

MARIN HEALTHCARE DISTRICT

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090 Fax: 415-464-2094

Website: www.marinhealthcare.org

Email: info@marinhealthcare.org

FINANCE AND AUDIT COMMITTEE MEETING AGENDA

NOVEMBER 24, 2015 AT 5:30 P.M.

Chair: Larry Bedard, MD

Members: Jennifer Hershon
David S. Bloom, MD
(Non-voting Community Member)

Staff: James McManus, Chief Financial Officer
Jean Noonan, Controller
Richard Slusher, Senior Accountant
Mary Friedman, Director, Strategic Planning
Michael Lighthawk, Executive Assistant

Location:

MGH Conference Room at Drakes Landing
100B Drakes Landing Road, Suite 167
Greenbrae, CA 94904

Guests: Kevin Coss, Vertran Associates
Ron Peluso, Vertran Associates

AGENDA

ATTACHMENTS

I.	CALL TO ORDER	Bedard	
II.	ROLL CALL	Bedard	
III.	APPROVAL OF AGENDA	Bedard	
IV.	APPROVAL OF PREVIOUS MINUTES		
	A. Minutes of April 28, 2015 (Action)	Bedard	4A
	B. Minutes of July 27, 2015 (Action)	Bedard	4B
	C. Minutes of September 29, 2015 (Action)	Bedard	4C
V.	MGH 2.0 UPDATE (Vertran Associates)	Kevin Coss Ron Peluso	5A
VI.	PROFORMA REVIEW		
	A. Urology Model Proforma Review (Action)	Friedman	
VII.	FINANCE		
	A. FY 2016 Budget Review (Action)	McManus	7A
	B. Financial Reports	McManus	7B
	C. Status Update: G.O. Bond Issuance/Oversight Committee	McManus/ Noonan	
	D. Review 2016 Committee Schedule (Action)	Bedard	7C
VIII.	PUBLIC COMMENT	Bedard	
IX.	AGENDA ITEMS FOR NEXT MEETING	Bedard	
X.	ADJOURNMENT	Bedard	

Attachment 4A
Minutes April 28, 2015



Marin Healthcare District Office
100B Drake's Landing Road, Suite 250
Greenbrae, CA 94904
Telephone: 415-464-2090 / Fax: 415-464-2094

FINANCE AND AUDIT COMMITTEE

MINUTES

April 28, 2015 – 5:00PM

I. CALL TO ORDER: Chair Bedard called the meeting to order at 5:00pm.

II. MEMBER ROLL CALL: **Larry Bedard, MD, Chair**
Jennifer Hershon, Member
David Bloom, MD, Community Member
Management Staff: Lee Domanico, Chief Executive Officer
James P. McManus, Chief Financial Officer
Nina Maus, Assistant Controller
Richard Slusher, Senior Accountant
Michael Lighthawk, Executive Assistant
Guest: Harris Simmonds, MD (Ex Officio)

III. APPROVAL OF AGENDA (Pg. 1 of the packet)

- Chair Bedard asked for a motion to approve the agenda. Member Hershon so moved. Seconded by Chair Bedard.
Agenda approved.

Discussion

Chair Bedard oriented new community member, Dr. David Bloom, to current issues being addressed by this committee and the board of directors.

- Engagement with Canterbury Consulting as investment advisor to Marin Healthcare District.
- Revisions to MHD Financial Guidelines and Internal Controls policy.
- Changing the Marin Healthcare District fiscal year from, July 1 through June 30 to January 1 through December 31.

IV. APPROVAL OF MINUTES (Pgs. 3-5)

Chair Bedard asked for a motion to approve the minutes of March 24, 2014. Member Hershon so moved. Seconded by Chair Bedard.

Minutes approved.

V. Financial Reports (Pgs. 10-20)

A. FY 2015 Cash Budget vs. Actual

Mr. McManus stated the district shows total receipts of \$558,735 YTD which primarily represents rent receipt from MGH. Expenses for the nine months of the fiscal year were \$138,042 resulting in \$420,693 positive to budget to date.

Expenses were mainly attributable to Legal Fees (\$35,542); Election expenses (\$48, 480); Auditor Expenses (which were incurred in the 3rd quarter of 2014; and, Community Communications & Education costs (\$23,913).

Mr. McManus also commented that, in the future, he would like to present a different version of the district financial statements to the committee for consideration that matches the form of the statements of the hospital which will make it easier to consolidate the two sets of financial information.

B. Balance Sheet (Pgs. 13-14)

Mr. McManus reported total cash for the district of just under \$4M and total assets of almost \$6.3M. The 1206(b) is representative of checks that have been issued and have yet to clear. No real other changes in the balance sheet for March. Total Assets are \$13,231M.

C. 1206(b) Clinics Summary

Mr. McManus commented that the clinic summary reflects that the district's contribution to the clinics is a positive \$318K to budget for the month and a positive \$373K to budget for the year.

VI. Draft Cash Budget Review (July-December 2015)

Mr. McManus presented the Draft Cash Budget for July through December, 2015. This 6 month budget facilitates the change in fiscal year from July 1 through June 30 to January 1 through December 31 as approved by the board of directors.

