

HOSPITALS: REPORTING REQUIREMENTS

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HOSPITALS: REPORTING REQUIREMENTS

"Let's look at the record."

--Al Smith

I. RECORDING THE RESULTS OF OPERATIONS

Within any enterprise, there is an imperative need for statistical and financial information. Hospitals are no exception. Hospital accounting can be defined as the accumulation, communication, and interpretation of historical and projected economic data relating to the financial position and operating results of a hospital enterprise, for purposes of decision making by its management and other interested parties. Any discussion of basic accounting concepts and principles should begin with a consideration of the end product of accounting, i.e., Financial Statements. They are the means by which the information accumulated in the accounting process is periodically communicated to those who use it in making economic decisions. This chapter will provide instruction in preparing both the monthly Hospital Statement of Operations and the Annual Financial Report--University of California Hospitals and Clinics.

Hospital operating results are determined by means of the accrual concept of accounting, even though all the accruals might not be recorded in the University General Ledger each month. Each hospital must maintain records to support its monthly accruals so that the data in its monthly reports can be reconciled to the data recorded in the University General Ledger. All such reconciling accruals will be recorded in the University General Ledger at fiscal year end.

Fund 63000 is reserved at all campuses for hospital operating accounts only. Consistent with governmental accounting and reporting requirements, revenue and cost centers should be maintained within this fund by each hospital. Transactions applicable to a prior year must be reported as part of the current year operations, but may be recorded in a separate fund in the 63XXX series for management purposes. Nonoperating transactions are to be recorded in other funds in the 63XXX series.

A. PATIENT REVENUE

Revenue is recorded when it is earned (that is, at the time the related service is rendered and the hospital has either received cash or has a legal claim against the patient for the value of the service

I. RECORDING THE RESULTS OF OPERATIONS (Cont.)**A. PATIENT REVENUE (Cont.)**

provided). Hospital revenues arising from patient-care services are measured in terms of the value of those services as evidenced by the hospital's full, established rates for those services. This is true whether the hospital actually collects its full charges, less than full charges, or nothing for the services provided. Allowances or deductions from revenue will be recorded in separate contra revenue accounts. Revenue is not to be recharged from one revenue center to another within the hospital.

Revenue is to be recorded daily as part of the process of posting to individual patient accounts the individual charge documents reflecting the hospital and clinic services rendered during the day. These charge documents must be processed from the hospital service areas to the hospital patient account processing section within deadlines established for timely preparation of patient bills. At the end of the month, all data so processed during the month will be summarized by revenue centers and recorded in the University General Ledger by means of a journal entry. For reporting purposes, recorded revenue (and accounts receivable) may be adjusted to include unprocessed revenue.

Revenue will also be coded by patient class (e.g., by department or functional activity and by inpatient and outpatient category) and primary financial sponsor. Such coding is for statistical reporting purposes only and does not enter the University accounting system. If changes in patient class and/or primary financial sponsor should occur subsequent to the determination made at the time of admission, it will be necessary to make these changes such that they can be reflected in the revenue classification.

In accordance with instructions in chapter H-576-60, Hospitals: Patient Accounts Receivable, a journal entry will be prepared each month to record a provision for uncollectible accounts. The provision is to be recorded as a credit to a contra asset account and reported as a deduction from revenue.

B. EXPENSE

Hospital expenses may be defined roughly as the costs of services, supplies, and other items purchased and consumed by the hospital in the provision of patient-care services during a given period of time. In accordance with generally accepted accounting principles, expenses are recognized and measured in the time period in which they are incurred or consumed in providing hospital services. This may or may not be the same time period in which they are paid. Expenses are recorded by the campus from disbursements processed through the campus' data processing center. Salary and wage expense and related fringe benefits are

computed by the payroll system and recorded in the campus general ledger by machine-generated journal entries. Supplies and other general expenses are recorded in the campus general ledger from individual vendor disbursements and service department recharges processed during the month.

1. Accruals

Under the accrual basis of accounting, an accounting concept called the matching principle states that expenses associated with the generation of revenue should be recognized in the same period as the associated revenue. In order to properly match revenue and expense for reporting purposes, each hospital must maintain a controlled system for accruing expense covered by vendor invoices still unprocessed or not yet received. This accrual data is to be added to the data reported in the campus general ledger before operating reports are prepared by the hospital. At its option, a hospital may extend its system to accrue all expenses by recording as much expense as possible before it is processed by the campus data processing center. In this case, the hospital must maintain controlled procedures for ensuring that all expenses recorded in the campus general ledger are included in its own data before it prepares its monthly operating statements. Either way, each hospital must be able to reconcile the expense data in its system to the data in the campus general ledger.

In order to record the full cost of operating a hospital, journal entries will be prepared each month to record the following:

a. Depreciation of plant assets

In accordance with instructions in chapter H-576-62, Hospitals: Plant Asset Accounting, depreciation of plant assets is to be recorded and reported as an expense and credited to a reserve account.

b. Interest on working capital advances

In accordance with instructions in chapter H-576-85, Hospitals: Working Capital, interest on working capital advances is to be recorded as an expense and credited to Accrued Interest Payable.

2. Inventories

Inventorial supplies are recorded in the campus general ledger as expense/inventory at the time of purchase. At fiscal year end, the campus general ledger accounts for inventories are adjusted to reflect the year end inventory balances and a corresponding adjustment is made to record the expense. Expenses reported in monthly operating

I. RECORDING THE RESULTS OF OPERATIONS (Cont.)

B. EXPENSE (Cont.)

2. Inventories (Cont.)

statements should reflect known fluctuations in inventory balances for which adjustments have not been recorded. Inventory balances will be verified at least once a year by taking a physical inventory of supplies on hand.

3. Bond Interest

For hospitals financing projects from the sale of revenue bonds, the amount of bond interest expense to be recorded each month is influenced by the premium or discount recorded at the time the bonds are issued. Amortization of bond discount is regarded as an addition to periodic interest expense, whereas the amortization of bond premium is treated as a reduction of interest expense. This system will be followed in order to obtain, at least, a rough approximation of the effective interest cost of the bonds. Bond discount and premium should be amortized evenly throughout the life of the bond issue by the straight-line method.

4. Natural Classification

Governmental accounting and reporting requirements call for classifying expenses into a number of "natural" categories (e.g., salaries, employee benefits, purchased services, rent, insurance, interest, and depreciation) that apply to all cost centers. The specific classifications appropriate to hospitals are not fully compatible with the University's present object code system and each hospital must develop its own systems to respond to these requirements. For coding purposes, the third and fourth digits in the University's object code may be used for natural classifications, which then must be summarized by the hospital according to its needs.

