

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2018

Open to Public
Inspection

Form **990**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

A For the **2018** calendar year, or tax year beginning **2018**, and ending **20**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization COMMUNITY MEMORIAL HEALTH SYSTEM			D Employer identification number 95-1683892		
	Doing Business As					
	Number and street (or P.O. box if mail is not delivered to street address) 147 NORTH BRENT STREET		Room/suite	E Telephone number (805) 652-5050		
	City or town, state or province, country, and ZIP or foreign postal code VENTURA, CA 93003			G Gross receipts \$ 558,178,694.		
F Name and address of principal officer: GARY K. WILDE 147 NORTH BRENT STREET, VENTURA, CA 93003			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(c) Group exemption number ▶			
J Website: ▶ WWW.CMHSHEALTH.ORG						
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1933		M State of legal domicile: CA	

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>TO HEAL, COMFORT AND PROMOTE HEALTH FOR THE COMMUNITIES WE SERVE.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	19.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17.
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	2,784.
	6	Total number of volunteers (estimate if necessary)	6	238.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	10,426.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	3,460,349.	1,434,386.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	393,872,009.	420,401,994.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,931,718.	14,783,698.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,906,194.	2,287,751.
	12		403,170,270.	438,907,829.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	279,852.	469,935.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	197,856,337.	209,975,064.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	187,136,670.	195,400,260.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	385,272,859.	405,845,259.	
19	Revenue less expenses. Subtract line 18 from line 12	17,897,411.	33,062,570.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	891,045,522.	891,012,146.
	22	Net assets or fund balances. Subtract line 21 from line 20	429,322,391.	418,854,930.
22		461,723,131.	472,157,216.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer Date 11/11/19
	Type or print name and title David B. Glycer, CFO

Paid Preparer Use Only	Print/Type preparer's name JOCELYNE MILLER	Preparer's signature 	Date 11/07/19	Check <input type="checkbox"/> if self-employed	PTIN P00634378
	Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596	
	Firm's address ▶ 4365 EXECUTIVE DRIVE, SUITE 1600 SAN DIEGO, CA 92121			Phone no. 858-535-7200	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2018)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 367,769,258. including grants of \$ 0.) (Revenue \$ 420,100,901.)

PATIENT SERVICES TO INCLUDE 74,260 PATIENT DAYS, 215,951 OUTPATIENT VISITS, AND 265,358 VISITS TO THE CENTERS FOR FAMILY HEALTH (THE HEALTHCARE SYSTEM'S OUTPATIENT CARE CLINICS). SEE SCHEDULE O.

4b (Code:) (Expenses \$ 939,066. including grants of \$ 469,935.) (Revenue \$ 0.)

COMMUNITY OUTREACH PROGRAMS INCLUDE: FREE BLOOD PRESSURE CHECKS; CANCER RESOURCE CENTER AND SUPPORT GROUPS; HEART-AWARE PROGRAM THAT PROVIDES FREE RISK EVALUATION, PREVENTATIVE INFORMATION AND RESOURCES. SEE SCHEDULE O.

4c (Code:) (Expenses \$ 2,623,048. including grants of \$ 0.) (Revenue \$ 0.)

IT IS THE GOAL OF CMHS TO PROMOTE THE HEALTH OF THE COMMUNITY BY FOCUSING ON COMMUNITY EDUCATION OUTREACH, ACCESS TO CARE, UNCOMPENSATED AND UNDER-FUNDED CARE, AND SPONSORSHIP OF COMMUNITY RESOURCES. SEE SCHEDULE O.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 0. including grants of \$ 0.) (Revenue \$ 0.)

4e Total program service expenses 371,331,372.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?.		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions).		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	X	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 covering various IRS schedule requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V. []

Table with 3 columns: Question, Yes, No. Rows 1a-1c regarding Form 1096, W-2G forms, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 2,784		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d _____		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a _____		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b _____		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a _____		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b _____		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12a _____		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b _____		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 13a _____ Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b _____		
c	Enter the amount of reserves on hand 13c _____		
14a	Did the organization receive any payments for indoor tanning services during the tax year? 14a _____		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O 14b _____		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? 15 _____ If "Yes," see instructions and file Form 4720, Schedule N.	X	
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O. 16 _____		X

