



MISSION

It is our mission to deliver quality healthcare to the residents of and visitors to Big Bear Valley through the most effective use of available resources.

VISION

To be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

**NOTICE AND CALL OF A
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING**

Wednesday, November 07, 2018

9:00 a.m. Closed Session @ Hospital Conference Room

9:30 a.m. Open Session @ the Hospital Conference Room

41870 Garstin Drive, Big Bear Lake, Ca. 92315

NOTICE IS HEREBY GIVEN that a special meeting of the Board of Directors, Finance Committee of the Bear Valley Community Healthcare District will be held on Wednesday, November 07, 2018, Closed Session beginning at 9:00 a.m. and Open Session beginning at 9:30 a.m. A copy of the agenda is attached hereto.

Dated: November 05, 2018

John Friel
CEO

A handwritten signature in black ink, appearing to read "John Friel", is written over the printed name and title.



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BOARD OF DIRECTORS

SPECIAL FINANCE COMMITTEE MEETING AGENDA

WEDNESDAY, NOVEMBER 07, 2018

9:00 AM –CLOSED SESSION @ HOSPITAL CONFERENCE ROOM

9:30 AM – OPEN SESSION @ HOSPITAL CONFERENCE ROOM

41870 GARSTIN DRIVE, BIG BEAR LAKE, CA. 92315

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the Chief Executive Officer's Office and are available for public inspection or purchase at 10 cents per page with advance written notice. In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a District meeting or other services offered by the District, please contact Administration (909) 878-8214. Notification at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. **DOCUMENTS RELATED TO OPEN SESSION AGENDAS (SB 343)** Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the public counter located in the Administration Office, located at 41870 Garstin Drive, Big Bear Lake, CA 92315. For questions regarding any agenda item, contact Administration at (909) 878-8214.

OPEN SESSION

1. **CALL TO ORDER** Donna Nicely, Treasurer
2. **ROLL CALL** Shelly Egerer, Administrative Assistant
3. **ADOPTION OF AGENDA***
4. **PUBLIC FORUM FOR CLOSED SESSION**
Opportunity for members of the public to address the Committee on Closed Session items.
(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)
5. **ADJOURN TO CLOSED SESSION***

CLOSED SESSION

1. **HEALTHCARE DISTRICTS/TRADE SECRETS: Health and Safety Code; Section 32106:**
 - A. Property Acquisition (Disclosure 11/07/18)
 - B. Gary Hicks, Financial Advisor Service Agreement (Disclosure 11/07/18)
 - C. Bhani Chawla - Kondal, MD Potential Physician and General Surgeon Service Agreement (Disclosure 12/18)

OPEN SESSION

1. **CALL TO ORDER** Donna Nicely, Treasurer
2. **RESULTS OF CLOSED SESSION*** Donna Nicely, Treasurer

3. PUBLIC FORUM FOR OPEN SESSION

Opportunity for members of the public to address the Committee on Open Session items.

(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

4. DIRECTORS COMMENTS

5. APPROVAL OF MINUTES

A. October 02, 2018

6. OLD BUSINESS*

- None

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors Gary Hicks, Financial Advisor Agreement

8. PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS*

A. September 2018 Finances

B. CFO Report

9. ADJOURNMENT*

*** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
October 02, 2018**

MEMBERS Donna Nicely, Treasurer
PRESENT: Peter Boss, MD, Secretary
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kerri Jex

Mary Norman

COMMUNITY

MEMBERS: Elizabeth Fellows

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Donna Nicely and Peter Boss, MD were present. Also, present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the October 02, 2018 Finance Committee Agenda as presented. Second by Board Member Boss to adopt the October 02, 2018 Finance Committee Meeting Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

4. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 1:00 p.m.

5. DIRECTOR'S COMMENTS:

- None

6. APPROVAL OF MINUTES:

A. September 05, 2018

Board Member Nicely motioned to approve the September 05, 2018 Finance Committee Meeting Minutes as presented. Second by Board Member Boss to approve the September 05, 2018 Finance Committee Meeting Minutes as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

A. Discussion and Review of Assembly Bill No. 2329 by Assemblyman Olberholte: Special Districts Board of Directors Compensation:

- Mr. Hamblin reported at this time we do not have a recommendation but felt this was something to bring to the Finance Committee and the Board of Directors for discussion.
 - This would be an increase of six meetings per month.
 - Approve resolution to increase stipend for six meetings per month.
- The committee asked that this item be presented to the Board of Directors October Board Meeting.

Board Member Nicely reported no action required

B. Discussion and Potential Recommendation to the Board of Directors: FUNDamental Concept Agreement (Grant Writer):

- Mr. Friel reported that when the budget was developed we added the Grant Writer position which was Board approved. This is a contract with Michelle French; Administration feels Michelle is very qualified and experienced. Contract is for one year, 30 hours per month, \$40,000 per year.

Board Member Nicely motioned to recommend the FUNDamental Concept Agreement to the Board of Directors at the October Meeting. Second by Board Member Boss to recommend the FUNDamental Concept Agreement to the Board of Directors at the October Meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

C. Discussion and Potential Recommendation to the Board of Directors Providing Air and Ambulance Membership for Employee (s):

- Mr. Friel reported this would go in effect January 01, 2018; cost is up to \$15,000 for the year. UNAC agreement will need to be looked at and discuss with the Union Representatives. The Board of Directors will also receive the membership.
- Mr. Hamblin reported that the savings in Workers Comp would be redirected to this cost only and that there is adequate funding.

Board Member Nicely motioned to recommend Air and Ambulance Membership for employees and the Board of Directors. Second by Board Member Boss to recommend Air and Ambulance Membership for employees and the Board of Directors. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

9. Presentation and Review of Financial Statements:

A. August 2018 Finances:

- Mr. Hamblin reported the following information:
 - Cash continues to be strong
 - Days cash on hand 312
 - Revenue is down significantly (will be trending)
 - ER visits down 8% from budget
 - SNF census is below budget
 - 18 filled beds at this time
 - Have two potential candidates that are being vetted
 - Eligibility admissions are taking place
 - Swing days below budget
 - Clinic visits over budget
 - Dental visits over budget
 - FTE's continue under budget
 - \$1.4 million received from CDPH
 - Operations will continue to be monitored
 - Cost report to be filed
 - Bad Debit review with David Perry to be scheduled
 - AR days through August 64.4 & 65.1

B. CFO Report:

- Mr. Hamblin reported the following information:
 - TruBridge Accounts Receivable Management:
 - Progress on reduction of AR days
 - FYE June 30, 2018 Financial Audit:
 - Jerrel Tucker was on site to begin the audit process.
 - Tentatively scheduled to present Audited Financial Statement in December
- Board Member Nicely requested an update on policies & procedures being updated and sent to appropriate committees and Board of Directors.
- Mr. Hamblin stated that Admitting is being completed and should be presented to the Board and the remaining departments are working with the Policy & Procedure Committee to update the policies.

Board Member Nicely motioned to approve the August 2018 Finance Report and the CFO Report as presented. Second by Board Member Boss to approve the August 2018 Finance Report and the CFO Report as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

10. ADJOURNMENT*

Board Member Nicely motioned to adjourn at 1:23 p.m. Second by Board Member Boss to adjourn. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss - yes



Discussion and Potential Recommendation to the Board

Date: 07 November 2018
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: Letter of Agreement for Financial Advisory Services
G. L. Hicks Financial, LLC

Recommended Action

Approve attached Letter of Agreement for Financial Advisory Services with GL Hicks Financial, LLC.

Background

Gary Hicks, President of G. L, Hicks Financial LLC has extensive experience working with Facilities in California regarding financing of major Remodel / Renovation projects.

As we move forward with consideration of remodel / expansion plans for BVCHD and our capacity to meet the financial needs of such project; we need to further explore options for funding the project.