C. NONPATIENT TRANSACTIONS

Incidental to the patient-care operations of the hospitals, there are a variety of nonpatient transactions. These transactions are to be recorded as follows:

- 1) Cafeteria and coffee shop sales are to be recorded on a cash basis and reported as other operating revenue.
- 2) Transactions between hospital departments involve assigning costs directly to appropriate departments or cost centers. The objective of accounting for interdepartmental services is to establish a proper distribution of direct costs prior to cost allocation.
 - a) Transfers should be made monthly.

b) Transfers of supplies or services are to be at invoice cost. Revenue is not to be generated from interdepartmental transactions.

3) Transactions with U.C. departments (campus recoveries) are to be reported as cost reductions rather than as revenue.

4) Sales to non-University purchasers must be recorded as nonpatient revenue.

D. OPERATING GAIN OR LOSS

Operating gain or loss is determined monthly in the Hospital Statement of Operations as the difference between revenue and expense computed according to the principles described above. Gains and losses of the various revenue producing departments are determined in accordance with accepted cost allocation techniques. Operating gain or loss at fiscal year end will be the unexpended balance in fund 63000 (including the unexpended balance in the 63XXX fund, when used for prior year(s) adjustments). This balance is to be journalized in Equity for Current Assets as part of the University's fiscal closing process.

II. REPORTING THE RESULTS OF OPERATIONS

The Hospitals' Statements of Operations are used as management tools that are circulated at the originating hospital and campus, among the University hospitals, and at the Office of the President where they may be used in the preparation of reports to The Regents. The Hospital Statement of Operations is prepared from hospital records that include the data in the University General Ledger and the accrual and cost allocation data maintained by the hospital. Each hospital is responsible for the preparation and submission of these reports and for reconciling them to the University General Ledger. These reports are used for planning and management by hospital administration, campus administration, and the Office of the President. (See Records Disposition Schedule for retention of these reports.)

A. MONTHLY HOSPITAL STATEMENT OF OPERATIONS

Each hospital is required to submit a copy of its monthly statement of operations to the following officials in the Office of the President: (1) Senior Vice President--Administration, (2) Vice President--Health Affairs, (3) Vice President--Budget and University Relations, (4) University Controller, and (5) Director of the Budget. The report is due 45 days after the end of the period being reported and will be prepared on an accrual basis in the format prescribed in Appendix I.

II. REPORTING THE RESULTS OF OPERATIONS (Cont.)

B. ANNUAL FINANCIAL REPORT

Each campus is required to submit an Annual Financial Report to the University Controller in accordance with fiscal closing step 156, using the format prescribed in Appendix II.

Historical note: This material was originally issued as Section III and Appendix II of Chapter H-576-5 on 7/1/69. It was revised and reissued as a separate chapter on 6/1/73. Earlier revisions: 1/1/79, 9/1/79 and 6/15/88. Present revision 8/15/89; analyst--John Turek.

APPENDIX I: INSTRUCTIONS FOR PREPARING THE HOSPITAL STATEMENT OF OPERATIONS

The Hospital Statement of Operations is designed as a management report and does not strictly follow all the standards set by the American Institute of Certified Public Accountants for hospital accounting. A sample format of each schedule in the Statement of Operations is included at the end of this Appendix. The report consists of the following:

Narrative

Schedule A:	Summary of Revenue and Expense
Schedule A-1:	Analysis of Gross Revenue by Funding Source
Schedule A-2:	Net Operating Revenue by Funding Source
Schedule B:	Balance Sheet
Schedule C:	Accounts Receivable Summary
Schedule C-1:	Allowance for Uncollectible Accounts
Schedule D:	Analysis of Fund Balances
Schedule E:	Report of Clinical Teaching Support Utilization
Schedule F:	Report on Utilization of Facilities
Schedule G:	Trend of Operations on Per Diem Basis

Narrative

An introductory narrative should be included each month the Hospital Statement of Operations is published. The narrative should include hospital administration's comments regarding patient activity and financial results for the month.

Schedule A: Summary of Revenue and Expense

1. This schedule reports revenue earned and expenses incurred by the hospital during a given period of time. Schedule A reports both year-to-date actual and full year projected information and compares it to budget and prior year data.
2. The Year-to-Date Original Budget column is the hospital budget that is submitted for inclusion in the annual Regents' Budget Request. The year-to-date original budget can be reported as either 1/12th of the full year budget or spread based on seasonal variances. The original budget is to be used throughout the fiscal year, unless a budget change is authorized by letter from the Vice President for Health Affairs for one of the following reasons:
 - a) Federal or State Government reimbursement changes that would have a material impact on the Medical Center(s).
 - b) Significant local changes (e.g., addition or loss of major third party contracts).

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3. A written request for budget change authorization should be submitted by the Hospital Director to the Vice President for Health Affairs, supported by appropriate background material.

4. The following are brief descriptions of lines on Schedule A:

Gross Patient Revenue: All patient-care services (inpatient and outpatient--both routine and ancillary) rendered by the hospital must be recorded as revenues measured in terms of the hospital's full established rates.

Deductions from Revenue: Revenues uncollectible by reason of contractual allowances, administrative allowances, bad debt, and teaching allowances (i.e., charity care/uncompensated care).

Contractual Allowances: The difference between the amounts charged, based on the hospital's full established rates, and the amounts received and to be received from third party agencies (e.g., Medicare, Medi-Cal, Medically Indigent Adults, Preferred Providers, County Contracts, etc.) in payment for such charges, including adjustments made at year end based upon cost reports (wherever applicable). Contractual allowances are to be reported at their gross amount prior to any application of Clinical Teaching Support.

Administrative Allowances: Adjustments which represent (1) immaterial amounts to close patient accounts for which further action is not appropriate according to billing guidelines, (2) disputed charges for which the hospital administration deems it inappropriate to bill the patient, (3) charges processed too late to bill the patients, and (4) policy discounts.

Provision for Bad Debt: An offset against gross patient revenue arising from the uncollectibility of accounts of patients who have the financial ability to meet their obligations to the hospital but do not. Any change from the original percentage developed at the start of the fiscal year is to be footnoted on Schedule C-1 and an explanation of the change is to be provided in the narrative. (Refer to Accounting Manual chapter H-576-60, Hospitals: Patient Accounts Receivable, for calculation method.)

Teaching Allowances: Charges written-off for patients who are essential to the teaching mission of the hospital but who are unable to pay the full cost of their hospital care.

Clinical Teaching Support: State General Fund used to provide an adequate complement of patients for the teaching mission of the University health sciences schools. Total Clinical Teaching Support (CTS) shall be the annual allocation less any budgetary savings target and shall be reported in twelve equal installments over the course of the fiscal year. (CTS uses are described in Accounting Manual chapter H-576-73, Hospitals: Clinical Teaching Support.)

Other Operating Revenue: Income generated in the normal course of operations that is not directly related to patient care, (i.e., cafeteria sales, parking-lot fees, rentals received, tuition from educational programs, and similar operating items).

