

**DEAF SMITH COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS MEETING
May 28, 2020**

Notice is hereby given that Hereford Regional Medical Center is currently under the Texas Department of Health and Human Services Emergency Rule #GL 20-2015, issued April 6th, 2020, titled Emergency Rule for Hospital Response to Covid-19. This rule forbids hospital visitors for 120 days.

In accordance with section 418.016 of the Texas Government Code, the Office of the Governor has suspended statutes to the extent necessary to allow telephonic or videoconference meetings and to avoid congregate settings in physical locations: – those statutes that require a quorum or a presiding officer to be physically present at the specified location of the meeting; provided, however, that a quorum still must participate in the telephonic or videoconference meeting. This suspension is in effect until terminated by the Office of the Governor or until the March 13, 2020 disaster declaration is lifted or expires.

Therefore, the Board of Directors of Deaf Smith County Hospital District ("Board") will hold a regular meeting via audio and video conferencing as follows:

DATE: Thursday, May 28, 2020
TIME: 5:30 pm
PLACE: Audio/ Video Meeting
<https://us02web.zoom.us/j/89920137818>

Toll Free Numbers are provided:

877 853 5257 US Toll-free
888 475 4499 US Toll-free
833 548 0276 US Toll-free
833 548 0282 US Toll-free

Please use Meeting ID: 899 2013 7818

The Audio/Video meeting will be accessible to the public at all times except for deliberations that may be held in a closed meeting under Subchapter D of the Texas Open Meetings Act and other applicable law. The following agenda lists the subjects that will be deliberated and acted upon during the meeting. If during the course of the meeting, an item should be discussed in a closed meeting or the Board requires legal counsel on an agenda item, the Board may convene in an executive session.

AGENDA

1. **Call to Order** – Mr. Schueler
2. **Pledge of Allegiance**
3. **Invocation**

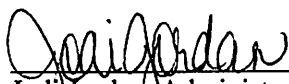
**DEAF SMITH COUNTY HOSPITAL DISTRICT
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4. **Public Comment**
5. **Renegade Renewable Energy – Mr. Schueler**
Presentation of updated Renegade Renewal Energy tax abatement request.
6. **Approval of Minutes – Mr. Schueler**
ACTION: Review and approve minutes from Regular Board meeting held on February 27, 2020.
7. **Chief Financial Officers Report – Mrs. Hunt**
ACTION: Review and approve financial statements and statistical reports relating to income, expenses, and budgeted operations for the period ending February 29, 2020.

ACTION: Review and approve financial statements and statistical reports relating to income, expenses, and budgeted operations for the period ending March 31, 2020.

ACTION: Review and approve financial statements and statistical reports relating to income, expenses, and budgeted operations for the period ending April 30, 2020.
8. **Chief Executive Officers Report – Mr. Barnhart**
 - Mandatory Training - House Bill 3834 Cybersecurity Awareness Training
 - Report on COVID-19 Pandemic - Mr. Barnhart, Mrs. Smith, and Mrs. Clements
 - Report on physician and allied health recruitment.
 - Review of health insurance plan performance and presentation of 2020-2021 Health Insurance Proposal - Mr. Couch – Healthsure**ACTION:** Review and approve Deaf Smith County Hospital Employee 2020=2021 Health Insurance Renewal.
9. **Executive Session**
 - Pursuant to Texas Health & Safety Code §161.032 and Texas Government Code §551.071 Appointments/Reappointments of Medical Staff and Non-Physician Clinical Providers to Hereford Regional Medical Center
10. **Adjournment**

The next meeting of the Deaf Smith County Hospital District will be held on **June 25th, 2018 at 5:30pm.**



Jodi Jordan, Administrative Assistant
Deaf Smith County Hospital District

**DEAF SMITH COUNTY HOSPITAL DISTRICT
APPLICATION FOR TAX ABATEMENT**

Submitted by

RENEGADE RENEWABLES, LLC DBA DAWN SOLAR

July 2019

DEAF SMITH COUNTY HOSPITAL DISTRICT
APPLICATION FOR
TAX ABATEMENT

SEE ATTACHED
PROPERTY/PROJECT DESCRIPTION

1. NAME OF BUSINESS _____

TAX IDENTIFICATION NUMBER _____
PROPERTY OWNER _____
MAILING ADDRESS _____
TELEPHONE _____ FAX _____
2. PROJECT SPONSOR _____
(IF DIFFERENT THAN PROPERTY OWNER)
MAILING ADDRESS _____
TELEPHONE _____ FAX _____
3. APPLICANT'S REPRESENTATIVE _____
TELEPHONE _____ FAX _____
4. PROPERTY ADDRESS _____
PROPERTY LEGAL DESCRIPTION _____

(PROVIDE ATTACHMENT IF BY METES AND BOUNDS)
5. LOCATED WITHIN: CITY OF HEREFORD? _____
HEREFORD ISD? _____
6. DESCRIPTION OF PROJECT: _____

- 7. DATE (S) PROJECTED FOR OCCUPATION OF PROJECT/INITIATION OF OPERATIONS: _____

- 8. EMPLOYMENT IMPACT
 - A. HOW MANY JOBS WILL BE BROUGHT TO DEAF SMITH COUNTY?

 - B. WHAT TYPES OF JOBS WILL BE CREATED? _____

 - C. WHAT WILL THE TOTAL ANNUAL PAYROLL BE? _____

- 9. FISCAL IMPACT
 - A. HOW MUCH REAL AND PERSONAL PROPERTY VALUE WILL BE ADDED TO THE TAX ROLES? _____

 - B. HOW WILL THIS PROJECT AFFECT EXISTING BUSINESS AND/OR OFFICE FACILITIES? _____

 - C. WHAT INFRASTRUCTURE CONSTRUCTION WOULD BE REQUIRED?

 - D. WHAT IS THE TOTAL ANNUAL OPERATING BUDGET OF THIS FACILITY PROJECTED TO BE? _____

- 10. COMMUNITY IMPACT
 - A. WHAT EFFECT WOULD THE PROJECT HAVE ON THE LOCAL HOUSING MARKET? _____
 - B. WHAT ENVIRONMENTAL IMPACT, IF ANY, WILL BE CREATED BY THE PROJECT? _____

11. TYPE AND VALUE OF INCENTIVE REQUESTED: _____

12. ATTACH BUSINESS PLAN

**DEAF SMITH COUNTY HOSPITAL DISTRICT
APPLICATION FOR TAX ABATEMENT**

1. Name of Business: Renegade Renewables, LLC, DBA Dawn Solar
Tax ID #: 81-4174466
Property Owner: Renegade Renewables, LLC, DBA Dawn Solar
Mailing Address: 311 West 43rd Street, 12th Floor, New York, NY 10036
Telephone: 1-646-515-0622
Fax: 1-570-286-0219
2. Project Sponsor: BPF Acquisition Co Series 11 LLC
Mailing Address: 311 West 43rd Street, 12th Floor, New York, NY 10036
Telephone: 1-646-515-0622
Fax: 1-570-286-0219
3. Applicant's Representative: Everett Jones, LLC – Sean Purdy
Telephone: 570-259-9203
Fax: 1-570-286-0219
4. Property Address: See attached legal description
Property Legal Description: See attached legal description file
5. Located Within:
City of Hereford?: No
Hereford ISD?: Yes
6. Description of Project:
A utility scale (approximately 683 MW DC) solar PV power plant covering about 3,720 acres. The plant will be located about 8 miles northeast of Hereford adjacent to the 345 kV Sharyland Transmission lines.
7. Date Projected for Initiation of Operations:
December 2020.
8. Employment Impact
 - a. How many jobs will be brought to Deaf Smith Co.?
7 employees
 - b. What types of jobs will be created?
Electrical systems maintenance and repair. Most can be AA degree holders. Some will require bachelor's degrees.
 - c. What will the annual payroll be?
\$550,000 annually

9. Fiscal Impact

- a. How much real property value will be added to the tax rolls?
\$500 million
- b. How will this project affect existing business and/or office facilities?
The technical support team (7 people) will need office space in Hereford along with modest warehouse space for tools, spare parts, etc. The team will also need vehicles and parking. There will not be any office space or materials storage located on-site at the solar plant.
- c. What infrastructure construction would be required?
The site will require an access road, fencing and a large sub-station in order to connect to the high voltage transmission lines.
- d. What is the annual operating budget of the facility?
About \$6 million annually.

10. Community Impact

- a. What effect would the project have on the local housing market?
Minimal. With Amarillo 45 minutes away, some employees may choose to commute.
- b. What environment impact, if any, will be created by the project?
Minimal. Wetlands areas will be avoided/protected. The site will be driven over by heavy equipment during the installation process, but otherwise, the project will be a clean, quiet and low impact neighbor to the community for 30 to 35 years.

11. Type and Value of Incentive Requested:

99% abatement of property taxes for first 10 years of project life.

12. Attach Business Plan:

Attached

RENEGADE RENEWABLES, LLC DBA DAWN SOLAR

BUSINESS PLAN

July 2019

Business Plan for Dawn Solar Project

Executive Summary

Dawn Solar is a planned approximately 683 MW (DC) solar PV powerplant to be located on the Western edge of the Texas panhandle near Hereford, TX. The project site takes advantage of the adjacent 345 kV transmission lines operated by Sharyland Utilities that pass just north and east of Hereford and will allow the powerplant to connect to ERCOT's North Hub.

The solar plant will be constructed by a world-class EPC, M.A. Mortenson Company, and is expected to start construction in the Winter of 2019 with full completion in approximately 18 months. Dawn Solar will export power within the ERCOT market (the Electric Reliability Council of Texas) and expects to compete effectively in Texas' de-regulated energy market using a combination of Power Purchase Agreements and Financial Hedges. The expected life of the solar PV powerplant is 35+ years.

Choice of Market – ERCOT background

ERCOT is a highly competitive, 25+ million user electricity market served by a robust mix of generating assets, including a dominant percentage of natural gas (53%), and lesser amounts contributed by wind (22%), coal (17%), and nuclear 5%. Despite good insolation levels (sunshine) and low land costs, solar has lagged far behind wind development in Texas. Wind projects now total over 21 GW of capacity in 2018. Solar energy capacity is about 1%, with only 1.5 GW (1,500 MW (AC)) on-line as of June 2018.

The dynamics of the ERCOT energy market for suppliers of power is that coal and nuclear generally need to run as baseload (producing power 24 hours a day, 7 days a week) in order to be competitive, while gas, especially newer plants, have the flexibility to run either as baseload or as peaker plants that can ramp up to meet demand on a day when power prices are expected to be higher. Wind and solar are intermittent resources, meaning wind speed and sunshine can be roughly forecasted but the specific amount of power delivered to the grid will fluctuate through the day and the maximum potential output of the solar field or wind farm is achieved only during optimal conditions.

To be competitive in ERCOT, solar can leverage its inherent benefit to the ERCOT market – that solar fields achieve peak output during the hottest part of the day, coincident with high air conditioning use and higher power prices. As an additional competitive advantage, solar's production curve is quite different from wind. Solar ramps up during the morning hours and then of course ramps down as the evening approaches, typically the time frame for selling power. In contrast with wind, which often hits peak production in the overnight hours (when power demand is low) and is weakest during the middle of the day. See Chart 1. Similarly, Solar is strongest during the high demand summer months, while wind is at its weakest in mid to late summer. See Chart 2.

CHART 1

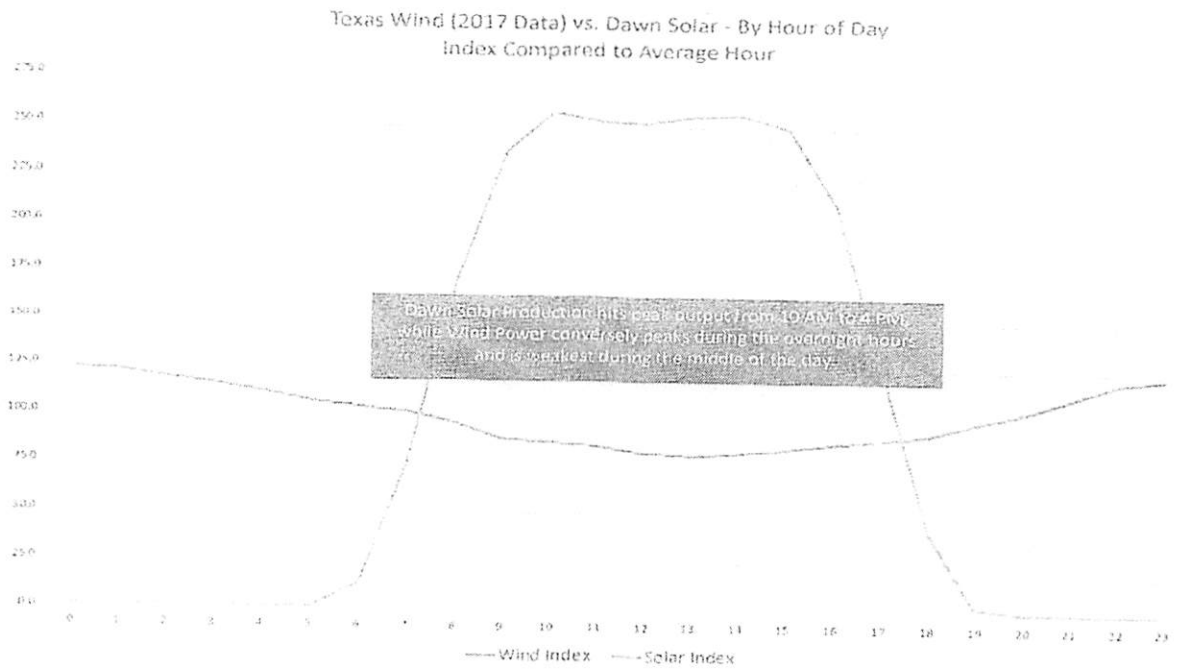
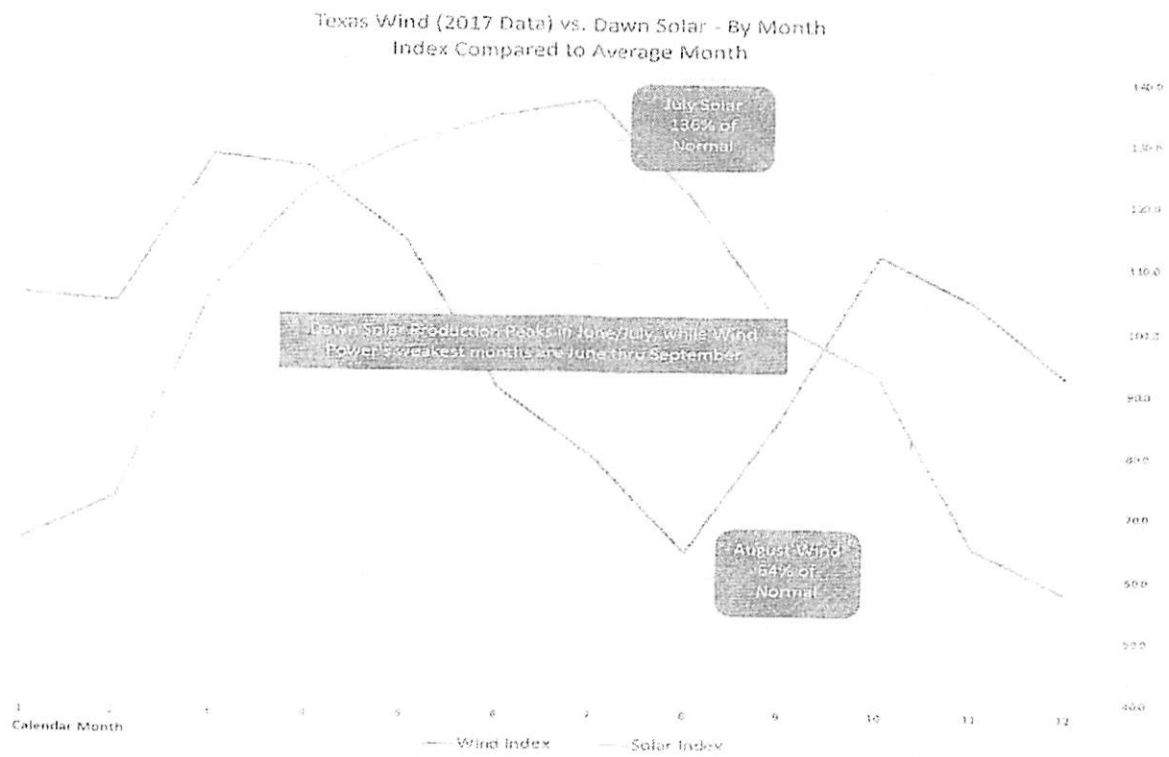


CHART 2



Section 2: Location of Project and Why it Makes Sense to Locate There

Dawn Solar's proposed site of northeast of Hereford, TX is an optimal location for a number of factors:

1. The selected land parcel is relatively flat, contiguous and adjacent to a US highway, allowing easy site access and making plant design and placement of equipment less complex;
2. Dawn Solar is also adjacent to Sharyland Utilities' 345kV transmission line, which is double strung and therefore has ample capacity to carry the power from Dawn Solar at a high voltage, resulting in a excellent access to the North Hub while also enabling a lower cost of construction of the interconnection line from the project to the substation;
3. The geotechnical conditions of the site do not require significant remediation or disturbance of the property. There are also very few identified wetlands on the parcel of land and the solar PV plant will not be constructed on the wetlands;
4. Hereford is located within Deaf Smith County which is part of the ERCOT market. Twenty-two panhandle counties are outside of ERCOT including two that are directly adjacent to Deaf Smith. The opportunities within ERCOT are much better for a solar powerplant than if the project were located outside ERCOT.

Section 3: Benefits to & Impact on Deaf Smith County, including discussion of Cost of Project

Dawn Solar provides multiple benefits to the local economy in Deaf Smith County while simultaneously demanding relatively little from County services.

Initially, during the construction phase, the project will bring up to 500 temporary employees to work and an overall project cost of over \$500 million dollars, including solar panels, racking and inverters, depending upon the final size of the project and the timing of equipment delivery to the site. Over the approximately 18-month build cycle, these construction employees will inevitably live, eat and shop nearby. Once Dawn Solar begins commercial operations, the powerplant will create approximately seven (7) new, permanent, full-time jobs and lead to a positive net economic benefit to Deaf Smith County of approximately \$550,000 in payroll dollars annually, or about \$20 Million over the (35 year) life of the Project. On an annual basis, Dawn Solar is expected to produce approximately 1,400 GWhs of electricity, enough power to serve 120,000 homes in the ERCOT electricity market. And lastly, even including the proposed tax abatements, Dawn Solar will nevertheless add significantly to the property tax base in Deaf Smith County.

It is worth noting that a solar power plant is quiet, pollution free and has little impact on the surrounding properties. The racking systems reach no higher than about 10 feet and vegetation is kept low to prevent shading of the solar modules while also checking erosion. And when the project reaches the end of its commercial life, the pilings holding the racking are removed, cables that have been laid underground are pulled up and the land can be returned to a natural state without much further work.