Mr. McManus outlined the structure of the new budget for the committee's consideration:

- MGHC Cash Rental Income (Lease) – The new lease begins December 1, so budget represents 5 months under the current lease and 1 month under the new lease arrangement.
- Legal Fees – Prorated out for the various fees for counsel.
- Board Expenses/Charitable Contributions reflect half of the usual budgeted expenses.

Discussions ensued regarding: Charitable Contributions, Rental Income, Clinic Marketing Communications, Legal Fees, and discretionary spending.

Motion: Recommend that the MHD Board of Directors approve the 6 Month Cash Budget as presented. Member Hershon so moved. Chair Bedard seconded. Vote: All eyes.

Motion passed.

VII. Public Comment – No public comment.

VIII. NEXT SCHEDULED MHD F&A MEETING: May 28, 2015

IX. ADJOURNMENT - There being no further business, the chair adjourned the meeting at 5:25pm.

Attachment 4B
Minutes July 27, 2015



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FINANCE AND AUDIT COMMITTEE

MINUTES

July 27, 2015 – 5:30PM

- I. CALL TO ORDER:** Chair Bedard called the meeting to order at 5:55pm.
No Quorum - Chair Bedard and Member Hershon recognized that a quorum cannot be established due to Chair Bedard's absence (called in remotely without notice) and, therefore, no actions may be taken on any motions before the committee.
- II. MEMBER ROLL CALL:** **Jennifer Hershon, Member**
Management Staff: James P. McManus, Chief Financial Officer
Jean Noonan, Controller
Richard Slusher, Senior Accountant
Michael Lighthawk, Executive Assistant
- Absent:** **Larry Bedard, MD, Chair (Called-in/No quorum)**
David Bloom, MD, Community Member (Non-voting)

Introduction: Mr. McManus introduced Jean Noonan as the new Controller for the District and Marin General Hospital.

- III. APPROVAL OF AGENDA** (Pg. 1 of packet) Bedard
Agenda not approved (no quorum).
- IV. APPROVAL OF MINUTES** (Pgs. 4-5) Bedard
Minutes of April 28, 2015 not approved (no quorum). Prior minute's approval will move to the agenda for the September 24, 2015 committee meeting.
- V. Financial Reports** (Pgs. 7-13) McManus
- A. FY 2015 Cash Budget vs. Actual** (Pg. 7)
Mr. McManus pointed out that the financial report encompasses the 2015 fiscal year; July 1, 2014 through June 30, 2015.

The District experienced a favorable variance to budget, on a cash basis, of \$334,336. Receipts include \$457,419 from MGH for the cash portion of rent, \$204,272 from MGHC for Support Payments.

Expenses against the year-to-date 2015 budget are \$47,233 for general legal fees, \$10,787 for audit fees, \$12,000 for AHA dues, \$45,167 for Community Communication and Education, \$48,480 for election expenses and \$18,688 for Board expenses. The District made payments of \$145,000 for contributions to various organizations. This was \$115,000 in excess of what was originally budgeted. All other expenses were favorable to budget.

B. FY 2015 Profit & Loss (Pgs. 9-10)

Total Income for the year was \$1,803,323, consisting of amortization of deferred rent of \$1,141,593, cash rents received of \$457,420, support payments of \$201,362, and interest income of \$2,948. Total income was \$229,862 less than the prior year because of reimbursements received from MGHC for the cost of ballot measures.

Total expenses for the year were \$698,447, including \$19,775 for board-related expenses, legal fees of \$47,233, \$12,000 for AHA dues, \$50,325 for Community Communications, \$19,327 for audit expenses, \$11,480 for election expenses, \$145,000 for charitable contributions, and \$393,307 in depreciation.

Discussions ensued regarding community physician recruitment, physician retention, related costs and availability of physicians.

C. FY 2015 Balance Sheet (Pgs. 11-12)

Mr. McManus stated that the District is in a relatively strong cash position overall with Total Current Assets of just over \$6.3M and fixed assets of close to \$6M. The cash balance at June 30, 2015 was \$3,205,786, an increase of \$126,859 from the prior year-end.

D. FY 2015 (1296(b) Clinics Summary (Pg. 13)

1206(b) Clinic net expenses were \$5,114,507, \$169,151 favorable to budget. The clinics now support 34 physicians.

VI. Audit

McManus

A. Audit Update

Mr. McManus reported that Moss Adams has begun the audit and completed most of their preliminary field work. To this point, there are no issues in regard to the financials. A draft of the 2014-2015 audit will be available at the next District Finance & Audit meeting along with any internal control letter comments to strengthen our processes.

VII. Discussion Items

McManus

A. Status of General Obligation Bond Issuance

Mr. McManus updated the committee on the status of the bond issuance. The first series of bonds are set to be issued in the first week of November. The estimated amount of issue is \$110M. Morgan Stanley and Stifel Nicholas are our two underwriting agents to sell the bonds. The District approved the levy and rate of \$23.50 per \$100K of assessed value. The County of Marin will decide implementation and when the levy will be in effect.

Additionally, Mr. McManus announced that the Bond Oversight Committee has been formed and notices have been sent out to interview potential members.

B. Investment Strategy

Mr. McManus informed the committee that Canterbury Consulting will present at the next Finance & Audit Committee meeting and discussions will ensue at that time regarding any transfer of funds to investment accounts.