October 31, 2018

Mr. John Friel, Chief Executive Officer
Bear Valley Community Healthcare District
41870 Garstin Drive
Big Bear Lake, California 92315

Re: Bear Valley Community Healthcare District
Letter of Agreement for Financial Advisory Services

Dear Mr. Friel:

G.L. Hicks Financial, LLC ("Hicks") would be pleased to act as financial advisor to Bear Valley Community Healthcare District ("Bear Valley") to assist in the issuance of debt pursuant to the USDA Direct Loan Program and/or other forms of debt, the proceeds of which will be used to finance the construction and equipping of a renovation and expansion to the Bear Valley health facility located in Big Bear Lake, California (the "Engagement"). Bear Valley, acting by and through its duly authorized representative, and Hicks, acting by and through its President, Gary Hicks, agree that Hicks shall furnish certain services to Bear Valley and Bear Valley agrees to accept said services and to make payment of fees and expenses regarding this Engagement, upon the terms and conditions herein set forth.

This document contains the entire agreement between both parties. All prior negotiations between Hicks and Bear Valley are merged in this agreement, and there are no understandings or agreements other than those incorporated or referred to herein. This agreement may not be modified except by an instrument in writing, dated and signed by the duly authorized representatives of both Hicks and Bear Valley.

- I. Hicks shall offer its professional services and facilities as financial advisor to Bear Valley in connection with this Engagement and, in that capacity, Hicks agrees to perform the following services and such other duties which in the exercise of its professional judgment may be necessary or advisable.
 - a. Provide consulting services relating to the analysis of options available to accomplish Bear Valley's objectives to complete this Engagement with the issuance of debt and a construction loan, as needed (the "Debt").
 - b. Coordinate meetings with Bear Valley and other parties engaged by Bear Valley and arrange for the preparation and presentation of all necessary and required financial and disclosure information, as needed.
 - c. With Bear Valley's input, prepare a timetable to indicate the steps and dates by which events should be completed. Discuss with Bear Valley representatives what steps are required to accomplish issuance of the Debt.
 - d. Review and consult with Bear Valley regarding various structures and any financial implications relating to the issuance of the Debt, in reviewing financing documents and in the selection of other financing participants.
 - e. Review with Bear Valley, its legal counsel and management team regarding the structure of the Debt and the design and implementation of its financing plan. Meet with Bear Valley's governing board and management team.
 - f. Prepare a closing memorandum detailing steps leading up to and including closing of the Debt.

Hicks does not provide investment advisory, placement agent, broker or dealer related services. Hicks is a municipal advisor registered with the MSRB (ID # K0275) and the SEC (ID # 867-01010-00) and information regarding Hicks and its representatives can be found at www.sec.gov/edgar/searchedgar/companysearch.html using our CIK # 0001617606. Hicks will be compensated by an hourly fee. Because our fee is based on hourly work to be provided, we hereby notify you that a potential conflict exists. While this form of compensation is customary in the municipal securities market, it presents a potential conflict since we could have an incentive to recommend to Bear Valley a transaction that is unnecessary. Hicks does not have any other known conflicts of interest in relation to this Engagement. Total fees charged pursuant to this agreement will be dependent on the time it takes to complete the financing and the level of services required. Should you become dissatisfied with our services and therefore wish to file a complaint please see the MSRB brochure regarding the filing of complaints with the MSRB on its webpage at (<http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>).

- II. In consideration of the foregoing services, it is agreed that fees and expenses of Hicks relating to this Engagement shall be paid by Bear Valley as follows:
- a. Bear Valley will make monthly payment to Hicks, within 30 days after receipt of an invoice from Hicks, at a rate of \$325.00 per hour for work performed on its behalf. The total amount to be paid pursuant to this agreement is difficult to estimate due to the nature and scope of the financing and the extent of services to be provided. In addition, Bear Valley agrees to reimburse out-of-pocket expenses of Hicks incurred in relation to this engagement.
 - b. Bear Valley shall engage the services of legal counsel, and shall commission other necessary services. Bear Valley shall be responsible for the payment of all expenses and costs incurred in connection therewith.
 - c. Fees and expenses described in paragraphs II.a. and II.b. above may be paid or reimbursed with Debt proceeds to the extent allowable by law.

The term of this agreement shall be thirty-six months from the date this agreement is executed by Bear Valley, unless extended in writing by mutual consent of the parties to this agreement. Bear Valley and Hicks shall have the ability to terminate this agreement, without cause, with 30 days written notice to the other party. If either party initiates any legal proceedings in connection with any breach or default by the other party under the terms of this agreement, then the party prevailing in said proceeding shall be entitled to recover reasonable attorney's fees, together with costs of suit, from the non-prevailing party.

This agreement shall bind the successors and assignees of the parties hereto. The rights, duties and obligations hereunder, however, shall not be assigned by either party without the prior written consent of the other party having been obtained. When accepted by Bear Valley, this agreement will constitute the entire agreement between Hicks and Bear Valley for the purpose and consideration herein specified. Bear Valley's acceptance will be indicated by proper signature of its authorized officer or representative on both copies of this agreement and the returning of one executed copy to the undersigned.

If you have any questions or concerns about any disclosures provided herein, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with your legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

I appreciate this opportunity to serve Bear Valley Community Healthcare District as herein described, and look forward to the successful completion of this Engagement.

Sincerely,

Gary Hicks
President

The undersigned has read this agreement as set forth above and understands it fully and hereby accepts said agreement and further agrees to the terms, amounts, conditions and schedules of payment of said agreement.

ACKNOWLEDGED AND ACCEPTED:

