

Tulare Local Healthcare District dba Tulare Regional Medical Center

Agenda Item: CFO Reports

Board Meeting Date: September 26, 2018

June, 2018 Draft of Internal Statements: Balance Sheet and Statement of Revenue and Expenses - **Notes and Disclaimer:**

The June Statement was prepared based on the following facts:

There has not been a financial audit of the Tulare Local Health Care District dba Tulare Regional Medical Center's accounting books and records for the FYE June 30, 2017. As such, there are numerous items that we believe need to be adjusted to the FYE 6/30/17 financial statements, and these will need to be addressed in-depth at the time the District obtains an audit for these FYE's 2017 & 2018 periods.

In the meantime, and in order to close the books and prepare a draft statement for the 12 months ended June 30, 2018 (FYE 2018), we have attempted to identify adjustments that are allocable to the FYE 2017 statements, and simultaneously identify those items that appear to be allocable to the FYE 2018 statements.

The premise that we used to develop these draft statements was to, as best could be determined, adjust the respective Balance Sheet items for these months to the most appropriate supportable documentation, e.g., bank statement balances, gross accounts receivable and corresponding expected net collections, the latest Supplemental Payment program estimates, and accounts payable invoices or accruals for certain expenses.

As such, we are unable to make any conclusive representations as to the accuracy or completeness of the Tulare Local Health Care District dba Tulare Regional Medical Center June 30, 2018 Draft Internal Financial Statements. The FYE's 2017 and FYE 2018 books and records must be further analyzed, reconciled, and stated in accordance with uniform and accepted accounting procedures, and audited by an independent financial auditor.

Note: The audits for FYE's 2017 and 2018 have commenced in mid-September, 2018, and the reports are expected to be completed in November.