VIII. Public Comment – No public comment.

IX. NEXT SCHEDULED MHD F&A MEETING: September 22, 2015

X. ADJOURNMENT - There being no further business, the chair adjourned the meeting at 6:25pm.

Attachment 4C
Minutes Sept 29, 2015



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FINANCE AND AUDIT COMMITTEE

MINUTES

September 29, 2015 – 5:30PM

I. CALL TO ORDER: Chair Bedard called the meeting to order at 5:35pm.

No Quorum - Member Hershon called and excused herself from attending. Chair Bedard acknowledged that a quorum was not established and, therefore, no actions may be taken on any items before the committee.

II. ROLL CALL

Chair: Larry Bedard, MD

Guests: Jeremy Fair

Katherine Jackson, Moss Adams

Absent: Jennifer Hershon
David S. Bloom, MD

Brian Conner, Moss Adams

Staff: James McManus, Chief Financial Officer
Jean Noonan, Controller
Richard Slusher, Senior Accountant
Mary Friedman, Director, Strategic Planning
Dr. Joel Sklar, CMO
Michael Lighthawk, Executive Assistant

III. APPROVAL OF AGENDA

Agenda not approved due to no quorum.

IV. APPROVAL OF MINUTES

Minutes of April 28, 2015 not approved.

Minutes of July 27, 2015 not approved.

Prior minute's approvals will move to the agenda for the November 24, 2015 committee meeting.

V. Financial Reports

Ms. Noonan, the new controller for the District and Marin General Hospital, pointed out that the format for the financials had changed due to moving the district accounting from Quickbooks to Paragon. However, the financials presented are the same but just with a slightly different look.

The Net District Income is \$59,887 which is \$18,880 higher than the budget of \$40,568. Actual over budget variance is plus \$43,746 which may largely be due to timing differences. Cash is still strong at \$3.3M. There was very little change in liabilities.

Clinic Summary – Currently the clinics support 34 physicians. Actual for period ending August 31, 2015 was (\$490,091) which was favorable to the investment budget by \$25,007. YTD investment budget was also favorable by \$152,446.

VI. Audit

A. Draft Audited Financials Review (Moss Adams)

Mr. Brian Conner and Ms. Katherine Jackson of Moss Adams co-presented a draft Report of Independent Auditors & Financial Statements for the Marin Healthcare District. Mr. Conner stated that the audit objective is to express an opinion as to whether the financial statements are presented fairly in accordance with generally accepted accounting principles (US GAAP). The auditors have expressed an Unmodified Opinion that the financial statements are fairly presented in accordance with generally accepted accounting principles. Within the supplement are financial statements that separate the District financial reports from the Clinics.

Ms. Jackson subsequently reviewed graphs of audited financial Asset Composition and Liabilities/Net Position of the District as well as the same for the Clinics.

Mr. Conner concluded the presentation by stating that, with the approval of the board, the final audit report will be issued along with the letter of Communications to Those Charged with Governance following issuance of the Management's Representations Letter.

The MHD Board of Directors will review final Report of the Independent Auditors Financial Statements & Supplementary Information for the Marin Healthcare District; June 30, 2015 and 2014, at the next District board meeting on October 13, 2015.

VII. Discussion Items

A. Investment Advisor's Presentation (Canterbury Consulting)

Mr. Chowdhury stated the purpose of this presentation is to illustrate asset allocation targets for both the MHD Corporate Portfolio as well as the Potential Allocations for the Bond Proceeds.

Corporate Portfolio

Canterbury's recommendation is to allocate 100% of the "excess cash" to a diversified fixed income portfolio. As the portfolio grows, consideration can be given to other risk asset classes; i.e., equities. Canterbury's fixed income allocation is global in nature thereby having the advantage of adding diversification to core fixed income allocations. Portfolio characteristics detailed by sector, region, duration, etc., are outlined on slide 9 and results in a recommended portfolio distribution that meets the conservative needs of the District.

Potential Allocation for Bond Proceeds

The final amount of the bond proceeds will determine how we allocate funds to the separate account managers. Ideally, Canterbury will recommend diversifying the bond proceeds amongst multiple managers. Canterbury recommends three managers: PIMCO, Payden & Rygel, and Gurtin and subsequently provided background on the managers' experience, yields, and assets.

The MHD Board of Directors will review Canterbury Consulting's proposal at the next District board meeting on October 13, 2015.

B. Behavioral Health Model Proforma Review

Dr. Sklar provided an overview of the community need for Behavioral Health in Marin County. The only inpatient psychiatric unit in Marin County is run by Marin General Hospital and is always full.

Currently, there is no fully available outpatient psychiatric program in the county. 32 psychiatrists have had privileges at the hospital in the past 12 months, of which, seven are still here.

Dr. Joel Sklar, CMO, and Mary Friedman, Director of Strategic Planning are proposing a “Sustainable, Comprehensive Behavioral Health Program” for Marin County as well as clinic based elective outpatient psychiatry care.

Ms. Friedman provided a comparison between the current program structure and the advantages of the new proposed structure.

- Within the 1206(b) model, psychiatrists will be compensated through a productivity based model.
- Partial Hospitalization Programs at the hospital will be expanded for much needed services.
- A clinic for outpatient behavioral health visits will enable patients to see a psychiatrist that accepts insurance.

The MHD Board of Directors will review the Behavioral Health Model Proforma at the next District board meeting on October 13, 2015.