Bear Valley Community Healthcare District

SIGNATURE: _____
NAME: _____
TITLE: _____
DATE: _____

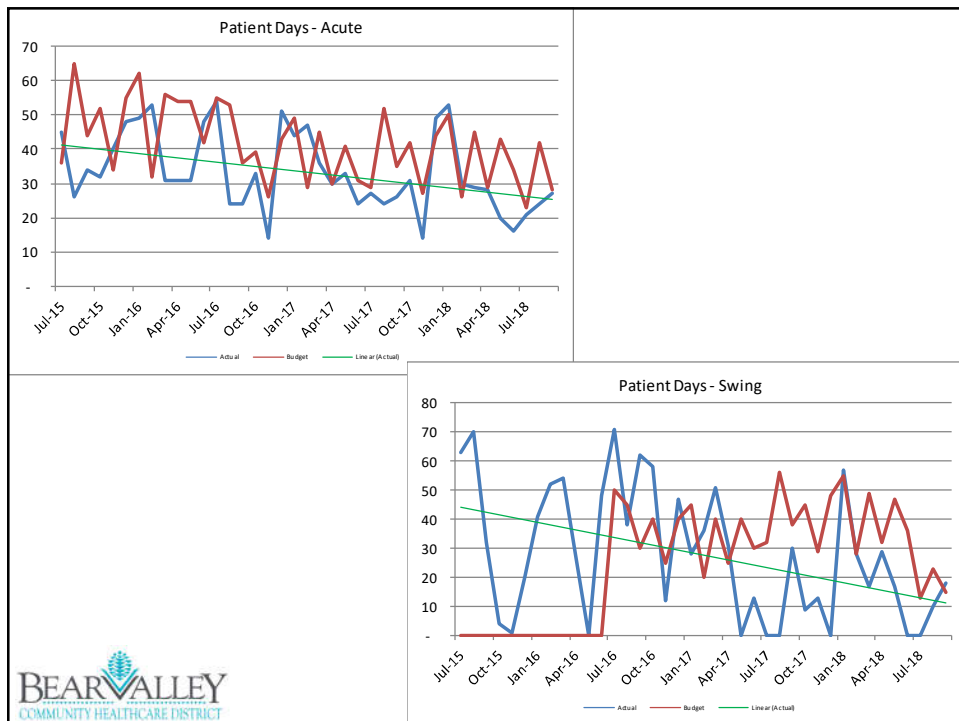
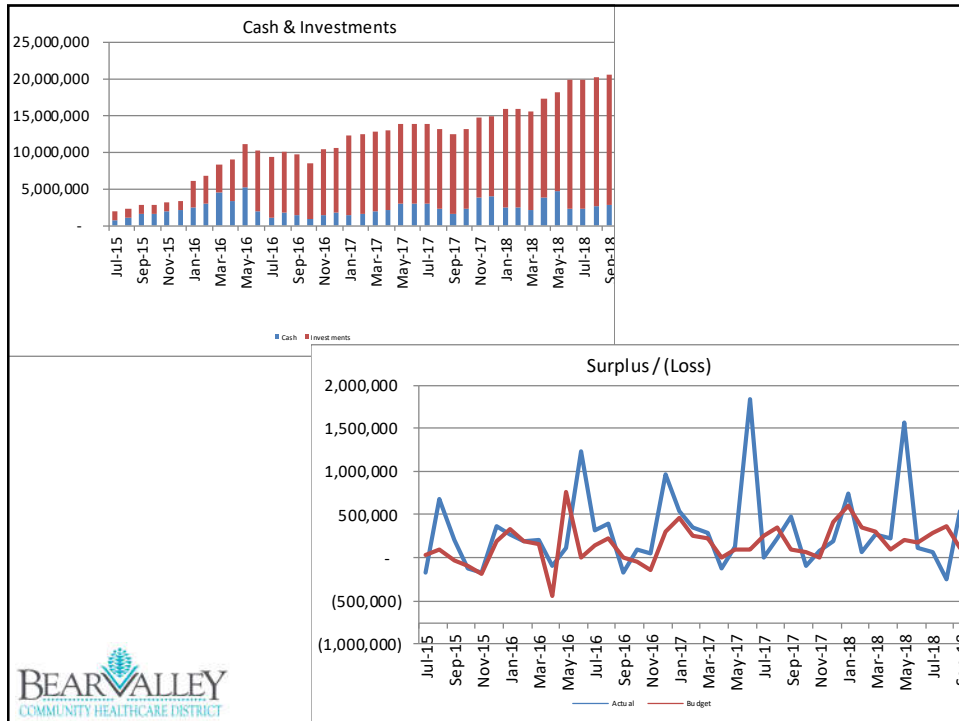


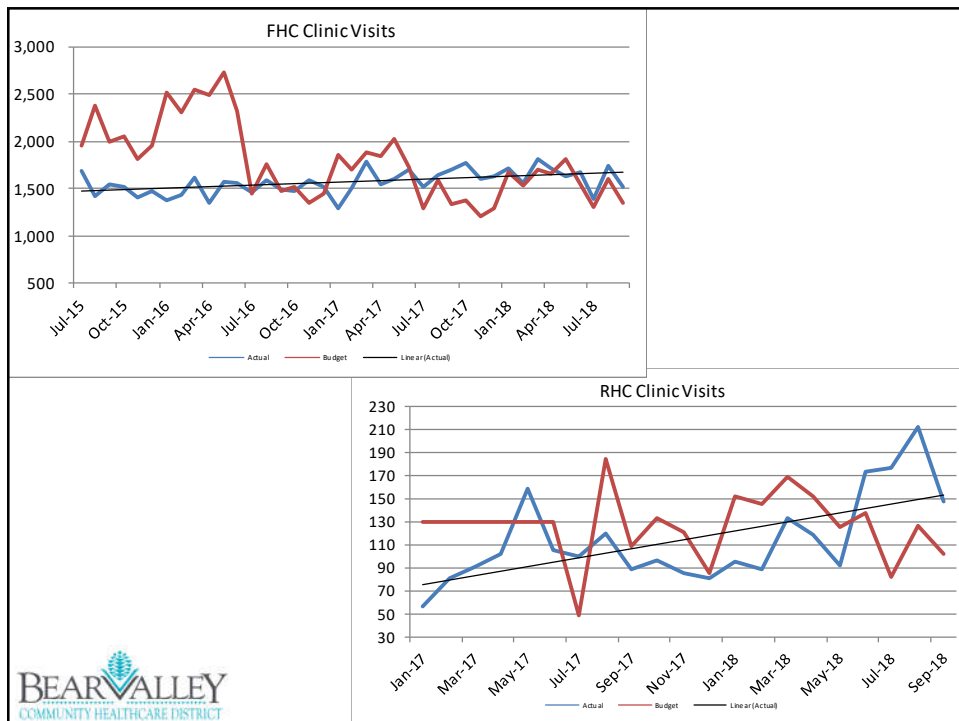
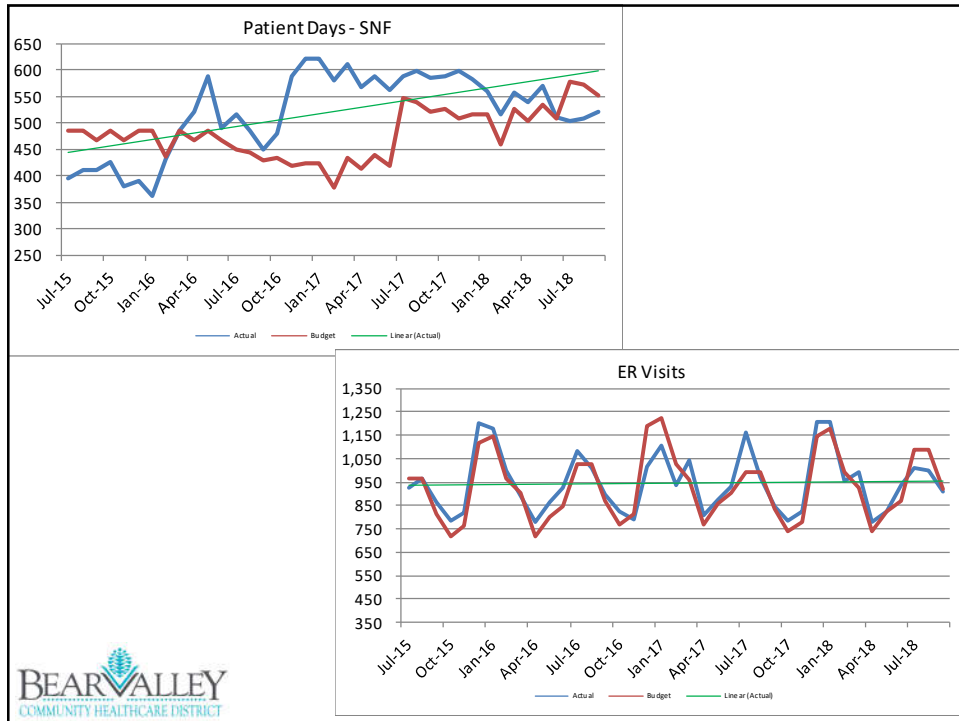
Finance Report
September 2018 Results

