 80% of physicians are on a production contract.

November showed an EBIDA loss of \$2,172,767.

Controller reviewed the financials for Incline Village Community Hospital (IVHC) for November.

The IVCH gross revenue was \$353,540 under budget.

There was a huge shift in payor mix at IVCH. Commercial was 10.28% under budget.

#### **6.1.2. Financial Report – Preliminary December 2017**

The District is doing better with this conversion than with the CPSI conversion. During the CPSI conversion, the District did not get a claim out the door for 6 months and financial reports were not produced for 6 months.

Working Capital cash decreased \$9,291,000. Accounts Payable decreased \$451,000. S&P Days Cash on Hand was at 147.9 days. Cash collections were at 72% of target.

Controller noted \$15,000,000 was pulled out of LAIF at the beginning of the month.

Director Brown noted December is the month a decline is seen in collections.

Controller reviewed the balance sheet on page 20 of the packet.

Controller has to do a deeper dive to see if the charges being captured are correct and whether or not we are leaving money on the table. Clinicians at the department level are charging which is a change and most have never charged before. Controller will do a random audit of charts to see if all charges are captured properly.

Director Brown asked if everyone has the same sense of urgency about this topic. Yes, the Administrative Council just met to put a plan in place. They will go for the low hanging fruit first and then cut discretionary spending, travel, etc. CEO wants to get the Rural Health Clinics set up on a fast track.

Director Zipkin felt getting the Accounts Receivable worked out would make us whole. Administration does not want to make the assumption that receiving Accounts Receivables will fix it.

CEO said the organization needs to continue in a sustainable way.

Director Zipkin said administration should be prepared to discuss this at the board meeting. He will pull the financials from the consent calendar.

Director of Revenue Cycle shared a graph in Epic showing the peak on January 3, 2018 at \$17,000,000. The optimal amount is \$5,000,000-\$6,000,000. Pending charges would not appear on Accounts Receivable. Accounts Receivable starts at time of discharge. The average time to get a claim out the door right now is 32 days. Director of Revenue Cycle's initial goal is to get back to 16 days, then move down to below 10 days.

Director Brown inquired how good the hospital is at flexing. COO noted revenue producing departments flex based on volumes and do it well.

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

None.

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

The Finance Committee would like to see January 2018 financials at the next meeting.

**9. NEXT MEETING DATE**

The next Finance Committee meeting was tentatively scheduled for March 8, 2018.

**10. ADJOURN**

Meeting adjourned at 4:28 p.m.

**Board of Directors**  
*Of Tahoe Forest Hospital District*  
**JANUARY 2018 FINANCIAL NARRATIVE**

The following is the financial narrative analyzing financial and statistical trends for the seven months ended January 31, 2018.

**Activity Statistics**

- ❑ We continue working with our vendor, Mercy Health System, to identify the reporting criterions needed to gather our monthly departmental statistics.

**Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 78.1% in the current month compared to budget of 55.6% and to last month's 43.9%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 54.7%, compared to budget of 55.5% and prior year's 54.5%.
- ❑ EBIDA was \$7,255,531 (30.0%) for the current month compared to budget of \$1,015,723 (4.3%), or \$6,239,808 (25.7%) above budget. Year-to-date EBIDA was \$3,743,299 (2.4%) compared to budget of \$5,793,241 (3.7%), or \$(2,049,941) (-1.3%) under budget.
- ❑ Cash Collections for the current month were \$10,393,345 which is 110% of targeted Net Patient Revenue.
- ❑ EPIC Gross Accounts Receivables were \$32,430,365 at the close of January. Legacy Gross Accounts Receivable was \$10,967,392 compared to 12,878,739 at the end of December, a reduction of \$1,911,347.

**Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 43.8 days. S&P Days Cash on Hand is 160.4. Working Capital cash increased \$20,031,000. The District transferred \$15,000,000 from its reserve funds held with LAIF, Accounts Payable increased \$1,371,000, Accrued Payroll and Related Costs increased \$647,000, the District received its first installment of property tax revenues in the amount of \$3,603,000, and cash collections exceeded goal by 10%.
- ❑ Net Patients Accounts Receivable increased approximately \$3,172,000 and Cash collections were at 110% of target.
- ❑ Other Receivables were reduced after recording the receipt of the District's first installment of property tax revenues amounting to \$3,603,000.
- ❑ G.O. Bond Receivables decreased after recording receipt of property tax revenues totaling \$2,325,000.
- ❑ Estimated Settlements, Medi-Cal and Medicare increased a net \$3,425,000. The District booked \$2,690,000 due from the Medi-Cal IGT program, funds due from the FY16 AB915 program of \$1,537,000, a Medicare interim rate adjustment receivable of \$567,000 and booked receipt of its FY17 Medicare cost report tentative settlement in the amount of \$1,410,000.
- ❑ G.O. Bond Tax Revenue Fund increased a net \$475,000. The District received \$2,325,000 on its first installment of property tax revenues and remitted the January interest payments on the Series A, B, and C general obligation bonds.
- ❑ Accounts Payable increased \$1,371,000 due to the timing of the final check run in January.
- ❑ Accrued Payroll and Related Costs increased \$647,000 as a result of additional accrued payroll days in the month.
- ❑ Interest Payable G.O. Bond decreased \$1,530,000 after remitting the interest payments due on Series A, B, and C.
- ❑ Estimated Settlements, Medi-Cal and Medicare increased \$177,000. The District received payment on its FY17 Medicare cost report tentative settlement and reserved an amount until the final desk audit is completed.