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (19), 1b (17), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA,
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1)JEFFREY BRACKET MD BOARD MEMBER	1.00 0.	X					16,385.	0.	0.	
(2)MICHAEL BRADBURY BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(3)LAMAR BUSHNELL MD BOARD MEMBER	1.00 0.	X					50,000.	0.	0.	
(4)DAVID FUKUTOMI BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(5)TIMOTHY GALLAGHER BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(6)JOHN HAMMER BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(7)JOHN HILL MD BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(8)LYDIA HOPPS BOARD MEMBER	1.00 1.00	X					0.	0.	0.	
(9)WILLIAM KEARNEY VICE CHAIR	1.00 1.00	X		X			0.	0.	0.	
(10)EDIE MARSHALL BOARD MEMBER	1.00 26.00	X					0.	0.	0.	
(11)F. TED MUEGENBURG JR. SECRETARY	1.00 0.	X		X			0.	0.	0.	
(12)JEFFREY PAUL BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(13)HELEN PETROFF MD BOARD MEMBER	1.00 0.	X					0.	0.	0.	
(14)MARTIN POPS MD BOARD MEMBER	1.00 0.	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) RICHARD RUSH MD CHAIR	1.00 0.	X		X				0.	0.	0.
(16) JOHN RUSSELL BOARD MEMBER	1.00 0.	X						0.	0.	0.
(17) ROY SCHNEIDER MD BOARD MEMBER	1.00 0.	X						0.	0.	0.
(18) GREGORY SMITH BOARD MEMBER	1.00 0.	X						0.	0.	0.
(19) GARY WOLFE TREASURER	1.00 0.	X		X				0.	0.	0.
(20) FRITZ HUNTSINGER BOARD MEMBER (END 3/18)	1.00 0.	X						0.	0.	0.
(21) DAVID GLYER CFO	40.00 0.			X				432,673.	0.	130,249.
(22) GARY K. WILDE PRESIDENT & CFO	32.00 8.00			X				1,056,659.	0.	571,998.
(23) CYNTHIA FAHEY CNO	40.00 0.				X			268,112.	0.	64,862.
(24) STANLEY FROCHTZWAJG CMO, INPATIENT	40.00 0.				X			495,208.	0.	101,113.
(25) WILFRED GARAND VP PLANNING & MANAGED CARE	40.00 0.				X			272,681.	0.	83,834.
1b Sub-total								66,385.	0.	0.
c Total from continuation sheets to Part VII, Section A								7,365,969.	0.	1,888,716.
d Total (add lines 1b and 1c)								7,432,354.	0.	1,888,716.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶ 480**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 87**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) DIANY KLEIN ----- VP HUMAN RESOURCES	40.00 0.				X			364,380.	0.	137,772.
(27) HAADY LASHKARI ----- CHIEF ADMIN OFF OJAI/VP CMH	40.00 0.				X			247,457.	0.	129,608.
(28) EMILIE RAYMAN ----- COMPLIANCE OFFICER	40.00 0.				X			324,724.	0.	74,607.
(29) RICHARD REISMAN ----- VP AMBULATORY MEDICINE	36.00 0.				X			244,543.	0.	7,300.
(30) ANTHONY RUSSELL ----- CAO AMBULATORY MEDICINE	40.00 0.				X			358,669.	0.	86,703.
(31) SAMUEL SMALL ----- CHIEF OF MEDICAL EDUCATION	40.00 0.				X			779,194.	0.	130,318.
(32) ADAM THUNELL ----- VP OPERATIONS	40.00 0.				X			388,638.	0.	173,286.
(33) RONALD SANDIFER ----- CIO	40.00 0.				X			435,768.	0.	0.
(34) CYNTHIA DEMOTTE ----- VP QUALITY	40.00 0.				X			212,854.	0.	72,861.
(35) MICHAEL ELLINGSON ----- VP MARKETING & DEVELOPMENT	32.00 8.00				X			275,430.	0.	63,546.
(36) KEITH MCWILLIAMS ----- DIRECTOR-INFORMATION SYSTEMS	40.00 0.					X		253,744.	0.	17,168.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 480