Operating Expense: The costs of services, supplies, and other items purchased and consumed by the hospital in the provision of patient-care services and the generation of other operating revenue during a given period of time. Expenses associated with the generation of revenue should be recognized in the same period as the associated revenue.

Non-Operating Items and Adjustments: All interest income will be offset with interest expense, including interest on working capital. If the net amount is positive--interest income--it will be reported as non-operating income. If the net amount is negative--interest expense--it will be reported as operating expense. Non-operating items and adjustments also include unrestricted gifts, prior year adjustments, and other revenue and expenses not directly related to patient care, related patient services, or the sale of related goods. Prior year adjustments include settlements and anticipated outcomes of items being appealed for cost reports, county reimbursements, workers' compensation, etc. Material items are to be explained in the narrative comments.

5. The Full Year, Current Projection column is a forecast of the current fiscal year operations based on year-to-date actual figures and anticipated revenues and expenses for the remaining months. The amounts reported in the Current Projection column can be updated at the hospital's discretion.

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6. The Year-to-Date, Current Year and Prior Year, Actual Gross Patient Revenue plus Total Other Operating Revenue must agree with the column totals for Total Gross Operating Revenue on Schedule A-1. The lines under Other Operating Revenue (Clinical Teaching Support and Other) in the columns Current Actual and Prior Year Actual Year-to-Date and in the columns Current Projection Full Year and Prior Year Actual Full Year must agree with Schedules A-1 and A-2 for these classifications. The Current Projection and Prior Year Actual Full Year for the line Net Operating Revenue must agree with Schedule A-2, Net Operating Revenue for the same classifications.

Schedule A-1: Analysis of Gross Revenue by Funding Source

1. Definitions of the patient classes are available in Accounting Manual chapter H-576-60, Hospitals: Patient Accounts Receivable.
2. This schedule reports total operating revenue sources, both direct patient and nonpatient sources. The amounts are reported at gross, prior to any deduction from revenue or application of Clinical Teaching Support.
3. The Current Year, Year-to-Date, Outpatient column includes all outpatient services.
4. The Current Year, Year-to-Date, Total column includes inpatient, outpatient, and psychiatry.
5. Prior year data includes inpatient, outpatient, and psychiatry revenue.
6. Clinical Teaching Support will be reported each month at 1/12 of the annual allocation less any budgetary savings targets. The amount of CTS reported here must agree with the amount reported on Schedules A and A-2.
7. Other Operating Revenue reported on Schedule A-1 will reflect total nonpatient revenue. This amount must agree with the amount reported as Other on Schedule A under Other Operating Revenue and as Other Operating Revenue on Schedule A-2.
8. Total Gross Patient Revenue amounts reported for the current year and the prior year on Schedule A-1 must agree with those amounts reported on Schedule A.

Schedule A-2: Net Operating Revenue by Funding Source

1. This schedule reports patient revenue at the net amount. The net amount is determined by calculating the amount of contractual and administrative allowances, bad debt, and teaching allowance deducted from each funding source except Clinical Teaching Support and Other Operating Revenue.
2. The definition of funding sources is available in Accounting Manual chapters H-576-60, Hospitals: Patient Accounts Receivable, and H-576-73, Hospitals: Clinical Teaching Support.

3. Clinical Teaching Support under the Year-to-Date column will be reported each month at 1/12 of the annual allocation less any budgetary savings targets. The amount of CTS reported here must agree with the amount reported on Schedules A and A-1.
4. Other Operating Revenue reported on Schedule A-2 will reflect total nonpatient revenue. This amount must agree with the amount reported as Other on Schedule A under Other Operating Revenue and as Other Operating Revenue on Schedule A-1.
5. Net Operating Revenue must agree with Net Operating Revenue on Schedule A.

Schedule B: Balance Sheet

1. The balance sheet reports the values of all assets, liabilities, and owners' equity of the hospital at a given time for unrestricted funds. Both current year and prior year data are provided on the balance sheet.
2. The following are brief descriptions of each line item on Schedule B:

Cash: Limited to petty cash fund or revolving accounts to pay for goods and services that are small in amount and for which payment must be made quickly. At UCLA the petty cash fund has been expanded from a minor disbursement account to a general disbursement account to handle all Medical Center accounts payable transactions.

Investments: Positive working capital.

Patient Receivables: Gross receivables offset by contractals but before any allowance for uncollectible accounts. Accounts receivable presented on the balance sheet is calculated by starting with gross receivables for all outstanding patient accounts, for all unbilled inpatient accounts (for patients still in the hospital and for inpatient accounts for which final bills have not yet been produced) and for professional-fee receivables purchased by the hospital. From this gross amount the following are subtracted: contractual allowances, charity allowances, administrative allowances, and unapplied amounts such as Periodic Interim Payment Balances, Blue Cross Advances, cash in process, and the estimated Clinical Teaching Support applicable to unprocessed accounts. The amount must agree with the ending balance on Schedule C.

Allowance for Uncollectible Accounts: The estimate of the amount uncollectible on patient receivables as defined above. The allowance is calculated as outlined in Accounting Manual chapter H-576-60, Hospitals: Patient Accounts Receivable, and must agree with the ending balance reported on Schedule C-1.

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Third Party Settlement Receivables:	Estimated amounts due pending final cost report settlement with Medicare and Medi-Cal; also, the difference between interim payments and estimated amounts due at final settlement with some contractual carriers.
Other Receivables:	Amounts due from employees for advances, hospital issued sundry debtor bills, physician office rental, accrual of outside service receivables, non-patient related receivables, and miscellaneous other receivables.
Inventories:	The cost of expendable supplies held for later use by the hospital during the course of the year. Inventories include items purchased by the hospital that are in central stores, departmental storeroom, the operating room, and in pharmacy. Supplies on the nursing floors are excluded from inventories. When the combined inventory value of new and unissued material in a department exceeds \$50,000 at one or more locations on a campus, or exceeds \$50,000 at an off-campus location, it is inventoried and recorded. (Refer to BFB BUS-54, Operating Guidelines for University Supply Inventories.) Inventories are valued at cost. If cost cannot be readily determined, any other method consistently applied which reflects reasonable valuation may be used. The accounting method (i.e., LIFO or FIFO) is noted on the Financial Statement.
Prepaid Expenses:	Expenditures made for future benefit (e.g., insurance, rent, or interest).
Bond Assets Held by Trustee:	Proceeds raised from the sale of revenue bonds for capital projects. The proceeds are held by the Trustee for payment of project costs.
Investment in Joint Venture:	The original investment at cost plus recognized shares of gains and losses of the joint venture recorded and reported in accordance with the equity method. Losses are to be recorded when reported by a joint venture but gains may be deferred when there are significant differences between accounting interpretations of the joint venture and the investing Medical Center. Unrecognized gains of a joint venture are to be recorded as an allowance against the investment.
Property, Plant & Equipment:	Capital assets owned by the hospital (i.e., land, buildings and improvements, equipment, leased property under capital leases, and construction in progress). Items with a unit cost of \$500 or more are capitalized. UCLA capitalizes items with a unit cost of \$500 or more, as well as items between \$200 and \$500 with an expected life of two years or more.