C. Status Update: G.O. Bond Issuance/Bond Oversight Committee

In the interest of time and lack of quorum, Chair Bedard agreed to table discussion on these topics.

VIII. Public Comment – No public comment.

IX. NEXT SCHEDULED MHD F&A MEETING: November 24, 2015

X. ADJOURNMENT - There being no further business, the chair adjourned the meeting at 6:20pm.

**Attachment 5A
MGH 2.0 Update**



MARIN GENERAL HOSPITAL

MGH 2.0

Marin Healthcare District
Finance & Audit Committee Meeting

November 24, 2015



- MGH 2.0 Changes & Improvements since Design Development
- Construction Budget / Contracting Approach
- Project Risks
- Master Project Schedule
- Master Project Budget
- Authorization to Start MGH 2.0 Construction

MGH 2.0 Changes & Improvements



MGH 2.0 Changes & Improvements since DD

Changes within Construction Budget

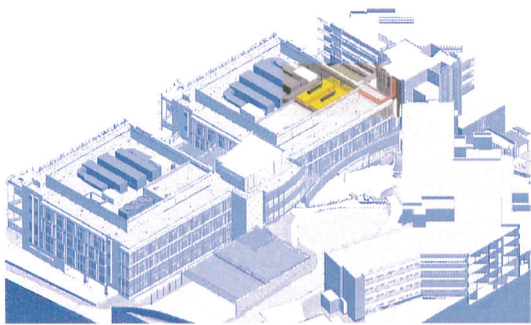
- Garden Roof over Loading Dock
- Additional 38 Patient Lifts
- Relocation of Emergency Generator from Roof to under Loading Dock
- New PBX Room to be located in ER
- Code Required changes to Clean Scope Processing
- Demonstration Kitchen (*in progress*)