Section 4: Principals leading the Dawn Solar Project

The development of Dawn Solar is being led by Blue Planet Funding (“Blue Planet”), in consortium with M.A. Mortenson Company (“Mortenson” or “Mortenson Construction”) as EPC, and with SRC Global Inc / Everett Jones, Inc. as co-developer. This team brings to Dawn Solar a significant amount of experience and expertise across the entire solar development cycle: Initial project identification, environmental assessments, geotechnical evaluations, engineering and design, financing, construction and commercial operations. Blue Planet played a significant role in the co-development of the Childress County Solar Park (often called Misae I), a solar powerplant of 323 MW (DC - approx.) currently under construction by Mortenson that will become operational by the end of 2019.

Blue Planet Funding

Formed in early 2016 by solar and financial industry leaders with over 100 years of combined experience, Blue Planet Funding is a renewable energy company whose mission is to innovatively co-develop, finance and operate a wide range of high-quality renewable energy projects that generate stable long-term cash flows from creditworthy off-takers. Within these parameters, Blue Planet’s business model is to focus on achieving the lowest cost of energy to the customer/off-taker by using industry leading financial structures. Blue Planet’s approach is to act as a system integrator when and where appropriate and to partner with best-in-class firms that specialize in certain specific aspects of renewable energy:

- Firms that can efficiently develop, construct, and operate/maintain DG and utility scale solar projects;
- Investors and innovative financial structures that provide the lowest cost of capital to finance such projects;

Blue Planet’s team has a proven track record of identifying, evaluating and developing over 1.6 GW of projects. Blue Planet’s partners – both funding partners as well as development partners – ensure that Blue Planet has a diverse, high quality stream of opportunities to evaluate, construct and bring to investors or hold in its own portfolio as the situation may allow

Mortenson Construction

For Dawn Solar, one of the largest projects under development in Texas, Blue Planet has chosen Mortenson as its exclusive EPC provider and partner. Mortenson, one of the largest builders of solar projects in the world, is a widely recognized industry leader with over 60 years of proven expertise and organizational resiliency. Since the 1950s, Mortenson has developed and built some of North America’s largest and most complex projects. Their experience in the power/ electrical industry has grown from constructing fossil fuel, gas fired and hydro-electric generation plants to becoming one of the leaders in renewable construction. Mortenson has previously worked with members of the Blue Planet team in building out over 400 MW of solar PV projects in Texas and is currently constructing a 323 MW solar PV facility in Texas developed by Blue Planet.

Having secured over 3,000 MW of solar energy facilities across the United States, Mortenson has proven a reliable and bankable EPC partner. Their expertise with energy modeling combined with

self-perform capabilities keep them focused on delivering low cost, reliable solar energy over the entire project life cycle. With its culture of innovation, Mortenson can also accelerate project delivery. Mortenson is ranked as the 18th largest construction firm in the U.S. with over \$3.7 billion in revenue (2017). Their financial position is exceptionally strong and among the industry's best. Mortenson is consistently ranked as in the top three EPCs for wind and solar projects in the US. Mortenson's unique and proven solar project management process includes the highest solar industry percentage usage of solar project area employment for construction.

SRC Global Inc. / Everett Jones, Inc.

SRC Global Inc. ("SRC") is an international consulting and advisory firm specializing in renewable energy and energy efficiency. SRC was established in 1999 by Dilip R. Limaye, an internationally recognized pioneer and entrepreneur. The company has extensive experience as a senior advisor and financial consultant to international organizations such as the World Bank, International Finance Corporation, United Nations and Asia Development Bank as well as renewable energy developers in over 40 countries. SRC has a long-standing working relationship with Blue Planet.

Everett Jones Inc. is a Pennsylvania-based solar development firm that is active throughout the Northeast and shares expertise and work load with Blue Planet on larger projects.

Miller Bros. Solar

Blue Planet has selected Miller Bros. Solar ("Miller Solar"), a leading independent Operations and Maintenance (O&M) provider, to handle all O&M activities for the projects. For projects of the size as Dawn Solar, Miller Solar would assign designated local personnel (between 7 and 10 employees) to the site to be available 24/7 for normal electrical and mechanical maintenance tasks.

Miller Solar, based in Conshohocken, PA, provides 24/7/365 O&M solutions covering 1.3 GWs of solar projects nationwide, with operations in 29 states, including Florida, Georgia, South Carolina, North Carolina, Texas and California. Miller Solar is also the contracted O&M provider for Childress Solar Park and has a substantial presence in the Texas Panhandle.

Section 5: Timetable

Dawn Solar, which is in the process of obtaining its remaining local permits and interconnection approval from ERCOT, is expected to begin construction by December 2019. Most of the equipment needed to build Dawn Solar is readily available, although the size of the project demands carefully timed procurement of key materials such as racking, inverters and modules. The longest lead items, about 14-18 months, are the step-up transformers, which take power at 480 volts from the arrays within the solar field and "step-up" or increase, the required voltage up to 345 kV – the voltage required for efficient long-distance transmission of power. Depending upon the availability and delivery of the equipment, Dawn Solar is expected to commence commercial operations in the 2nd or 3rd Quarter of 2021. Given the size of Dawn Solar, portions of the project may begin operating earlier.

RENEGADE RENEWABLES, LLC DBA DAWN SOLAR

LEGAL DESCRIPTION OF PROPERTY

July 2019

EXHIBIT A

Tract One:

The West 128.58 acres, more or less, out of the West one-half of Section 5, Block K-14, Certificate No. 988, T. & N. O. R.R. Co. Original Grantee, Patent No. 570, Volume 26 in Deaf Smith County, Texas, more particularly describe by metes and bounds as follows:

BEGINNING at a ½-inch iron pipe in the West line of Section 5, Block K-14, whence a stone set for its Northwest corner bears 123.65 varas;

THENCE South with the West line of Section 5, Block K-14, 1780.31 varas to an iron pipe set at the Southwest corner of said section;

THENCE South 89 degrees 54 minutes 30 seconds East 407.63 varas to a point in the South line of said section;

THENCE North, at 10.8 varas pass a ½-inch iron pipe in the North line of a road, and at 1780.9 varas a ½-inch iron pipe set at the Southeast corner of a 8.92-acre tract;

THENCE West 407.63 varas to the **PLACE OF BEGINNING**

SAVE AND EXCEPT: a 14.93-acre tract, more or less, out of the West part of Section 5, Block K-14, Certificate No. 988, T. & N. O. R.R. Co. Original Grantee, Patent No. 570, Volume 26 in Deaf Smith County, Texas, described by metes and bounds as follows:

COMMENCING at a ½-inch iron rod with cap marked "RPLS 1848" set for the Southwest corner of Section 5, Block K-14 whence a 1-inch iron pipe found bears South 00 degrees 01 minute 43 seconds East 30.00 feet and a railroad spike found for the Southeast corner of said section bears South 89 degrees 56 minutes 55 seconds East 5281.78 feet.

THENCE South 89 degrees 56 minutes 55 seconds East along the South line of said section, 998.78 feet to a ½-inch iron rod with cap marked "RPLS 1848" set for the **SOUTHWEST** and **BEGINNING** corner of this tract;

THENCE North 00 degrees 01 minute 12 seconds East 4943.78 feet to a ½-inch iron rod with cap marked "RPLS 1848" set in the South line of a tract known as 8.92 acres as conveyed to Josef C. Grotegut, et ux by deed recorded in Volume 330, Page 869, Deed Records whence a ½-inch iron pipe found in the West line of said section for the Southwest corner of the tract known as 8.92 acres bears South 89 degrees 57 minutes 08 seconds West 1002.99 feet;

THENCE North 89 degrees 57 minutes 08 seconds East 129.48 feet to a ½-inch iron pipe found in the West line of a tract known as 180.15 acres as conveyed to Wayne Betzen, et ux by deed recorded as Instrument Number 98-0573, Official Public Records for the Southeast corner of the tract known as 8.92 acres and the Northeast corner of a tract known as 128.58 acres as conveyed to Robert Wilson Womble, et al by deed recorded as Instrument Number 97-0977, Official Public Records;

THENCE South 00 degrees 01 minute 43 seconds East 4944.01 feet to a ½-inch iron rod with cap marked "RPLS 1848" set in the South line of said section for the

Southeast corner of the tract known as 128.58 acres and the Southwest corner of the tract known as 180.15 acres;

THENCE North 89 degrees 56 minutes 55 seconds West along the South line of said section, 133.69 feet to the place of beginning.

Tract Two:

The South 124.18 acres, more or less, of the D.W. Dillon Tract, Deaf Smith County, Texas, patented to D.W. Dillon on May 28, 1901 by Patent No. 338, Volume 20, File No. SF 277, Deaf Smith County, Texas, more particularly described by metes and bounds as follows:

BEGINNING at a ½-inch iron pipe at the Southwest corner of said Dillon Tract and in the East line of Section 8, Block K-3;

THENCE North with the West line of said tract, at 921.3 varas pass Whyman's concrete monument set at the Northeast corner of Section 8, Block K-3, and at 1471.3 varas a ¾-inch iron pipe;

THENCE North 89 degrees 24 minutes East along the approximate centerline of an East-West road, 470 varas to a point in the East line of said Dillon Tract;

THENCE South 0 degrees 30 minutes 20 seconds East 1471.35 varas to the Southeast corner of the Dillon Tract;

THENCE South 89 degrees 24 minutes West 483 varas to the **PLACE OF BEGINNING.**

Tract Three:

All of Section Seventeen (17), and the West part of Section Eighteen (18), Block Three (3), Deaf Smith County, Texas, containing 795 acres more or less.

SAVE AND EXCEPT: Genevieve Miller shall retain the right to reside in her residence on the property and to use the domestic well and appurtenances thereto for the remainder of her life. Upon the death of Genevieve Miller, her heirs may have 30 days to remove any item in, from, or of the residence, including the entire residence itself from the premises.

Tract Four:

All of Section Six (6), being approximately Six Hundred Thirty-Six (636) acres, Block K-14, Tap RR Co. Survey, Deaf Smith County, Texas.

Tract Five:

Approximately One Hundred Thirty (130) acres, being the Shaw Survey, Deaf Smith County, Texas.

Tract Six:

Approximately Three Hundred Fifteen (315) acres, being all of the West ½ of Section Twenty-Four (24) (except approximately Six (6) acres for homestead), Block 3, AB & M Survey, Deaf Smith County, Texas.

Tract Seven:

Approximately One Hundred Ninety-Five (195) acres, being mostly the East 195 acres out of the West ½ of Section Five (5), Block K-14, Tap RR Co. Survey, Deaf Smith

County, Texas. Said tract does not extend to the North section line.

Tract Eight:

The surface estate only of the East Half (E/2) of Section 5, Block K-14, Abstract 292, Deaf Smith County, Texas, containing 303.88 acres, more or less, but expressly excluding that portion of the West Half (W/2) of the NE corner of Section 5, Block K-14, Abstract 292 described in Deed from Alice Celeste Thompson containing 3 acres, more or less.

Tract Nine:

Approximately 126 acres, being off the East side (E/side) of Section Twenty-five (25) Block Three (3) AB&M Survey and out of the Northwest corner (NW/corner) of Section Seventeen (17), located North and West of the U.S. Hwy. 60, Block K-14, Tap RR Co., Survey, in Deaf Smith County, Texas.

Tract Ten:

Approximately 90 acres, being out of the Southeast corner of Section Twenty-five (25) Block Three (3) AB&M Survey, being all of said Section Twenty-five (25) located South and East of U.S. Hwy 60 and the RR right-of-way in Deaf Smith County, Texas.

Tract Eleven:

All of Section Seventeen (17) and the South Half (S/2) of Section Eighteen (18), Block K-14, Tap RR Co., Survey, in Deaf Smith County, Texas.

SAVE AND EXCEPT: Approximately sixty-one (61) acres located in the Northwest corner of said Section Seventeen (17), Block K-14, Tap RR Co., Survey, Deaf Smith County, Texas (said acreage being completely fenced with permanent fence and located North of Hwy 60).

Tract Twelve:

All of Section Seven (7), Block Three (3) AB&M Survey, Deaf Smith County, Texas.

Tract Thirteen:

All of Section Eight (8) Block K-14, Tap RR Co., Survey, Texas, located North and West of U.S. Hwy. 60 in in Deaf Smith County, Texas.

Tract Fourteen:

All of the W.A. HUNT Preemption Survey, Abstract No. 537, Deaf Smith County, Texas.

Tract Fifteen:

All of the M.H. CAHILL Preemption Survey, Abstract No. 535, Deaf Smith County, Texas.

Tract Sixteen:

A 309-acre tract, more or less, being the South half of Section Eighteen (18), Block K-14, Deaf Smith County, Texas

SAVE and EXCEPT: A 10-acre tract in the NE corner of the South half of Section Eighteen (18), Block K-14, Deaf Smith County, Texas

March 20, 2020

Hereford Regional Medical Center
Attn: Jeff Barnhart
West 15th Street
Hereford, Texas 79045

*via hand delivery and
email to jeff.barnhart@dschd.org*

Re: Amendment to Application for Tax Abatement Submitted by Renegade Renewables, LLC d/b/a Dawn Solar

Jeff,

Please accept this letter as a formal amendment to the Application for Tax Abatement (the "Application") submitted by Renegade Renewables, LLC d/b/a Dawn Solar (the "Applicant") on September 26, 2019. Specifically, the Applicant wishes to revise the response to Question 11 of that Application to reflect a request of 99% abatement of property taxes for 10 years and payment in lieu of taxation of \$146.40 per MW of Nameplate Capacity. That payment equates to just over \$100,000 annually during that period of abatement based on the current project layout. All other terms of the Application are intended to remain unchanged.

We also ask that (a) discussion of this Application be placed on the agenda for the next board meeting so that Applicant representatives may address the board and answer any questions regarding this development; and (b) consideration of this amended Application be placed on the agenda for the board meeting thereafter so that an abatement agreement with these new terms may be considered. Because of travel restrictions and recommended best practices involving COVID-19, any presentation by Applicant representatives is expected to be via teleconference. Please don't hesitate to call or email if you have any questions or concerns regarding any of the above.

Thank you,



Audie Sciumbato

AS/rf
client

April 6, 2020

Deaf Smith County Hospital District
Attn: Jeff Barnhart
540 W. 15th Street
Hereford, TX 79045

NOTICE OF THE INTENTION OF DEAF SMITH COUNTY, TEXAS TO DESIGNATE A REINVESTMENT ZONE; TO ESTABLISH THE BOUNDARIES THEREOF; AND TO PROVIDE FOR AN EFFECTIVE DATE; NOTICE OF INTENTION TO ENTER INTO A TAX ABATEMENT AGREEMENT.

Dear Jeff:

Deaf Smith County intends to establish a reinvestment zone in conjunction with a proposed Tax Abatement Agreement by and between Deaf Smith County, Texas and Interseqt, LLC pursuant to Chapter 312 of the Texas Tax Code. A public hearing on the establishment of such reinvestment zone is scheduled for April 14, 2020. This hearing is set to start at 9:00 a.m.

By state law, the County is required to publish notice of the hearing on the establishment of the reinvestment zone to the presiding officer of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone. Enclosed for your information is the resolution the Deaf Smith County Commissioners will consider regarding the reinvestment zone.

In addition to the above, Deaf Smith County is required to provide to the presiding officers of governing bodies of other taxing units in which the property to be subject to the agreement is located written notice of the intention to enter into a tax abatement agreement. Attached for your information is a copy of the proposed tax abatement agreement.

Sincerely,



Audie Sciumbato
Counsel for Deaf Smith County, Texas

Encls.

Tax Abatement Agreement
between
Deaf Smith County, Texas and Interseqt, LLC

State of Texas §
 §
County of Deaf Smith §

This Tax Abatement Agreement (this “**Agreement**”) is made and entered into by and between Deaf Smith County, Texas (the “**County**”), acting through its duly elected officers, and Interseqt, LLC, a _____ limited liability company, owner of Eligible Property (as defined below) to be located on a portion of the tract of land within the Deaf Smith Reinvestment Zone #2020-01, more specifically described in Attachment A to this Agreement. This Agreement becomes effective upon final signature by both parties (the “**Effective Date**”) and remains in effect until fulfillment of the obligations described in Section IV herein, unless terminated earlier as provided herein.

Recitals

WHEREAS, the County indicated its election to be eligible to participate in tax abatements and established the Deaf Smith County Tax Abatement Guidelines and Criteria (the “**Guidelines**”) in a resolution dated May 22, 2018;

WHEREAS, the Commissioners Court of Deaf Smith County, Texas (the “**County Commissioners Court**”) desires to promote economic development within its jurisdiction as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Tax Code § 312.001, *et seq.*), and the Guidelines;

WHEREAS, on April 14 2020, a hearing before the County Commissioners Court was held regarding the Reinvestment Zone (as defined below), such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in the County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the Reinvestment Zone;

WHEREAS, the County Commissioners Court, having heard evidence and testimony, and prior to considering this Agreement, found, based on the evidence and testimony presented to it, the Reinvestment Zone met the criteria set forth in Chapter 312 of the Texas Tax Code for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it was reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and contribute to the economic development of the County, and that the entire tract of land was located entirely within an unincorporated area of the County;

WHEREAS, also on April 14, 2020, a hearing before the County Commissioners Court was held regarding this Agreement, such date being at least thirty (30) days after the date of publication of the notice of such public hearing was given in the manner required by Chapter 551 of the Texas Government Code and seven (7) days after the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the Reinvestment Zone;

WHEREAS, the County Commissioners Court, having heard evidence and testimony, and prior to considering this Agreement, found, based on the evidence and testimony presented to it, that entering into this Agreement will serve the best interests of the County and its citizens and comply with the Guidelines by:

- A. enhancing and diversifying the economic and industrial bases of the County;
- B. contributing to the retention and expansion of primary employment; and
- C. attracting major investment that will be of benefit to and contribute to the economic development of the County;

WHEREAS, the contemplated use of the Site (as defined below) and the contemplated Improvements (as defined below) as set forth in this Agreement, and the other terms of this Agreement will encourage development of the Reinvestment Zone, are in accordance with the purposes for its creation, and are in compliance with the Guidelines and all applicable laws;

WHEREAS, Owner's (as defined below) use of the Site is expected to favorably influence the economic and employment base of the County;

WHEREAS, the County finds that the Improvements sought are feasible and practical and will be of benefit to the real property located in the Reinvestment Zone, to the Site, and to the County after expiration of this Agreement;

WHEREAS, the County finds that the terms of this Agreement and the proposed Improvements and Eligible Property subject to this Agreement meet the Guidelines;

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by law, to the presiding officers of the governing bodies of each of the taxing units in which the property subject to this Agreement is located; and

NOW, THEREFORE, in consideration of these Recitals, premises, the promises, mutual covenants, and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the County and Owner agree as follows:

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines.