**Operating Revenue**

- ❑ Current month's Total Gross Revenue was \$24,158,716, compared to budget of \$23,555,637 or \$603,079 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$6,854,086, compared to budget of \$6,715,802 or \$138,284 above budget.
- ❑ Current month's Gross Outpatient Revenue was \$17,304,630 compared to budget of \$16,839,835 or \$464,795 above budget.
- ❑ Current month's Gross Revenue Mix was 36.2% Medicare, 17.2% Medi-Cal, .0% County, 5.9% Other, and 40.7% Insurance compared to budget of 34.8% Medicare, 17.5% Medi-Cal, .0% County, 3.8% Other, and 43.9% Insurance. Last month's mix was 35.5% Medicare, 18.6% Medi-Cal, .0% County, 4.2% Other, and 41.7% Insurance. Year-to-date Gross Revenue Mix was 37.3% Medicare, 17.3% Medi-Cal, .0% County, 4.3% Other, and 41.1% Insurance compared to budget of 34.9% Medicare, 17.5% Medi-Cal, .0% County, 3.9% Other, and 43.7% Insurance.
- ❑ Current month's Deductions from Revenue were \$5,286,664 compared to budget of \$10,455,521 or \$5,168,857 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.43% increase in Medicare, a .29% decrease to Medi-Cal, County at budget, a 2.05% increase in Other, and Commercial was below budget 3.19%, 2) The District booked \$2,690,000 due from the Medi-Cal IGT program and \$567,000 from Medicare based on an interim rate review which reduced Contractual Allowances and 3) recorded \$1,537,000 due from FY16 AB915 Outpatient Supplemental funds and a receivable due from the FY17 HQAF IGT program against Prior Period Settlements.

| DESCRIPTION                     | January 2018 Actual | January 2018 Budget | Variance  | BRIEF COMMENTS   |
|---------------------------------|---------------------|---------------------|-----------|--|
| Salaries & Wages                | 4,586,768           | 4,736,634           | 149,866   | Positive variance in Salaries & Wages was offset by use of Paid Leave and Long-term Sick in January.   |
| Employee Benefits               | 1,644,418           | 1,412,333           | (232,085) |  |
| Benefits – Workers Compensation | 97,442              | 53,880              | (43,562)  |  |
| Benefits – Medical Insurance    | 474,438             | 621,624             | 147,186   |  |
| Professional Fees               | 1,832,791           | 2,179,244           | 346,453   | We saw positive variances in fees paid for our Physical, Speech, and Occupational therapy contract and Physician Fees for the Emergency Department, Anesthesia, MSC Clinics, and Sleep Clinic.                               |
| Supplies                        | 1,754,567           | 1,734,512           | (20,055)  |  |
| Purchased Services              | 1,225,283           | 1,364,572           | 139,289   | Purchased Services for Employee Health, Outsourced lab testing, Laundry & Linen, Information Technology, the Wellness Neighborhood, and Medical Records came in below budget, creating a positive variance in this category. |
| Other Expenses                  | 697,163             | 734,313             | 37,150    | Positive Variances in Other Expenses related to Communications, MOU Education, Outside Training, Physician Recruitment, Equipment Rent, and Utilities.   |
| Total Expenses                  | 12,312,871          | 12,837,112          | 524,241   |  |



TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
JANUARY 2018

|  | Jan-18                | Dec-17                | Jan-17                |    |
|--|-----------------------|-----------------------|-----------------------|----|
| <b>ASSETS</b>  |                       |                       |                       |    |
| <b>CURRENT ASSETS</b>                                    |                       |                       |                       |    |
| * CASH   | \$ 17,550,403         | \$ (2,480,832)        | \$ 9,773,963          | 1  |
| PATIENT ACCOUNTS RECEIVABLE - NET                        | 20,959,801            | 17,787,991            | 18,824,530            | 2  |
| OTHER RECEIVABLES  | 5,758,820             | 8,547,465             | 3,970,555             | 3  |
| GO BOND RECEIVABLES                                      | (30,208)              | 1,961,917             | (691,230)             | 4  |
| ASSETS LIMITED OR RESTRICTED                             | 6,897,802             | 6,222,225             | 5,918,679             |    |
| INVENTORIES  | 3,017,004             | 3,000,094             | 2,715,736             |    |
| PREPAID EXPENSES & DEPOSITS                              | 1,821,204             | 1,800,520             | 2,007,760             |    |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE                    | 10,185,447            | 6,760,591             | 3,715,425             | 5  |
| <b>TOTAL CURRENT ASSETS</b>                              | <b>66,160,273</b>     | <b>43,599,970</b>     | <b>46,235,418</b>     |    |
| <b>NON CURRENT ASSETS</b>                                |                       |                       |                       |    |
| ASSETS LIMITED OR RESTRICTED:                            |                       |                       |                       |    |
| * CASH RESERVE FUND                                      | 46,724,481            | 61,724,481            | 56,137,411            | 1  |
| BANC OF AMERICA MUNICIPAL LEASE                          | 34,042                | 32,222                | 981,619               |    |
| TOTAL BOND TRUSTEE 2017                                  | 19,831                | 19,820                | 3                     | 3  |
| TOTAL BOND TRUSTEE 2015                                  | 1,231,982             | 1,094,885             | 1,029,359             |    |
| GO BOND PROJECT FUND                                     | 1                     | 1                     | 232,266               |    |
| GO BOND TAX REVENUE FUND                                 | 1,900,012             | 1,425,443             | 2,102,452             | 6  |
| DIAGNOSTIC IMAGING FUND                                  | 3,204                 | 3,204                 | 3,174                 |    |
| DONOR RESTRICTED FUND                                    | 1,449,722             | 1,484,642             | 1,144,350             |    |
| WORKERS COMPENSATION FUND                                | 2,879                 | 6,690                 | 51,573                |    |
| TOTAL  | 51,366,155            | 65,791,389            | 61,682,207            |    |
| LESS CURRENT PORTION                                     | (6,897,802)           | (6,222,225)           | (5,918,679)           |    |
| <b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>          | <b>44,468,353</b>     | <b>59,569,164</b>     | <b>55,763,528</b>     |    |
| NONCURRENT ASSETS AND INVESTMENTS:                       |                       |                       |                       |    |
| INVESTMENT IN TSC, LLC                                   | -                     | -                     | (53,723)              |    |
| PROPERTY HELD FOR FUTURE EXPANSION                       | 836,353               | 836,353               | 836,353               |    |
| PROPERTY & EQUIPMENT NET                                 | 132,497,388           | 132,413,668           | 131,358,966           |    |
| GO BOND CIP, PROPERTY & EQUIPMENT NET                    | 33,427,000            | 33,418,623            | 32,468,754            |    |
| <b>TOTAL ASSETS</b>                                      | <b>277,389,367</b>    | <b>269,837,778</b>    | <b>266,609,296</b>    |    |
| DEFERRED OUTFLOW OF RESOURCES:                           |                       |                       |                       |    |
| DEFERRED LOSS ON DEFEASANCE                              | 481,624               | 484,856               | 520,412               |    |
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE | 1,395,414             | 1,395,414             | 1,612,281             |    |
| DEFERRED OUTFLOW OF RESOURCES ON REFUNDING               | 6,101,611             | 6,125,315             | 6,386,067             |    |
| GO BOND DEFERRED FINANCING COSTS                         | 477,760               | 479,695               | 500,975               |    |
| DEFERRED FINANCING COSTS                                 | 192,451               | 193,492               | 204,935               |    |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>               | <b>\$ 8,648,860</b>   | <b>\$ 8,678,772</b>   | <b>\$ 9,224,670</b>   |    |
| <b>LIABILITIES</b>                                       |                       |                       |                       |    |
| <b>CURRENT LIABILITIES</b>                               |                       |                       |                       |    |
| ACCOUNTS PAYABLE   | \$ 6,070,927          | \$ 4,700,195          | \$ 6,364,268          | 7  |
| ACCRUED PAYROLL & RELATED COSTS                          | 10,526,714            | 9,879,529             | 8,622,008             | 8  |
| INTEREST PAYABLE   | 474,359               | 398,639               | 525,762               |    |
| INTEREST PAYABLE GO BOND                                 | 395,266               | 1,924,889             | 28,851                | 9  |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE                    | 225,030               | 47,577                | 232,645               | 10 |
| HEALTH INSURANCE PLAN                                    | 1,211,751             | 1,211,751             | 1,307,731             |    |
| WORKERS COMPENSATION PLAN                                | 1,703,819             | 1,703,621             | 1,120,980             |    |
| COMPREHENSIVE LIABILITY INSURANCE PLAN                   | 858,290               | 858,290               | 751,298               |    |
| CURRENT MATURITIES OF GO BOND DEBT                       | 860,000               | 860,000               | 1,260,000             |    |
| CURRENT MATURITIES OF OTHER LONG TERM DEBT               | 1,049,645             | 1,049,645             | 1,953,186             |    |
| <b>TOTAL CURRENT LIABILITIES</b>                         | <b>23,375,800</b>     | <b>22,634,134</b>     | <b>22,166,728</b>     |    |
| <b>NONCURRENT LIABILITIES</b>                            |                       |                       |                       |    |
| OTHER LONG TERM DEBT NET OF CURRENT MATURITIES           | 27,340,340            | 27,343,303            | 28,137,883            |    |
| GO BOND DEBT NET OF CURRENT MATURITIES                   | 102,673,240           | 102,686,661           | 103,409,288           |    |
| DERIVATIVE INSTRUMENT LIABILITY                          | 1,395,414             | 1,395,414             | 1,612,281             |    |
| <b>TOTAL LIABILITIES</b>                                 | <b>154,784,794</b>    | <b>154,059,512</b>    | <b>155,326,180</b>    |    |
| <b>NET ASSETS</b>  |                       |                       |                       |    |
| NET INVESTMENT IN CAPITAL ASSETS                         | 129,803,711           | 122,972,397           | 119,363,435           |    |
| RESTRICTED   | 1,449,722             | 1,484,642             | 1,144,350             |    |
| <b>TOTAL NET POSITION</b>                                | <b>\$ 131,253,433</b> | <b>\$ 124,457,039</b> | <b>\$ 120,507,785</b> |    |

\* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
JANUARY 2018

1. Working Capital is at 43.8 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 160.4 days. Working Capital cash increased a net \$20,031,000. The District transferred \$15,000,000 from its LAIF reserve account, Accounts Payable increased \$1,371,000.00 (See Note 7), Accrued Payroll & Related Costs increased \$647,000 (See Note 8), the District received its first installment of Property Tax revenues in the amount of \$3,603,000 (See Note 3), and Cash Collections exceeded target by 10%.
2. Net Patient Accounts Receivable increased approximately \$3,172,000 and Cash collections were 110% of target.
3. The District received its first installment of Property Tax revenues in the amount of \$3,603,000, reducing Other Receivables.
4. G.O. Bond Property Tax revenues received totaled \$2,325,000, decreasing GO Bond Receivables.
5. Estimated Settlements, Medi-Cal & Medicare increased a net \$3,425,000. The District booked an amount due from the Medi-Cal IGT program in the amount of \$2,690,000, funds due from the AB915 program for FY16 amounting to \$1,537,000, a Medicare interim rate adjustment of \$567,000, and received payment of \$1,410,000 for its tentative settlement due from the Medicare program for FY17.
6. GO Bond Tax Revenue Fund increased a net \$475,000. The District received \$2,325,000 for its first installment of GO Bond Property Tax revenues and remitted the January interest installments on Series A, B, C totaling \$1,849,000.
7. Accounts Payable increased \$1,371,000 due to the timing of the final check run in the month.
8. Accrued Payroll & Related Costs increased \$647,000 due to additional payroll accrual days in January.
9. Interest Payable GO Bond decreased a net \$1,530,000 after remitting the interest payment installments due on Series A, B, and C.
10. Estimated Settlements, Medi-Cal and Medicare increased \$177,000. The District received payment on its FY17 Medicare Cost Report tentative settlement and reserved an amount until the final desk audit is performed.

**Tahoe Forest Hospital District  
Cash Investment  
January 2018**

|  |                   |       |                             |
|--|-------------------|-------|-----------------------------|
| WORKING CAPITAL                        |                   |       |                             |
| US Bank                                | \$ 16,442,314     |       |                             |
| US Bank/Kings Beach Thrift Store       | 20,098            |       |                             |
| US Bank/Truckee Thrift Store           | 85,259            |       |                             |
| US Bank/Payroll Clearing               | -                 |       |                             |
| Umpqua Bank                            | <u>1,002,732</u>  | 0.40% |                             |
| Total                                  |                   |       | \$ 17,550,403               |
|  |                   |       |                             |
| BOARD DESIGNATED FUNDS                 |                   |       |                             |
| US Bank Savings                        | \$ -              | 0.03% |                             |
| Capital Equipment Fund                 | <u>-</u>          |       |                             |
| Total                                  |                   |       | \$ -                        |
|  |                   |       |                             |
| Building Fund                          | \$ -              |       |                             |
| Cash Reserve Fund                      | <u>46,724,481</u> | 1.35% |                             |
| Local Agency Investment Fund           |                   |       | \$ 46,724,481               |
|  |                   |       |                             |
| Banc of America Muni Lease             |                   |       | \$ 34,042                   |
| Bonds Cash 2017                        |                   |       | \$ 19,831                   |
| Bonds Cash 2015                        |                   |       | \$ 1,231,982                |
| GO Bonds Cash 2008                     |                   |       | \$ 1,900,013                |
|  |                   |       |                             |
| DX Imaging Education                   | \$ 3,204          |       |                             |
| Workers Comp Fund - B of A             | 2,879             |       |                             |
|  |                   |       |                             |
| Insurance                              |                   |       |                             |
| Health Insurance LAIF                  | -                 |       |                             |
| Comprehensive Liability Insurance LAIF | <u>-</u>          |       |                             |
| Total                                  |                   |       | <u>\$ 6,084</u>             |
|  |                   |       |                             |
| TOTAL FUNDS                            |                   |       | \$ 67,466,837               |
|  |                   |       |                             |
| RESTRICTED FUNDS                       |                   |       |                             |
| Gift Fund                              |                   |       |                             |
| US Bank Money Market                   | \$ 8,363          | 0.03% |                             |
| Foundation Restricted Donations        | 364,320           |       |                             |
| Local Agency Investment Fund           | <u>1,077,039</u>  | 1.11% |                             |
| TOTAL RESTRICTED FUNDS                 |                   |       | <u>\$ 1,449,722</u>         |
|  |                   |       |                             |
| TOTAL ALL FUNDS                        |                   |       | <u><u>\$ 68,916,559</u></u> |