Loading Dock Roof Garden

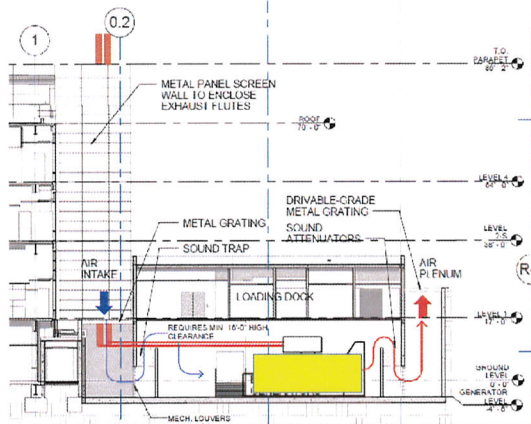


5

Emergency Generator Relocation

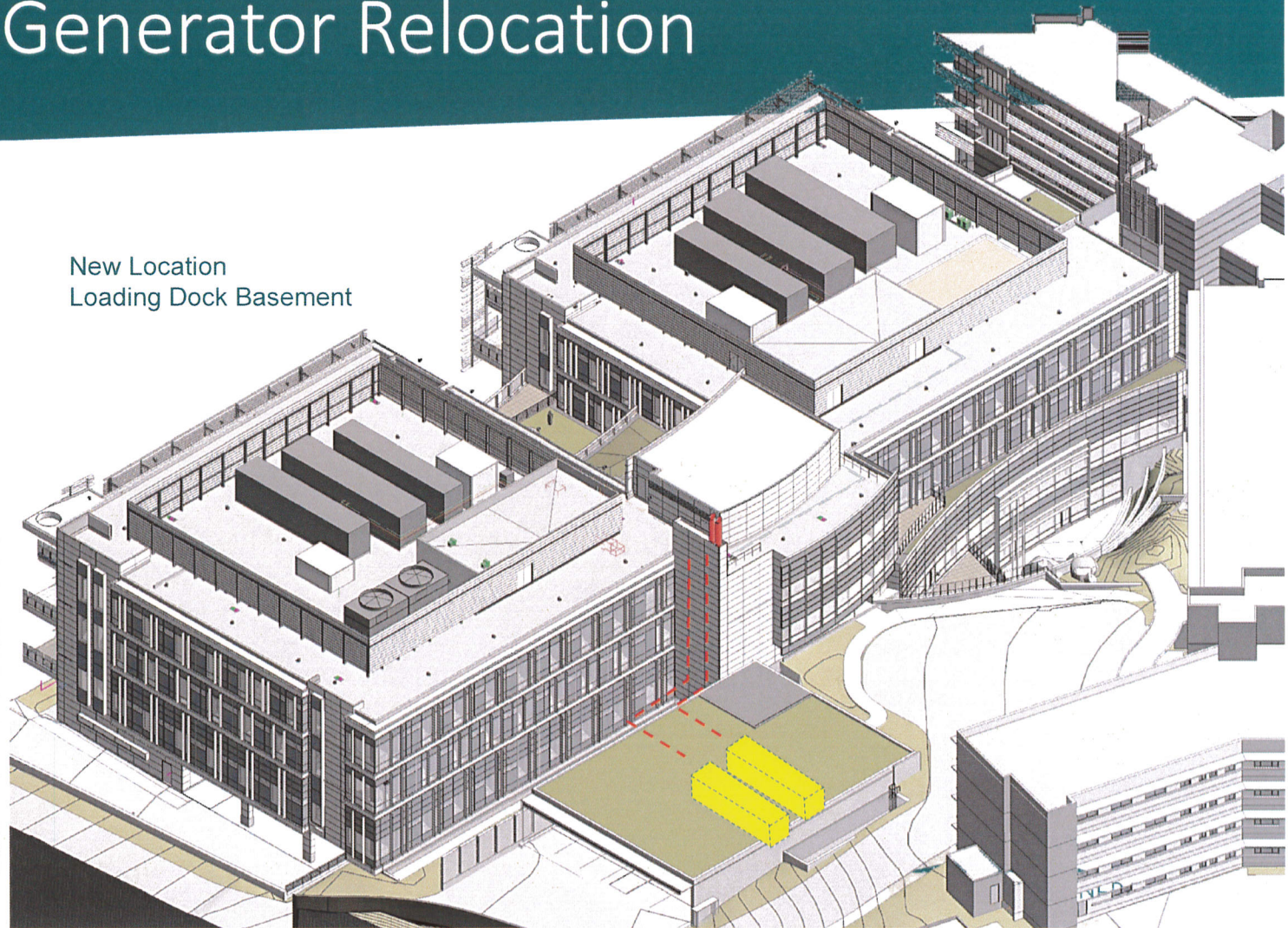


Previous Location (Roof)



6 New Location Section

New Location
Loading Dock Basement



Incremental Contracting Approach

GMP #	Risk	OSHPD Increment	NTP Date	Preliminary Estimate	Construction Activity
IGMP#1*	Low	INC 3 - Shoring & Excavation	3/1/16	\$16.0M	Excavation/Shoring Start - 3/14/16
IGMP#2*	Med-Low	INC 4 - Foundations & Structure	6/1/16	\$29.6M	Structural Excavation Start - 8/22/16 Steel Mill Order - 6/7/16
IGMP#3*	Med-Low	INC 6 - Exterior	8/1/16	\$26.4M	Place Extrusion Order - 8/9/16
IGMP#4*	High	INC 5 - TI & Inc 7 Seismic Bracing-Anchorage	12/23/16	\$204.4M	Insert Decks MEP - 3/17/17
FGMP#5**	Low	Balance of Work	3/15/17	\$13.0M	Various Activities - 6/1/17
				Total:	\$289,400,000

*Initial Guaranteed Maximum Price

**Final Guaranteed Maximum Price



Project Contingency

	Marin General Hospital MGH 2.0 Budget	McCarthy Building Companies Construction Budget
Current	7.5% = \$20.6M*	6.1% = \$14.2M
Goal (Start of construction)	5% = \$13.9M	5% = \$11.7M

*Original \$20.9M contingency reduced by \$300k to include:

- Patient Lifts costs of \$207,000 and
- Clean Scope Processing Modifications, current estimate \$100k



Project Risks

Risk	Mitigation
Owner Changes	All changes approved by CEO & Reported to the Hospital Board and District Board
Medical Equipment	Converted to a Design Build Contract
Schedule Delays	Managing to and reporting on a master schedule with subcontractor buy in
Inexperienced Managers	All key Design Build team members have experience on large scale OSHPD projects
Project Safety	McCarthy has the best safety record in the country, Lost Time Case Incident Rate of 0.12, DART Incident Rate 0.33
Professional Contracting	Industry tested and extensively used
Weather Delays	Planning for impacts, weather bank based on historical data included in schedule Strategic start date, shoring start in March (end of rainy season)
Volatile Market Conditions	70% of costs are locked in through the end of construction
Unforeseen Conditions	Occurs early in the project, exposure exists at WW building connection and site and foundations
County Approval	Preliminary Planning Commission Presentation, requested changes incorporated into design
OSHPD	Carrying a contingency, taking a proactive approach, review duration based on industry experience

Master Project Schedule

Project	Milestones	June 2014 100% Schematic Design	March 2015 100% Design Development	October 2015 50% Construction Documents
Hillside Garage	Construction Start	December 2014	April 2015	April 2015
	Construction Completion	December 2015	May 2016	May 2016
West Wing Make Ready	Construction Start	September 2015	May 2015	May 2015
	Construction Completion	January 2016	December 2015	January 2016
MGH 2.0	Construction Start	March 2016	January 2016	March 2016
	Temporary Occupancy w/out Fit Up	June 2019	June 2019	June 2019
	Substantial / OSHPD Completion	January 2020	January 2020	January 2020
West Wing Addition	Construction Start	July 2019	January 2020	January 2020
	Construction Completion	June 2021	December 2021	December 2021

Project Cost Estimate - June 2014 vs. Current

Phase I Projects	June 2014 100% Schematic Design	March 2015 100% Design Development	October 2015 50% Construction Documents
Hospital Replacement Project	\$427,736,000	\$427,736,000	\$427,736,000
West Wing Make Ready	\$4,656,000	\$15,600,000	\$15,600,000
Parking Garage – Bon Air	\$217,000	\$217,000	\$217,000
Parking Garage – Hillside	\$25,962,000	\$25,962,000	\$25,962,000
Site Work	\$32,992,000	\$26,361,000	\$26,361,000
Subtotal Phase IA	\$491,563,000	\$495,876,000	\$495,876,000
West Wing – Ground Reno, Lobby Addition, Surgery	\$34,259,000	\$38,988,000	\$38,988,000
West Wing - Surgery Support	\$7,821,000	Included Above	Included Above
West Wing Level 2 – ICU to Med/Surg	\$1,221,000	Phase II	Phase II
Total Project Cost Phase I	\$534,864,000	\$534,864,000	\$534,864,000
*Possible Market Conditions – Add 1% of Construction	\$8,735,000	\$8,735,000	\$8,735,000