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below:

- A. **“Abatement”** means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein and in no event can the duration of the Abatement period exceed ten (10) years.
- B. **“Base Year”** means the Calendar Year in which the Effective Date occurs.
- C. **“Calendar Year”** means each year beginning on January 1 and ending on December 31.
- D. **“Certificate”** means a letter, provided by Owner to the County, certifying that the Project has achieved Commercial Operations and outlining the Improvements. Upon receipt of the Certificate, the County may inspect the property in accordance with this Agreement to determine that the Improvements are in place as certified. If the Certificate indicates that certain ancillary facilities not required for Commercial Operations are still under construction on the date that the Certificate is delivered, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete.
- E. **“Certified Appraised Value”** means the appraised value, for property tax purposes, of the property within the Reinvestment Zone as certified by the Deaf Smith County Appraisal District (the **“Appraisal District”**) for each taxable year.
- F. **“COD”** means the date that the Project commences Commercial Operations.
- G. **“Commercial Operations”** means that the Project has become commercially operational and placed into service. _____.
- H. **“Eligible Property”** means property eligible for Abatement under the Guidelines, including: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the Guidelines. Taxes on Real Property may be abated only to the extent the property’s value for a given year exceeds its value for the year in which this Agreement is executed. Tangible personal property located on the Real Property at any time before the period covered by this Agreement is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- I. **“Force Majeure”** includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events (to the extent such causes and events are not reasonably within the control of the party claiming suspension): acts of God and the public enemy; strikes; lockouts or other industrial disturbances; inability to obtain material or equipment or labor due to an event that meets the definition of Force Majeure; wars; blockades;

insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; high water washouts; inclement weather; arrests and restraint of rulers and people; interruptions by government or court orders; present or future orders of any regulatory body; civil disturbances; explosions; or any other event that is beyond the reasonable control of the party claiming Force Majeure.

- J. **“Improvements”** means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, without limitation, any building, structure, or fixture erected on or affixed to the land. Improvements specifically include Owner’s fixed machinery, equipment and process units that may exist for the purpose of carbon dioxide capture, processing and transportation to be installed, added, upgraded, or used on the Property by or for Owner and located in the County.
- K. **“Owner”** means Interseqt, LLC, the entity installing Improvements for which Abatement is being granted on the Real Property, and any permitted assignee or successor in interest of Interseqt, LLC. The term “Interseqt, LLC” means and includes Owner.
- L. **“Payments In Lieu of Taxes”** means the payments to be made by Owner to the County described in Section IV(D) of this Agreement.
- M. **“Project”** means the construction and operation of the Improvements on the Site as set forth in this Agreement.
- N. **“Real Property”** means Eligible Property meeting the description for real property provided by Chapter 1 of the Texas Tax Code.
- O. **“Reinvestment Zone”** means the reinvestment zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by the County by the resolution described in the Recitals, which was duly passed by the County Commissioners Court, and referred to as Deaf Smith Reinvestment Zone #2020-01, more specifically described in Attachment A to this Agreement. The fact that the designation of the Reinvestment Zone may expire before this Agreement shall not affect the terms and condition of this Agreement.
- P. **“Site”** means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.

III. Improvements in Reinvestment Zone

Owner agrees to make the following Improvements in consideration for the Abatement set forth in Section IV of this Agreement:

- A. Owner agrees to construct Improvements on the Site consisting of a carbon capture facility and related personal property. It is anticipated that Owner will make a capital investment of approximately forty six million five hundred thousand dollars

(\$46,500,000). The Certified Appraised Value will depend upon annual appraisals by the Appraisal District and may be more than or less than the amount stated herein.

- B. Improvements also shall include any other property on the Site meeting the definition of "Eligible Property" that is related to but not limited to the capture, sequestration, purification, liquification, distillation, dehydrogenation, refrigeration, compression, or transportation of carbon dioxide.
- C. Owner agrees that the Project shall achieve Commercial Operations on or before December 31, 2022.
- D. In the event that Owner is unable, for any reason to complete the proposed Improvements by December 31, 2022, as set forth by Section III (C) of this Agreement, Owner may request in writing one (1) two-year extension to comply with all remaining obligations of Section III to complete construction of the Improvements by December 31, 2024. Owner must submit the extension notification to the Deaf Smith County by November 30, 2022. If Owner elects to provide the Deaf Smith County written notification for the extension, Deaf Smith County agrees and acknowledges that all other obligations of Owner in this Agreement are postponed and extended by two (2) calendar years. If the completion of construction of the Improvements is extended under this paragraph, Owner may elect to begin the Abatement period on January 1 following such extended construction completion date; provided, however, that the total adjusted abatement period shall not exceed 10 years.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. The County and Owner specifically agree and acknowledge that the property on the Site within the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. The Certified Appraised Value of property existing on the Site prior to execution of this Agreement shall not be subject to this Agreement and shall be fully taxable at all times;
 - 3. Prior to commencement of the Abatement period designated in Section IV(B), 100% of property taxes levied on the Certified Appraised Value of real and personal property of Owner located on the Site will be owed and payable by Owner;
 - 4. All County property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts as provided for by Section IV(B) below; and
 - 5. 100% of the Certified Appraised Value of Eligible Property existing on the Site shall be fully taxable after expiration of the Abatement period designated in Section IV(B), including the remainder of the Term.

- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all County property taxes as follows:
1. Beginning with the year after the year in which the COD occurs, and ending upon the conclusion of ten (10) full Calendar Years thereafter, the Abatement percentage of value of Eligible Property to be abated each year is 50%.
 2. The percentage of property taxes set forth in Section IV(B)(1) above on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place on the Site) is abated in the respective period designated in Section IV(B)(1) above.
 3. The percentage of property taxes set forth in Section IV(B)(1) above on the Certified Appraised Value of any and all otherwise taxable personal property owned by Owner and located on the Site is abated in the respective period designated in Section IV(B)(1) above.
 4. As of January 1 of the Base Year, the value for the proposed Improvements is zero.
 5. The Abatement granted under this Agreement shall commence upon January 1 of the year after the year in which the COD occurs and shall expire at the end of the tenth (10th) Calendar Year thereafter. Owner shall provide the Certificate in writing both to the County and to the Appraisal District within sixty (60) days of the COD. The Certificate shall describe any ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Owner will deliver an amended Certificate to the County and to the Appraisal District within thirty (30) days after the construction of all Improvements is complete. Such ancillary facilities, once completed and if eligible, shall become part of the Improvements eligible for the Abatement under this Agreement.
 6. Notwithstanding any statement or implication in this Agreement to the contrary, the parties agree that the Abatement granted hereby shall not extend beyond ten (10) Calendar Years.
- C. A portion or all of the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Improvements.
- D. Owner agrees that the Improvements described in Section III, once constructed, will remain in place until at least twenty (20) Calendar Years after COD ("**Term**"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not

result in a reduction of the Certified Appraised Value of the Improvements. In the event that Owner removes Improvements (comprising in the aggregate not more than 10% of all Improvements), Owner's removal shall not be deemed a default under this Agreement if Owner pays to the County as liquidated damages for such removal from the Abatement in this Agreement, within thirty (30) days after demand, all taxes for such removed Improvements (which otherwise would have been paid to the County without benefit of a tax Abatement) with interest at the statutory rate under the Texas Tax Code, as amended, but without penalty. IN THE EVENT OF A BREACH OF THIS SECTION IV(D), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS WITH INTEREST, LESS ANY TAX PAYMENTS OR PAYMENTS IN LIEU OF TAXES REMITTED WITH RESPECT TO THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS SECTION IV(D), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

V. Representations

The County and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner and its successors and/or assigns will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Section III will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors; (iii) Owner's and its successors' and assigns' use of the property in the Reinvestment Zone will be limited to the use described in this Agreement during the Term; (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct in all material respects to the best of Owner's knowledge; (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future; (vi) the Project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and Owner will abide by all conditions of the permits and all laws, ordinances, rules and regulations governing the construction and operation of the Project throughout its economic life; and (vii) the planned use of the property within the Project will not constitute a hazard to public health or safety throughout the economic life of the Project.
- B. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Guidelines as both exist on the Effective Date of this Agreement; (iii) as applicable, (a) no interest in the Improvements or the land on which they are located is held or subleased by a member of the County Commissioners Court, or (b) any member of the County Commissioners Court that has a potential economic or financial interest in the Improvements or the land on which the Improvements are

located has abstained from any vote or decision regarding this Agreement; (iv) the property within the Reinvestment Zone is located within the legal boundaries of the County and outside the boundaries of all municipalities located in the County; and (v) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

- C. Owner represents and agrees that if it builds the Improvements and if the COD occurs, the Project will (i) add at least One Million Dollars (\$1,000,000.00) to the tax roll of Eligible Property, (ii) create no fewer than five (5) new, permanent, full-time jobs, (iii) lead to a positive net economic benefit to the County of at least Eight Hundred Thousand Dollars (\$800,000.00) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement, and (iv) not solely or primarily have the effect of transferring employment from one part of the County to another.
- D. At least twenty-four (24) hours prior to Owner issuing any press release relating to the Project, Owner shall email or fax a copy of such press release to the County. To the extent allowed by law, the County shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.

VI. Access to and Inspection of Property by County Employees

- A. Owner shall allow the County's employees access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- B. Owner shall, on or before March 31 of each Calendar Year starting with the first Calendar Year beginning after Owner delivers the Certificate, certify annually to the County its compliance with this Agreement by providing written testament to the same to the County Judge using the form attached hereto as Attachment C.

VII. Default, Remedies and Limitation of Liability

- A. The County may declare a default if Owner breaches any material term or condition of this Agreement. If the County declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure as provided for below, or the County may modify this Agreement upon mutual agreement with Owner. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default, the County may pursue the remedies provided for in Section VII(C) below or the preceding Section IV(D), as applicable. The County shall not declare a default, and no default will be deemed to

have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure. Notwithstanding any other provision of this Agreement to the contrary, in the event a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch. The party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

- B. The County shall notify Owner and any lender for which Owner has provided contact information to the County of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the County Judge. The notice shall specify the basis for the declaration of default, and Owner shall have sixty (60) days from the date of such notice to cure any default, except that where the default is incapable of being cured within sixty (60) days using reasonable business efforts, Owner shall commence performance of the cure within thirty (30) days after receipt of notice and diligently pursue those efforts until the default is cured. Any lender of which the County has notice shall maintain the right to cure any defect, including any defect caused by an assignee or contractor of Owner during the same cure period identified in the foregoing sentence.
- C. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement or fails to cure a default after proper notice and the expiration of the provided cure period, the County shall be entitled to cancel this Agreement and recapture property tax revenue lost as a result of this Agreement, subject to the above provisions regarding notice and right to cure.
- D. LIMITATION OF LIABILITY: CANCELLATION OF THIS AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED (BUT LESS ALL PAYMENTS IN LIEU OF TAXES PAID BY OWNER) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN SECTION VII(C) OF THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN SECTION IV(D) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN SECTION IV(D), ALONG WITH ANY REASONABLY INCURRED COSTS AND FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND

OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO MAKE THE SPECIFIED IMPROVEMENTS OR TAKE OTHER ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND THE COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY AMOUNTS DUE FROM OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

- E. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY (60) DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THIS AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the County or the State of Texas.

IX. Assignment of Agreement

- A. The parties agree that the rights and obligations under this Agreement may be assigned, in whole or in part, by Owner, only with the consent of the Commissioners Court.
- B. Consent to a transfer or assignment will be subject to the County approving the financial capacity of the transferee/assignee and subject to all conditions and obligations in this Agreement being assumed and guaranteed by the transferee/assignee. The County shall not unreasonably or unduly withhold consent to a transfer or an assignment. The transfer or assignment shall be presumed to be reasonable where the proposed transferee/assignee demonstrates to the County its financial capacity to meet the terms of this Agreement, agrees to be bound by all conditions and obligations stated herein, and is not in default under any other agreement with the County.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices" and each individually, a "Notice") given shall be given in accordance with this Section. All Notices shall be in writing and delivered, by commercial delivery service to the office of the person to

whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; Notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile Notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall Notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Article VII, such Notice shall be given by at least two (2) methods of delivery and consistent with Section VII(E). All Notices shall be mailed or delivered to the following addresses:

To Owner:

Interseqt, LLC

To the County:

Deaf Smith County Judge
Deaf Smith County Courthouse
235 E. Third Street, Room 201
Hereford, Texas 79045

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, unconstitutional or otherwise unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid, illegal, factually insufficient, unconstitutional or otherwise unenforceable section(s) or other part(s). In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law and Venue

This Agreement shall be construed under and governed by the laws of the State of Texas. This Agreement, in its entirety, shall be performable in Deaf Smith County, Texas. As part of the consideration for entering into this Agreement, both the County and Owner agree that any litigation to construe or enforce the terms or conditions of this Agreement shall be brought solely in the courts of Deaf Smith County, Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines, the Guidelines are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

- A. Owner shall use reasonable commercial efforts to maximize its use of County labor and services and supplies purchased from County businesses in the course of performing under this Agreement, as is further described in the Local Spending and Support Plan attached to this Agreement as Attachment B.
- B. For every year during the Term, Owner, its contractors, and their respective affiliates will collectively employ at least five (5) full-time Project employees in the County.
- C. Upon request by Owner, County shall provide a written statement certifying that Owner is then in compliance (or has fully complied) with the Local Spending and Support Plan; if County cannot make such statement, County will provide an explanation to Owner of its determination.

XVII. Road and Bridge Maintenance

During construction of the Improvements, Owner agrees to use commercially reasonable efforts to minimize the disruption to County roads (for purposes of this paragraph, the term "roads" includes, without limitation, all adjacent ditches and rights-of-way), culverts, and bridges.

XVIII. Indemnity

Owner agrees to indemnify, defend, and hold the County, each of its elected officials, all of its servants, agents, and employees, any person or legal entity designated by the County to perform any function required under the Guidelines, under the tax abatement application, or by the terms of this Agreement, and the Appraisal District, its officers, directors, servants,

agents and employees (collectively, the “**Indemnitees**”) harmless from any and all claims, demands, liabilities, losses, costs, actions, causes of action, and reasonable attorneys’ fees incurred by or alleged against the Indemnitees arising from or in any way relating to the tax abatement application, the terms, covenants, and conditions contained in this Agreement, and the actions contemplated by this Agreement.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County as authorized by the County Commissioners Court and executed by Owner on the respective dates shown below.

ATTEST/SEAL:

DEAF SMITH COUNTY, TEXAS

Date: _____

The Honorable D.J. Wagner
County Judge

Jerry O’Connor
Commissioner, Precinct 2

Chris Kahlich
Commissioner, Precinct 1

Mike Brumley
Commissioner, Precinct 3

Dale Artho
Commissioner, Precinct 4

Attest:

Rachel Garman
County Clerk

INTERSEQT, LLC,
a _____ limited liability company

By: _____
Printed Name: _____
Title: _____

Date: _____

DRAFT

Attachment A

Attached is the Reinvestment Zone created by resolution dated April 14, 2020, duly passed by the County Commissioners Court and referred to as Deaf Smith Reinvestment Zone #2020-01.

Attachment B

LOCAL SPENDING AND SUPPORT PLAN

- A. In connection with the construction and operation of the Improvements in the County, Owner and Owner's prime contractor(s) ("**Prime Contractor(s)**") responsible for overseeing construction and/or operation of the Improvements will use commercially reasonable efforts during the Term to invest at least one million dollars (\$1,000,000) in services, materials and supplies purchased from County individuals and businesses, provided that nothing in this paragraph shall require Owner or the Prime Contractor(s) to use services, materials and supplies provided by County residents that are not: (i) of similar quality to those provided by nonresidents; or (ii) made available on terms and/or at prices comparable to those offered by nonresidents..
- B. In no event shall Owner or the Prime Contractor discriminate against County residents or businesses in employment or in the purchase of goods and services.
- C. In filling employment vacancies in connection with the Project, Owner and the Prime Contractor(s) will use commercially reasonable efforts to use County labor, provided that nothing in this paragraph shall require Owner or the Prime Contractor to employ County residents who are not: (i) equally or more qualified than nonresident applicants; or (ii) available for employment on terms and/or at salaries comparable to those required by nonresident applicants.
- D. Owner or the Prime Contractor shall designate a Coordinator of Local Hiring and Services who will act as a liaison between all contractors and any individual or business residing in the County who is interested in obtaining information about (i) employment, or (ii) commercial services or supplies expected to be purchased by a contractor.
- E. Owner or the Prime Contractor shall hold a job and contracting information session prior to beginning physical construction of the Project at which information will be provided regarding the construction and hiring needs of the Project. Such information also will be provided on a continuing basis through the Coordinator of Local Hiring and Services.
- F. For every year during the Term, Owner, its contractors, and their respective affiliates will collectively employ at least the requisite number of full time Project employees specified in the Agreement in the County, as described in Section XVI(B) of the Agreement.

Attachment C

Owner's Annual Reporting and Compliance Form		
<p>Pursuant to Section VI(B) of the Agreement, this form shall be submitted by Owner to the County Judge on or before March 31 of each Calendar Year beginning with the first Calendar Year after Owner delivers the Certificate. To the extent that any of the provisions herein conflict with the provisions in the Agreement, the provisions of the Agreement shall control.</p>		
Provision and Description	Compliance Guidelines	Provision Complied With?
		Yes (date complied with)/No/In Process (include explanation)
<u>Improvements and Reinvestment Zone</u> - Section III(A)	Owner constructed the Improvements on the Site as set forth in Section III(A).	
<u>Improvements and Reinvestment Zone</u> - Section III(C)	Owner commenced construction of the Improvements and the Project achieved Commercial Operations as required by the timelines.	
<u>Representations</u> - Section V	Owner has made all required filings with the Office of the Comptroller of Public Accountants and other governmental entities concerning the Agreement. Note: Any filings made during the course of the prior year by Owner which pertain to the Agreement should be listed here. At least 24 hours prior to Owner issuing any press release relating to the Project, Owner shall email or fax a copy of such press release to the County. To the extent allowed by law, the County shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.	
<u>Assignment</u> - Section IX	Describe any instances in which the Agreement was duly assigned or transferred in accordance with Section IX of the Agreement.	
<u>Local Spending Plan</u> - Attachment B, Section A	During construction of the Project and within 90 days following the COD, Owner provided the County with a written project summary showing its good faith and commercially reasonable efforts to comply	

	<p>with the requirements set forth in the Local Spending and Support Plan (in the form of Attachment B), which includes all reasonably available local spending information collected by Owner in the ordinary course of business including (among other information):</p> <ul style="list-style-type: none"> • Summary of Local services/materials/supplies purchased within the County • Proof that Owner designated a Coordinator of Local Hiring Services (per Attachment B, Section D) • Proof that Owner used commercially reasonable efforts to utilize the County Labor Force by conducting a job and contracting information session within 30 days of beginning physical construction of the Project (per Attachment B, Section E) • Proof that Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full time Project employees for every year during the Term (per Section XVI(B) and Attachment B, Section F). 	
<p><u>Local Spending Plan</u> – Attachment B, Section D</p>	<p>Owner or the Prime Contractor designated a Coordinator of Local Hiring Services who acted as a liaison to residents of the County.</p>	
<p><u>Full-time Project Jobs</u> – Section XVI(B) and Attachment B, Section F</p>	<p>For every year during the Term, Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full-time Project employees as described in Section XVI(B).</p>	

**RESOLUTION OF THE COMMISSIONERS COURT
OF DEAF SMITH COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NUMBER 2020-01.**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN DEAF SMITH COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Commissioners Court of Deaf Smith County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Tax Abatement Guidelines and Criteria of Deaf Smith County (the “Guidelines”); and

WHEREAS, on April 14, 2020, a hearing before the Commissioners Court of Deaf Smith County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Deaf Smith County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

WHEREAS, the Commissioners Court of Deaf Smith County, Texas at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF DEAF SMITH COUNTY, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Deaf Smith County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed

reinvestment zone; and

- (b) That the boundaries of the proposed reinvestment zone should be the area described in the description attached hereto as Exhibit A, such Exhibit being incorporated herein by reference for all purposes; and,
- (c) That creation of the reinvestment zone will result in benefits to Deaf Smith County, Texas and to land included in the reinvestment zone and that the improvements sought are feasible and practical; and
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Deaf Smith County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Deaf Smith County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the Deaf Smith County Commissioners Court hereby creates Deaf Smith County Reinvestment Zone Number 2020-01; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit A, and such reinvestment zone is hereby designated and shall hereafter be referred to as Deaf Smith County Reinvestment Zone Number 2020-01.