- Land represents the historical cost of the site on which the hospital's physical plant lies. Physical improvements to the land are included in this category. Land improvements are depreciated, but the land itself is not.
- Buildings and improvements consist of the historical cost of the hospital's physical plant and any improvements made to it. Improvements include both renovations and major repairs.
- Equipment is classified as fixed, major movable, and minor. Fixed equipment is physically attached to the building where it is located (e.g., elevators). Major movable equipment is expensive equipment which is not physically attached to the building (e.g., X-ray machinery). Minor equipment is all other equipment which is relatively inexpensive and lasts only for a short time (e.g., a typewriter).
- Leases that meet the capitalization criteria stated in Statement No. 13 of the Financial Accounting Standards Board are reported in Property, Plant, and Equipment on the balance sheet.
- Construction in progress refers to expenditures made on projects that are not ready for their intended use.
- Software capitalization shall follow these three guidelines (refer to Accounting Manual chapter H-576-62, Hospitals: Plant Asset Accounting):
 - 1) Computer software purchased with computer equipment (hardware) must be depreciated over the useful life of the hardware if the cost of the software is not separately stated in the vendor's billing document, i.e., invoice.
 - 2) If the software purchase price is \$1,000 or more, and the purchase price is separately stated in the vendor's bill, or the software is purchased independently of the hardware, it must be reported as capitalized cost for hospital reporting purposes and depreciated over a minimum of five years. If software becomes unusable prior to the expiration of its depreciable life, any undepreciated balance should be fully depreciated and the asset should be removed from the general ledger. Non-recurring license fees also can be capitalized as part of the software cost. Software installation costs incurred internally, if over and above normal operating costs, can also be capitalized. The hospitals must maintain a capital asset register for these software assets, which should include the following: the name of the asset, the purchase price, and the date of acquisition.

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- 3) The costs of computer software generated, in whole or in part, by hospital internal staff are to be expensed, since these costs are viewed by the Health Care Financing Administration (HCFA) as normal operating costs. The software's designation as "internally generated" will not be affected if outside consultants are used to assist the provider's staff in systems modifications. Internal costs of installing software, if capitalized, shall be included in the preparation of the hospital's capital budget.

Accumulated Depreciation:	The total amount of depreciation dating back to the original acquisition of the asset, regardless of whether it was recorded as hospital expense in prior years. The University's Cal-Codes are used to determine useful lives. Cal-Codes incorporate American Hospital Association guidelines. Depreciation expense is recorded for six months in the year of acquisition or starting with the month of acquisition.
Current Portion of Long-Term Debt:	The next twelve months' principal payments on notes, contracts payable, or bonds payable.
Professional Fee Payable:	Payments on patient accounts to be received by the hospital on behalf of hospital-based physicians for whom the Patient Accounting department has provided billing services. Such payments are then owed to the hospital-based physicians. The liability represents approximately 90 days of receivables (gross receivables offset by contractuals, administrative allowances, and bad debt).
Accounts Payable:	The hospital's obligation to pay for goods and services purchased on credit. This account includes all miscellaneous (non-payroll) accrued expenses (e.g., estimates of utility expense or other expenses for services or goods that have been used or received, but for which the hospital has not been formally billed).
Accrued Payroll:	Payroll and related benefits that have been earned but not yet paid. (Costs for earned vacation are not accrued.)
Third Party Settlement Payable:	Advances prior to rendition of services to patients and estimated liabilities to third party sponsors on disputed cost report issues.
Deferred Revenue:	Revenue which has been collected or billed but not yet earned (e.g., tuition received in advance for an educational program).

Working Capital Advance:	Amounts advanced to Medical Centers to fund current operations pending collection of receivables. Balance is determined by the formula Current Assets less the sum of Current Liabilities (exclusive of current portion of long-term debt), Equity in Current Assets, and Unexpended Plant Fund.
Other Liabilities:	Miscellaneous liabilities which are not included in the other current liability accounts. This account includes such things as unclaimed checks, undistributed cash, and cash advances by patients.
Notes Payable:	The principal portions of borrowings (mortgages or notes) due after one year.
Contracts Payable:	The principal portion of borrowings (leases) due after one year.
Bonds Payable:	Long-term debt incurred by the issuance of revenue bonds, due after one year.
Equity in Current Assets:	The residual ownership interest in current assets. Balance is determined by the formula: Current Assets less Current Liabilities (including Working Capital Advance but excluding current portion of long-term debt) less Unexpended Plant Fund.
Equity in Plant:	The residual ownership interest in the hospital's fixed assets less accumulated depreciation.
Equity in Joint Venture:	The residual ownership interest in the hospital's share of the joint venture. (See page 12 for definition of related term, Investment in Joint Venture).
Unexpended Plant Fund:	Funds transferred to the plant fund which have not yet been disbursed; this amount may include current and future capital projects.

Schedule C: Accounts Receivable Summary

1. This schedule reports patient accounts receivable for the current and prior year-to-date by payor and by aging. Also reported is the percentage of patient accounts receivable over 120 days, days of revenue in patient accounts receivable, and average daily revenue.
2. Patient accounts receivables are adjusted for contractual and administrative allowances. The total amount of accounts receivable by sponsor must be the same as the total amount of accounts receivable by age, and this amount must agree with the amount of Receivables on Schedule B.
3. The aging of Accounts Receivable is reported in 30-day periods for accounts outstanding 120 days or less. Accounts outstanding for 121 days or more are

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reported as one sum. The receivables for inpatients who have been discharged start aging at the time of discharge. Inpatient receivables for patients still in the hospital start aging at the time of admission. The receivables for outpatients can start aging in one of three ways: (1) date of registration, (2) date of last charge activity, or (3) date of last payment. Any one of the three aging methods for outpatient receivables can be used.

4. The percentage of receivables over 120 days is calculated by dividing the dollar amount of receivables over 120 days by the total dollar amount of receivables.
5. Days of revenue in accounts receivable is the Total Patient Accounts Receivable divided by the Average Daily Revenue for the most recent three months.
6. Average daily revenue is based on charges to patients for hospital services, professional fees, and other services for the most recent three months.