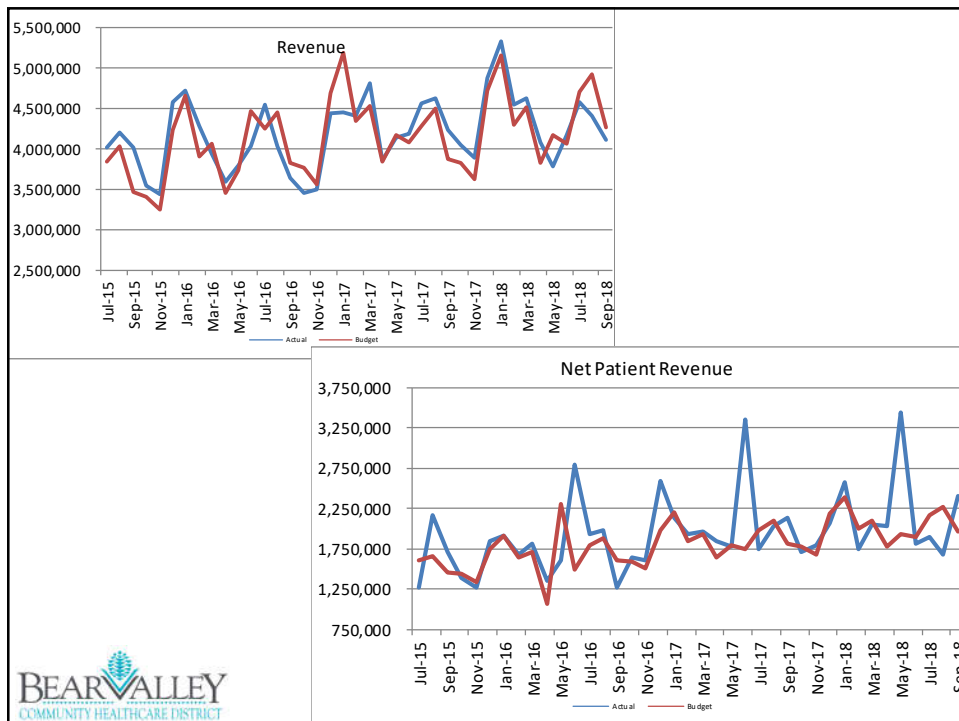
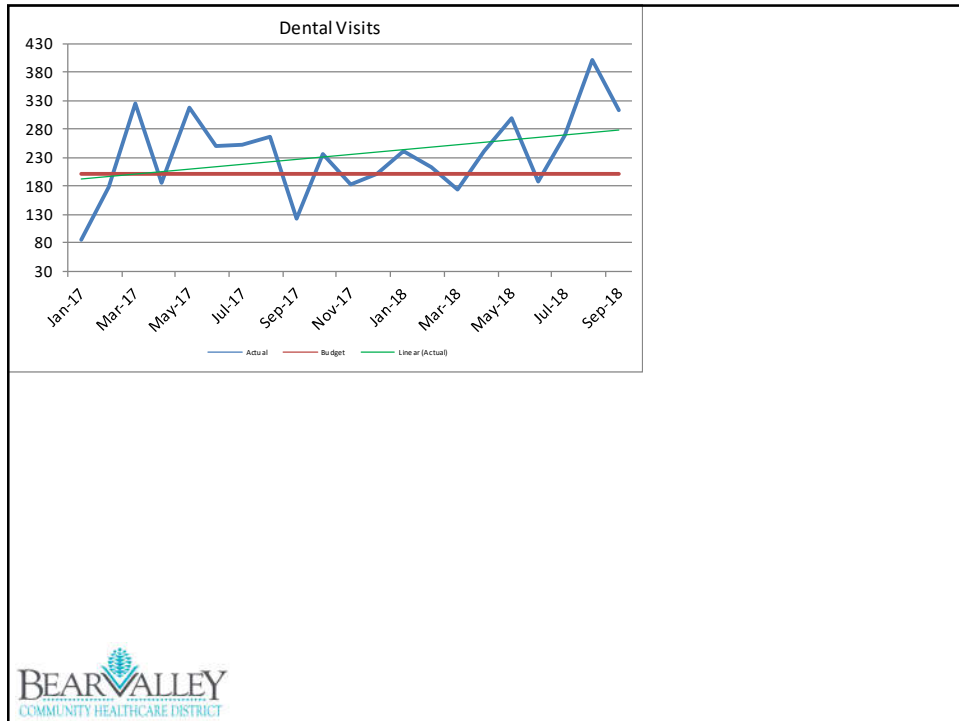
Summary for September 2018

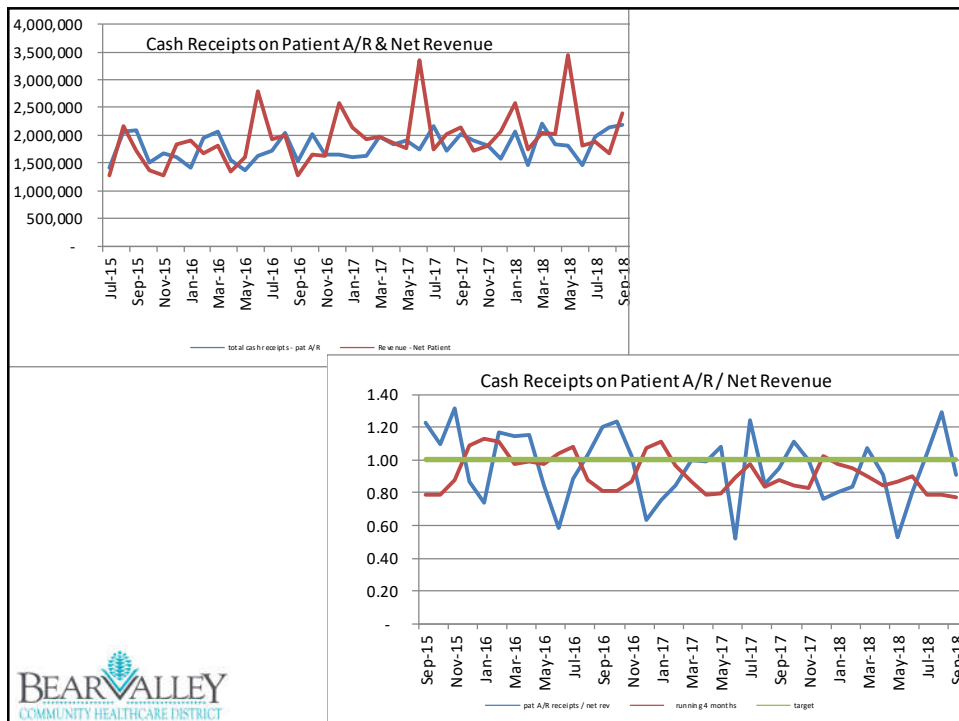
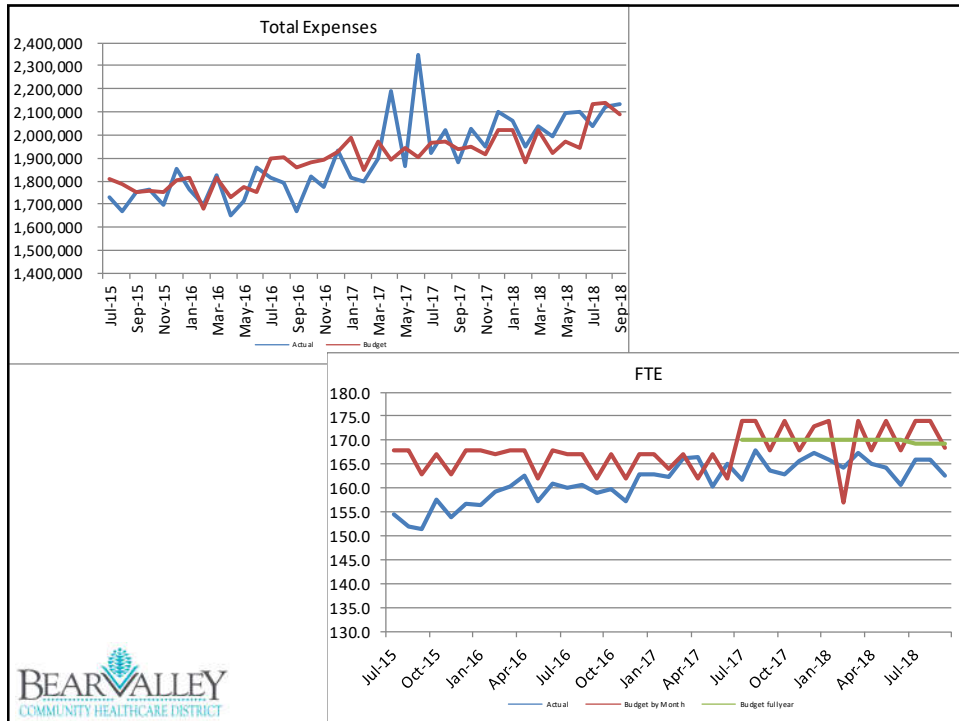
- Cash on Hand - \$ 2,710,313
Investments - \$17,760,225
- Days Cash on hand, including investments with LAIF – 311
- Surplus of \$541,745 for the month is \$427,416 higher than budgeted Surplus
- Total Patient Revenue was under Budget by 3.4% for the month
- Net Patient Revenue was 22.1% over budget.
- Total Expenses were 2.1% higher than budget