SECTION 4. That Deaf Smith County Reinvestment Zone Number 2020-01 shall take effect on April 14, 2020 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that sufficient notice of the date, hour, place and subject, of the meeting of the Deaf Smith County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the ____ day of April, 2020.

Chris Kahlich
Commissioner, Precinct 1

Jerry O'Connor
Commissioner, Precinct 2

Mike Brumley
Commissioner, Precinct 3

Dale Artho
Commissioner, Precinct 4

D. J. Wagner
County Judge

County Clerk

[COUNTY SEAL]

EXHIBIT A
DESCRIPTION OF DEAF SMITH COUNTY
REINVESTMENT ZONE 2020-01

The unincorporated portions of BS&F Rwy Survey, Blocks B, K-3, and M-7, Deaf Smith County, Texas, SPECIFICALLY EXCLUDING any area in the taxing jurisdiction of a municipality.

The Deaf Smith County Hospital District Board of Directors met in a regular monthly meeting on Thursday, February 27, 2020 at 5:30 p.m. in the Board Room of Hereford Regional Medical Center.

Directors present: Tanner Black, Becky Bridwell, Mark Collier, Bob Josserand, Mike Schueler and Chris Woodard.

Other attendees: Jeff Barnhart, CEO; Sharon Hunt, CFO; and Jodi Jordan, Admin Asst.; Debra Whitley, BKD; Audie Sciumbato.

1. Call to Order, Pledge and Invocation.

Mike Schueler, Chairman, called the meeting to order at 5:33 p.m. Mr. Schueler led the Pledge of Allegiance and offered the Invocation.

2. Public Comment.

No comment.

3. Review and approve Deaf Smith County Hospital District Tax Abatement Guidelines and Criteria.

Mr. Black made a motion to approve Deaf Smith County Hospital District Tax Abatement Guidelines and Criteria. Motion was seconded by Mrs. Bridwell. Motion passed unanimously.

4. Review and take action on Renegade Renewal Energy tax abatement request.

Note: This agenda item was posted on January 28, 2020 for a special meeting to be held prior to regularly scheduled board meeting on February 27, 2020.

Audie Sciumbato presented the Renegade Renewal energy tax abatement request to board. Mr. Sciumbato answered questions to the request. Mr. Josserand asked the board to not approve the abatement. The hospital district does not need to give away taxes. Mr. Josserand made a motion to deny the abatement. The motion was seconded by Mr. Collier. Motion passed unanimously to deny the abatement.

5. Approval of Minutes for January 23, 2020

Mr. Collier made a motion to approve January 23, 2020 board minutes. Motion was seconded by Mr. Woodard. Motion carried.

6. Chief Financial Officers Report

Presentation of financial statements and Statistical Reports for January 31, 2020

Sharon Hunt, CFO presented the financial statements and statistical report related to income, expenses and budgeted operations for the period ending January 31, 2020. The district had a net gain of \$227,203 for the month, and for the year \$424,043, which is above budget and higher than last year's bottom line, which showed a net gain of \$129,792 for the year. Mrs. Hunt answered questions from the Board. Mr. Black made a motion to approve the financials as presented. Motion was seconded by Mrs. Bridwell. Motion passed unanimously.

Review and approve Presentation of the Financial Year End Audit

Debra Whitley, CPA, BKD, LLP presented the audit. She answered questions from the board regarding several audit items. Mr. Woodard made a motion to approve the audit as presented. Motion was seconded by Mr. Collier. Motion carried.

Remove Noralene Corder, previous Interim CFO from the bank signature cards for First Fianacial Bank and Happy State Bank.

Mrs. Hunt asked to remove Noralene Corder, CFO as a bank signatory for all bank accounts. Mr. Woodard made a motion to approve. Motion was seconded by Mr. Collier. Motion passed unanimously.

7. Chief Executive Officer Report

Review and approve bid on parking lot repairs.

Mr. Barnhart presented two revised bids for the parking lot repairs to the board. Both bids, Doug Caperton and Lone Star Constructions were from September and November 2019. After discussions about the companies and the bids, the board recommended using Dog Caperton. Mr. Woodard made a motion to approve Doug Caperton's parking lot bid. The motion was seconded by Mrs. Bridwell. Motion carried unanimously.

8. Medical Staff Report

Dr. Rohm gave a brief update on the medical staff. He reported that overall, everything is good. The clinic has been busy and going well. The ACO and Wellness Center is kicking tail.

9. Adjournment

The meeting adjourned at 7:08 p.m. The motion was made by Mr. Jossierand. Motion seconded by Mr. Woodard. Motion passed unanimously.

Mike Schueler, President

HEREFORD REGIONAL MEDICAL CENTER
MONTHLY COMPARATIVE STATISTICAL REPORT
FEBRUARY 2020

	CURRENT MONTH			YEAR TO DATE		
	CURRENT	PRIOR YR	% DIFF	CURRENT	PRIOR YR	% DIFF
INPATIENT - ADULTS & PEDS						
ADMISSIONS	50	52	-3.8%	235	248	-5.2%
PATIENT DAYS	136	130	4.6%	602	666	-9.6%
AVERAGE DAILY CENSUS	4.7	4.5	4.6%	4.0	4.4	-9.6%
SWINGBED						
ADMISSIONS	2	2	0.0%	16	12	33.3%
PATIENT DAYS	36	46	-21.7%	175	112	56.3%
AVERAGE DAILY CENSUS	1.2	1.6	-21.7%	1.2	0.7	56.3%
OTHER INPATIENT						
NEWBORN ADMITS	22	21	4.8%	109	110	-0.9%
NEWBORN DAYS	31	33	-6.1%	175	173	1.2%
INPATIENT SURGERIES	11	15	-26.7%	103	96	7.3%
PATIENT DAYS - ALL IP	203	209	-2.9%	952	951	0.1%
AVG DAILY CENSUS - ALL	7.0	7.2	-2.9%	6.3	6.3	0.1%
OUTPATIENT						
OUTPATIENT SURGERIES	18	26	-30.8%	103	96	7.3%
OBSERVATION ADMITS	37	38	-2.6%	216	210	2.9%
OBSERVATION DAYS	31	27	14.8%	148	162	-9.0%
EMERGENCY DEPT VISITS	620	816	-24.0%	3,535	3,549	-0.4%
AMBULANCE CALLS	146	115	27.0%	766	596	28.5%
WORKSMART VISITS	0	670	-100.0%	3,510	2,123	65.3%
PHYSICAL THERAPY VISITS	895	859	4.2%	5,131	5,182	-1.0%
LAB PROCEDURES	7,701	9,485	-18.8%	39,299	40,932	-4.0%
RADIOLOGY PROCEDURES	897	908	-1.2%	4,760	4,875	-2.4%
RESPIRATORY PROCEDURES	560	422	32.7%	2,462	2,184	12.7%
EKGs	102	98	4.1%	629	625	0.6%
SLEEP STUDIES	4	2	100.0%	9	3	200.0%
ORTHO PROCEDURES	0	4	-100.0%	3	11	-72.7%
MEALS SERVED	1,857	2,185	-15.0%	9,948	10,132	-1.8%
CLINIC						
RURAL HEALTH CLINIC VISITS	2,412	2,973	-18.9%	13,387	14,116	-5.2%
PHYSICIAN ENCOUNTERS	744	1,343	-44.6%	4,385	6,329	-30.7%
MIDLEVEL ENCOUNTERS	1,340	1,292	3.7%	7,312	6,146	19.0%
WALK-IN CLINIC	285	301	-5.3%	1,527	1,412	8.1%
COUNSELING/PSYCHOLOGY	43	37	16.2%	163	229	-28.8%

RHC ENCOUNTERS 2020

Office Encounters	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	TOTAL
Physician Encounters													
H.R. Johnson, MD	332	257	280	316	279								1464
John Gregg, MD	74	48	70	64	51								307
Trevor Rohm, MD	273	194	251	226	149								1093
Sean Wengroff, MD	164	157	153	120	105								699
Alanna Barfoot, DO	180	134	151	197	160								822
Nurse Practitioners													
Carmen Flood, NP-C	260	189	287	235	214								1185
Carolyn Jansa, WHNP	241	229	272	277	188								1207
Susan Cruz NP	277	155	181	208	220								1041
MaryEllen Avila, FNP	223	166	188	172	182								931
Jennifer Heiman, FNP	198	149	144	240	200								931
Marinda Newkirk, FNP	213	198	158	188	148								905
Michelle Williams, NP	72	183	255	227	188								925
Angelica Miranda, FNP (PRN)	12	21	30	15	-								78
Elisa Flores, FNP (PRN)	26	0	40	43	-								109
Walk-In Clinic													
Lauren Jones-FNP	231	310	363	338	285								1527
Psychology													
Julie Johnson, Ed.D Psychologist	22	13	22	18	25								100
LPC													
Ken Haney	10	8	4	23	18								63
Face-to-Face Encounters	2808	2411	2849	2907	2412								13387

PHYSICIAN ADMISSION STATS

	A	B	C	D	E	F	G	H	I	J	K
1	Month										
2	Feb-20										
3		Providers:									
4	Medical Service	Barfoot	YTD	Gregg	YTD	Johnson	YTD	Rohm	YTD	Wengroff	YTD
5											
6	ICU	0	0	0	2	0	0	0	3	0	1
7	Inpatient	3	18	5	19	4	18	17	65	0	1
8	OB	3	4	4	9	10	52	0	0	5	45
9	Nursery	7	24	0	0	15	72	0	15	0	0
10	Swingbed	2	4	0	0	0	1	2	12	0	0
11	Observation	10	49	3	33	10	36	11	87	3	11
12											
13	Totals:	25	99	12	63	39	179	30	182	8	58

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDING FEBRUARY 29, 2020

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE		YTD ACTUAL	YTD BUDGET	YTD VARIANCE
REVENUE						
667,537	600,983	66,554	IP REVENUE	3,065,439	3,004,917	60,523
2,706,848	2,518,691	188,157	OP REVENUE	14,179,761	12,593,457	1,586,304
418,337	463,409	(45,071)	CLINIC REVENUE	2,379,192	2,317,043	62,149
329,605	189,500	140,105	MEDICAID SUPPLEMENTAL PAYMENTS	600,324	947,500	(347,176)
4,122,328	3,772,583	349,744	GROSS PATIENT REVENUE	20,224,716	18,862,917	1,361,799
2,334,910	2,187,861	147,049	DEDUCTIONS FROM REVENUE	11,784,372	10,939,304	845,069
1,787,418	1,584,723	202,695	NET PATIENT REVENUE	8,440,343	7,923,613	516,730
58,935	90,992	(32,056)	OTHER REVENUE	364,430	454,958	(90,528)
1,846,353	1,675,714	170,639	TOTAL REVENUE	8,804,773	8,378,571	426,202
EXPENSES						
670,106	753,092	(82,986)	SALARIES AND WAGES	3,673,188	3,765,462	(92,274)
138,241	185,412	(47,171)	EMPLOYEE BENEFITS	897,850	927,062	(29,213)
521,654	489,592	32,063	PROFESSIONAL FEES	2,434,516	2,447,958	(13,442)
191,301	208,498	(17,197)	SUPPLIES	1,072,757	1,042,490	30,268
17,906	26,385	(8,479)	TELEPHONE/UTILITIES	108,701	131,925	(23,224)
5,264	6,282	(1,018)	TRAINING AND EDUCATION	28,306	31,408	(3,103)
4,201	9,342	(5,141)	REPAIRS AND MAINTENANCE	18,694	46,708	(28,014)
109,877	109,452	426	SERVICE CONTRACTS	531,900	547,258	(15,358)
12,476	13,695	(1,219)	INSURANCE	75,776	68,475	7,301
1,210	1,193	18	LEGAL EXPENSE	5,653	5,963	(310)
92,977	88,935	4,041	INTEREST EXPENSE	455,862	444,677	11,185
52,680	50,858	1,822	OTHER EXPENSES	259,394	254,290	5,105
206,733	183,192	23,541	DEPRECIATION	920,701	915,958	4,743
2,024,627	2,125,927	(101,300)	TOTAL OPERATING EXPENSES	10,483,299	10,629,635	(146,336)
(178,274)	(450,213)	271,939	OPERATING INCOME / (LOSS)	(1,678,526)	(2,251,064)	572,538
451,790	450,213	1,577	NON-OPERATING REVENUE	2,260,819	2,251,063	9,756
273,517	(0)	273,517	NET GAIN/(LOSS)	582,293	(0)	582,294

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIODS ENDING FEBRUARY 29, 2020 AND 2019

FEB 2020 ACTUAL	FEB 2019 ACTUAL	VARIANCE		YTD FY 2020 ACTUAL	YTD FY 2019 ACTUAL	VARIANCE
REVENUE						
667,537	670,321	(2,783)	IP REVENUE	3,065,439	2,997,852	67,588
2,706,848	2,680,086	26,762	OP REVENUE	14,179,761	12,584,582	1,595,178
418,337	504,245	(85,907)	CLINIC REVENUE	2,379,192	2,403,957	(24,765)
329,605	669,669	(340,065)	MEDICAID SUPPLEMENTAL PAYMENTS	600,324	1,316,438	(716,114)
4,122,328	4,524,321	(401,993)	GROSS PATIENT REVENUE	20,224,716	19,302,829	921,887
2,334,910	2,766,422	(431,513)	DEDUCTIONS FROM REVENUE	11,784,372	11,358,715	425,658
1,787,418	1,757,898	29,520	NET PATIENT REVENUE	8,440,343	7,944,114	496,229
58,935	62,791	(3,856)	OTHER REVENUE	364,430	722,398	(357,968)
1,846,353	1,820,690	25,664	TOTAL REVENUE	8,804,773	8,666,512	138,261
EXPENSES						
670,106	756,177	(86,071)	SALARIES AND WAGES	3,673,188	3,696,241	(23,053)
138,241	202,850	(64,608)	EMPLOYEE BENEFITS	897,850	1,018,528	(120,679)
521,654	446,350	75,304	PROFESSIONAL FEES	2,434,516	2,428,379	6,138
191,301	257,258	(65,957)	SUPPLIES	1,072,757	1,053,087	19,671
17,906	(3,629)	21,535	TELEPHONE/UTILITIES	108,701	138,289	(29,588)
5,264	3,044	2,220	TRAINING AND EDUCATION	28,306	37,182	(8,876)
4,201	5,159	(958)	REPAIRS AND MAINTENANCE	18,694	29,011	(10,317)
109,877	122,736	(12,858)	SERVICE CONTRACTS	531,900	552,303	(20,403)
12,476	14,140	(1,663)	INSURANCE	75,776	65,519	10,257
1,210	5,355	(4,145)	LEGAL EXPENSE	5,653	6,147	(494)
92,977	145,832	(52,856)	INTEREST EXPENSE	455,862	331,913	123,949
52,680	235,894	(183,214)	OTHER EXPENSES	259,394	500,761	(241,367)
206,733	179,716	27,017	DEPRECIATION	920,701	885,326	35,375
2,024,627	2,370,881	(346,254)	TOTAL OPERATING EXPENSES	10,483,299	10,742,685	(259,385)
(178,274)	(550,191)	371,918	OPERATING INCOME / (LOSS)	(1,678,526)	(2,076,173)	397,647
451,790	411,889	39,901	NON-OPERATING REVENUE	2,260,819	2,067,663	193,156
273,517	(138,302)	411,819	NET GAIN/(LOSS)	582,293	(8,509)	590,803

**HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
12-MONTH RUNNING TREND REPORT**

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
REVENUE												
IP REVENUE	542,333	653,688	660,402	453,790	551,281	599,302	553,524	541,360	582,223	724,734	549,585	667,537
OP REVENUE	2,731,789	2,401,008	2,401,556	2,199,392	2,395,164	2,577,844	2,413,988	2,640,454	2,708,337	2,936,487	3,187,635	2,706,848
CLINIC REVENUE	390,966	440,168	412,700	359,060	406,431	429,969	409,405	524,352	433,242	506,917	496,343	418,337
MEDICAID SUPPLEMENTAL PAYMENTS	247,155	203,150	(136,171)	30,937	(0)	30,039	1,168,586	92,401	93,140	8,592	76,586	329,605
GROSS PATIENT REVENUE	3,912,243	3,698,014	3,338,487	3,043,179	3,352,875	3,637,154	4,545,503	3,798,567	3,816,942	4,176,730	4,310,149	4,122,328
DEDUCTIONS FROM REVENUE	2,482,156	2,026,981	1,219,771	1,755,882	1,977,718	2,175,346	1,836,202	2,247,926	2,225,000	2,556,735	2,419,801	2,334,910
NET PATIENT REVENUE	1,430,087	1,671,033	2,118,716	1,287,297	1,375,157	1,461,809	2,709,301	1,550,641	1,591,942	1,619,994	1,890,348	1,787,418
OTHER REVENUE	84,861	164,436	80,839	113,365	140,131	42,834	183,901	97,734	67,564	63,343	76,854	58,935
TOTAL REVENUE	1,514,948	1,835,469	2,199,555	1,400,662	1,515,288	1,504,642	2,893,202	1,648,375	1,659,506	1,683,337	1,967,202	1,846,353
EXPENSES												
SALARIES AND WAGES	739,888	726,287	758,031	681,955	767,003	709,028	812,193	755,693	755,622	717,929	773,838	670,106
EMPLOYEE BENEFITS	209,697	202,650	99,557	168,269	151,882	120,777	509,539	204,018	186,235	168,759	200,597	138,241
PROFESSIONAL FEES	531,057	461,212	512,618	509,222	491,681	440,240	522,777	426,448	566,747	440,859	478,808	521,654
SUPPLIES	212,580	215,959	147,863	138,740	131,149	162,723	258,181	230,822	159,396	241,764	249,474	191,301
TELEPHONE/UTILITIES	20,391	19,061	22,713	6,915	59,826	39,263	25,660	30,257	21,664	19,367	19,507	17,906
TRAINING AND EDUCATION	13,069	7,420	5,368	2,916	3,329	1,263	10,563	5,110	7,246	5,382	5,304	5,264
REPAIRS AND MAINTENANCE	3,516	1,610	2,164	2,392	2,216	3,813	1,959	6,888	4,137	1,961	1,506	4,201
SERVICE CONTRACTS	90,479	117,492	141,021	111,441	108,607	123,068	121,767	110,380	97,504	113,794	100,344	109,877
INSURANCE	13,995	23,401	8,530	14,333	14,333	13,877	17,796	16,560	17,500	14,334	14,906	12,476
LEGAL EXPENSE	875	1,000	3,650	250	0	1,725	168,921	2,043	0	2,400	0	1,210
INTEREST EXPENSE	145,832	151,206	151,430	151,255	(15,041)	91,600	0	91,637	86,669	91,632	92,948	92,977
OTHER EXPENSES	58,614	48,385	40,585	54,863	68,682	34,728	66,525	42,498	57,386	59,519	47,311	52,680
DEPRECIATION	178,072	176,273	175,392	169,238	169,238	168,921	87,475	168,921	169,492	169,388	206,168	206,733
TOTAL OPERATING EXPENSES	2,218,065	2,151,956	2,068,922	2,011,789	1,952,905	1,911,026	2,603,355	2,091,275	2,129,599	2,047,088	2,190,710	2,024,627
OPERATING INCOME / (LOSS)	(703,117)	(316,487)	130,633	(611,127)	(437,617)	(406,384)	289,847	(442,900)	(470,093)	(363,751)	(223,508)	(178,274)
NON-OPERATING REVENUE	423,119	416,930	417,106	415,131	417,420	417,259	643,030	452,524	450,464	455,330	450,711	451,790
NET GAIN/(LOSS)	(279,998)	100,443	547,739	(195,996)	(20,197)	10,876	932,877	9,624	(19,629)	91,579	227,203	273,517