Schedule C-1: Allowance For Uncollectible Accounts

1. This schedule reports the balance at the beginning of the fiscal year of the Allowance for Uncollectible Patient accounts, the provisions established for potential bad debts, the value of accounts actually written-off, any recovery of funds for bad debts written-off, and an ending balance.
2. Additions charged to Hospital Operations must agree with the Provision for Bad Debt on Schedule A.
3. Recoveries of Accounts Written Off are recorded at gross with collection agency fees charged to hospital operations as an operating expense.
4. Accounts Written Off are reported at gross.
5. The Ending Balance must agree with the Allowance for Uncollectibles on Schedule B.

Schedule D: Analysis of Fund Balances

1. This schedule reports the source and application of funds for the Equity in Current Assets and Unexpended Plant Fund accounts.
2. The Excess of Revenue over Expense Year-to-Date must agree with the Excess of Revenue over Expense on Schedule A.
3. Depreciation of Equipment includes gain (loss) on the sale or disposition of equipment.
4. Encumbrances should include purchase orders and construction and repair orders which have been or are being processed for the year to date. Funds should be considered encumbered when: (1) an equipment requisition is approved and

forwarded to purchasing, (2) a requisition for a physical plant work order is issued, or (3) a construction and repair work order estimate is issued. Only those commitments related to the current fiscal year should be prorated.

5. Unexpended Plant Fund includes hospital generated funds only.
6. The amounts listed on the line entitled Balance at End of the Period under the Equity in Current Assets and Unexpended Plant Fund columns must agree with the amounts reported for the two accounts of the same title in the Current Year column on Schedule B.
7. Transfers record the movement back and forth of funds from Equity in Current Assets and Unexpended Plant Funds.

Schedule E: Report of Clinical Teaching Support Utilization

1. This schedule reports the approved uses of Clinical Teaching Support (CTS)/Mental Health Teaching Fund (MHTF) for the neuropsychiatric hospitals, for both in inpatient and outpatient services. The approved uses of CTS/MHTF are reported in Accounting Manual chapter H-576-73, Hospitals: Clinical Teaching Support.
2. This schedule is to be reported only annually in the June 30 Statement of Operations.
3. Only those funds specifically allocated for CTS/MHTF purposes are to be reported in this schedule.
4. The total CTS/MHTF applied shall equal the CTS/MHTF available to the hospital; no deficits shall be reported.

Schedule F: Report on Utilization of Facilities

1. This schedule compares actual and projected patient service statistics to the original budget and prior year actual.
2. Computation of statistics should be based upon units outlined in the American Hospital Association Uniform Hospital Definitions.
3. Available beds are those beds (bassinets not included) which are staffed and are ready for occupancy.
4. Average daily census is the average number of inpatients (excluding Newborn) maintained in the hospital each day for a given period of time. Average daily census is computed by taking the total number of patient days of care rendered throughout the period (year-to-date or full fiscal year) divided by the total number of days in that period.
5. Percentage Occupancy (Available Beds) is the ratio of actual patient days (excluding Newborn) to the maximum patient days, as determined by bed capacity,

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during any given period of time. Percentage occupancy is computed by dividing the actual number of patient days rendered by the number of patient days which would have been provided if every bed had been occupied, each day, throughout the period.

6. Admission is the formal acceptance by a hospital of a patient who is to receive care while lodged in the hospital. An admission always involves the occupancy of a hospital bed by the patient and the maintenance of a hospital chart for the patient.
7. Length of Stay is the average number of days of service rendered to each inpatient discharged during a given period. It is determined by dividing the total number of patient days of care (excluding Newborn) rendered to patients discharged during a given period of time, by the total number of inpatients (excluding Newborn) who were discharged (including deaths) during that period.
8. Patient days (excluding Newborn) are to be reported by service and by sponsor.
9. Newborn: Patient days are patient days for newborns receiving normal care. Any care beyond normal for a newborn should be counted as pediatric patient day(s) and recorded under Adult/Peds Patient Days.
10. Clinical visits is the number of patients admitted to the clinical service of the hospital for diagnosis or treatment, or on an ambulatory basis, in a formally organized unit of a medical or surgical specialty or subspecialty. Clinical visits may also include private physician clinic visits (private patient visits to faculty physicians in the hospital clinic) and satellite clinic visits if the hospital books the corresponding revenues and expenses. Clinical visits excludes visits by patients generating only ancillary revenue, visits that result in an inpatient admission, clinic visits by inpatients, and referral visits.
11. Emergency room visits is the number of patients admitted to the emergency, accident, or equivalent facility of the hospital for diagnosis and treatment of a condition which requires immediate medical, dental, or allied services. Emergency visits excludes visits that result in an inpatient admission.

Schedule G: Trend of Operations on Per Diem Basis

1. This schedule reports gross revenue generated by inpatient services and relates revenue to the cost of providing those services.
2. Gross revenue per day and per discharge is obtained by dividing the amount of gross revenue generated by inpatient care and ancillaries by the number of patient days or discharges for the period.
3. Cost per day, per discharge, will first require cost finding, i.e., allocating the costs of nonrevenue-producing centers on a generally accepted statistical basis or cost allocation technique. General Fund (1990) costs included in other cost reports shall be omitted.

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Summary of Revenue and Expense
Schedule A
(Dollars in Thousands)

	Year-to-Date			Full Year		
	Current Year	Prior Year		Current Year	Prior Year	
	Original Budget	Actual	Actual	Original Budget	Current Projection	Actual
Gross Patient Revenue	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Deductions from Revenue:						
Contractual Allowances						
Administrative Allowances						
Provision for Bad Debt						
Teaching Allowances						
Total Deductions from Revenue	_____	_____	_____	_____	_____	_____
Net Patient Revenue						
Other Operating Revenue:						
Clinical Teaching Support						
Other						
Total Other Operating Revenue	_____	_____	_____	_____	_____	_____
Net Operating Revenue	_____	_____	_____	_____	_____	_____
Operating Expense	_____	_____	_____	_____	_____	_____
Operating Gain (Loss)	_____	_____	_____	_____	_____	_____
Non-Operating Items and Adjustments	_____	_____	_____	_____	_____	_____
Excess of Revenue over Expense	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

APPENDIX I (Cont.)

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Analysis of Gross Revenue by Funding Source
Schedule A-1
(Dollars in Thousands)

<u>Funding Source:</u>	<u>Current Year</u> <u>Year-to-Date</u>				<u>%</u>	<u>Prior Year</u> <u>Year-to-Date</u>	
	<u>Inpatient</u>	<u>Outpatient</u>	<u>Psychiatry</u>	<u>Total</u>		<u>Total</u>	<u>%</u>
Medicare	\$	\$	\$	\$	%	\$	%
Medi-Cal							
County							
Private Insurance							
Contracts							
Non-Sponsored	_____	_____	_____	_____	_____	_____	_____
Total Gross Patient Revenue	_____	_____	_____	_____	_____	_____	_____
Clinical Teaching Support							
Other Operating Revenue				_____	_____	_____	_____
Total Other Operating Revenue				_____	_____	_____	_____
Total Gross Operating Revenue				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Net Operating Revenue by Funding Source
Schedule A-2
(Dollars in Thousands)

Funding Source:	Year-to-Date		Full Year	
	Current Year	Prior Year	Current Year Projected	Prior Year Actual
Medicare	\$	\$	\$	\$
Medi-Cal				
County				
Private Insurance				
Contracts				
Non-Sponsored	_____	_____	_____	_____
Net Patient Revenue	_____	_____	_____	_____
Clinical Teaching Support				
Other Operating Revenue	_____	_____	_____	_____
Total Other Operating Revenue	_____	_____	_____	_____
Net Operating Revenue	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

APPENDIX I (Cont.)