Project Cost Estimate - June 2014 vs. Current

Phase II Projects	June 2014 100% Schematic Design	March 2015 100% Design Development	October 2015 50% Construction Documents
West Wing – Pharmacy Allowance	\$5,379,000	\$5,379,000	\$5,379,000
West Wing – Surgery OR Renovation	\$4,564,000	\$4,564,000	\$4,564,000
West Wing Level 2 – ICU to Med/Surg	\$0	\$1,221,000	\$1,221,000
Total Project Cost Phase II	\$9,943,000	\$11,164,000	\$11,164,000

Request for Approval – MGH2.0 + Site Budget

Phase I Projects	October 2015
Request for Approval	
MGH 2.0 (Hospital Replacement Building)	\$427,736,000
Site Work	\$26,361,000
Request for Approval Total	\$454,097,000
Previously Approved	
West Wing Make Ready	\$15,600,000
Parking Garage – Bon Air	\$217,000
Parking Garage Hillside	\$25,962,000
Total Project Cost Phase IA	\$495,876,000
To be Approved in the Future	
West Wing – Addition, Ground Floor Renovation, Surgery Support Renovation	\$38,988,000
Phase I Project Total	\$534,864,000

Recommendation

Authorize the start of MGH 2.0 Construction – December 2015



**Attachment 7A
FY 2016 Budget**

Marin Healthcare District

FYE: December 31, 2016

		7/1/15 through 10/31/15 (4 months)				Proposed FY 2016 Budget
		Jul - Dec 2015 Budget	To Date - Budget	To Date - Actual	Variance	
1	Receipts					
2	MGHC Cash Rental Income - Lease	236,116	194,450	194,500	50	500,000
3	MGHC Support Payments	85,141	85,141	51,085	(34,056)	-
4	Interest Income	1,500	1,000	796	(204)	3,000
5	Total Receipts	322,757	280,591	246,381	(34,210)	503,000
6						
7	Disbursements					
8	Legal Fees - Counsel - General	30,000	20,000	15,842	4,158	60,000
9	Auditor Expenses	15,000	10,000	14,628	(4,628)	20,000
10	Board Compensation	6,100	4,000	3,400	600	12,200
11	Board Expenses - Meetings & Travel	15,000	10,000	1,740	8,260	10,000
12	ACHD	12,000	12,000	4,000	8,000	12,000
13	Charitable Contributions	74,516	55,000	55,000	-	7,000
14	Consulting	2,000	1,332	-	1,332	2,000
15	Community Communications & Education	40,000	26,668	-	26,668	66,000
16	Clinic Marketing Communications	40,000	26,668	-	26,668	-
17	Lafco Allocation	3,000	-	-	-	3,000
18	Election	-	-	-	-	-
19	Depreciation	180,888	120,592	120,593	(1)	361,776
20	1206b Mental Health Clinic Support	-	-	-	-	193,152
21						
22	MGH Approved Program Support	85,141	-	-	-	-
23	Total Disbursements	503,645	286,260	215,203	71,057	747,128
24						
25	Net Income/(Loss)	\$ (180,888)	\$ (5,669)	\$ 31,178	\$ 36,847	\$ (244,128)
26						
27	Cash Flow					
28	Net Income/(Loss)	(180,888)				(244,128)
29	Add Back:					
30	Depreciation	180,888				361,776
31	Subtract:					
32	Election Expense Previously Accrued	-				(65,600)
33						
34	Net Cash Flow	-				52,048

Attachment 7B
Financials – Oct 2015



**Marin Healthcare District
Financial Narrative – October 31, 2015**

I. General Comments

These financial statements contain, in summary format, the balance sheet and net loss from the 1206b Clinics. The Clinics, at October 31, 2015 are comprised of 9 locations and 35 physicians, but are reported as one combined unit.

II. FY 2015 Income Statement and Budget

Since the District will be changing to a calendar year reporting period commencing January 1, 2016, this budget is for the period July 1, 2015 through December 31, 2015.

Budget

The District experienced, year-to-date, a favorable variance to budget of \$36,796. Receipts include \$194,450 from MGH for the cash portion of rent for the period July 2015 through November 2015. The District also received \$51,085 from MGHC for Support Payments. The final support payment will be made in November.

Expenses are favorable to budget by \$71,056.

Profit & Loss

Total Income for the month of October was \$40,658, consisting of monthly amortization of deferred rent - \$40,658 and interest income of \$196. Deferred rent has now been fully amortized.

In October, the District incurred total expenses of \$45,568, including \$1,191 for board-related expenses, legal fees of \$1,600, \$1,000 amortization of prepaid AHA dues, \$11,628 for audit expenses, and \$30,148 in depreciation. Audit fees represent MHD's 35% share of the final billing for the June 30, 2015 audit. The balance of the fees were paid by MGH

The net loss from the 1206b Clinics was \$368,363 which was reimbursed by MGH.