**Board of Directors Financial Report
Notes to Financial Statements
February 2020**

INCOME STATEMENT:

- Inpatient revenue is higher than budgeted for the month and year. Fiscal year-to-date numbers are above prior year, but, the monthly amount was below last year month.
- Outpatient revenue continues to be higher than budget and prior year for the month and year.
- Clinic revenue was below budget for the month, but higher than budget for the year. Compared to prior year, clinic revenue was below for the month and year-to-date.
- Medicaid Supplemental Payments reflect net Uncompensated Care funds of \$329,605 that were received during the month. These amounts are below prior year and budget amounts.
- Gross patient revenue is above budget for the month and year, higher than prior year-to-date numbers, but, below last year month.
- Deductions from revenue were above budget and prior year for the month and year, but, below last year month.
- Net patient revenue is higher than budget and prior year for both the month and year.
- Other revenue, which includes EMS/Trauma funding, meals, medical records, rent income, and 340B program revenue is below budget and prior year for the year and month.
- Total operating revenue for the month was \$1,846,353, which is above budget and prior year for the month and year.
- Salaries and wages for the month were below budget and prior year for both the month and year.
- Employee benefits, which includes FICA, retirement, and employee health insurance, are below prior year numbers and budgeted amounts.
- Professional fees and purchased services include physician fees for the clinic, the hospitalist program, surgery call and emergency room coverage, contract labor (CFO), reference lab, radiology services, contract nursing, pharmacy management and collection fees for the Ni2 Contract. These expenses were below budget for the year, higher than budget for the month and above prior year totals.
- Supplies for the month were below budget and prior year. Year-to-date supplies are below budget and prior year.
- Utilities and telephone are below budget for the month and year. Compared to prior year, these expenses were higher for the month, but, below prior year-to-date.
- Training and education expenses are below budget for the month and year and also less than prior year-to-date totals, but, slightly higher than last year month.
- Repairs and maintenance costs are below budget for the month and year and also below prior year amounts.

- Service contracts expenses for the month were slightly higher than last year month, but below budget for the year and below prior year numbers.
- Insurance expenses are above budget and prior year numbers for the month and year.
- Interest expense is higher than budget and prior year-to-date, but, lower than prior year month.
- Other expenses include marketing/advertising, dues/license fees, election expenses, service charges and 340B administration fees. These expenses are less than prior year totals and monthly budget, but, slightly above year-to-date budget.
- Operating expenses, which totaled \$2,024,627, are below prior year and budgeted numbers for the month and fiscal year.
- Non-operating revenue, including tax revenue, interest and penalties, are above budget and prior year for the month and year.
- The hospital had a net gain of \$273,517 for the month, and \$582,293 for the year, which is above budget and higher than last year's bottom line, which showed a net loss of \$8,509 for the year.

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED FEBRUARY 29, 2020**

	CURRENT MONTH 2/29/2020	PRIOR YEAR 2/28/2019	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,978,547	7,639,401	3,339,146
Gross Patient Accounts Receivable	9,554,730	8,603,366	951,364
Less: Estimated Allowance Accounts	<u>(7,414,674)</u>	<u>(8,040,822)</u>	<u>626,149</u>
Net Patient Accounts Receivable	2,140,057	562,544	1,577,513
Estimated Third Party Receivable	489,955	486,243	3,712
Supplemental Medicaid Payments Receivable	32,230	272,229	(239,998)
Other Receivables	27,311	(459,536)	486,847
Taxes Receivable	371,335	386,931	(15,596)
Inventories	425,360	303,899	121,461
Prepaid Expenses	<u>273,129</u>	<u>1,221,133</u>	<u>(948,004)</u>
TOTAL CURRENT ASSETS	14,737,924	10,412,844	4,325,081
NON-CURRENT ASSETS			
Investment in THIE	201,662	219,903	(18,241)
Capital Assets, Net	25,121,464	27,606,492	(2,485,028)
TOTAL NON-CURRENT ASSETS	25,323,126	27,826,395	(2,503,269)
TOTAL ASSETS	40,061,051	38,239,239	1,821,812
Deferred Outflows of Resources, Pension Plan	1,051,186	258,010	793,176
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>41,112,237</u>	<u>38,497,249</u>	<u>2,614,988</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	369,663	441,891	(72,228)
Accrued Compensation and Related Liabilities	1,062,153	651,029	411,125
Accrued Interest	0	(135,432)	135,432
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	3,151,861	2,904,151	247,710
Net Pension Liability	666,901	(594,291)	1,261,192
Deferred Inflow Resources	83,315	341,992	(258,677)
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>0</u>	<u>780,000</u>
TOTAL CURRENT LIABILITIES	6,113,893	3,609,339	2,504,554
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	23,828,306	(1,567,599)
TOTAL LIABILITIES	28,374,600	27,437,645	936,955
YEAR TO DATE EARNINGS	582,293	(8,509)	590,803
RETAINED EARNINGS	12,155,343	11,068,113	1,087,231
TOTAL RETAINED EARNINGS	12,737,637	11,059,603	1,678,033
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>41,112,237</u>	<u>38,497,249</u>	<u>2,614,988</u>

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED FEBRUARY 29, 2020**

	CURRENT MONTH 2/29/2020	PRIOR MONTH 1/31/2020	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,978,547	9,714,162	1,264,386
Gross Patient Accounts Receivable	9,554,730	9,569,024	(14,294)
Less: Estimated Allowance Accounts	<u>(7,414,674)</u>	<u>(7,326,196)</u>	<u>(88,478)</u>
Net Patient Accounts Receivable	2,140,057	2,242,828	(102,772)
Estimated Third Party Receivable	489,955	489,955	0
Supplemental Medicaid Payments Receivable	32,230	32,230	0
Other Receivables	27,311	26,108	1,203
Taxes Receivable	371,335	2,566,694	(2,195,359)
Inventories	425,360	406,823	18,537
Prepaid Expenses	<u>273,129</u>	<u>330,607</u>	<u>(57,478)</u>
TOTAL CURRENT ASSETS	14,737,924	15,809,408	(1,071,484)
NON-CURRENT ASSETS			
Investment in THIE	201,662	201,662	0
Capital Assets, Net	25,121,464	25,294,074	(172,610)
TOTAL NON-CURRENT ASSETS	25,323,126	25,495,736	(172,610)
TOTAL ASSETS	40,061,051	41,305,144	(1,244,094)
Deferred Outflows of Resources, Pension Plan	1,051,186	1,051,186	0
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>41,112,237</u>	<u>42,356,330</u>	<u>(1,244,094)</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	369,663	337,682	31,980
Accrued Compensation and Related Liabilities	1,062,153	962,638	99,515
Accrued Interest	0	448,840	(448,840)
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	3,151,861	3,602,127	(450,266)
Net Pension Liability	666,901	666,901	0
Deferred Inflow Resources	83,315	83,315	0
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>0</u>	<u>780,000</u>
TOTAL CURRENT LIABILITIES	6,113,893	6,101,503	12,390
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	23,790,707	(1,530,000)
TOTAL LIABILITIES	28,374,600	29,892,210	(1,517,610)
YEAR TO DATE EARNINGS	582,293	308,777	273,517
RETAINED EARNINGS	12,155,343	12,155,343	0
TOTAL RETAINED EARNINGS	12,737,637	12,464,120	273,517
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>41,112,237</u>	<u>42,356,330</u>	<u>(1,244,093)</u>

BALANCE SHEET:

- Cash and cash equivalents totaled \$10,978,547 at the end of the month, which is an increase of \$1,264,386 from prior month and \$3,339,146 from prior year. We received \$2,195,359 in tax collections and \$329,605 in net uncompensated care funds, both of which contributed to the increase in cash. As a reminder, we still have \$741,840 in unspent insurance proceeds related to the hail damage.
- Gross Patient Accounts Receivable decreased by \$14,294 from prior month and is \$951,364 higher than prior year.
- Net Patient Receivables decreased from prior month by \$102,772, but, is \$1,577,513 higher than prior year amounts.
- The estimated third-party receivable of \$489,955 is for the 2019 Medicare cost report.
- Other Receivables is rent receivable and the net amount of various employee payroll deductions.
- Taxes Receivable reflects the outstanding ad valorem taxes we expect to receive this year. The decrease in property tax receivables for the month reflect amounts collected this month.
- Prepaid expenses include insurance, service contracts and tax collection expenses.
- Inventory at month end totaled \$425,360, a slight increase from prior month.
- Accounts Payable includes outstanding expenses due, accrued expenses, and outstanding amounts due in relation to the hail damage claims.
- Accrued compensation and related liabilities include wages, taxes, retirement and PTO liability.
- Accrued interest is bond interest payable at month end. We made a semi-annual bond payment, due on 3/1/2020, at the end of February, which zeroed out accrued interest.
- The items for Net Pension Liability and Deferred Inflow of Resources pertain to our retirement liability and will only be changed once each year after our annual audit. The changes to these accounts have been recorded per the audit.
- Current maturities of long-term debt of \$780,000 is the amount that is to be paid within the next twelve months and is considered a current liability.
- Long-term debt, less current, reflects the outstanding amount due on the bonds.

HEREFORD REGIONAL MEDICAL CENTER
 HEREFORD HEALTH CLINIC
 ANALYSIS OF ACCOUNTS RECEIVABLE
 AS OF 02/29/2020

HOSPITAL																
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+		TOTAL	
BCBS	\$ 129,200		\$ 40,936		\$ 4,618		\$ 3,474		\$ 2,270		\$ (993)		\$ 6,973		\$ 186,478	2%
COMMERCIAL	\$ 549,643		\$ 166,548		\$ 46,199		\$ 28,168		\$ 33,343		\$ 15,871		\$ 174,498		\$ 1,014,270	12%
MEDICARE	\$ 668,117		\$ 55,037		\$ 6,553		\$ 3,002		\$ 15,031		\$ -		\$ 14,075		\$ 761,815	9%
MEDICARE MGD	\$ 375,117		\$ 49,540		\$ 5,982		\$ 8,078		\$ 14,706		\$ 6,026		\$ 49,661		\$ 509,110	6%
MEDICAID	\$ 118,172		\$ 28,644		\$ 3,915		\$ 10,345		\$ 16,535		\$ (8,935)		\$ 135,089		\$ 303,765	4%
MEDICAID MGD	\$ 424,161		\$ 42,311		\$ 32,047		\$ 46,831		\$ 30,434		\$ 30,603		\$ 281,174		\$ 887,561	10%
SELF PAY	\$ 712,734		\$ 835,389		\$ 632,603		\$ 628,323		\$ 322,701		\$ 152,322		\$ 1,717,878		\$ 5,001,950	58%
TOTALS	\$ 2,977,144	34%	\$ 1,218,405	14%	\$ 731,917	8%	\$ 728,221	8%	\$ 435,020	5%	\$ 194,894	2%	\$ 2,379,348	27%	\$ 8,664,947	

CLINIC																
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+		TOTAL	
BCBS	\$ 34,331		\$ 4,740		\$ 522		\$ 186		\$ 4,414		\$ 423		\$ 22		\$ 44,638	6%
COMMERCIAL	\$ 89,607		\$ 36,992		\$ 6,844		\$ 2,890		\$ 4,100		\$ 2,310		\$ 25,117		\$ 167,860	23%
MEDICARE	\$ 44,757		\$ 14,558		\$ 863		\$ 854		\$ 448		\$ 20		\$ 591		\$ 62,091	8%
MEDICARE MGD	\$ 21,410		\$ 3,116		\$ 554		\$ 109		\$ 393		\$ -		\$ 40		\$ 25,622	3%
MEDICAID	\$ 12,378		\$ 4,169		\$ 3,792		\$ 1,680		\$ 398		\$ 977		\$ (685)		\$ 22,709	3%
MEDICAID MGD	\$ 71,064		\$ 4,110		\$ 3,647		\$ 3,749		\$ 3,613		\$ 3,410		\$ 34,985		\$ 124,578	17%
SELF PAY	\$ 53,946		\$ 61,759		\$ 56,373		\$ 45,039		\$ 33,388		\$ 10,332		\$ 31,467		\$ 292,304	40%
TOTALS	\$ 327,493	44%	\$ 129,444	17%	\$ 74,724	10%	\$ 54,507	7%	\$ 46,754	6%	\$ 17,472	2%	\$ 91,537	12%	\$ 739,802	

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HOSPITAL	\$ 8,664,947
CLINIC	\$ 739,802
HOME HEALTH	\$ -
TOTAL AR	<u>\$ 9,404,749</u>

HEREFORD REGIONAL MEDICAL CENTER
MONTHLY COMPARATIVE STATISTICAL REPORT
MARCH 2020

	CURRENT MONTH			YEAR TO DATE		
	CURRENT	PRIOR YR	% DIFF	CURRENT	PRIOR YR	% DIFF
INPATIENT - ADULTS & PEDS						
ADMISSIONS	41	30	36.7%	276	278	-0.7%
PATIENT DAYS	95	83	14.5%	697	749	-6.9%
AVERAGE DAILY CENSUS	3.1	2.7	14.5%	3.8	4.1	-6.9%
SWINGBED						
ADMISSIONS	2	6	-66.7%	18	18	0.0%
PATIENT DAYS	11	47	-76.6%	186	159	17.0%
AVERAGE DAILY CENSUS	0.4	1.5	-76.6%	1.0	0.9	17.0%
OTHER INPATIENT						
NEWBORN ADMITS	20	18	11.1%	129	128	0.8%
NEWBORN DAYS	33	29	13.8%	208	202	3.0%
INPATIENT SURGERIES	17	15	13.3%	79	84	-6.0%
PATIENT DAYS - ALL IP	139	159	-12.6%	1,091	1,110	-1.7%
AVG DAILY CENSUS - ALL	4.5	5.1	-12.6%	6.0	6.1	-1.7%
OUTPATIENT						
OUTPATIENT SURGERIES	15	37	-59.5%	118	133	-11.3%
OBSERVATION ADMITS	45	33	36.4%	261	243	7.4%
EMERGENCY DEPT VISITS	652	669	-2.5%	4,187	4,218	-0.7%
AMBULANCE CALLS	124	138	-10.1%	890	734	21.3%
WORKSMART VISITS	341	412	-17.2%	2,349	2,200	6.8%
PHYSICAL THERAPY VISITS	706	899	-21.5%	5,627	6,081	-7.5%
LAB PROCEDURES	7,385	7,387	0.0%	46,684	48,319	-3.4%
RADIOLOGY PROCEDURES	837	996	-16.0%	5,597	5,871	-4.7%
RESPIRATORY PROCEDURES	378	595	-36.5%	2,462	2,779	-11.4%
EKGs	98	125	-21.6%	629	750	-16.1%
SLEEP STUDIES	2	0	#DIV/0!	9	3	200.0%
ORTHO PROCEDURES	0	2	-100.0%	3	13	-76.9%
MEALS SERVED	1,913	1,971	-2.9%	11,861	12,103	-2.0%
CLINIC						
RURAL HEALTH CLINIC VISITS	2,273	2,259	0.6%	15,660	16,375	-4.4%
PHYSICIAN ENCOUNTERS	767	990	-22.5%	5,152	7,319	-29.6%
MIDLEVEL ENCOUNTERS	1,237	942	31.3%	8,549	7,088	20.6%
WALK-IN CLINIC	250	291	-14.1%	1,777	1,703	4.3%
COUNSELING/PSYCHOLOGY	19	36	-47.2%	182	265	-31.3%

RHC ENCOUNTERS 2020

Office Encounters	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	TOTAL
Physician Encounters													
H.R. Johnson, MD	332	257	280	316	279	249							1713
John Gregg, MD	74	48	70	64	51	42							349
Trevor Rohm, MD	273	194	251	226	149	171							1264
Sean Wengroff, MD	164	157	153	120	105	155							854
Alanna Barfoot, DO	180	134	151	197	160	150							972
Nurse Practitioners													
Carmen Flood, NP-C	260	189	287	235	214	225							1410
Carolyn Jansa, WHNP	241	229	272	277	188	176							1383
Susan Cruz NP	277	155	181	208	220	142							1183
MaryEllen Avila, FNP	223	166	188	172	182	139							1,070
Jennifer Heiman, FNP	198	149	144	240	200	136							1067
Marinda Newkirk, FNP	213	198	158	188	148	140							1,045
Michelle Williams, NP	72	183	255	227	188	265							1,190
Angelica Miranda, FNP (PRN)	12	21	30	15	-	14							92
Elisa Flores, FNP (PRN)	26	0	40	43	-	-							109
Walk-In Clinic													
Lauren Jones-FNP	231	310	363	338	285	250							1777
Psychology													
Julie Johnson, Ed.D Psychologist	22	13	22	18	25	10							110
LPC													
Ken Haney	10	8	4	23	18	9							72
Face-to-Face Encounters	2808	2411	2849	2907	2412	2273							15660

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Month															
2	20-Mar															
3			Providers:													
4	Medical Service		Gregg	YTD	Johnson	YTD	Rohm	YTD	Wengroff	YTD	Barfoot	YTD	Chase	YTD	Seals	YTD
5																
6	ICU		0	2	0	0	0	3	0	1	0	0	0	0	0	0
7	Inpatient		6	25	0	18	11	76	0	1	4	22	0	0	0	0
8	OB		3	12	9	61	0	0	8	53	0	4	0	0	0	0
9	Nursery		0	0	15	87	0	15	0	0	5	29	0	0	0	0
10	Swingbed		0	0	1	2	1	13	0	0	0	4	0	0	0	0
11	Observation		10	43	2	38	16	103	3	14	14	63	0	0	0	0
12																
13	Emergency Room		2	2	0	0	1	3	0	0	0	0	169	1092	218	1257
14																
15	Totals:		19	82	27	206	28	210	11	69	23	122	169	1092	218	1257