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
JANUARY 2018

| CURRENT MONTH                                |                   |                     |                | YEAR TO DATE        |                     |                       |               | PRIOR YTD<br>JAN 2017 |
|--|-------------------|---------------------|----------------|---------------------|---------------------|-----------------------|---------------|-----------------------|
| ACTUAL                                       | BUDGET            | VAR\$               | VAR%           | ACTUAL              | BUDGET              | VAR\$                 | VAR%          |                       |
| <b>OPERATING REVENUE</b>                     |                   |                     |                |                     |                     |                       |               |                       |
| \$ 24,158,716                                | \$ 23,555,637     | \$ 603,079          | 2.6%           | \$ 153,689,971      | \$ 156,121,000      | \$ (2,431,029)        | -1.6%         | 1 \$ 147,753,646      |
| Total Gross Revenue                          |                   |                     |                |                     |                     |                       |               |                       |
| Gross Revenues - Inpatient                   |                   |                     |                |                     |                     |                       |               |                       |
| \$ 2,629,355                                 | \$ 2,077,128      | \$ 552,227          | 26.6%          | \$ 15,651,079       | \$ 13,859,283       | \$ 1,791,796          | 12.9%         | \$ 14,091,411         |
| 4,224,730                                    | 4,638,674         | (413,944)           | -8.9%          | 26,428,223          | 28,248,998          | (1,820,775)           | -6.4%         | 28,597,932            |
| 6,854,086                                    | 6,715,802         | 138,284             | 2.1%           | 42,079,302          | 42,108,281          | (28,979)              | -0.1%         | 42,689,342            |
| Total Gross Revenue - Inpatient              |                   |                     |                |                     |                     |                       |               |                       |
| 17,304,630                                   | 16,839,835        | 464,795             | 2.8%           | 111,610,668         | 114,012,719         | (2,402,051)           | -2.1%         | 105,064,304           |
| 17,304,630                                   | 16,839,835        | 464,795             | 2.8%           | 111,610,668         | 114,012,719         | (2,402,051)           | -2.1%         | 105,064,304           |
| Gross Revenue - Outpatient                   |                   |                     |                |                     |                     |                       |               |                       |
| Total Gross Revenue - Outpatient             |                   |                     |                |                     |                     |                       |               |                       |
| Deductions from Revenue:                     |                   |                     |                |                     |                     |                       |               |                       |
| 7,526,940                                    | 9,407,402         | 1,880,462           | 20.0%          | 65,849,832          | 62,582,376          | (3,267,456)           | -5.2%         | 2 63,326,043          |
| 767,721                                      | 761,131           | (6,590)             | -0.9%          | 4,805,893           | 5,051,171           | 245,278               | 4.9%          | 2 4,393,521           |
| (240)  | -                 | 240                 | 0.0%           | 74,595              | -                   | (74,595)              | 0.0%          | 2 28,947              |
| (1,059,153)                                  | 286,988           | 1,346,141           | -469.1%        | 733,715             | 1,914,545           | 1,180,830             | -61.7%        | 2 (626,238)           |
| (1,948,605)                                  | -                 | 1,948,605           | 0.0%           | (1,893,530)         | -                   | 1,893,530             | 0.0%          | 2 179,377             |
| 5,286,664                                    | 10,455,521        | 5,168,857           | 49.4%          | 69,570,505          | 69,548,092          | (22,413)              | 0.0%          | 67,301,651            |
| 52,818                                       | 103,454           | 50,636              | 48.9%          | 389,218             | 613,423             | (224,204)             | -36.5%        | 382,064               |
| 643,532                                      | 649,265           | (5,733)             | -0.9%          | 4,727,907           | 4,808,321           | (80,414)              | -1.7%         | 3 5,568,024           |
| 19,568,403                                   | 13,852,835        | 5,715,568           | 41.3%          | 89,236,591          | 91,994,652          | (2,758,061)           | -3.0%         | 86,402,083            |
| <b>OPERATING EXPENSES</b>                    |                   |                     |                |                     |                     |                       |               |                       |
| 4,586,768                                    | 4,736,634         | 149,866             | 3.2%           | 31,534,708          | 31,449,458          | (85,250)              | -0.3%         | 4 26,889,392          |
| 1,644,418                                    | 1,412,333         | (232,085)           | -16.4%         | 10,877,494          | 9,806,132           | (1,071,362)           | -10.9%        | 4 9,113,330           |