III. Balance Sheet – Current & Prior Month

Assets

The cash balance is \$3,706,959, a decrease of \$13,086 from September. Accounts Receivable – 1206b is \$1,994,207, an increase of \$116,313. The amount receivable from MGH for reimbursement of expenses is \$316,430.

Deposits and Retainers include a \$500,000 retainer paid to MMPC in April 2012 for operating expenses of the 1206b clinics as per the agreement. Prepaid Expense of \$8,000 represents prepaid AHA dues that will be amortized over the next 8 months. The increase in Notes Receivable is due to a working capital loan made to one of the Clinics in accordance with the original contract.

Intangible Assets – Net consist of the portion of the CAM asset purchase price that was deemed to be for medical records and other intangibles (\$185,844 and \$675,660 respectively). These balances are reduced each month by amortization over a period of 15 years.

Liabilities and Net Assets

Accounts Payable of \$1,704,708 is comprised of invoices payable and accruals for District and 1206b expenses.

Intercompany Payables are amounts due to MGH for repayment of loans made to MHD to mitigate the negative cash flow impacts of large for Clinic-related expenses.

Long-term Obligations of \$400,000 represents the balance of the note payable to CAM for purchase of the CAM Clinic assets in 2011.

The District has a positive Net Assets of \$9,520,253.

IV. 1206b Income Statement

The October clinic loss was \$368,363. The operations of the Clinics are \$360,574 favorable to budget, year-to-date.

Marin Healthcare District
Income Statement - Actual vs. Budget
For the Four Months Ended October 31, 2015

	October			July - October		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	\$40,658	\$118,438	(\$77,780)	\$520,507	\$520,507	\$0
MGH Support Revenue	0	34,056	(34,056)	51,085	85,141	(34,056)
Interest Income	196	250	(54)	796	1,000	(204)
Total Income	40,854	152,744	(111,890)	572,387	606,648	(34,261)
Legal Fees	1,600	5,000	3,400	15,842	20,000	4,158
Accounting Fees	11,628	2,500	(9,128)	14,628	10,000	(4,628)
Board Compensation	1,000	1,000	0	3,400	4,000	600
Board Expenses	191	2,500	2,309	1,740	10,000	8,260
Depreciation Expense	30,148	30,148	(0)	120,593	120,592	(1)
Consulting Fees	0	333	333	0	1,332	1,332
Election Expenses	0	0	0	0	0	0
Charitable Contributions	0	0	0	55,000	55,000	0
Community Education	0	6,667	6,667	0	26,668	26,668
Dues	1,000	0	(1,000)	4,000	12,000	8,000
MGH Program Support	0	0	0	0	0	0
Advertising	0	6,667	6,667	0	26,668	26,668
Total Expense	45,568	54,815	9,247	215,204	286,260	71,056
Net District Income	(4,714)	97,929	102,643	357,184	320,388	(36,796)
Net Loss From Clinics	(368,363)	(515,808)	147,445	(1,687,944)	(2,048,519)	360,574
MGH Clinic Reimbursement	368,363	515,808	(147,445)	1,687,945	2,048,519	(360,574)
Net Income	(\$4,714)	\$97,929	(\$102,643)	\$357,184	\$320,388	\$36,796

Marin Healthcare District
For Period: 10-2015 (10/01/2015 - 10/31/2015)
Balance Sheet Trending Report - 2015

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Current Month</u>
Assets							
Current assets							
Cash and cash equivalents			\$3,205,998	\$4,427,859	\$3,272,583	\$3,720,045	\$3,706,959
Net patient accounts receivable			\$2,019,832	\$1,869,103	\$1,873,369	\$1,777,714	\$1,894,027
Other Current Assets							
Other Receivables			\$40,588	\$41,461	\$40,944	\$43,087	\$40,213
Intercompany Receivables			\$605,915	\$333,009	\$772,880	\$404,593	\$316,430
Inventories			\$15,692	\$15,692	\$15,692	\$15,692	\$15,692
Prepaid Expenses				\$11,000	\$10,000	\$9,000	\$8,000
Total current assets	\$0	\$0	\$5,888,024	\$6,698,124	\$5,985,469	\$5,970,131	\$5,981,321
Property, plant, and equipment, net							
Intangible Assets - Net			\$6,000,622	\$5,951,371	\$5,902,827	\$5,853,930	\$5,805,032
Notes Receivable			\$658,167	\$652,783	\$647,399	\$642,016	\$636,632
Deposits & Retainers			\$2,500	\$1,250	\$80,000	\$78,864	\$107,722
Total Non-current Assets	\$0	\$0	\$7,248,115	\$7,192,230	\$7,217,052	\$7,161,635	\$7,145,211
Total Assets	\$0	\$0	\$13,136,138	\$13,890,354	\$13,202,521	\$13,131,766	\$13,126,532

Marin Healthcare District
For Period: 10-2015 (10/01/2015 - 10/31/2015)
Balance Sheet Trending Report - 2015