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDING MARCH 31, 2020

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE		YTD ACTUAL	YTD BUDGET	YTD VARIANCE
REVENUE						
520,915	600,983	(80,069)	IP REVENUE	3,586,354	3,605,900	(19,546)
2,533,735	2,518,691	15,043	OP REVENUE	16,713,496	15,112,148	1,601,348
407,441	463,409	(55,967)	CLINIC REVENUE	2,786,633	2,780,452	6,181
108,029	189,500	(81,471)	MEDICAID SUPPLEMENTAL PAYMENTS	708,353	1,137,000	(428,647)
<u>3,570,120</u>	<u>3,772,583</u>	<u>(202,464)</u>	GROSS PATIENT REVENUE	<u>23,794,835</u>	<u>22,635,500</u>	<u>1,159,335</u>
<u>2,057,226</u>	<u>2,187,861</u>	<u>(130,635)</u>	DEDUCTIONS FROM REVENUE	<u>13,841,598</u>	<u>13,127,165</u>	<u>714,434</u>
1,512,894	1,584,723	(71,829)	NET PATIENT REVENUE	9,953,237	9,508,335	444,902
<u>92,734</u>	<u>90,992</u>	<u>1,742</u>	OTHER REVENUE	<u>457,164</u>	<u>545,950</u>	<u>(88,786)</u>
1,605,628	1,675,714	(70,086)	TOTAL REVENUE	10,410,401	10,054,285	356,116
EXPENSES						
679,605	753,092	(73,488)	SALARIES AND WAGES	4,352,793	4,518,555	(165,762)
155,284	185,412	(30,129)	EMPLOYEE BENEFITS	1,053,134	1,112,475	(59,341)
535,758	489,592	46,166	PROFESSIONAL FEES	2,970,274	2,937,550	32,724
249,850	208,498	41,352	SUPPLIES	1,322,608	1,250,987	71,620
7,716	26,385	(18,669)	TELEPHONE/UTILITIES	116,417	158,310	(41,893)
3,503	6,282	(2,779)	TRAINING AND EDUCATION	31,808	37,690	(5,882)
4,900	9,342	(4,442)	REPAIRS AND MAINTENANCE	23,594	56,050	(32,456)
109,890	109,452	438	SERVICE CONTRACTS	641,790	656,710	(14,920)
14,906	13,695	1,211	INSURANCE	90,682	82,170	8,512
0	1,193	(1,193)	LEGAL EXPENSE	5,653	7,155	(1,502)
87,466	88,935	(1,470)	INTEREST EXPENSE	543,328	533,613	9,715
57,837	50,858	6,979	OTHER EXPENSES	317,232	305,148	12,084
180,369	183,192	(2,823)	DEPRECIATION	1,101,070	1,099,150	1,920
<u>2,087,083</u>	<u>2,125,927</u>	<u>(38,844)</u>	TOTAL OPERATING EXPENSES	<u>12,570,382</u>	<u>12,755,562</u>	<u>(185,179)</u>
<u>(481,455)</u>	<u>(450,213)</u>	<u>(31,242)</u>	OPERATING INCOME / (LOSS)	<u>(2,159,981)</u>	<u>(2,701,276)</u>	<u>541,295</u>
<u>455,536</u>	<u>450,213</u>	<u>5,324</u>	NON-OPERATING REVENUE	<u>2,716,356</u>	<u>2,701,276</u>	<u>15,079</u>
<u>(25,919)</u>	<u>(0)</u>	<u>(25,919)</u>	NET GAIN/(LOSS)	<u>556,375</u>	<u>(0)</u>	<u>556,375</u>

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIODS ENDING MARCH 31, 2020 AND 2019

MAR 2020 ACTUAL	MAR 2019 ACTUAL	VARIANCE		YTD FY 2020 ACTUAL	YTD FY 2019 ACTUAL	VARIANCE
REVENUE						
520,915	542,333	(21,418)	IP REVENUE	3,586,354	3,540,185	46,169
2,533,735	2,731,789	(198,054)	OP REVENUE	16,713,496	15,316,371	1,397,125
407,441	390,966	16,475	CLINIC REVENUE	2,786,633	2,794,923	(8,290)
108,029	247,155	(139,126)	MEDICAID SUPPLEMENTAL PAYMENTS	708,353	1,563,593	(855,240)
3,570,120	3,912,243	(342,123)	GROSS PATIENT REVENUE	23,794,835	23,215,071	579,764
2,057,226	2,482,156	(424,930)	DEDUCTIONS FROM REVENUE	13,841,598	14,104,316	(262,717)
1,512,894	1,430,087	82,807	NET PATIENT REVENUE	9,953,237	9,110,756	842,481
92,734	84,861	7,873	OTHER REVENUE	457,164	807,259	(350,095)
1,605,628	1,514,948	90,680	TOTAL REVENUE	10,410,401	9,918,015	492,386
EXPENSES						
679,605	739,888	(60,283)	SALARIES AND WAGES	4,352,793	4,436,129	(83,336)
155,284	209,697	(54,413)	EMPLOYEE BENEFITS	1,053,134	1,228,226	(175,092)
535,758	531,057	4,701	PROFESSIONAL FEES	2,970,274	2,959,435	10,839
249,850	212,580	37,270	SUPPLIES	1,322,608	1,265,667	56,941
7,716	20,391	(12,675)	TELEPHONE/UTILITIES	116,417	158,680	(42,263)
3,503	13,069	(9,566)	TRAINING AND EDUCATION	31,808	50,251	(18,442)
4,900	3,516	1,383	REPAIRS AND MAINTENANCE	23,594	32,527	(8,933)
109,890	90,479	19,411	SERVICE CONTRACTS	641,790	642,782	(992)
14,906	13,995	912	INSURANCE	90,682	79,514	11,169
0	875	(875)	LEGAL EXPENSE	5,653	7,022	(1,369)
87,466	145,832	(58,367)	INTEREST EXPENSE	543,328	477,745	65,582
57,837	58,614	(777)	OTHER EXPENSES	317,232	295,930	21,301
180,369	178,072	2,297	DEPRECIATION	1,101,070	1,063,398	37,672
2,087,083	2,218,066	(130,983)	TOTAL OPERATING EXPENSES	12,570,382	12,697,306	(126,923)
(481,455)	(703,118)	221,663	OPERATING INCOME / (LOSS)	(2,159,981)	(2,779,291)	619,310
455,536	423,119	32,418	NON-OPERATING REVENUE	2,716,356	2,490,782	225,574
(25,919)	(280,000)	254,081	NET GAIN/(LOSS)	556,375	(288,509)	844,884

**HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
12-MONTH RUNNING TREND REPORT**

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
REVENUE												
IP REVENUE	653,688	660,402	453,790	551,281	599,302	553,524	541,360	582,223	724,734	549,585	667,537	520,915
OP REVENUE	2,401,008	2,401,556	2,199,392	2,395,164	2,577,844	2,413,988	2,640,454	2,708,337	2,936,487	3,187,635	2,706,848	2,533,735
CLINIC REVENUE	440,168	412,700	359,060	406,431	429,969	409,405	524,352	433,242	506,917	496,343	418,337	407,441
MEDICAID SUPPLEMENTAL PAYMENTS	203,150	(136,171)	30,937	(0)	30,039	1,168,586	92,401	93,140	8,592	76,586	329,605	108,029
GROSS PATIENT REVENUE	3,698,014	3,338,487	3,043,179	3,352,875	3,637,154	4,545,503	3,798,567	3,816,942	4,176,730	4,310,149	4,122,328	3,570,120
DEDUCTIONS FROM REVENUE	2,026,981	1,219,771	1,755,882	1,977,718	2,175,346	1,836,202	2,247,926	2,225,000	2,556,735	2,419,801	2,334,910	2,057,226
NET PATIENT REVENUE	1,671,033	2,118,716	1,287,297	1,375,157	1,461,809	2,709,301	1,550,641	1,591,942	1,619,994	1,890,348	1,787,418	1,512,894
OTHER REVENUE	164,436	80,839	113,365	140,131	42,834	183,901	97,734	67,564	63,343	76,854	58,935	92,734
TOTAL REVENUE	1,835,469	2,199,555	1,400,662	1,515,288	1,504,642	2,893,202	1,648,375	1,659,506	1,683,337	1,967,202	1,846,353	1,605,628
EXPENSES												
SALARIES AND WAGES	726,287	758,031	681,955	767,003	709,028	812,193	755,693	755,622	717,929	773,838	670,106	679,605
EMPLOYEE BENEFITS	202,650	99,557	168,269	151,882	120,777	509,539	204,018	186,235	168,759	200,597	138,241	155,284
PROFESSIONAL FEES	461,212	512,618	509,222	491,681	440,240	522,777	426,448	566,747	440,859	478,808	521,654	535,758
SUPPLIES	215,959	147,863	138,740	131,149	162,723	258,181	230,822	159,396	241,764	249,474	191,301	249,850
TELEPHONE/UTILITIES	19,061	22,713	6,915	59,826	39,263	25,660	30,257	21,664	19,367	19,507	17,906	7,716
TRAINING AND EDUCATION	7,420	5,368	2,916	3,329	1,263	10,563	5,110	7,246	5,382	5,304	5,264	3,503
REPAIRS AND MAINTENANCE	1,610	2,164	2,392	2,216	3,813	1,959	6,888	4,137	1,961	1,506	4,201	4,900
SERVICE CONTRACTS	117,492	141,021	111,441	108,607	123,068	121,767	110,380	97,504	113,794	100,344	109,877	109,890
INSURANCE	23,401	8,530	14,333	14,333	13,877	17,796	16,560	17,500	14,334	14,906	12,476	14,906
LEGAL EXPENSE	1,000	3,650	250	0	1,725	168,921	2,043	0	2,400	0	1,210	0
INTEREST EXPENSE	151,206	151,430	151,255	(15,041)	91,600	0	91,637	86,669	91,632	92,948	92,977	87,466
OTHER EXPENSES	48,385	40,585	54,863	68,682	34,728	66,525	42,498	57,386	59,519	47,311	52,680	57,837
DEPRECIATION	176,273	175,392	169,238	169,238	168,921	87,475	168,921	169,492	169,388	206,168	206,733	180,369
TOTAL OPERATING EXPENSES	2,151,956	2,068,922	2,011,789	1,952,905	1,911,026	2,603,355	2,091,275	2,129,599	2,047,088	2,190,710	2,024,627	2,087,083
OPERATING INCOME / (LOSS)	(316,487)	130,633	(611,127)	(437,617)	(406,384)	289,847	(442,900)	(470,093)	(363,751)	(223,508)	(178,274)	(481,455)
NON-OPERATING REVENUE	416,930	417,106	415,131	417,420	417,259	643,030	452,524	450,464	455,330	450,711	451,790	455,536
NET GAIN/(LOSS)	100,443	547,739	(195,996)	(20,197)	10,876	932,877	9,624	(19,629)	91,579	227,203	273,517	(25,919)

**Board of Directors Financial Report
Notes to Financial Statements
March 2020**

INCOME STATEMENT:

- Inpatient revenue for the month was below budget and prior year. For the year, it is above prior year but slightly below budget.
- Outpatient revenue for the year is higher than budget and prior year. Monthly totals are above budget but below prior year.
- Clinic revenue for the month was below budget but higher than prior year. Year-to-date totals are above budget, but slightly behind prior year amounts.
- Medicaid Supplemental Payments reflect net disproportionate share funds of \$108,029 that were received during the month. These amounts are below prior year and budget amounts.
- Gross patient revenue for the month was below budget and prior year. Annual amounts are above budget and prior year.
- Deductions from revenue were below budget and prior year for the month. Year-to-date totals are above budget, but below prior year.
- Net patient revenue for the month was below budget and prior year, but, higher than both for the fiscal year.
- Other revenue, which includes EMS/Trauma funding, meals, medical records, rent income, and 340B program revenue was higher than budgeted and prior year totals for the month, and below budget and prior year for the year.
- Total operating revenue for the month was \$1,605,628, which was below budget and prior year monthly amounts. For the year, operating revenue is above budget and prior year.
- Salaries and wages for the month were below budget and prior year for both the month and year.
- Employee benefits, which includes FICA, retirement, and employee health insurance, were below prior year numbers and budgeted amounts for the month and year.
- Professional fees and purchased services include physician fees for the clinic, the hospitalist program, surgery call and emergency room coverage, contract labor (CFO), reference lab, radiology services, contract nursing, pharmacy management and collection fees for the Ni2 Contract. These expenses were above budget and prior year amounts for both the month and year.
- Supplies for the month were higher than budgeted and prior year. Some of this is due to COVID-related expenses for which the hospital will receive funding. Year-to-date totals are also above budget and prior year.
- Utilities and telephone expenses were below budget and prior year for both the month and year.
- Training and education expenses are below budget and prior year for the month and year

- Repairs and maintenance costs for the month were above prior year month, but below budget for the month and year. Annual totals are below prior year.
- Service contracts expenses for the month were higher than budget and last year monthly totals. For the year, these expenses are below budget and prior year.
- Insurance expenses are above budget and prior year numbers for the month and year.
- Interest expense is higher than budget and prior year-to-date, but, lower than prior year month.
- Other expenses include marketing/advertising, dues/license fees, election expenses, service charges and 340B administration fees. These expenses were below prior year monthly totals, but, above budget for the month and year.
- Operating expenses, which totaled \$2,087,083, are below prior year and budgeted numbers for the month and fiscal year.
- Non-operating revenue, including tax revenue, interest and penalties, are above budget and prior year for the month and year.
- The hospital had a net loss of \$25,919 for the month. For the year, the hospital has a net gain of \$556,375, which is above budget and higher than last year's bottom line, which showed a net loss of \$288,509.

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED MARCH 31, 2020**

	CURRENT MONTH 3/31/2020	PRIOR MONTH 2/29/2020	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,882,852	10,978,547	(95,695)
Gross Patient Accounts Receivable	9,445,978	9,554,730	(108,752)
Less: Estimated Allowance Accounts	<u>(7,377,669)</u>	<u>(7,414,674)</u>	<u>37,005</u>
Net Patient Accounts Receivable	2,068,310	2,140,057	(71,747)
Estimated Third Party Receivable	489,955	489,955	0
Supplemental Medicaid Payments Receivable	32,230	32,230	0
Other Receivables	26,101	27,311	(1,210)
Taxes Receivable	296,695	371,335	(74,640)
Inventories	444,010	425,360	18,649
Prepaid Expenses	<u>338,849</u>	<u>273,129</u>	<u>65,721</u>
TOTAL CURRENT ASSETS	14,579,003	14,737,924	(158,922)
NON-CURRENT ASSETS			
Investment in THIE	201,662	201,662	0
Capital Assets, Net	24,965,895	25,121,464	(155,569)
TOTAL NON-CURRENT ASSETS	25,167,557	25,323,126	(155,569)
TOTAL ASSETS	39,746,560	40,061,051	(314,491)
Deferred Outflows of Resources, Pension Plan	1,051,186	1,051,186	0
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>40,797,746</u>	<u>41,112,237</u>	<u>(314,491)</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	480,529	369,663	110,866
Accrued Compensation and Related Liabilities	1,025,532	1,062,153	(36,621)
Accrued Interest	87,440	0	87,440
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	2,701,595	3,151,861	(450,266)
Net Pension Liability	666,901	666,901	0
Deferred Inflow Resources	83,315	83,315	0
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>780,000</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	5,825,311	6,113,893	(288,582)
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	22,260,707	0
TOTAL LIABILITIES	28,086,018	28,374,600	(288,582)
YEAR TO DATE EARNINGS	556,374	582,293	(25,919)
RETAINED EARNINGS	12,155,343	12,155,343	0
TOTAL RETAINED EARNINGS	12,711,718	12,737,637	(25,919)
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>40,797,736</u>	<u>41,112,237</u>	<u>(314,501)</u>

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED MARCH 31, 2020**

	CURRENT MONTH 3/31/2020	PRIOR YEAR 3/31/2019	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,882,852	7,714,183	3,168,668
Gross Patient Accounts Receivable	9,445,978	8,569,662	876,316
Less: Estimated Allowance Accounts	<u>(7,377,669)</u>	<u>(8,040,822)</u>	<u>663,154</u>
Net Patient Accounts Receivable	2,068,310	528,840	1,539,470
Estimated Third Party Receivable	489,955	486,243	3,712
Supplemental Medicaid Payments Receivable	32,230	69,079	(36,848)
Other Receivables	26,101	(460,096)	486,198
Taxes Receivable	296,695	296,289	406
Inventories	444,010	300,559	143,451
Prepaid Expenses	<u>338,849</u>	<u>1,271,461</u>	<u>(932,612)</u>
TOTAL CURRENT ASSETS	14,579,003	10,206,557	4,372,446
NON-CURRENT ASSETS			
Investment in THIE	201,662	219,903	(18,241)
Capital Assets, Net	24,965,895	27,428,420	(2,462,525)
TOTAL NON-CURRENT ASSETS	25,167,557	27,648,323	(2,480,766)
TOTAL ASSETS	39,746,560	37,854,880	1,891,680
Deferred Outflows of Resources, Pension Plan	1,051,186	258,010	793,176
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>40,797,746</u>	<u>38,112,890</u>	<u>2,684,856</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	480,529	537,564	(57,035)
Accrued Compensation and Related Liabilities	1,025,532	720,043	305,489
Accrued Interest	87,440	10,400	77,040
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	2,701,595	2,489,272	212,323
Net Pension Liability	666,901	(594,291)	1,261,192
Deferred Inflow Resources	83,315	341,992	(258,677)
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>0</u>	<u>780,000</u>
TOTAL CURRENT LIABILITIES	5,825,311	3,504,980	2,320,331
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	23,828,306	(1,567,599)
TOTAL LIABILITIES	28,086,018	27,333,287	752,732
YEAR TO DATE EARNINGS	556,374	(288,509)	844,884
RETAINED EARNINGS	12,155,343	11,068,113	1,087,231
TOTAL RETAINED EARNINGS	12,711,718	10,779,604	1,932,114
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>40,797,736</u>	<u>38,112,890</u>	<u>2,684,846</u>

BALANCE SHEET:

- Cash and cash equivalents totaled \$10,882,852 at the end of the month, which is a decrease of \$95,695 from prior month and an increase of \$3,168,668 from prior year.
- Gross Patient Accounts Receivable decreased by \$108,752 from prior month and is \$876,316 higher than prior year.
- Net Patient Receivables decreased from prior month by \$71,747, but, is \$1,539,470 higher than prior year.
- The estimated third-party receivable of \$489,955 is for the 2019 Medicare cost report.
- Other Receivables is rent receivable and the net amount of various employee payroll deductions.
- Taxes Receivable reflects the outstanding ad valorem taxes we expect to receive this year. The decrease in property tax receivables for the month reflect amounts collected this month.
- Prepaid expenses include insurance, service contracts and tax collection expenses.
- Inventory at month end totaled \$444,010, an increase of \$18,649 from prior month.
- Accounts Payable includes outstanding expenses due and accrued expenses.
- Accrued compensation and related liabilities include wages, taxes, retirement and PTO liability.
- Accrued interest is bond interest payable at month end. The next semi-annual bond payment is due on 9/1/2020.
- The items for Net Pension Liability and Deferred Inflow of Resources pertain to our retirement liability and will only be changed once each year after our annual audit. The changes to these accounts have been recorded per the audit.
- Current maturities of long-term debt of \$780,000 is the amount that is to be paid within the next twelve months and is considered a current liability.
- Long-term debt, less current, reflects the outstanding amount due on the bonds.