| 97,442                                       | 53,880            | (43,562)            | -80.8%         | 424,554             | 377,162             | (47,392)              | -12.6%        | 4 386,848             |
| 474,438                                      | 621,624           | 147,186             | 23.7%          | 3,730,683           | 4,351,369           | 620,686               | 14.3%         | 4 4,356,169           |
| 1,832,791                                    | 2,179,244         | 346,453             | 15.9%          | 13,636,300          | 14,566,618          | 930,318               | 6.4%          | 5 12,690,994          |
| 1,754,567                                    | 1,734,512         | (20,055)            | -1.2%          | 12,263,397          | 11,967,063          | (296,334)             | -2.5%         | 6 11,429,707          |
| 1,225,283                                    | 1,364,572         | 139,289             | 10.2%          | 8,308,739           | 8,769,941           | 461,202               | 5.3%          | 7 7,006,518           |
| 697,163                                      | 734,313           | 37,150              | 5.1%           | 4,717,417           | 4,913,668           | 196,251               | 4.0%          | 8 3,892,437           |
| 12,312,871                                   | 12,837,112        | 524,241             | 4.1%           | 85,493,291          | 86,201,411          | 708,120               | 0.8%          | 75,765,395            |
| <b>7,255,531</b>                             | <b>1,015,723</b>  | <b>6,239,808</b>    | <b>614.3%</b>  | <b>3,743,299</b>    | <b>5,793,241</b>    | <b>(2,049,941)</b>    | <b>-35.4%</b> | <b>10,636,688</b>     |
| <b>NET OPERATING REVENUE (EXPENSE) EBIDA</b> |                   |                     |                |                     |                     |                       |               |                       |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>       |                   |                     |                |                     |                     |                       |               |                       |
| 620,249                                      | 536,620           | 83,628              | 15.6%          | 4,124,293           | 3,867,094           | 257,198               | 6.7%          | 9 3,191,805           |
| 332,881                                      | 332,881           | -                   | 0.0%           | 2,330,167           | 2,330,168           | (1)                   | 0.0%          | 2,743,533             |
| 72,997                                       | 70,867            | 2,130               | 3.0%           | 525,379             | 496,071             | 29,308                | 5.9%          | 10 329,452            |
| -  | -                 | -                   | 0.0%           | -                   | -                   | -                     | 0.0%          | 352                   |
| 1,320  | 74,917            | (73,597)            | -98.2%         | 152,975             | 524,417             | (371,442)             | -70.8%        | 11 286,622            |
| -  | (20,000)          | 20,000              | 100.0%         | -                   | (140,000)           | 140,000               | 100.0%        | 12 (97,095)           |
| -  | -                 | -                   | 0.0%           | -                   | -                   | -                     | 0.0%          | 12 -                  |
| -  | -                 | -                   | 0.0%           | 2,500               | -                   | 2,500                 | 0.0%          | 13 -                  |
| -  | -                 | -                   | 0.0%           | -                   | -                   | -                     | 0.0%          | 14 -                  |
| (994,665)                                    | (993,555)         | (1,110)             | -0.1%          | (6,880,658)         | (6,954,887)         | 74,229                | 1.1%          | 15 (6,298,559)        |
| (158,887)                                    | (98,944)          | (59,943)            | -60.6%         | (662,528)           | (692,729)           | 30,201                | 4.4%          | 16 (712,017)          |
| (333,034)                                    | (320,815)         | (12,219)            | -3.8%          | (2,282,360)         | (2,245,703)         | (36,657)              | -1.6%         | (1,098,274)           |
| (459,139)                                    | (418,029)         | (41,110)            | -9.8%          | (2,690,232)         | (2,815,569)         | 125,336               | 4.5%          | (1,654,180)           |
| <b>TOTAL NON-OPERATING REVENUE/(EXPENSE)</b> |                   |                     |                |                     |                     |                       |               |                       |
| <b>\$ 6,796,393</b>                          | <b>\$ 597,694</b> | <b>\$ 6,198,699</b> | <b>1037.1%</b> | <b>\$ 1,053,067</b> | <b>\$ 2,977,672</b> | <b>\$ (1,924,605)</b> | <b>-64.6%</b> | <b>\$ 8,982,507</b>   |
| <b>INCREASE (DECREASE) IN NET POSITION</b>   |                   |                     |                |                     |                     |                       |               |                       |
| <b>NET POSITION - BEGINNING OF YEAR</b>      |                   |                     |                |                     |                     |                       |               |                       |
| <b>NET POSITION - AS OF JANUARY 31, 2018</b> |                   |                     |                |                     |                     |                       |               |                       |
| <b>30.0%</b>                                 | <b>4.3%</b>       | <b>25.7%</b>        |                | <b>2.4%</b>         | <b>3.7%</b>         | <b>-1.3%</b>          |               | <b>7.2%</b>           |
| <b>RETURN ON GROSS REVENUE EBIDA</b>         |                   |                     |                |                     |                     |                       |               |                       |

INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
JANUARY 2018

| CURRENT MONTH     |                  |                   |                | YEAR TO DATE                             |                   |                   |                     | PRIOR YTD     |                     |
|-------------------|------------------|-------------------|----------------|--|-------------------|-------------------|---------------------|---------------|---------------------|
| ACTUAL            | BUDGET           | VAR\$             | VAR%           | ACTUAL                                   | BUDGET            | VAR\$             | VAR%                | JAN 2017      |                     |
|                   |                  |                   |                | <b>OPERATING REVENUE</b>                 |                   |                   |                     |               |                     |
| \$ 2,036,028      | \$ 1,667,647     | \$ 368,382        | 22.1%          | Total Gross Revenue                      | \$ 11,061,499     | \$ 11,799,924     | \$ (738,425)        | -6.3% 1       | \$ 11,442,892       |
|                   |                  |                   |                | <b>Gross Revenues - Inpatient</b>        |                   |                   |                     |               |                     |
| \$ 38,212         | \$ 5,657         | \$ 32,555         | 575.4%         | Daily Hospital Service                   | \$ 80,578         | \$ 33,944         | \$ 46,634           | 137.4%        | \$ 29,332           |
| 47,844            | 3,583            | 44,261            | 1235.3%        | Ancillary Service - Inpatient            | 83,905            | 21,962            | 61,943              | 282.1%        | 42,710              |
| 86,056            | 9,241            | 76,815            | 831.3%         | Total Gross Revenue - Inpatient          | 164,483           | 55,906            | 108,577             | 194.2%        | 72,042              |
| 1,949,972         | 1,658,406        | 291,566           | 17.6%          | Gross Revenue - Outpatient               | 10,897,016        | 11,744,018        | (847,002)           | -7.2%         | 11,370,851          |
| 1,949,972         | 1,658,406        | 291,566           | 17.6%          | Total Gross Revenue - Outpatient         | 10,897,016        | 11,744,018        | (847,002)           | -7.2%         | 11,370,851          |
|                   |                  |                   |                | <b>Deductions from Revenue:</b>          |                   |                   |                     |               |                     |
| 897,026           | 605,542          | (291,484)         | -48.1%         | Contractual Allowances                   | 4,419,091         | 4,288,704         | (130,387)           | -3.0%         | 4,160,485           |
| 74,315            | 62,921           | (11,394)          | -18.1%         | Charity Care                             | 382,171           | 435,699           | 53,528              | 12.3%         | 392,048             |
| -                 | -                | -                 | 0.0%           | Charity Care - Catastrophic Events       | 30,623            | -                 | (30,623)            | 0.0%          | 28,947              |
| (215,380)         | 57,888           | 273,268           | 472.1%         | Bad Debt                                 | 314,389           | 400,093           | 85,704              | 21.4%         | 327,546             |
| (106,438)         | -                | 106,438           | 0.0%           | Prior Period Settlements                 | (106,438)         | -                 | 106,438             | 0.0%          | (22,833)            |
| 649,523           | 726,351          | 76,827            | 10.6%          | Total Deductions from Revenue            | 5,039,836         | 5,124,496         | 84,660              | 1.7%          | 4,886,194           |
| 77,796            | 66,214           | 11,582            | 17.5%          | Other Operating Revenue                  | 604,666           | 577,998           | 26,668              | 4.6%          | 571,687             |
| 1,464,301         | 1,007,510        | 456,791           | 45.3%          | <b>TOTAL OPERATING REVENUE</b>           | 6,626,329         | 7,253,426         | (627,097)           | -8.6%         | 7,128,386           |
|                   |                  |                   |                | <b>OPERATING EXPENSES</b>                |                   |                   |                     |               |                     |
| 319,585           | 303,047          | (16,538)          | -5.5%          | Salaries and Wages                       | 2,080,201         | 2,183,647         | 103,446             | 4.7%          | 1,825,315           |
| 107,055           | 95,603           | (11,452)          | -12.0%         | Benefits                                 | 671,412           | 655,648           | (15,764)            | -2.4%         | 703,462             |
| 3,194             | 2,357            | (837)             | -35.5%         | Benefits Workers Compensation            | 17,334            | 16,496            | (838)               | -5.1%         | 14,166              |
| 29,996            | 39,151           | 9,155             | 23.4%          | Benefits Medical Insurance               | 233,807           | 274,059           | 40,252              | 14.7%         | 281,187             |
| 209,701           | 293,544          | 83,843            | 28.6%          | Professional Fees                        | 1,665,691         | 1,803,675         | 137,984             | 7.7%          | 1,704,703           |
| 46,094            | 71,713           | 25,619            | 35.7%          | Supplies                                 | 332,547           | 500,051           | 167,504             | 33.5%         | 474,609             |
| 39,336            | 59,755           | 20,418            | 34.2%          | Purchased Services                       | 277,235           | 357,858           | 80,623              | 22.5%         | 311,060             |
| 58,909            | 60,356           | 1,447             | 2.4%           | Other                                    | 398,761           | 403,630           | 4,869               | 1.2%          | 381,806             |
| 813,870           | 925,526          | 111,655           | 12.1%          | <b>TOTAL OPERATING EXPENSE</b>           | 5,676,987         | 6,195,064         | 518,077             | 8.4%          | 5,696,308           |
| <b>650,431</b>    | <b>81,984</b>    | <b>568,447</b>    | <b>693.4%</b>  | <b>NET OPERATING REV(EXP) EBIDA</b>      | <b>949,342</b>    | <b>1,058,361</b>  | <b>(109,020)</b>    | <b>-10.3%</b> | <b>1,432,078</b>    |
|                   |                  |                   |                | <b>NON-OPERATING REVENUE/(EXPENSE)</b>   |                   |                   |                     |               |                     |
| -                 | -                | -                 | 0.0%           | Donations-IVCH                           | 13,500            | -                 | 13,500              | 0.0%          | 22,117              |
| -                 | -                | -                 | 0.0%           | Gain/ (Loss) on Sale                     | -                 | -                 | -                   | 0.0%          | -                   |
| (56,857)          | (56,857)         | 0                 | 0.0%           | Depreciation                             | (420,256)         | (397,998)         | (22,258)            | -5.6%         | (395,327)           |
| (56,857)          | (56,857)         | 0                 | 0.0%           | <b>TOTAL NON-OPERATING REVENUE/(EXP)</b> | <b>(406,756)</b>  | <b>(397,998)</b>  | <b>(8,758)</b>      | <b>-2.2%</b>  | <b>(373,211)</b>    |
| <b>\$ 593,574</b> | <b>\$ 25,128</b> | <b>\$ 568,447</b> | <b>2262.2%</b> | <b>EXCESS REVENUE(EXPENSE)</b>           | <b>\$ 542,586</b> | <b>\$ 660,364</b> | <b>\$ (117,778)</b> | <b>-17.8%</b> | <b>\$ 1,058,867</b> |
| <b>31.9%</b>      | <b>4.9%</b>      | <b>27.0%</b>      |                | <b>RETURN ON GROSS REVENUE EBIDA</b>     | <b>8.6%</b>       | <b>9.0%</b>       | <b>-0.4%</b>        |               | <b>12.5%</b>        |