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Current Month</u>
Liabilities and net assets							
Current Liabilities:							
Accounts Payable			(\$1,597,425)	(\$2,219,631)	(\$1,360,761)	(\$1,503,508)	(\$1,704,708)
Other Current Liabilities			(\$326,057)	(\$230,924)	(\$135,791)	(\$40,658)	\$0
Intercompany Payables			(\$1,050,000)	(\$1,019,444)	(\$988,889)	(\$958,333)	(\$927,778)
Current maturities of long-term obligations							
Total Current Liabilities	\$0	\$0	(\$3,572,188)	(\$4,105,215)	(\$3,279,266)	(\$3,129,465)	(\$3,130,279)
Long-term obligations, less current maturities			(\$400,000)	(\$400,000)	(\$478,667)	(\$477,333)	(\$476,000)
Total Liabilities	\$0	\$0	(\$3,972,188)	(\$4,505,215)	(\$3,757,933)	(\$3,606,799)	(\$3,606,279)
Net Assets							
Unrestricted Net Assets:							
Equity			(\$9,163,951)	(\$9,163,951)	(\$9,163,951)	(\$9,163,951)	(\$9,163,951)
Net Income	\$0	\$0	\$0	(\$221,189)	(\$280,637)	(\$361,017)	(\$356,302)
Total Net Assets	\$0	\$0	(\$9,163,951)	(\$9,385,139)	(\$9,444,588)	(\$9,524,967)	(\$9,520,253)
Total Liabilities and Net Assets	\$0	\$0	(\$13,136,138)	(\$13,890,354)	(\$13,202,521)	(\$13,131,766)	(\$13,126,532)

Marin Healthcare District
1206b Clinics
Summary of Profit & Loss - Accrual Basis
For the Four Months Ended October 31, 2015

Managed Clinics	# MD's	# Of Months	Current Month			Monthly Invest/MD	Year to Date			Avg. Annual Invest/MD
			Actual	Budget	Variance		Actual	Budget	Variance	
San Rafael Medical Center	1.00	4.00	(3,408)	(1,596)	(1,812)	(3,408)	(9,471)	(6,384)	(3,087)	(28,413)
North Marin Internal (Novato)	5.00	4.00	9,078	(26,721)	35,799	1,816	(8,475)	(106,884)	98,409	(5,085)
Marin Medical Group (MMG)	2.50	4.00	(4,630)	(24,296)	19,666	(1,852)	(130,751)	(83,851)	(46,900)	(156,901)
El-Ghoneimy	1.00	4.00	(2,364)	13,991	(16,355)	(2,364)	46,842	55,964	(9,122)	140,526
Tamalpais Internal Medicine (TIM)	2.50	4.00	22,489	(10,056)	32,545	8,996	(18,765)	(40,224)	21,459	(22,518)
Nurse Practitioners	0.00	4.00	0	(13,786)	13,786	0	205	(53,644)	53,849	0
Cardiology Associates (CAM)	16.44	4.00	(269,475)	(308,989)	39,514	(16,391)	(1,106,859)	(1,235,955)	129,096	(201,982)
Urology	1.00	4.00	(45,138)	(33,526)	(11,612)	(45,138)	(119,100)	(134,104)	15,004	(357,300)
Vascular Surgery	2.00	4.00	(67,163)	(84,983)	17,820	(33,582)	(263,729)	(339,932)	76,203	(395,594)
Totals	31.44		(\$360,611)	(\$489,962)	\$129,351		(\$1,610,103)	(\$1,945,014)	\$334,911	

Self - Managed Clinics	# MD's	# Of Months	Current Month			Monthly Invest/MD	Year to Date			Avg. Annual Invest/MD
			Actual	Budget	Variance		Actual	Budget	Variance	
Marin Endocrine	2.50	4.00	(7,009)	(16,733)	9,724	(2,804)	(48,229)	(66,932)	18,703	(57,875)
West Marin Medical Center (Pt. Reyes)	1.50	4.00	(701)	(9,114)	8,413	(467)	(29,858)	(36,573)	6,715	(59,716)
Soluna Health	0.00	0.00	(42)	0	(42)	0	(636)	0	(636)	-
Totals	4.00		(\$7,752)	(\$25,847)	\$18,095	(\$1,938)	(\$78,723)	(\$103,505)	\$24,782	

Total All Clinics	35.44		(\$368,363)	(\$515,809)	\$147,446		(\$1,688,826)	(\$2,048,519)	\$359,693	
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Attachment 7C
2016 Schedule

MARIN HEALTHCARE DISTRICT

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

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Website: www.marinhealthcare.org

Email: info@marinhealthcare.org

FINANCE AND AUDIT COMMITTEE MEETING AGENDA

NOVEMBER 24, 2015 AT 5:30 P.M.

2015 Schedule (4th Tuesdays)

Q1

March 24

Q2

April 28

Jul-Dec 2015 (6 Mo.) Budget Review

Q3

September 29

Q4

November 24

FY 2016 Budget Review (Actions)
[MHD BOD December 8]

December 15

2016 Schedule (Tentative) (4th Tuesdays)

[MHD BOD 2016 Schedule is Draft & Confidential]

Q1

January 26

2015 July-Dec Financial Review
[MHD BOD February 9]

Q2

May 24

6 Month Audited Financials' Review (Action)
[MHD BOD June 14]

Q3

September 27

Required Quarterly Meeting
[MHD BOD October 18]

Q4

November 22

FY 2017 Budget Review & Approval (Action)
[MHD BOD December 13]

A copy of the agenda for the Regular Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.
American Sign Language Interpreters may be requested by calling (415) 927-5755 (voice) or (415) 927-5759 (facsimile) at least 48 hours in advance of this meeting.