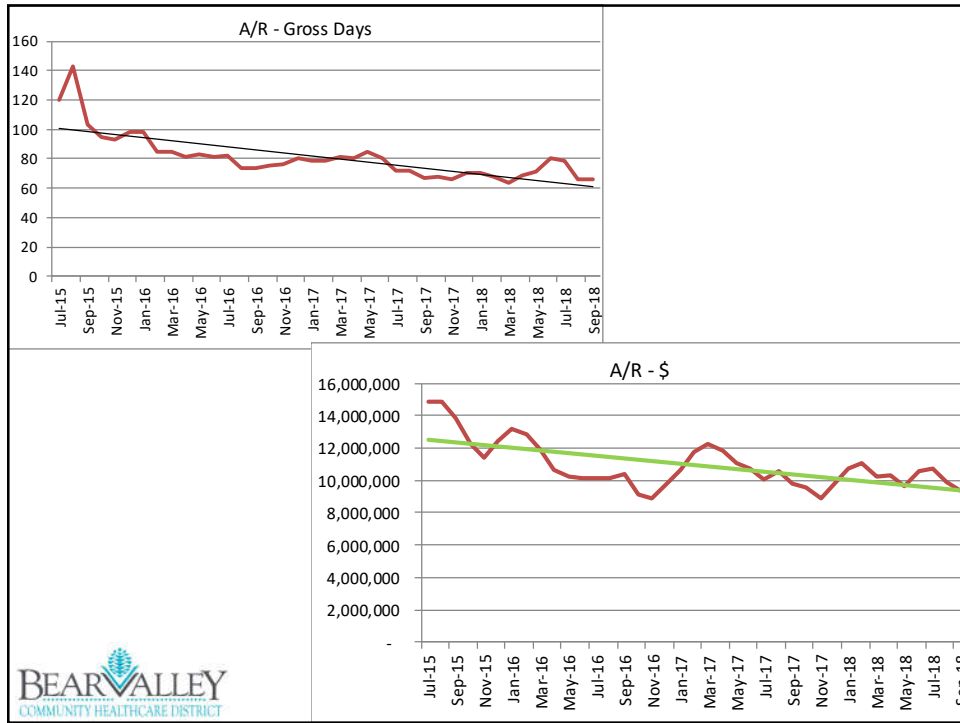














September 2018 Financial Results

For the month . . .

Total Patient Revenue of \$4,111,836 for September was 3.4% under budget. For the month, we saw Patient Days - Acute and Swing close to the budgeted numbers. SNF Days were 5% lower than budget. ER Visits were 1.5% below budget.

Revenue Deductions of \$1,716,760 were 25.2% lower than budget with recording of some favorable prior year Contractual Adjustments in the month.

Total Expenses of \$2,133,270 were 2.1% higher than budget. Salaries, Wages, and Benefits are under budget, but we have needed to supplement some staffing by using Purchased Services. Professional Fees were over budget with higher volumes in Clinics. Supply expense was over budget in several departments including Respiratory Therapy, Pharmacy, and Lab. Purchased Services are over budget in PT and Lab to cover staffing needs. We saw increased expense in RHC due to increased Dental volume.

Our Surplus for the month of September 2018 was \$541,745 - \$427,416 more than budgeted.

Our Operating Cash and Investments total \$20,470,243 as of the end of month. Total days cash on hand as of the end of September 2018 are 311.

Key Statistics

Acute & Swing patient days of 45 for the month were 4.7% over the budgeted amount. SNF days totaled 522, this was 5.0% under budget. Emergency Room visits of 907, just 1.5% lower than budget. Clinic combined visits were 20.2% higher than budget.

FTE continue to be under budget.

Year-to-Date

Total Patient Revenue of \$13,090,002 is 5.7% below budget. Net Patient Revenue of \$5,950,020 is 7.0% below budget. Total Expenses of \$6,289,485 are 1.1% below budget. Our Surplus to the first three months of the fiscal year of \$355,002 is less than half of our budgeted Surplus for the first three months.

Acute days are 23% below budget. Swing days are 45% below budget. SNF days are 10% below budget. ER visits are 5.9% below budget. All clinic visit categories are above budget.

Bear Valley Community Healthcare District
Financial Statements September 30, 2018

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 17/18	FY 18/19		VARIANCE		FY 17/18	FY 18/19		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1 Total patient revenue	4,224,893	4,111,836	4,258,736	(146,900)	-3.4%	13,410,408	13,090,002	13,888,040	(798,039)	-5.7%
2 Total revenue deductions	2,092,654	1,716,760	2,296,638	(579,878)	-25.2%	7,514,176	7,139,981	7,489,501	(349,520)	-4.7%
3 % Deductions	50%	42%	54%			56%	55%	54%		
4 Net Patient Revenue	2,132,239	2,395,076	1,962,098	432,979	22.1%	5,896,232	5,950,020	6,398,539	(448,519)	-7.0%
5 % Net to Gross	50%	58%	46%			44%	45%	46%		
6 Other Revenue	20,043	11,170	46,274	(35,104)	-75.9%	62,450	50,205	139,444	(89,239)	-64.0%
7 Total Operating Revenue	2,152,282	2,406,246	2,008,372	397,875	19.8%	5,958,682	6,000,226	6,537,984	(537,758)	-8.2%
8 Total Expenses	1,883,559	2,133,270	2,088,762	44,508	2.1%	5,825,704	6,289,485	6,359,826	(70,340)	-1.1%
9 % Expenses	45%	52%	49%			43%	48%	46%		
10 Surplus (Loss) from Operations	268,723	272,977	(80,390)	353,367	439.6%	132,978	(289,260)	178,158	(467,418)	262.4%
11 % Operating margin	6%	7%	-2%			1%	-2%	1%		
12 Total Non-operating	208,290	268,768	194,719	74,049	38.0%	577,544	644,262	584,158	60,104	10.3%
13 Surplus/(Loss)	477,013	541,745	114,329	427,416	-373.8%	710,522	355,002	762,316	(407,314)	53.4%
14 % Total margin	11%	13%	3%			5%	3%	5%		

BALANCE SHEET

	A	B	C	D	E
	September	September	August		
	FY 17/18	FY 18/19	FY 18/19	VARIANCE	
				Amount	%
15 Gross Accounts Receivables	9,817,444	9,393,508	9,857,546	(464,038)	-4.7%
16 Net Accounts Receivables	4,001,787	3,246,260	3,731,787	(485,527)	-13.0%
17 % Net AR to Gross AR	41%	35%	38%		
18 Days Gross AR	67.0	66.0	66.2	(0.2)	-0.3%
19 Cash Collections	2,025,147	2,183,830	2,143,485	40,345	1.9%
20 Settlements/IGT Transactions	-	-	-	-	#DIV/0!
21 Investments	10,921,640	17,760,225	17,562,903	197,322	1.1%
22 Cash on hand	1,483,027	2,710,313	2,551,340	158,973	6.2%
23 Total Cash & Invest	12,404,667	20,470,538	20,114,243	356,295	1.8%
24 Days Cash & Invest	201	311	312	(1)	-0.2%
Total Cash and Investments	12,404,667	20,470,538			
Increase Current Year vs. Prior Year		8,065,871			