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Balance Sheet
Schedule B
(Dollars in Thousands)

<u>ASSETS</u>	<u>Current Year</u>	<u>Prior Year</u>
Current:	\$	\$
Cash		
Investments		
Receivables		
Less Allowance for Uncollectibles		
Third Party Settlement Receivables		
Other Receivables		
Inventories		
Prepaid Expenses		
Total Current Assets	_____	_____
Other:		
Bond Assets Held by Trustee		
Investment in Joint Venture	_____	_____
Property, Plant, and Equipment		
Less Accumulated Depreciation		
Net Property, Plant, and Equipment	_____	_____
Total Assets	\$ =====	\$ =====
 <u>LIABILITIES AND FUND BALANCES</u>		
Current:	\$	\$
Current Portion of Long-Term Debt		
Professional Fee Payable		
Accounts Payable		
Accrued Payroll		
Third Party Settlement Payables		
Deferred Revenue		
Working Capital Advance		
Other Liabilities		
Total Current Liabilities	_____	_____
Long-Term Debt:		
Notes Payable		
Contracts Payable		
Bonds Payable		
Total Long-Term Debt	_____	_____
Fund Balances:		
Equity in Current Assets		
Equity in Plant		
Equity in Joint Venture		
Unexpended Plant Fund		
Total Liabilities and Fund Balances	\$ =====	\$ =====

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Accounts Receivable Summary
Schedule C
(Dollars in Thousands)

	Year-to-Date	
	<u>Current Year</u>	<u>Prior Year</u>
Accounts Receivable		
By Payor:		
Medicare	\$	\$
Medi-Cal		
County		
Private Insurance		
Contracts		
Non-Sponsored		
Total	<u>\$</u>	<u>\$</u>
Aging of Receivables		
0 - 30 Days	\$	\$
31 - 60 Days		
61 - 90 Days		
Over 120 Days		
Total	<u>\$</u>	<u>\$</u>
Percentage of Receivables Over 120 Days	%	%
Days of Revenue in Accounts Receivable		
Average Daily Revenue	\$	\$

APPENDIX I (Cont.)

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Allowance for Uncollectible Accounts
Schedule C-1
(Dollars in Thousands)

	<u>Year-to-Date</u>		<u>Full Year</u>
	<u>Current Year</u>	<u>Prior Year</u>	<u>Projected</u>
Beginning Balance	\$ _____	\$ _____	\$ _____
Additions Charged to Hospital Operations			
Additions Charged to Other Funds			
Total Additions			
Accounts Written Off			
Recoveries on Write-Offs	_____	_____	_____
Subtotal	_____	_____	_____
Ending Balance	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Analysis of Fund Balances
Schedule D
(Dollars in Thousands)

	<u>Equity in Current Assets Year-to-Date</u>	<u>Unexpended Plant Fund Year-to-Date</u>
Balance at Beginning of Year	\$ _____	\$ _____
Source of Funds:		
Excess of Revenue over Expense Year-to-Date		
Depreciation of Building		
Depreciation of Equipment		
Transfers		
Other		
Sources of Funds	_____	_____
	=====	=====
Application of Funds:		
Excess of Revenue over Expense Year-to-Date		
Expenditures for Facilities		
Expenditures for Equipment		
Principal Payment on Long- Term Debt		
Transfers		
Other		
Expenditures for Plant		
Total Application of Funds	_____	_____
	=====	=====
Balance at End of the Period		
Encumbrances		
Unencumbered Balance	\$ _____	\$ _____
	=====	=====

APPENDIX I (Cont.)

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Report of Clinical Teaching Support Utilization
For the Year Ended June 30, 19XX
Schedule E
(Dollars in Thousands)

	<u>Inpatient</u>	<u>Outpatient</u> ^(a)	<u>Total</u>
Annual CTS Allocation (State Funds)			\$ _____
Less: Budgetary Savings Assigned by Chancellor			_____
Available CTS			=====
<u>Approved Uses of CTS:</u>			
1. Individual Allowances	\$ _____	\$ _____	\$ _____
2. Contractual Allowances:			
Medicare			
Medi-Cal			
County			
Other			
Total Contractual Allowances	_____	_____	_____
3. Disallowed Services:			
Medicare			
Medi-Cal			
County			
Other			
Total Disallowed Services	_____	_____	_____
4. Subtotal Items 1-3	_____	_____	_____
5. New Programs ^(b)	_____	_____	_____
6. Extramural Specialized Services ^(b)	_____	_____	_____
7. Special Patient Care Programs ^(b)	_____	_____	_____
8. Teaching Cost in Ambulatory Care ^(b)	_____	_____	_____
9. Subtotal Items 5-8	_____	_____	_____
10. Total CTS Utilized (State Funds)	\$ _____	\$ _____	\$ _____ ^(c)
11. Percentage of Government-Sponsored Gross Patient Revenue to Total Gross Patient Revenue ^(d)			_____ %

- (a) Includes CTS used for both emergency service and clinic patients.
(b) CTS usage reported for these programs, services, and purposes should be further described in an attachment to this report.
(c) Total CTS Utilized must agree with Available CTS.
(d) Government-sponsored gross patient revenue includes revenue from Medicare, Medi-Cal, County and similar government-sponsored health care programs.

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Report on Utilization of Facilities
Schedule F

	<u>Year-to-Date</u>			<u>Full Year Projected</u>		
	<u>Current Year</u>		<u>Prior Year</u>	<u>Current Year</u>		<u>Prior Year</u>
	<u>Original Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Current Projection</u>	<u>Actual</u>
<u>Patient Service Statistics</u>						
<u>Inpatient Utilization</u>						
Licensed Beds						
Available Beds						
Average Daily Census						
% Occupancy						
Admissions						
Length of Stay						
<u>Adult/PEDS Patient Days</u>						
<u>By Services:</u>						
Medicine						
Surgery						
Obstetrics						
Gynecology						
Pediatrics						
Psychiatry						
Total	=====	=====	=====	=====	=====	=====
<u>By Sponsor:</u>						
Medicare						
Medi-Cal						
County						
Private Insurance						
Contracts						
Non-Sponsored						
Total	=====	=====	=====	=====	=====	=====
Newborn: Patient Days						
<u>Outpatient Visits</u>						
Clinics						
Emergency Visits						
Total	=====	=====	=====	=====	=====	=====

APPENDIX I (Cont.)