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

|                                    | AUDITED<br>FYE 2017 |    | BUDGET<br>FYE 2018 | PROJECTED<br>FYE 2018 | ACTUAL<br>JAN 2018 | BUDGET<br>JAN 2018 | DIFFERENCE   | ACTUAL<br>1ST QTR | ACTUAL<br>2ND QTR | PROJECTED<br>3RD QTR | PROJECTED<br>4TH QTR |
|------------------------------------|---------------------|----|--------------------|-----------------------|--------------------|--------------------|--------------|-------------------|-------------------|----------------------|----------------------|
| Net Operating Rev/(Exp) - EBIDA    | \$ 19,312,107       |    | \$ 7,189,726       | \$ 5,097,582          | \$ 7,255,531       | \$ 1,015,723       | \$ 6,239,808 | \$ 3,884,930      | \$ (7,352,907)    | \$ 8,365,351         | \$ 200,207           |
| Interest Income                    | 361,479             |    | 725,902            | 702,192               | -                  | -                  | -            | 133,270           | 356,321           | -                    | 212,601              |
| Property Tax Revenue               | 6,497,384           |    | 7,681,300          | 7,771,250             | 3,602,868          | 3,600,000          | 2,868        | 393,337           | 85,046            | 3,602,868            | 3,690,000            |
| Donations                          | 1,537,778           |    | 890,200            | 628,591               | -                  | 125,000            | (125,000)    | 25,091            | 13,500            | 200,000              | 390,000              |
| Debt Service Payments              | (3,553,754)         |    | (2,678,403)        | (2,532,893)           | (218,300)          | (216,557)          | (1,743)      | (516,336)         | (663,487)         | (494,414)            | (858,656)            |
| Bank of America - 2012 Muni Lease  | (1,243,406)         |    | (103,637)          | (103,515)             | -                  | -                  | -            | (103,515)         | -                 | -                    | -                    |
| Copier                             | (11,295)            |    | (11,520)           | (11,533)              | (1,420)            | (960)              | (460)        | (2,894)           | (2,419)           | (3,340)              | (2,880)              |
| 2017 VR Demand Bond                | (677,214)           |    | (918,082)          | (774,044)             | (79,783)           | (78,500)           | (1,283)      | -                 | (112,679)         | (79,783)             | (581,582)            |
| 2015 Revenue Bond                  | (1,621,839)         |    | (1,645,164)        | (1,643,801)           | (137,097)          | (137,097)          | (0)          | (409,926)         | (548,389)         | (411,291)            | (274,194)            |
| Physician Recruitment              | -                   |    | (120,000)          | (175,536)             | (70,000)           | (10,000)           | (60,000)     | (25,536)          | (30,000)          | (90,000)             | (30,000)             |
| Investment in Capital              |                     |    |                    |                       |                    |                    |              |                   |                   |                      |                      |
| Equipment                          | (1,388,213)         |    | (3,744,975)        | (3,743,808)           | (109,822)          | (282,889)          | 173,067      | (163,719)         | (930,500)         | (1,252,389)          | (1,397,200)          |
| Municipal Lease Reimbursement      | 735,082             |    | 219,363            | 219,363               | -                  | -                  | -            | 219,363           | -                 | -                    | -                    |
| GO Bond Project Personal Property  | (1,175,083)         |    | -                  | -                     | -                  | -                  | -            | -                 | -                 | -                    | -                    |
| IT                                 | (176,532)           |    | (2,122,817)        | (431,166)             | (5,026)            | (43,306)           | 38,280       | (88,529)          | (71,000)          | (91,637)             | (180,000)            |
| Building Projects                  | (3,511,541)         |    | (12,540,118)       | (11,820,050)          | (258,583)          | (313,316)          | 54,733       | (971,928)         | (1,147,341)       | (3,885,215)          | (5,815,566)          |
| Health Information/Business System | (4,478,846)         |    | (2,050,000)        | (3,967,252)           | (712,291)          | (725,000)          | 12,709       | (726,407)         | (2,228,554)       | (1,012,291)          | -                    |
| Capital Investments                |                     |    |                    |                       |                    |                    |              |                   |                   |                      |                      |
| Properties                         | (2,373,193)         |    | (1,355,000)        | (1,355,000)           | -                  | -                  | -            | -                 | -                 | (450,000)            | (905,000)            |
| Measure C Scope Modifications      | (1,725,552)         |    | -                  | -                     | -                  | -                  | -            | -                 | -                 | -                    | -                    |
| Change in Accounts Receivable      | (2,134,289)         | N1 | 304,109            | 582,052               | (3,171,810)        | (3,836,656)        | 664,846      | (16,563)          | 412,276           | (5,630,923)          | 5,817,262            |
| Change in Settlement Accounts      | (5,374,275)         | N2 | 5,453,885          | 5,778,753             | (3,247,403)        | (755,416)          | (2,491,987)  | (2,777,362)       | 8,201,107         | (3,887,403)          | 4,242,410            |
| Change in Other Assets             | (923,047)           | N3 | (1,962,591)        | (2,008,844)           | (127,566)          | 905,609            | (1,033,175)  | (1,741,634)       | (3,164,013)       | 1,041,022            | 1,855,781            |
| Change in Other Liabilities        | 2,649,423           | N4 | 1,920,000          | 952,046               | 2,093,637          | 707,000            | 1,386,637    | (1,914,066)       | (2,862,455)       | 3,557,637            | 2,170,930            |
| Change in Cash Balance             | 4,278,928           |    | (2,189,419)        | (4,302,719)           | 5,031,235          | 170,192            | 4,861,043    | (4,286,088)       | (9,382,006)       | (27,394)             | 9,392,769            |
| Beginning Unrestricted Cash        | 68,632,815          |    | 72,911,743         | 72,911,743            | 59,243,649         | 59,243,649         | -            | 72,911,743        | 68,625,655        | 59,243,649           | 59,216,255           |
| Ending Unrestricted Cash           | 72,911,743          |    | 70,722,324         | 68,609,025            | 64,274,884         | 59,413,841         | 4,861,043    | 68,625,655        | 59,243,649        | 59,216,255           | 68,609,025           |
| Expense Per Day                    | 382,387             |    | 408,686            | 406,664               | 400,725            | 404,157            | (3,432)      | 382,013           | 400,457           | 405,962              | 406,664              |
| Days Cash On Hand                  | 191                 |    | 173                | 169                   | 160                | 147                | 13           | 180               | 148               | 146                  | 169                  |

Footnotes:

N1 - Change in Accounts Receivable reflects the 60 day delay in collections.

N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.

N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.

N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.