

**FINANCE COMMITTEE MEETING  
OF THE  
BOARD OF DIRECTORS  
HOSPITAL REDWOODS ROOM**

**THURSDAY, DECEMBER 6, 2018  
MINUTES**

**1. CALL TO ORDER:**

Dr. Peter Glusker called the Finance Committee meeting to order.

**2. ROLL CALL:**

COMMITTEE MEMBERS PRESENT: Mr. Bill Scott, Dr. Peter Glusker, Mr. Kirk O'Day,  
Mr. Bill Knapp

COMMITTEE MEMBERS ABSENT: Dr. Kevin Miller

STAFF PRESENT:

Mr. Bob Edwards, CEO

Mr. Mike Ellis, CFO

**3. COMMUNITY COMMENTS:**

- There were no community comments.

**4. ACTION: REVIEW AND APPROVAL OF OCTOBER 23, 2018 FINANCE COMMITTEE MINUTES**

**MOTION:** To approve the October 23, 2018 Finance Committee Minutes

- Scott moved
- Knapp second
- Motion carried

**5. INFORMATION: INDEPENDENT AUDIT REPORT FOR FYE 2017/2018**

- Mr. Luke Zarecor with DZA & Associates presented the Audit Report for FYE 2017/2018

**6. ACTION/INFORMATION: REVIEW AND APPROVAL OF OCTOBER 2018 INTERIM FINANCIAL & STATISTICAL REPORT MENDOCINO COAST HEALTH CARE DISTRICT: MR. MIKE ELLIS, CFO**

**Summary of October Financial Statements**

- October's cash of \$2.0 mil increased \$.1 million from September. Board Designated Funds decrease of \$3.8 mil decreased \$.5 million from the prior month because of participating in a State IGT program, to be returned in November. Together this cash of \$5.8 mil is 39 days cash-on-hand.
- Net AR increased \$66k and is 42 days in net AR. October's AP of \$6.1 mil increased \$59k from the prior month, compared to the prior fiscal year average of \$5.9 mil

- October's net patient revenues of \$4.4 million are just below budget by \$135,000. October is \$.6 mil or 16% more than the prior month September 2018. October had 23 working days compared to September's 19 working days in the month (19 is the lowest number in the year, compared to October's 23 working days in the month, the highest number of working days a month can have). Every extra working day provides an opportunity to generate more revenue to cover relatively fixed expenses.
- The month's total operating expenses of \$4.7 million were \$131,000 or 3% below budget. The only significant unfavorable budget variance in expenses was supplies at \$35,000 over budget. October had a net operating loss of \$152,000 compared to the budgeted loss of \$115,000.
- New this fiscal year is the accrual of \$133,000 for the Parcel Tax revenue that will occur every month at this amount. With this new revenue added to the other non-operating revenues and expenses the net gain for the month was \$35,000.
- The fiscal year-to-date operating loss of \$968,000 is under the budgeted loss of \$1,151,000. This is four months into the fiscal year and the year-end budgeted loss is set at \$1.7 million and a positive \$.8 million after non-operating revenues & expenses.

**MOTION:** To recommend the Board approve the October 23, 2018 Interim Financial & Statistical Report

- Scott moved
- Knapp second
- Motion carried

**7. ACTION/INFORMATION: CEO REPORT: MR. BOB EDWARDS, CEO**

- Bob thanked Dr. Glusker for heading the Finance Committee as chair the last few months.
- Bob thanked Mike and the entire Finance Team for all their hard work on the audit.

**8. ACTION/INFORMATION: CFO REPORT: MR. MIKE ELLIS, CFO**

- The Hospital hosted a very successful three (3) day coding and billing seminar. Grants will pay the costs of this seminar; the Foundation paid for to dinners for everyone.

Dr. Kirkman stated that he and Dr. Perry have been educating the local providers, and there has been an increase in utilization in the Nuclear Medicine Department between August & November. A technician has been hired on a temporary basis and is able to do multi modalities.

**9. COMMENTS FROM THE COMMUNITY**

- There were no comments from the community.

**10. COMMENTS FROM COMMITTEE MEMBERS**

- There were no Committee Member comments.

**11. ADJOURN:**

- The meeting adjourned at 3:40

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Peter Glusker, MD  
Board of Directors

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Gayl Moon, Secretary  
Board of Directors