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Operations
Period Ending:

Trend of Operations on Per Diem Basis
Schedule G

Inpatient
Year-to-Date

<u>Month</u>	<u>Gross Revenue Per Day</u>	<u>Cost Per Day</u>	<u>Gross Revenue Per Discharge</u>	<u>Total Cost Per Discharge</u>
July				
August				
September				
October				
November				
December				
January				
February				
March				
April				
May				
June				

APPENDIX II: INSTRUCTIONS FOR PREPARING THE ANNUAL FINANCIAL REPORT

The Annual Financial Report is prepared in accordance with guidelines established by the American Institute of Certified Public Accountants for hospital accounting. A sample format for each schedule is included at the end of this Appendix. The report consists of the following pages:

Schedule 1:	Balance Sheet
Schedule 2:	Statement of Revenue and Expense
Schedule 3:	Statement of Cash Flow
Schedule 4:	Statement of Changes in Fund Balances

Schedule 1: Balance Sheet

1. This schedule reports unrestricted fund Assets, Liabilities, and Fund Balances as of June 30 of the current year, with comparative figures for June 30 of the prior year.
2. Cash under Current Assets is limited to petty cash funds or revolving accounts specifically assigned to the hospital.
3. Investments is the amount of positive working capital.
4. Patient Accounts Receivable, Allowances for Uncollectible and Contractual Adjustments contra asset accounts, and cost reimbursements receivable and payable must agree with corresponding general ledger account balances for these categories. (See also Accounting Manual chapters H-576-18, Hospitals: Cost Reimbursement by Third Party Sponsors, and H-576-60, Hospitals: Patient Accounts Receivable.)
5. Other Receivables are to include such items as hospital issued sundry debtor bills, returned checks applicable to hospital cash receipts, and other nonpatient related receivables or accruals.
6. All supply inventories are to be recorded in the general ledger.
7. Buildings and Improvements and Equipment are to reflect only the amounts capitalized in the plant ledger. (Any expenditures not capitalized according to University procedures are to be recorded as expense.) Accumulated Depreciation is the total amount of depreciation dating back to the original acquisition of the assets, regardless of whether it was recorded as hospital expense in prior years.

APPENDIX II (Cont.)

8. The Current Portion of Long-Term Debt (the principal payments due in the ensuing twelve months) is reported under current liabilities. Notes and Contracts Payable are limited to principal payments only.
9. Advances of obstetrics and other patient deposits are to be reclassified from Patient Receivables and reported as Deferred Revenue.
10. Working Capital Advance represents the hospital's drawing against the University's Short-Term Investment Pool (STIP). Each hospital normally operates with a cash deficit underwritten by other University funds. (See also Accounting Manual chapter H-576-85, Hospitals: Working Capital.)
11. Fund Balances is obtained from the final total on Schedule 4.

Schedule 2: Statement of Revenue and Expense

1. This schedule reports revenue earned and expenses incurred by the hospital for the entire fiscal year and compares the current fiscal year to the prior fiscal year.
2. Items shown as prior year adjustments in the Monthly Statement of Operations are to be included in their corresponding current year categories in this schedule, except that an item approved by the University Controller as meeting the criteria of Statement No. 16 of the Financial Accounting Standards Board may be shown as an adjustment from operating gain or loss to net gain or loss.
3. Outpatient revenue includes revenue for services to referred ambulatory and neuropsychiatric institute patients. For this schedule, revenue from ancillary services is assigned to patient class.
4. Nonpatient revenue generated by patient services is reported as Other under Other Operating Revenue.
5. Other Operating Revenue includes current year revenue (net of applicable revenue deductions, if any) from all operating sources other than (1) direct patient care services, and (2) gains on sales of plant assets.
6. The Provision for Depreciation, that portion of the original cost of a tangible plant asset allocated to a particular accounting period. The Provision for Depreciation should be based upon a systematic and rational allocation of the cost of plant assets to expense over their useful lives. Provision for Depreciation is to agree with Depreciation and Amortization on Schedule 3 and with Provision for Depreciation on Schedule 4.
7. Insurance other than malpractice insurance is classified as Other Expense.

8. Loss (Gain) on Disposal of Assets is to be reported as nonoperating revenue and is to agree with Loss (Gain) on Disposal of Assets on Schedule 3 and with Other: (Specify) Schedule 4.
9. Any interest earned on hospital equity in unexpended plant funds is to be shown as nonoperating revenue.

Schedule 3: Statement of Cash Flows

1. The Statement of Cash Flows replaces the Statement of Changes in Financial Position of Unrestricted Funds. The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of the hospital for the fiscal year. The Statement of Cash Flows shall report cash provided or used by operating, investing and financing activities and the net effect of those flows on cash and cash equivalents during the fiscal year in a manner that reconciles beginning and ending cash and cash equivalents.

Cash flows from operating activities are generally the cash effects of transactions and other events that enter into the determination of net income.

2. Excess of Revenue over Expenses is to agree with Excess of Revenue over Expenses on Schedule 2.
3. Depreciation and Amortization is to agree with Provision for Depreciation on Schedule 2.
4. Loss (Gain) on Disposal of Assets is to agree with Schedule 2.
5. Increases or decreases in the following current assets and current liabilities are to agree with the difference between current and prior year assets and liabilities on Schedule 1:
 - a. Receivables (total of net patient and other receivables)
 - b. Inventories
 - c. Prepaid Expenses
 - d. Professional Fees Payable
 - e. Accounts Payable
 - f. Accrued Expenses
 - g. Third Party Settlement Payables
 - h. Other Liabilities

Schedule 4: Statement of Changes in Fund Balances

1. This schedule summarizes the changes in the various Fund Balances during the fiscal year and compares the changes to the prior fiscal year. The prior fiscal year changes in fund balances are to be reported at the top of the page, followed by the current fiscal year changes in fund balances.

APPENDIX II (Cont.)

2. In the Investment in Plant column, the balance at year end plus the current and noncurrent portion of long-term debt less any unexpended loan balance is to agree with Net Property, Plant, and Equipment on Schedule 1.
3. The ending reserve balances are to agree with general ledger balances for those accounts; unexpended balances accounts in the general ledger are to be closed out by transfers to reserve accounts.
4. Donated Assets will be limited to gifts in kind and equipment acquisition and completed construction projects funded from other than hospital generated funds. A brief description of donated assets and their sources will be shown as a footnote to the schedule.
5. Principal Payments on Long-Term Debt should agree with Schedule D.
6. Unexpended Plant Funds will be limited to hospital generated funds that have been transferred to a plant fund account for expenditure.
7. Excess of Revenue over Expense should agree with Schedule 2.
8. Provision for Depreciation includes loss on the sale of plant assets and is to agree with Schedule 2.