HEREFORD REGIONAL MEDICAL CENTER
 HEREFORD HEALTH CLINIC
 ANALYSIS OF ACCOUNTS RECEIVABLE
 AS OF 03/31/2020

HOSPITAL														
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+	TOTAL
BCBS	\$ 156,284		\$ 19,064		\$ 15,669		\$ 3,733		\$ 1,291		\$ 3,679		\$ (686)	\$ 199,034 2%
COMMERCIAL	\$ 431,058		\$ 254,256		\$ 73,213		\$ 38,876		\$ 25,263		\$ 29,018		\$ 167,738	\$ 1,019,422 12%
MEDICARE	\$ 418,446		\$ 206,802		\$ 71,036		\$ 3,727		\$ 574		\$ 14,875		\$ 1,144	\$ 716,604 8%
MEDICARE MGD	\$ 211,277		\$ 152,423		\$ 34,840		\$ 6,109		\$ 8,078		\$ 2,273		\$ 30,314	\$ 445,314 5%
MEDICAID	\$ 96,153		\$ 2,829		\$ 12,553		\$ 4,957		\$ 4,072		\$ 11,715		\$ 52,741	\$ 185,020 2%
MEDICAID MGD	\$ 365,931		\$ 63,652		\$ 52,701		\$ 23,106		\$ 42,829		\$ 18,858		\$ 189,198	\$ 756,275 9%
SELF PAY	\$ 813,587		\$ 646,246		\$ 820,734		\$ 621,936		\$ 343,058		\$ 138,284		\$ 1,873,318	\$ 5,257,164 61%
TOTALS	\$ 2,492,736	29%	\$ 1,345,272	16%	\$ 1,080,746	13%	\$ 702,444	8%	\$ 425,165	5%	\$ 218,702	3%	\$ 2,313,767	27% \$ 8,578,831

CLINIC														
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+	TOTAL
BCBS	\$ 29,835		\$ 3,984		\$ 3,566		\$ 368		\$ 167		\$ 4,089		\$ 157	\$ 42,166 6%
COMMERCIAL	\$ 82,015		\$ 22,097		\$ 16,243		\$ 4,972		\$ 2,473		\$ 3,520		\$ 20,362	\$ 151,682 22%
MEDICARE	\$ 36,853		\$ 4,436		\$ 10,696		\$ 803		\$ 616		\$ (27)		\$ 775	\$ 54,152 8%
MEDICARE MGD	\$ 15,850		\$ 3,022		\$ 1,922		\$ 136		\$ 109		\$ 398		\$ (35)	\$ 21,402 3%
MEDICAID	\$ 8,223		\$ 5,844		\$ 1,968		\$ 464		\$ 1,563		\$ 398		\$ (225)	\$ 18,235 3%
MEDICAID MGD	\$ 55,097		\$ 7,307		\$ 8,513		\$ 4,199		\$ 3,056		\$ 3,583		\$ 37,865	\$ 119,620 17%
SELF PAY	\$ 58,640		\$ 47,503		\$ 56,293		\$ 54,774		\$ 31,107		\$ 9,570		\$ 36,078	\$ 293,965 42%
TOTALS	\$ 286,513	41%	\$ 94,193	13%	\$ 74,724	11%	\$ 65,716	9%	\$ 39,091	6%	\$ 21,531	3%	\$ 94,977	14% \$ 701,222

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HOSPITAL	\$ 8,578,831
CLINIC	\$ 701,222
TOTAL AR	\$ 9,280,053

HEREFORD REGIONAL MEDICAL CENTER
MONTHLY COMPARATIVE STATISTICAL REPORT
APRIL 2020

	CURRENT MONTH			YEAR TO DATE		
	CURRENT	PRIOR YR	% DIFF	CURRENT	PRIOR YR	% DIFF
INPATIENT - ADULTS & PEDS						
ADMISSIONS	48	46	4.3%	324	324	0.0%
PATIENT DAYS	108	120	-10.0%	805	869	-7.4%
SWINGBED						
ADMISSIONS	3	7	-57.1%	21	25	-16.0%
PATIENT DAYS	19	72	-73.6%	205	231	-11.3%
OTHER INPATIENT						
NEWBORN ADMITS	23	27	-14.8%	152	155	-1.9%
NEWBORN DAYS	32	46	-30.4%	240	248	-3.2%
INPATIENT SURGERIES	9	16	-43.8%	88	100	-12.0%
PATIENT DAYS - ALL IP	159	238	-33.2%	1,250	1,348	-7.3%
OUTPATIENT						
OUTPATIENT SURGERIES	8	14	-42.9%	126	147	-14.3%
OBSERVATION ADMITS	36	40	-10.0%	297	283	4.9%
EMERGENCY DEPT VISITS	399	632	-36.9%	4,586	4,850	-5.4%
AMBULANCE CALLS	131	136	-3.7%	1,021	870	17.4%
WORKSMART VISITS	536	286	87.4%	2,885	2,486	16.0%
PHYSICAL THERAPY VISITS	570	1,003	-43.2%	6,197	7,084	-12.5%
LAB PROCEDURES	8,086	8,086	0.0%	54,770	56,405	-2.9%
RADIOLOGY PROCEDURES	691	1,067	-35.2%	6,288	6,938	-9.4%
RESPIRATORY PROCEDURES	199	565	-64.8%	2,883	3,344	-13.8%
EKGs	111	141	-21.3%	855	891	-4.0%
SLEEP STUDIES	0	0	#DIV/0!	11	3	266.7%
ORTHO PROCEDURES	0	0	#DIV/0!	3	13	-76.9%
MEALS SERVED	2,215	2,061	7.5%	14,076	14,164	-0.6%
CLINIC						
RURAL HEALTH CLINIC VISITS	1,949	2,705	-27.9%	17,609	19,080	-7.7%
PHYSICIAN ENCOUNTERS	679	1,097	-38.1%	5,831	8,416	-30.7%
MIDLEVEL ENCOUNTERS	1,090	1,331	-18.1%	9,639	8,419	14.5%
WALK-IN CLINIC	170	267	-36.3%	1,947	1,970	-1.2%
COUNSELING/PSYCHOLOGY	10	10	0.0%	192	275	-30.2%

FY 2020 STATISTICS

	B	C	D	E	F	G	H	I	J	K	L	M	N	O
5														
6	Admissions	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
7	Med/Surg & ICU		20	27	29	28	21	22						147
8	OB	24	26	22	18	22	20	26						158
9	Adults & Children Total	24	46	49	47	50	41	48						305
10	Newborns	23	25	22	17	22	20	23						152
11	Swing Bed	2	1	8	3	2	2	3						21
12	Observations	46	40	41	52	37	45	36						297
13														
14	Patient Days													
15	Med/Surg & ICU	62	73	81	91	98	56	65						526
16	OB	41	43	41	34	38	39	43						279
17	Adults & Children Total	103	116	122	125	136	95	108						805
18	Newborn	39	42	32	31	31	33	32						240
19	Swing Bed	13	16	90	20	36	11	19						205
20	Observation Hours	681	660	623	835	739	724	609						4,871
21														
22	Average Daily Census	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
23	Adults & Children	3.3	3.9	3.9	4.0	4.7	3.1	3.6	0.0	0.0	0.0	0.0	0.0	3.8
24	Newborn	1.3	1.4	1.0	1.0	1.1	1.1	1.1	0.0	0.0	0.0	0.0	0.0	1.1
25	Swing Bed	0.4	0.5	2.9	0.6	1.2	0.4	0.6	0.0	0.0	0.0	0.0	0.0	1.0
26	All inclusive	5.0	5.8	7.9	5.7	7.0	4.5	5.3	0.0	0.0	0.0	0.0	0.0	5.9
27														
28	Visits	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
29	Emergency Room Visits	552	714	917	732	620	652	399						4,586
30	Ambulance Calls	146	150	163	161	146	124	131						1,021
31	Rural Health Clinic Encounters	2,808	2,411	2,849	2,907	2,412	2,273	1,949						17,609
32	Physical Therapy Visits	1,083	890	1,053	1,000	895	706	570						6,197
33	Worksmart Visits	351	294	448	447	468	341	536						2,885
34														
35	Procedures	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
36	Same Day Surgeries	27	26	12	20	18	15	8						126
37	In Patient Surgeries	14	5	14	18	11	17	9						88
38	Anesthesia Cases	43	38	28	36	29	27	25						226
39	Lab Procedures	7,600	7,179	7,942	8,877	7,701	7,385	8,086						54,770
40	Radiology Procedures	998	858	945	1,062	897	837	691						6,288
41	Respiratory Therapy Treatments	453	503	426	520	560	222	199						2,883
42	E.K.G.s	135	120	116	156	102	115	111						855
43	Sleep Studies	1	1	0	3	4	2	0						11
44	Ortho Procedures	0	2	0	1	0	0	0						3
45														
46	Other	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
47	Meals Served	1,970	2,083	2,156	1,882	1,857	1,913	2,215						14,076
48	Laundry Pounds	19,632	19,552	21,595	19,774	18,195	18,459	15,020						132,227

Office Encounters	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	TOTAL
Physician Encounters													
H.R. Johnson, MD	332	257	280	316	279	249	188						1901
John Gregg, MD	74	48	70	64	51	42	30						379
Trevor Rohm, MD	273	194	251	226	149	171	174						1438
Sean Wengroff, MD	164	157	153	120	105	155	127						981
Alanna Barfoot, DO	180	134	151	197	160	150	160						1132
Nurse Practitioners													
Carmen Flood, NP-C	260	189	287	235	214	225	130						1540
Carolyn Jansa, WHNP	241	229	272	277	188	176	209						1592
Susan Cruz NP	277	155	181	208	220	142	138						1321
MaryEllen Avila, FNP	223	166	188	172	182	139	134						1,204
Jennifer Helman, FNP	198	149	144	240	200	136	145						1212
Martinda Newkirk, FNP	213	198	158	188	148	140	141						1,186
Michelle Williams, NP	72	183	255	227	188	265	193						1,383
Angelica Miranda, FNP (PRN)	12	21	30	15	-	14	-						92
Elisa Flores, FNP (PRN)	26	0	40	43	-	-	-						109
Walk-In Clinic													
Lauren Jones-FNP	231	310	363	338	285	250	170						1947
Psychology													
Julie Johnson, Ed.D Psychologist	22	13	22	18	25	10	2						112
LPC													
Ken Haney	10	8	4	23	18	9	8						80
Face-to-Face Encounters	2808	2411	2849	2907	2412	2273	1949						17609

Month	20-Apr	Providers:													
		Gregg	YTD	Johnson	YTD	Rohm	YTD	Wengroff	YTD	Barfoot	YTD	Chase	YTD	Seals	YTD
ICU		0	2	0	0	0	3	1	2	0	0	0	0	0	0
Inpatient		5	30	0	18	8	84	1	2	8	30	0	0	0	0
OB		2	14	8	69	0	0	11	64	5	9	0	0	0	0
Nursery		0	0	16	103	0	15	0	0	7	36	0	0	0	0
Swingbed		0	0	0	2	2	15	0	0	1	5	0	0	0	0
Observation		8	51	1	39	11	114	3	17	13	76	0	0	0	0
Emergency Room		0	2	0	0	1	4	0	0	0	0	123	147	1404	
Totals:		15	97	25	231	21	231	16	85	34	156	123	147	1404	

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDING APRIL 30, 2020

CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	CURRENT MONTH VARIANCE		YTD ACTUAL	YTD BUDGET	YTD VARIANCE
REVENUE						
614,598	600,983	13,615	IP REVENUE	4,200,952	4,206,883	(5,931)
1,887,659	2,518,691	(631,032)	OP REVENUE	18,601,154	17,630,839	970,315
317,771	463,409	(145,638)	CLINIC REVENUE	3,104,404	3,243,861	(139,456)
13,766	189,500	(175,734)	MEDICAID SUPPLEMENTAL PAYMENTS	722,119	1,326,500	(604,381)
2,833,794	3,772,583	(938,789)	GROSS PATIENT REVENUE	26,628,629	26,408,083	220,546
1,785,442	2,187,861	(402,419)	DEDUCTIONS FROM REVENUE	15,627,040	15,315,025	312,015
1,048,352	1,584,723	(536,370)	NET PATIENT REVENUE	11,001,589	11,093,058	(91,469)
508,684	90,992	417,693	OTHER REVENUE	965,849	636,942	328,907
1,557,037	1,675,714	(118,678)	TOTAL REVENUE	11,967,438	11,730,000	237,438
EXPENSES						
782,243	753,092	29,150	SALARIES AND WAGES	5,135,035	5,271,647	(136,612)
114,897	185,412	(70,516)	EMPLOYEE BENEFITS	1,168,030	1,297,887	(129,857)
457,857	489,592	(31,735)	PROFESSIONAL FEES	3,428,131	3,427,142	989
179,096	208,498	(29,402)	SUPPLIES	1,501,703	1,459,485	42,218
16,922	26,385	(9,463)	TELEPHONE/UTILITIES	133,339	184,695	(51,356)
2,746	6,282	(3,535)	TRAINING AND EDUCATION	34,555	43,972	(9,417)
15,816	9,342	6,474	REPAIRS AND MAINTENANCE	39,409	65,392	(25,982)
109,673	109,452	221	SERVICE CONTRACTS	751,463	766,162	(14,699)
19,631	13,695	5,936	INSURANCE	110,313	95,865	14,448
0	1,193	(1,193)	LEGAL EXPENSE	5,653	8,348	(2,695)
87,483	88,935	(1,453)	INTEREST EXPENSE	630,811	622,548	8,263
40,566	50,858	(10,292)	OTHER EXPENSES	357,798	356,005	1,792
180,567	183,192	(2,625)	DEPRECIATION	1,281,637	1,282,342	(705)
2,007,494	2,125,927	(118,433)	TOTAL OPERATING EXPENSES	14,577,877	14,881,489	(303,612)
(450,458)	(450,213)	(245)	OPERATING INCOME / (LOSS)	(2,610,439)	(3,151,489)	541,050
447,867	450,213	(2,346)	NON-OPERATING REVENUE	3,164,223	3,151,489	12,734
(2,591)	(0)	(2,591)	NET GAIN/(LOSS)	553,784	(0)	553,784

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIODS ENDING APRIL 30, 2020 AND 2019

APR 2020 ACTUAL	APR 2019 ACTUAL	VARIANCE		YTD FY 2020 ACTUAL	YTD FY 2019 ACTUAL	VARIANCE
REVENUE						
614,598	653,688	(39,089)	IP REVENUE	4,200,952	4,193,872	7,080
1,887,659	2,401,008	(513,349)	OP REVENUE	18,601,154	17,717,379	883,776
317,771	440,168	(122,397)	CLINIC REVENUE	3,104,404	3,235,091	(130,687)
13,766	203,150	(189,384)	MEDICAID SUPPLEMENTAL PAYMENTS	722,119	1,766,743	(1,044,624)
2,833,794	3,698,014	(864,220)	GROSS PATIENT REVENUE	26,628,629	26,913,085	(284,456)
1,785,442	2,029,564	(244,122)	DEDUCTIONS FROM REVENUE	15,627,040	16,133,880	(506,840)
1,048,352	1,668,449	(620,097)	NET PATIENT REVENUE	11,001,589	10,779,205	222,384
508,684	167,024	341,660	OTHER REVENUE	965,849	974,283	(8,435)
1,557,037	1,835,473	(278,437)	TOTAL REVENUE	11,967,438	11,753,488	213,950
EXPENSES						
782,243	726,287	55,955	SALARIES AND WAGES	5,135,035	5,162,416	(27,381)
114,897	202,650	(87,753)	EMPLOYEE BENEFITS	1,168,030	1,430,876	(262,845)
457,857	461,212	(3,356)	PROFESSIONAL FEES	3,428,131	3,420,647	7,484
179,096	215,963	(36,868)	SUPPLIES	1,501,703	1,481,630	20,073
16,922	19,061	(2,139)	TELEPHONE/UTILITIES	133,339	177,741	(44,402)
2,746	7,420	(4,673)	TRAINING AND EDUCATION	34,555	57,670	(23,116)
15,816	1,610	14,206	REPAIRS AND MAINTENANCE	39,409	34,137	5,273
109,673	117,492	(7,819)	SERVICE CONTRACTS	751,463	760,274	(8,812)
19,631	23,401	(3,770)	INSURANCE	110,313	102,914	7,399
0	1,000	(1,000)	LEGAL EXPENSE	5,653	8,022	(2,369)
87,483	151,206	(63,723)	INTEREST EXPENSE	630,811	628,952	1,859
40,566	48,385	(7,819)	OTHER EXPENSES	357,798	344,316	13,482
180,567	176,273	4,293	DEPRECIATION	1,281,637	1,239,671	41,966
2,007,494	2,151,961	(144,467)	TOTAL OPERATING EXPENSES	14,577,877	14,849,266	(271,390)
(450,458)	(316,488)	(133,970)	OPERATING INCOME / (LOSS)	(2,610,439)	(3,095,778)	485,339
447,867	416,930	30,937	NON-OPERATING REVENUE	3,164,223	2,907,712	256,511
(2,591)	100,443	(103,033)	NET GAIN/(LOSS)	553,784	(188,066)	741,850