Bear Valley Community Healthcare District
Financial Statements September 30, 2018

Statement of Operations

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	150,843	132,469	161,747	(29,279)	-18.1%	345,144	328,253	527,378	(199,125)	-37.8%
2 Outpatient	1,063,953	846,425	955,182	(108,757)	-11.4%	3,138,856	2,750,541	3,026,837	(276,296)	-9.1%
3 Clinic Revenue	339,870	359,375	326,606	32,768	10.0%	1,057,365	1,124,736	1,026,407	98,329	9.6%
4 Emergency Room	2,407,574	2,533,903	2,562,752	(28,849)	-1.1%	8,079,110	8,194,614	8,533,000	(338,386)	-4.0%
5 Skilled Nursing Facility	262,653	239,665	252,448	(12,783)	-5.1%	789,933	691,857	774,418	(82,561)	-10.7%
6 Total patient revenue	4,224,893	4,111,836	4,258,736	(146,900)	-3.4%	13,410,408	13,090,002	13,888,040	(798,039)	-5.7%
Revenue Deductions										
7 Contractual Allow	1,994,911	2,039,158	2,145,453	(106,295)	-5.0%	6,735,653	6,712,861	6,996,474	(283,613)	-4.1%
8 Contractual Allow PY	1,249	(700,000)	-	(700,000)	#DIV/0!	1,712	(699,938)	-	(699,938)	#DIV/0!
9 Charity Care	-	28,015	8,943	19,072	213.3%	20,517	43,358	29,165	14,193	48.7%
10 Administrative	169,442	6,849	8,092	(1,243)	-15.4%	283,364	10,473	26,388	(15,915)	-60.3%
11 Policy Discount	7,202	12,381	6,388	5,993	93.8%	30,674	41,986	20,832	21,154	101.5%
12 Employee Discount	3,938	6,356	3,407	2,949	86.6%	17,748	24,338	11,111	13,227	119.0%
13 Bad Debts	45,428	169,560	124,355	45,205	36.4%	55,375	571,562	405,531	166,031	40.9%
14 Denials	190,797	154,441	-	154,441	#DIV/0!	369,133	435,342	-	435,342	#DIV/0!
15 Total revenue deductions	2,092,654	1,716,760	2,296,638	(579,878)	-25.2%	7,514,176	7,139,981	7,489,501	(349,520)	-4.7%
16 Net Patient Revenue	2,132,239	2,395,076	1,962,098	432,979	22.1%	5,896,232	5,950,020	6,398,539	(448,519)	-7.0%
gross revenue including Prior Year Contractual Allowances as a percent to gross revenue WO PY and Other CA	40.2%	40.2%		40.2%		40.2%	447.4%	447.4%	0.0%	
	39.2%	39.2%		39.2%		39.2%	437.2%	437.2%	0.0%	
17 Other Revenue	20,043	11,170	46,274	(35,104)	-75.9%	62,450	50,205	139,444	(89,239)	-64.0%
18 Total Operating Revenue	2,152,282	2,406,246	2,008,372	397,875	19.8%	5,958,682	6,000,226	6,537,984	(537,758)	-8.2%
Expenses										
19 Salaries	802,366	831,600	846,926	(15,326)	-1.8%	2,444,397	2,608,131	2,597,537	10,594	0.4%
20 Employee Benefits	300,954	289,066	351,236	(62,170)	-17.7%	906,144	885,635	1,056,019	(170,384)	-16.1%
21 Registry	-	-	-	-	#DIV/0!	12,718	-	-	-	#DIV/0!
22 Salaries and Benefits	1,103,320	1,120,666	1,198,162	(77,496)	-6.5%	3,363,259	3,493,766	3,653,556	(159,790)	-4.4%
23 Professional fees	149,941	174,907	158,717	16,190	10.2%	472,948	529,723	481,183	48,540	10.1%
24 Supplies	101,350	136,991	127,759	9,232	7.2%	368,111	393,695	400,869	(7,174)	-1.8%
25 Utilities	43,009	42,464	43,381	(917)	-2.1%	127,560	133,135	130,773	2,362	1.8%
26 Repairs and Maintenance	35,825	32,405	27,960	4,445	15.9%	77,525	72,891	84,108	(11,217)	-13.3%
27 Purchased Services	281,012	457,562	342,841	114,722	33.5%	929,175	1,156,350	1,039,239	117,111	11.3%
28 Insurance	25,762	28,258	26,975	1,283	4.8%	77,286	84,773	80,925	3,848	4.8%
29 Depreciation	58,815	76,489	81,667	(5,178)	-6.3%	156,545	229,466	245,001	(15,535)	-6.3%
30 Rental and Leases	35,360	11,219	21,112	(9,893)	-46.9%	121,784	34,149	63,336	(29,187)	-46.1%
32 Dues and Subscriptions	5,725	5,879	5,910	(31)	-0.5%	16,670	19,862	17,730	2,132	12.0%
33 Other Expense	43,441	46,430	54,278	(7,848)	-14.5%	114,843	141,677	163,106	(21,429)	-13.1%
34 Total Expenses	1,883,559	2,133,270	2,088,762	44,508	2.1%	5,825,704	6,289,485	6,359,826	(70,340)	-1.1%
35 Surplus (Loss) from Operations	268,723	272,977	(80,390)	353,367	439.6%	132,978	(289,260)	178,158	(467,418)	262.4%
Non-Operating Income										
37 Tax Revenue	186,047	184,244	184,244	(0)	0.0%	558,141	552,732	552,733	(1)	0.0%
38 Other non-operating	(130)	35	3,133	(3,098)	-98.9%	10,117	15,300	9,399	5,901	62.8%
Interest Income	30,375	92,115	15,125	76,990	509.0%	32,907	99,116	45,375	53,741	118.4%
Interest Expense	(8,002)	(7,626)	(7,783)	157	-2.0%	(23,621)	(22,886)	(23,349)	463	-2.0%
IGT Expense	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
39 Total Non-operating	208,290	268,768	194,719	74,049	38.0%	577,544	644,262	584,158	60,104	10.3%
40 Surplus/(Loss)	477,013	541,745	114,329	427,416	-373.8%	706,522	358,002	762,316	(407,314)	53.4%