Notes to Financial Statements

In accordance with generally accepted accounting principles, some items in the Financial Statements will require footnotes in order to provide adequate disclosure.

Items very often requiring footnotes are:

1. Receivables
2. Cost Reimbursement Receivables and/or Payables
3. Property, plant, and equipment

Footnotes are provided at the discretion of the hospitals, using guidelines set forth in the American Institute of Certified Public Accountants (AICPA) Hospital Audit Guide.

Schedule 1

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Balance Sheet as of June 30, 19XX
with Comparative Figures for 19XX
(Dollars in Thousands)

Unrestricted Funds

	<u>Current Year</u>	<u>Prior Year</u>
<u>ASSETS</u>		
Current:		
Cash	\$ _____	\$ _____
Investments		
Receivables:		
Patient		
Less Allowance for Uncollectible Accounts	_____	_____
Third Party Settlement Receivables		
Other	_____	_____
Total Receivables		
Inventories		
Prepaid Expenses	_____	_____
Total Current Assets	_____	_____
Other:		
Bond Assets Held by Trustee		
Investment in Joint Venture	_____	_____
Property, Plant and Equipment		
Buildings and Improvements		
Less Accumulated Depreciation	_____	_____
Equipment	_____	_____
Less Accumulated Depreciation	_____	_____
Net Property, Plant and Equipment	_____	_____
Total Assets	\$ _____	\$ _____
<u>LIABILITIES AND FUND BALANCES</u>		
Current:		
Current Portion of Long-Term Debt	\$ _____	\$ _____
Accounts Payable		
Accrued Expenses		
Third Party Settlement Payables		
Other Liabilities		
Deferred Revenue		
Working Capital Advance	_____	_____
Total Current Liabilities	_____	_____
Long-Term Debt:		
Notes Payable		
Contracts Payable	_____	_____
Total Long-Term Debt	_____	_____
Fund Balances		
Total Liabilities and Fund Balances	\$ _____	\$ _____

APPENDIX II (Cont.)

Schedule 2

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Revenue and Expense
For Year Ended June 30, 19XX
with Comparative Figures for 19XX
(Dollars in Thousands)

	<u>Current Year</u>	<u>Prior Year</u>
Operating Revenue:		
Patient Service Revenue:		
Inpatient	\$	\$
Outpatient	_____	_____
Gross Patient Service Revenue	_____	_____
Deductions from Revenue:		
Allowance for Uncollectible Accounts		
Allowance for Medicare and Medi-Cal:		
Current Year		
Prior Years		
Administrative Allowances		
Contractual Adjustments		
Current Year		
Prior Years		
Teaching Allowance	_____	_____
Total Deductions	_____	_____
Net Patient Service Revenue	_____	_____
Other Operating Revenue:		
Cafeteria		
Clinical Teaching Support		
Other	_____	_____
Total Other Operating Revenue	_____	_____
Total Operating Revenue	_____	_____
Operating Expense:		
Salaries		
Employee Benefits		
Supplies and Services		
Provision for Depreciation		
Malpractice Insurance		
Interest		
Other	_____	_____
Total Operating Expense	_____	_____
Operating Gain (Loss)	_____	_____
Nonoperating Revenue:		
Interest on Unexpended Plant Fund		
Prior Year Adjustments		
Loss (Gain) on Disposal of Assets		
Other	_____	_____
Total Nonoperating Revenue	_____	_____
Excess of Revenue over Expense	\$ _____	\$ _____

APPENDIX II (Cont.)

Schedule 3

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Cash Flows
For Year Ended June 30, 19XX
with Comparative Figures for 19XX
(Dollars in Thousands)

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows Provided by Operating Activities:		
Excess of Revenue over Expense	\$ _____	\$ _____
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ _____	\$ _____
Loss (Gain) on Disposal of Assets		
Increase in Receivables		
(Increase) Decrease in Prepaid Expenses		
Increase in Inventories		
Increase (Decrease) in Accounts Payable		
Increase in Interest Payable		
Increase in Professional Fees Payable		
Increase (Decrease) in Payables to Third Parties		
Increase in Other Accrued Expenses	_____	_____
Total Adjustments	_____	_____
Net Cash Provided by Operating Activities	\$ _____	\$ _____
Cash Flows from Investing Activities:		
Proceeds from Sale of Equipment	\$ _____	\$ _____
Capital Expenditures for Property, Plant and Equipment		
Principal Collected on Loans		
(Increase) Decrease in Investment in Joint Ventures	_____	_____
Net Cash Used in Investing Activities	_____	_____
Cash Flows from Financing Activities:		
Repayment of Long-Term Debt		
Use of Bond Proceeds		
Additions to Long-Term Debt	_____	_____
Net Cash Provided by Financing Activities	_____	_____
Net Increase in Cash and Cash Equivalents	\$ _____	\$ _____
Cash and Short-Term Investments at Beginning of Year	_____	_____
Cash and Short-Term Investments at End of Year	\$ _____	\$ _____

UNIVERSITY OF CALIFORNIA

HOSPITALS AND CLINICS

Statement of Changes in Fund Balances
For the Year Ended June 30, 19XX
with Comparative Figures for 19XX
(Dollars in Thousands)

	Unrestricted Funds			
	Equity in Current Assets	Unexpended Plant Fund	Investment in Plant	Total
Balance at July 1, 19XX	\$ _____	\$ _____	\$ _____	\$ _____
Additions (Deductions):				
Excess of Revenue over Expense				
Donated Assets				
Other: (Specify)	_____	_____	_____	_____
Total Additions (Deductions)	_____	_____	_____	_____
Transfers:				
Provision for Depreciation				
Expenditures for Plant Assets				
Principal Payments on Long-Term Debt				
Cash Appropriation for Future Plant Improvements	_____	_____	_____	_____
Other: (Specify)				
Total Transfers	_____	_____	_____	_____
Balance at June 30, 19XX	\$ _____	\$ _____	\$ _____	\$ _____
Balance at July 1, 19XX	\$ _____	\$ _____	\$ _____	\$ _____
Additions (Deductions):				
Excess of Revenue over Expense				
Donated Assets				
Other: (Specify)	_____	_____	_____	_____
Total Additions (Deductions)	_____	_____	_____	_____
Transfers:				
Provision for Depreciation				
Expenditures for Plant Assets				
Principal Payments on Long-Term Debt				
Cash Appropriation for Future Plant Improvements	_____	_____	_____	_____
Other: (Specify)				
Total Transfers	_____	_____	_____	_____
Balance at June 30, 19XX	\$ _____	\$ _____	\$ _____	\$ _____