HEREFORD REGIONAL MEDICAL CENTER
STATEMENT OF REVENUE AND EXPENSE
12-MONTH RUNNING TREND REPORT

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
REVENUE												
IP REVENUE	660,402	453,790	551,281	599,302	553,524	541,360	582,223	724,734	549,585	667,537	520,915	614,598
OP REVENUE	2,401,556	2,199,392	2,395,164	2,577,844	2,413,988	2,640,454	2,708,337	2,936,487	3,187,635	2,706,848	2,533,735	1,887,659
CLINIC REVENUE	412,700	359,060	406,431	429,969	409,405	524,352	433,242	506,917	496,343	418,337	407,441	317,771
MEDICAID SUPPLEMENTAL PAYMENTS	(136,171)	30,937	(0)	30,039	1,168,586	92,401	93,140	8,592	76,586	329,605	108,029	13,766
GROSS PATIENT REVENUE	3,338,487	3,043,179	3,352,875	3,637,154	4,545,503	3,798,567	3,816,942	4,176,730	4,310,149	4,122,328	3,570,120	2,833,794
DEDUCTIONS FROM REVENUE	1,219,771	1,755,882	1,977,718	2,175,346	1,836,202	2,247,926	2,225,000	2,556,735	2,419,801	2,334,910	2,057,226	1,785,442
NET PATIENT REVENUE	2,118,716	1,287,297	1,375,157	1,461,809	2,709,301	1,550,641	1,591,942	1,619,994	1,890,348	1,787,418	1,512,894	1,048,352
OTHER REVENUE	80,839	113,365	140,131	42,834	183,901	97,734	67,564	63,343	76,854	58,935	92,734	508,684
TOTAL REVENUE	2,199,555	1,400,662	1,515,288	1,504,642	2,893,202	1,648,375	1,659,506	1,683,337	1,967,202	1,846,353	1,605,628	1,557,037
EXPENSES												
SALARIES AND WAGES	758,031	681,955	767,003	709,028	812,193	755,693	755,622	717,929	773,838	670,106	679,605	782,243
EMPLOYEE BENEFITS	99,557	168,269	151,882	120,777	509,539	204,018	186,235	168,759	200,597	138,241	155,284	114,897
PROFESSIONAL FEES	512,618	509,222	491,681	440,240	522,777	426,448	566,747	440,859	478,808	521,654	535,758	457,857
SUPPLIES	147,863	138,740	131,149	162,723	258,181	230,822	159,396	241,764	249,474	191,301	249,850	179,096
TELEPHONE/UTILITIES	22,713	6,915	59,826	39,263	25,660	30,257	21,664	19,367	19,507	17,906	7,716	16,922
TRAINING AND EDUCATION	5,368	2,916	3,329	1,263	10,563	5,110	7,246	5,382	5,304	5,264	3,503	2,746
REPAIRS AND MAINTENANCE	2,164	2,392	2,216	3,813	1,959	6,888	4,137	1,961	1,506	4,201	4,900	15,816
SERVICE CONTRACTS	141,021	111,441	108,607	123,068	121,767	110,380	97,504	113,794	100,344	109,877	109,890	109,673
INSURANCE	8,530	14,333	14,333	13,877	17,796	16,560	17,500	14,334	14,906	12,476	14,906	19,631
LEGAL EXPENSE	3,650	250	0	1,725	168,921	2,043	0	2,400	0	1,210	0	0
INTEREST EXPENSE	151,430	151,255	(15,041)	91,600	0	91,637	86,669	91,632	92,948	92,977	87,466	87,483
OTHER EXPENSES	40,585	54,863	68,682	34,728	66,525	42,498	57,386	59,519	47,311	52,680	57,837	40,566
DEPRECIATION	175,392	169,238	169,238	168,921	87,475	168,921	169,492	169,388	206,168	206,733	180,369	180,567
TOTAL OPERATING EXPENSES	2,068,922	2,011,789	1,952,905	1,911,026	2,603,355	2,091,275	2,129,599	2,047,088	2,190,710	2,024,627	2,087,083	2,007,494
OPERATING INCOME / (LOSS)	130,633	(611,127)	(437,617)	(406,384)	289,847	(442,900)	(470,093)	(363,751)	(223,508)	(178,274)	(481,455)	(450,458)
NON-OPERATING REVENUE	417,106	415,131	417,420	417,259	643,030	452,524	450,464	455,330	450,711	451,790	455,536	447,867
NET GAIN/(LOSS)	547,739	(195,996)	(20,197)	10,876	932,877	9,624	(19,629)	91,579	227,203	273,517	(25,919)	(2,591)

**Board of Directors Financial Report
Notes to Financial Statements
April 2020**

OVERALL CFO SUMMARY:

The hospital and clinic experienced revenue losses due to COVID-19, which resulted in a significant decrease in clinic, ER, rehab therapy, and other outpatient visits, including elective surgeries, which we were required to cancel. We have received funding to help offset lost revenue and increased costs. In April, we received the following amounts related to COVID-19 (these are reflected in Other Revenue):

HHS Stimulus - Round 1	\$232,029
HHS Stimulus - Round 2	\$78,351
TX Dept of Ag - SHIP COVID Grant	<u>\$84,317</u>
Total COVID-19 Funding	<u>\$394,698</u>

We applied for and received SBA Payroll Protection Program funds in May and also received another round of funding from HHS specifically for rural hospitals and clinics. Both of these amounts will be reflected in the May financials, but, I wanted to go ahead and let you know to keep you updated. We are working to stay up with all of the requirements related to this funding and are tracking estimated revenues losses and increased expenses.

INCOME STATEMENT:

- Inpatient revenue for the month was below prior year but slightly higher than budget. For the year, it is above prior year but below budget.
- Outpatient revenue for the year remains higher than budget and prior year. Monthly totals are below budget and prior year.
- Clinic revenue for the month and year are below prior year and budgeted amounts.
- Medicaid Supplemental Payments reflect net disproportionate share funds of \$13,766 that were received during the month. These amounts are below prior year and budget amounts.
- Gross patient revenue for the month was below budget and prior year. Annual amounts are above budget but below prior year.
- Deductions from revenue were below budget and prior year for the month. Year-to-date totals are above budget, but below prior year.
- Net patient revenue for the month was below budget and prior year, and also below yearly budget amounts, but, higher than prior year-to-date.
- Other revenue, which includes COVID-19 stimulus and grant funding (\$394,698), tobacco settlement funds (\$95,198), as well as EMS/Trauma funding, meals, medical records, rent income, and 340B program revenue was higher than budgeted and prior year totals for the month. For the year, these amounts are above budget, but slightly below prior year.

- Total operating revenue for the month was \$1,557,037, which was below budget and prior year monthly amounts. For the year, operating revenue is above budget and prior year.
- Salaries and wages for the month were above budget and prior year. These expenses are below budget and prior year amounts for the fiscal year-to-date.
- Employee benefits, which includes FICA, retirement, and employee health insurance, were below prior year numbers and budgeted amounts for the month and year. Decreased employee health insurance claims have helped bring down these costs. Also, we received tax credits for employees that were out on COVID-19 leave due to illness or being quarantined. This reduced our employment tax expense.
- Professional fees and purchased services include physician fees for the clinic, the hospitalist program, surgery call and emergency room coverage, contract labor (CFO), reference lab, radiology services, contract nursing, pharmacy management and collection fees for the Ni2 Contract. These expenses were below prior year and budget for the month and above budget and prior year amounts for year.
- Supplies for the month were lower than budgeted and prior year. Year-to-date totals are above budget and prior year.
- Utilities and telephone expenses were below budget and prior year for both the month and year.
- Training and education expenses are below budget and prior year for the month and year
- Repairs and maintenance costs for the month were above budget and prior year month, and also higher compared to prior year-to-date totals, but below budget for year.
- Service contracts expenses for the month were higher than prior year amounts, but, slightly lower than budget. For the year, these expenses are below budget and prior year.
- Insurance expenses for the month were below budget but higher than prior year. Year-to-date totals are above budget and prior year.
- Interest expense was below budget and prior year for the month and higher than budget and prior year for the year.
- Other expenses include marketing/advertising, dues/license fees, election expenses, service charges and 340B administration fees. These expenses were below prior year monthly totals, but, above budget for the month and year.
- Operating expenses, which totaled \$2,007,494, are below prior year and budgeted numbers for the month and fiscal year.
- Non-operating revenue, including tax revenue, interest and penalties, was above prior year, but slightly below budget for the month. Yearly amounts are above budget and prior year.
- The hospital had a net loss of \$2,591 for the month. For the year, the hospital has a net gain of \$553,784, which is above budget and higher than last year's bottom line, which showed a net loss of \$188,066.

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED APRIL 30, 2020**

	CURRENT MONTH 4/30/2020	PRIOR YEAR 4/30/2019	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,228,903	8,053,903	2,175,000
Gross Patient Accounts Receivable	9,043,414	8,547,170	496,244
Less: Estimated Allowance Accounts	<u>(7,290,064)</u>	<u>(8,040,822)</u>	<u>750,759</u>
Net Patient Accounts Receivable	1,753,351	506,348	1,247,003
Estimated Third Party Receivable	72,655	486,243	(413,588)
Supplemental Medicaid Payments Receivable	32,230	272,229	(239,998)
Other Receivables	15,201	(696,318)	711,520
Taxes Receivable	271,481	242,632	28,850
Inventories	448,046	335,822	112,224
Prepaid Expenses	<u>419,981</u>	<u>1,221,088</u>	<u>(801,108)</u>
TOTAL CURRENT ASSETS	13,241,849	10,421,947	2,819,902
NON-CURRENT ASSETS			
Investment in THIE	201,662	219,903	(18,241)
Capital Assets, Net	25,522,192	27,252,147	(1,729,955)
TOTAL NON-CURRENT ASSETS	25,723,854	27,472,050	(1,748,196)
TOTAL ASSETS	38,965,703	37,893,997	1,071,706
Deferred Outflows of Resources, Pension Plan	1,051,186	258,010	793,176
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>40,016,889</u>	<u>38,152,007</u>	<u>1,864,882</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	270,891	683,999	(413,108)
Accrued Compensation and Related Liabilities	819,098	775,955	43,144
Accrued Interest	174,879	161,606	13,273
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	2,251,329	2,074,394	176,936
Net Pension Liability	666,901	(594,291)	1,261,192
Deferred Inflow Resources	83,315	341,992	(258,677)
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>0</u>	<u>780,000</u>
TOTAL CURRENT LIABILITIES	5,046,414	3,443,655	1,602,760
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	23,828,306	(1,567,599)
TOTAL LIABILITIES	27,307,121	27,271,961	35,161
YEAR TO DATE EARNINGS	554,415	(188,066)	742,481
RETAINED EARNINGS	12,155,343	11,068,113	1,087,231
TOTAL RETAINED EARNINGS	12,709,758	10,880,046	1,829,712
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>40,016,880</u>	<u>38,152,007</u>	<u>1,864,872</u>

**HEREFORD REGIONAL MEDICAL CENTER
BALANCE SHEET
FOR MONTH ENDED APRIL 30, 2020**

	CURRENT MONTH 4/30/2020	PRIOR MONTH 3/31/2020	VARIANCE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	10,228,903	10,882,852	(653,948)
Gross Patient Accounts Receivable	9,043,414	9,445,978	(402,564)
Less: Estimated Allowance Accounts	<u>(7,290,064)</u>	<u>(7,377,669)</u>	87,605
Net Patient Accounts Receivable	1,753,351	2,068,310	(314,959)
Estimated Third Party Receivable	72,655	489,955	(417,300)
Supplemental Medicaid Payments Receivable	32,230	32,230	0
Other Receivables	15,201	26,101	(10,900)
Taxes Receivable	271,481	296,695	(25,214)
Inventories	448,046	444,010	4,037
Prepaid Expenses	<u>419,981</u>	<u>338,849</u>	<u>81,131</u>
TOTAL CURRENT ASSETS	13,241,849	14,579,003	(1,337,153)
NON-CURRENT ASSETS			
Investment in THIE	201,662	201,662	0
Capital Assets, Net	25,522,192	24,965,895	556,297
TOTAL NON-CURRENT ASSETS	25,723,854	25,167,557	556,297
TOTAL ASSETS	38,965,703	39,746,560	(780,857)
Deferred Outflows of Resources, Pension Plan	1,051,186	1,051,186	0
TOTAL ASSETS AND DEFERED OUTFLOW OF RESOURCES	<u>40,016,889</u>	<u>40,797,746</u>	<u>(780,857)</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	270,891	480,529	(209,637)
Accrued Compensation and Related Liabilities	819,098	1,025,532	(206,433)
Accrued Interest	174,879	87,440	87,440
Due to Third Parties	0	0	0
Deferred Property Tax Revenue	2,251,329	2,701,595	(450,266)
Net Pension Liability	666,901	666,901	0
Deferred Inflow Resources	83,315	83,315	0
Current Maturities of Long-Term Debt	<u>780,000</u>	<u>780,000</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	5,046,414	5,825,311	(778,897)
LONG-TERM DEBT, LESS CURRENT MATURITIES	22,260,707	22,260,707	0
TOTAL LIABILITIES	27,307,121	28,086,018	(778,897)
YEAR TO DATE EARNINGS	554,415	556,374	(1,960)
RETAINED EARNINGS	12,155,343	12,155,343	0
TOTAL RETAINED EARNINGS	12,709,758	12,711,718	(1,960)
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>40,016,880</u>	<u>40,797,736</u>	<u>(780,857)</u>

BALANCE SHEET:

- Cash and cash equivalents totaled \$10,228,903 at the end of the month, which is a decrease of \$653,948 from prior month and an increase of \$2,175,000 from prior year.
- Gross Patient Accounts Receivable decreased by \$402,564 from prior month and is \$496,244 higher than prior year.
- Net Patient Receivables decreased from prior month by \$314,959, but, are \$1,247,003 higher than prior year.
- The hospital received \$417,300 for the 2019 Medicare cost report settlement, which decreased this receivable. The estimated third-party receivable of \$72,655 is the estimated amount that is still due from the prior year Medicare cost report.
- Other Receivables is rent receivable and the net amount of various employee payroll deductions.
- Taxes Receivable reflects the outstanding ad valorem taxes we expect to receive this year. The decrease in property tax receivables for the month reflect amounts collected this month.
- Prepaid expenses include insurance, service contracts and tax collection expenses.
- Inventory at month end totaled \$448,046, an increase of \$4,037 from prior month.
- Net Capital Assets represent Property, Plant & Equipment net of accumulated depreciation. The hospital made a payment of \$725,000 on the roof, which increased capital assets and decreased cash.
- Accounts Payable includes outstanding expenses due and accrued expenses.
- Accrued compensation and related liabilities include wages, taxes, retirement and PTO liability.
- Accrued interest is bond interest payable at month end. The next semi-annual bond payment is due on 9/1/2020.
- The items for Net Pension Liability and Deferred Inflow of Resources pertain to our retirement liability and will only be changed once each year after our annual audit. The changes to these accounts have been recorded per the audit.
- Current maturities of long-term debt of \$780,000 is the amount that is to be paid within the next twelve months and is considered a current liability.
- Long-term debt, less current, reflects the outstanding amount due on the bonds.

HEREFORD REGIONAL MEDICAL CENTER
 HEREFORD HEALTH CLINIC
 ANALYSIS OF ACCOUNTS RECEIVABLE
 AS OF 04/30/2020

HOSPITAL																
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+		TOTAL	
BCBS	\$ 194,420		\$ 24,843		\$ 7,727		\$ 2,430		\$ 644		\$ 1,291		\$ 2,773		\$ 234,128	3%
COMMERCIAL	\$ 446,702		\$ 122,961		\$ 186,666		\$ 71,134		\$ 31,919		\$ 24,735		\$ 187,581		\$ 1,071,698	13%
MEDICARE	\$ 323,168		\$ 56,448		\$ 60,049		\$ 14,555		\$ 270		\$ 402		\$ 15,536		\$ 470,428	6%
MEDICARE MGD	\$ 125,339		\$ 23,680		\$ 39,003		\$ 18,987		\$ 6,109		\$ 4,110		\$ 25,571		\$ 242,799	3%
MEDICAID	\$ 84,189		\$ 22,363		\$ 4,190		\$ 8,744		\$ 7,166		\$ 9		\$ 59,316		\$ 185,977	2%
MEDICAID MGD	\$ 292,102		\$ 69,124		\$ 18,102		\$ 12,087		\$ 22,010		\$ 38,221		\$ 143,365		\$ 595,011	7%
SELF PAY	\$ 717,248		\$ 773,694		\$ 654,867		\$ 816,347		\$ 352,953		\$ 171,412		\$ 1,938,880		\$ 5,425,402	66%
TOTALS	\$ 2,183,168	27%	\$ 1,093,113	13%	\$ 970,604	12%	\$ 944,284	11%	\$ 421,071	5%	\$ 240,180	3%	\$ 2,373,022	29%	\$ 8,225,441	

CLINIC																
	0 - 30		31 - 60		61 - 90		91 - 120		121 - 150		151 - 180		181+		TOTAL	
BCBS	\$ 27,984		\$ 3,672		\$ 774		\$ 1,294		\$ 108		\$ 182		\$ 4,013		\$ 38,027	6%
COMMERCIAL	\$ 73,146		\$ 25,974		\$ 13,444		\$ 12,685		\$ 3,885		\$ 2,177		\$ 23,346		\$ 154,657	23%
MEDICARE	\$ 34,759		\$ 2,948		\$ 2,613		\$ 1,706		\$ 510		\$ 346		\$ 1,027		\$ 43,909	7%
MEDICARE MGD	\$ 10,430		\$ 1,342		\$ 449		\$ 436		\$ 331		\$ 109		\$ 363		\$ 13,460	2%
MEDICAID	\$ 7,690		\$ 1,637		\$ 736		\$ 571		\$ 464		\$ 1,096		\$ (347)		\$ 11,847	2%
MEDICAID MGD	\$ 44,268		\$ 4,835		\$ 5,059		\$ 2,307		\$ 2,673		\$ 3,016		\$ 41,423		\$ 103,581	16%
SELF PAY	\$ 57,230		\$ 48,096		\$ 46,840		\$ 53,980		\$ 42,556		\$ 11,891		\$ 35,925		\$ 296,518	45%
TOTALS	\$ 255,507	39%	\$ 88,504	13%	\$ 74,724	11%	\$ 72,979	11%	\$ 50,527	8%	\$ 18,817	3%	\$ 105,750	16%	\$ 661,999	

0.00

HOSPITAL	\$ 8,225,441
CLINIC	\$ 661,999
TOTAL AR	\$ 8,887,440

**HEREFORD REGIONAL MEDICAL CENTER
CREDENTIALING LIST
March 2020**

Physician Initial or Reappointment

Initial Appointment

Provisional Status

Lang, John, MD – Emergency Medicine – (Red Flag)

Stewart, Holly, MD – Emergency Medicine

Trevino, Jaime, MD – Emergency Medicine

Reappointment

Active Status

Courtesy Status

Elhardt, Mary, MD – Emergency Medicine

Kanase, Padmaneeel, MD – Emergency Medicine

Shokr, Aiman, MD – Emergency Medicine

Consulting Status

Advancement

Kizzaart, Jerome, MD – Emergency Medicine

Rhodes, Helen, MD – Emergency Medicine

Thetford, David, DO – Emergency Medicine

Voluntary Resignations

Allied Health Initial or Reappointment

Initial Appointment

Provisional

Reappointment

Advancement

Flores, Elisa, NP – Nurse Practitioner

Jones, Lauren, NP -Nurse Practitioner

Voluntary Resignations

**HEREFORD REGIONAL MEDICAL CENTER
CREDENTIALING LIST
April 2020**

Physician Initial or Reappointment

Initial Appointment

Provisional Status

Attia, Khaled, MD – Emergency Medicine

Reappointment

Active Status

Rohm, Trevor, MD – Family Practice

Courtesy Status

Shamsi, Tariq, MD – Emergency Medicine

Consulting Status

Mehta, Nilay, MD - Radiology

Advancement

Voluntary Resignations

Duran, Guadalupe, MD – Emergency Medicine

Fernando, Victoria, MD – Emergency Medicine

Patterson, Jeffrey, MD – Emergency Medicine

Scott, Sheyenne, MD – Emergency Medicine

Allied Health Initial or Reappointment

Initial Appointment

Provisional

Reappointment

Vogler, Phillip, PA - Radiology

Advancement

Voluntary Resignations

**HEREFORD REGIONAL MEDICAL CENTER
CREDENTIALING LIST
May 2020**

Physician Initial or Reappointment

Initial Appointment

Provisional Status

Cassuto, James, MD – Radiology

Lennard, Luke, MD - Radiology

Reappointment

Active Status

Courtesy Status

Consulting Status

Advancement

Poage, Frederick, MD – Emergency Medicine

Voluntary Resignations

Flores, Michael, MD – Family Practice

Allied Health Initial or Reappointment

Initial Appointment

Provisional

Bhakta, Pranav, PA – Physician Assistant – Radiology

Giles, Thomas, PA – Physician Assistant – Radiology

Hardie, Mary, CRNA – Nurse Anesthetist

Reappointment

Seals, Nathin, PA – Physician Assistant

Advancement

Voluntary Resignations