**Bear Valley Community Healthcare District
Financial Statements**

Current Year Trending Statement of Operations

A Statement of Operations—CURRENT YEAR 2019

	1	2	3	4	5	6	7	8	9	10	11	12	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
Gross Patient Revenue													
1 Inpatient	74,791	120,993	132,469										328,253
2 Outpatient	972,222	931,894	846,425										2,750,541
3 Clinic	342,650	422,712	359,375										1,124,736
4 Emergency Room	2,957,516	2,703,194	2,533,903										8,194,614
5 Skilled Nursing Facility	223,604	228,589	239,665										691,857
6 Total patient revenue	4,570,784	4,407,382	4,111,836	-	-	-	-	-	-	-	-	-	13,090,002
Revenue Deductions	C/A	0.51	0.53	0.50	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.51
7 Contractual Allow	2,320,958	2,352,744	2,039,158										6,712,861
8 Contractual Allow PY	62	-	(700,000)										(699,938)
9 Charity Care	15,343	-	28,015										43,358
10 Administrative	806	2,818	6,849										10,473
11 Policy Discount	13,989	15,616	12,381										41,986
12 Employee Discount	12,793	5,188	6,356										24,338
13 Bad Debts	215,076	186,926	169,560										571,562
14 Denials	103,506	177,395	154,441										435,342
Total revenue deductions	2,682,534	2,740,687	1,716,760	-	-	-	-	-	-	-	-	-	7,139,981
	0.59	0.62	0.42	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
16 Net Patient Revenue	1,888,250	1,666,694	2,395,076	-	-	-	-	-	-	-	-	-	5,950,020
net / tot pat rev	41.3%	37.8%	58.2%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	45.5%
17 Other Revenue	19,441	19,594	11,170										50,205
18 Total Operating Revenue	1,907,691	1,686,288	2,406,246	-	-	-	-	-	-	-	-	-	6,000,226
Expenses													
19 Salaries	885,068	891,463	831,600										2,608,131
20 Employee Benefits	303,328	293,241	289,066										885,635
21 Registry	-	-	-										-
22 Salaries and Benefits	1,188,396	1,184,704	1,120,666	-	-	-	-	-	-	-	-	-	3,493,766
23 Professional fees	173,695	181,120	174,907										529,723
24 Supplies	121,217	135,487	136,991										393,695
25 Utilities	46,712	43,958	42,464										133,135
26 Repairs and Maintenance	17,407	23,079	32,405										72,891
27 Purchased Services	325,455	373,332	457,562										1,156,350
28 Insurance	28,258	28,258	28,258										84,773
29 Depreciation	76,489	76,489	76,489										229,466
30 Rental and Leases	11,421	11,509	11,219										34,149
32 Dues and Subscriptions	6,882	7,101	5,879										19,862
33 Other Expense.	40,078	55,169	46,430										141,677
34 Total Expenses	2,036,009	2,120,207	2,133,270	-	-	-	-	-	-	-	-	-	6,289,485
Surplus (Loss) from Operations	(128,318)	(433,918)	272,977	-	-	-	-	-	-	-	-	-	(289,260)
Non-Operating Income													
37 Tax Revenue	184,244	184,244	184,244										552,732
38 Other non-operating	15,020	245	35										15,300
Interest Income	543	6,457	92,115										99,116
Interest Expense	(7,638)	(7,621)	(7,626)										(22,886)
IGT Expense													-
39 Total Non-operating	192,169	183,325	268,768	-	-	-	-	-	-	-	-	-	644,262
40 Surplus/(Loss)	63,851	(250,594)	541,745	-	-	-	-	-	-	-	-	-	355,002

2018-19 Actual BS

BALANCE SHEET

Includes Final Entries 6-30-18

		PY			
		July	Aug	Sept	June
ASSETS:					
Current Assets					
Cash and Cash Equivalents (Includes CD's)		2,296,309	2,551,340	2,710,313	2,253,824
Gross Patient Accounts Receivable		10,740,258	9,856,844	9,392,893	10,597,934
Less: Reserves for Allowances & Bad Debt		6,470,520	6,125,057	6,146,633	6,413,352
Net Patient Accounts Receivable		4,269,738	3,731,787	3,246,260	4,184,582
Tax Revenue Receivable		2,210,931	2,210,931	2,210,931	52,044
Other Receivables		50,484	78,234	93,056	96,628
Inventories		130,292	134,606	136,936	129,318
Prepaid Expenses		299,848	293,739	345,377	199,838
Due From Third Party Payers		0	0		
Due From Affiliates/Related Organizations		0	0		
Other Current Assets		0	0		
Total Current Assets		9,257,602	9,000,637	8,742,873	6,916,233
Assets Whose Use is Limited					
Investments		17,668,421	17,668,421	17,760,225	17,668,421
Other Limited Use Assets		144,375	144,375	144,375	144,375
Total Limited Use Assets		17,812,796	17,812,796	17,904,600	17,812,796
Property, Plant, and Equipment					
Land and Land Improvements		570,615	570,615	570,615	570,615
Building and Building Improvements		9,758,672	9,772,522	9,772,522	9,758,672
Equipment		11,779,820	11,844,577	11,912,516	11,761,910
Construction In Progress		48,953	101,798	127,293	32,516
Capitalized Interest					
Gross Property, Plant, and Equipment		22,158,060	22,289,512	22,382,945	22,123,712
Less: Accumulated Depreciation		13,685,197	13,761,686	13,838,174	13,608,708
Net Property, Plant, and Equipment		8,472,863	8,527,826	8,544,771	8,515,004
TOTAL UNRESTRICTED ASSETS		35,543,261	35,341,260	35,192,244	33,244,034
Restricted Assets		0	0	0	0
TOTAL ASSETS		35,543,261	35,341,260	35,192,244	31,316,969

2018-19 Actual BS

BALANCE SHEET

Includes Final Entries 6-30-18

LIABILITIES:

	PY			
	July	Aug	Sept	June
Current Liabilities				
Accounts Payable	954,160	880,513	1,028,412	906,103
Notes and Loans Payable				
Accrued Payroll	705,323	806,989	844,952	758,370
Patient Refunds Payable				
Due to Third Party Payers (Settlements)	3,983,651	4,173,225	3,473,225	3,769,980
Advances From Third Party Payers				
Current Portion of Def Rev - TxS,	2,061,687	1,877,443	1,693,199	35,000
Current Portion - LT Debt	35,000	35,000	35,000	35,000
Current Portion of AB915				
Other Current Liabilities (Accrued Interest & Accrued Other)	7,630	22,873	30,494	7,621
Total Current Liabilities	7,747,451	7,796,043	7,105,281	5,512,074
Long Term Debt				
USDA Loan	2,895,000	2,895,000	2,895,000	2,895,000
Leases Payable	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,860,000	2,860,000	2,860,000	2,860,000
Other Long Term Liabilities				
Deferred Revenue	0	0	0	0
Other	0	0	0	0
Total Other Long Term Liabilities	0	0	0	0
TOTAL LIABILITIES	10,607,451	10,656,043	9,965,281	8,372,074
Fund Balance				
Unrestricted Fund Balance	24,871,960	24,871,960	24,871,960	20,663,982
Temporarily Restricted Fund Balance	0	0		
Equity Transfer from FRHG	0	0		
Net Revenue/(Expenses)	63,851	-186,743	355,003	4,207,978
TOTAL FUND BALANCE	24,935,811	24,685,217	25,226,963	24,871,960
TOTAL LIABILITIES & FUND BALANCE	35,543,261	35,341,260	35,192,244	33,244,034

Units of Service

For the period ending: September 30, 2018

30		92														
Current Month						Bear Valley Community Hospital							Year-To-Date			
Sep-18		Sep-17		Actual -Budget		Act.-Act.		Sep-18		Sep-17		Actual -Budget		Act.-Act.		
Actual	Budget	Actual	Variance	Var %	Var %			Actual	Budget	Actual	Variance	Var %	Var %			
27	28	26	(1)	-3.6%	3.8%	Med Surg Patient Days		72	93	77	(21)	-22.6%	-6.5%			
18	15	18	3	20.0%	0.0%	Swing Patient Days		28	51	28	(23)	-45.1%	0.0%			
522	552	586	(30)	-5.4%	-10.9%	SNF Patient Days		1,531	1,702	1,772	(171)	-10.0%	-13.6%			
567	595	630	(28)	-4.7%	-10.0%	Total Patient Days		1,631	1,846	1,877	(215)	-11.6%	-13.1%			
16	14	13	2	14.3%	23.1%	Acute Admissions		35	42	37	(7)	-16.7%	-5.4%			
14	14	12	-	0.0%	16.7%	Acute Discharges		32	42	39	(10)	-23.8%	-17.9%			
1.9	2.0	2.2	(0.1)	-3.6%	-11.0%	Acute Average Length of Stay		2.3	2.2	2.0	0.0	1.6%	14.0%			
0.9	0.9	0.9	(0.0)	-3.6%	3.8%	Acute Average Daily Census		0.8	1	0.8	(0.2)	-22.6%	-6.5%			
18.0	18.9	20.1	(0.9)	-4.8%	-10.6%	SNF/Swing Avg Daily Census		16.9	19	19.6	(2.1)	-11.1%	-13.4%			
18.9	19.8	21.0	(0.9)	-4.7%	-10.0%	Total Avg. Daily Census		17.7	20	20.4	(2.3)	-11.6%	-13.1%			
42%	44%	47%	-2%	-4.7%	-10.0%	% Occupancy		39%	45%	45%	-5%	-11.6%	-13.1%			
7	13	11	(6)	-46.2%	-36.4%	Emergency Room Admitted		29	39	33	(10)	-25.6%	-12.1%			
900	908	837	(8)	-0.9%	7.5%	Emergency Room Discharged		2,888	3,062	2,943	(174)	-5.7%	-1.9%			
907	921	848	(14)	-1.5%	7.0%	Emergency Room Total		2,917	3,101	2,976	(184)	-5.9%	-2.0%			
30	31	28	(0)	-1.5%	7.0%	ER visits per calendar day		32	34	32	(2)	-5.9%	-2.0%			
44%	93%	85%	-33%	-35.9%	-48.3%	% Admits from ER		83%	93%	89%	70%	75.4%	-7.1%			
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P		-	-	-	-	0.0%	#DIV/0!			
21	10	18	11	110.0%	16.7%	Surgical Procedures O/P		37	28	45	9	32.1%	-17.8%			
21	10	18	11	110.0%	16.7%	TOTAL Procedures		37	28	45	9	32.1%	-17.8%			
1,060	1,013	-	47	0.0%	#DIV/0!	Surgical Minutes Total		2,963	3,107	250	(144)	-4.6%	1085.2%			

Units of Service
For the period ending: September 30, 2018

Bear Valley Community Hospital												
Current Month						Year-To-Date						
Sep-18	Sep-17	Actual -Budget	Actual -Budget	Actual -Budget	Actual -Budget	Sep-18	Sep-17	Actual -Budget	Actual -Budget	Actual -Budget	Actual -Budget	Actual -Budget
Actual	Budget	Actual	Variance	Var %	Var %	Actual	Budget	Actual	Variance	Var %	Var %	Var %
6,141	5,938	6,003	203	3.4%	2.3%	Lab Procedures	20,183	18,779	19,712	1,404	7.5%	2.4%
774	685	778	89	13.0%	-0.5%	X-Ray Procedures	2,431	2,242	1,794	189	8.4%	35.5%
228	223	270	5	2.2%	-15.6%	C.T. Scan Procedures	824	748	788	76	10.2%	4.6%
220	221	241	(1)	-0.5%	-8.7%	Ultrasound Procedures	693	690	720	3	0.4%	-3.8%
68	62	79	6	9.7%	-13.9%	Mammography Procedures	166	186	229	(20)	-10.8%	-27.5%
276	272	285	4	1.5%	-3.2%	EKG Procedures	847	926	946	(79)	-8.5%	-10.5%
139	115	79	24	20.9%	75.9%	Respiratory Procedures	323	332	293	(9)	-2.7%	10.2%
1,315	1,296	1,332	19	1.5%	-1.3%	Physical Therapy Procedures	4,576	3,838	3,940	738	19.2%	16.1%
1,669	1,448	1,788	221	15.2%	-6.7%	Primary Care Clinic Visits	5,178	4,568	5,157	610	13.3%	0.4%
312	200	123	112	56.0%	153.7%	Specialty Clinic Visits	980	600	640	380	63.3%	53.1%
1,981	1,648	1,911	333	20.2%	3.7%	Clinic	6,158	5,168	5,797	990	19.1%	6.2%
76	63	74	13	20.2%	3.7%	Clinic visits per work day	34	28	32	5	19.1%	6.2%
19.6%	20.00%	20.10%	-0.40%	-2.00%	-2.49%	% Medicare Revenue	20.47%	20.00%	19.63%	0.47%	2.33%	4.24%
37.90%	39.00%	42.50%	-1.10%	-2.82%	-10.82%	% Medi-Cal Revenue	36.70%	39.00%	39.97%	-2.30%	-5.90%	-8.17%
38.50%	36.00%	33.30%	2.50%	6.94%	15.62%	% Insurance Revenue	38.00%	36.00%	36.17%	2.00%	5.56%	5.07%
4.00%	5.00%	4.10%	-1.00%	-20.00%	-2.44%	% Self-Pay Revenue	4.83%	5.00%	4.23%	-0.17%	-3.33%	14.17%
140.4	151.82	144.7	(11.4)	-7.5%	-2.9%	Productive FTE's	141.41	155.19	145.2	(13.8)	-8.9%	-2.6%
162.7	168.38	163.8	(5.7)	-3.4%	-0.6%	Total FTE's	164.87	172.13	164.5	(7.3)	-4.2%	0.2%



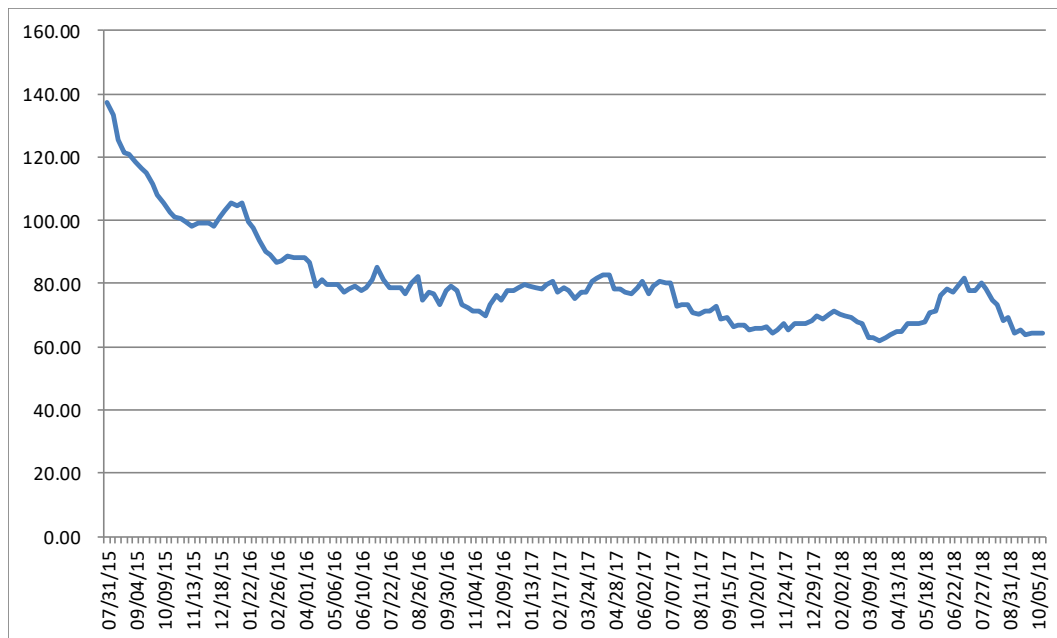
CFO REPORT for

November 2018 Finance and Board meetings

TruBridge – Accounts Receivable Management

Accounts Receivable days are averaging 64.4 over the last six weeks. Graphs in the finance report show monthly trends of reductions in Accounts Receivable days and Gross dollars.

Below is a graph of A/R days by week going back to August 2015.



Productivity Benchmarking Assessment

Staff from QHR were on-site on October 24th and 25th meeting with Department Managers relating to the work on the Productivity Benchmarking Assessment. The current plan is to have a draft report ready for review in November - just after Thanksgiving. The final findings will be presented to department managers and the board in December.

Debt Capacity Assessment

We have begun working with folks from QHR relative to an assessment of our debt capacity in anticipation of the decision on the facility project. We have provided recent financial statements as well as other information for their review.