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII X

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d	115,256.					
	e Government grants (contributions)	1e	43,787.					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,275,343.					
	g Noncash contributions included in lines 1a-1f: \$		250,996.					
	h Total. Add lines 1a-1f			1,434,386.				
	Program Service Revenue				Business Code			
2a NET PATIENT SVC REVENUE			621500	378,433,804.	378,433,804.			
b MEDI-CAL SUPPLEMENTAL PAYMENTS			621500	35,518,314.	35,518,314.			
c CAFETERIA REVENUE			722210	2,393,693.	2,393,693.			
d BREAST/PROSTATE CENTER			900099	1,556,419.	1,556,419.			
e HEALTHCARE SVC RENTAL INC			532000	1,548,126.	1,548,126.			
f All other program service revenue				951,638.	951,638.			
g Total. Add lines 2a-2f				420,401,994.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts).			3,534,549.			3,534,549.	
	4 Income from investment of tax-exempt bond proceeds			0.				
	5 Royalties			0.				
	6a Gross rents		(i) Real	11,582.				
		b Less: rental expenses		(ii) Personal				
					345,828.			
					-334,246.			
	d Net rental income or (loss)			-334,246.			-334,246.	
	7a Gross amount from sales of assets other than inventory		(i) Securities	130,174,186.				
		b Less: cost or other basis and sales expenses		(ii) Other				
					118,925,037.			
					11,249,149.			
	d Net gain or (loss)			11,249,149.			11,249,149.	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a							
		b Less: direct expenses b						
c Net income or (loss) from fundraising events				0.				
9a Gross income from gaming activities. See Part IV, line 19 a								
	b Less: direct expenses b							
	c Net income or (loss) from gaming activities			0.				
10a Gross sales of inventory, less returns and allowances a								
	b Less: cost of goods sold b							
	c Net income or (loss) from sales of inventory			0.				
Miscellaneous Revenue			Business Code					
11a REBATES/REFUNDS			900099	1,344,695.			1,344,695.	
	b BUSINESS INTEREST INCOME		900099	643,354.			643,354.	
	c INSURANCE SETTLEMENT		900099	620,417.			620,417.	
	d All other revenue			13,531.		10,426.	3,105.	
e Total. Add lines 11a-11d				2,621,997.				
12 Total revenue. See instructions.				438,907,829.	420,401,994.	10,426.	17,061,023.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Table with 5 columns: (A) Total expenses, (B) Program service expenses, (C) Management and general expenses, (D) Fundraising expenses. Rows include categories like Grants, Salaries, Pension, Advertising, etc.

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0.	1	0.
	2 Savings and temporary cash investments	25,240,214.	2	18,396,713.
	3 Pledges and grants receivable, net	0.	3	0.
	4 Accounts receivable, net	54,786,966.	4	56,547,380.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	43,715,265.	7	49,648,431.
	8 Inventories for sale or use	10,325,912.	8	10,165,825.
	9 Prepaid expenses and deferred charges	8,694,255.	9	9,017,240.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 727,025,515.		
	b Less: accumulated depreciation	10b 142,719,273.	533,094,676.	10c 584,306,242.
	11 Investments - publicly traded securities	124,131,092.	11	87,990,936.
	12 Investments - other securities. See Part IV, line 11	11,633,195.	12	11,348,966.
	13 Investments - program-related. See Part IV, line 11	8,002,566.	13	8,039,370.
	14 Intangible assets	0.	14	0.
	15 Other assets. See Part IV, line 11	71,421,381.	15	55,551,043.
16 Total assets. Add lines 1 through 15 (must equal line 34)	891,045,522.	16	891,012,146.	
Liabilities	17 Accounts payable and accrued expenses	89,055,771.	17	83,372,619.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	0.	19	0.
	20 Tax-exempt bond liabilities	325,673,851.	20	320,090,433.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	5,610,000.	23	6,955,525.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	8,982,769.	25	8,436,353.
	26 Total liabilities. Add lines 17 through 25	429,322,391.	26	418,854,930.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	456,689,739.	27	469,204,808.
	28 Temporarily restricted net assets	5,033,392.	28	2,952,408.
	29 Permanently restricted net assets	0.	29	0.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	461,723,131.	33	472,157,216.
	34 Total liabilities and net assets/fund balances	891,045,522.	34	891,012,146.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	438,907,829.
2	Total expenses (must equal Part IX, column (A), line 25)	2	405,845,259.
3	Revenue less expenses. Subtract line 2 from line 1	3	33,062,570.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	461,723,131.
5	Net unrealized gains (losses) on investments	5	-21,354,254.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,274,231.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	472,157,216.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

	(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
				Yes	No		
(A)							
(B)							
(C)							
(D)							
(E)							
Total							

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2018

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3.						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10.						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
b 33 1/3% support test - 2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
 If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5.						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources.						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)),	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .

b 33 1/3% support tests - 2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11 a	
b A family member of a person described in (a) above?	11 b	
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>	11 c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b		
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required - explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Schedule of Contributors

2018

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
--	--

Organization type (check one):

Filers of:

Section:

- Form 990 or 990-EZ 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **COMMUNITY MEMORIAL HEALTH SYSTEM**

Employer identification number
95-1683892

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 250,996.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6		\$ 566,226.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **COMMUNITY MEMORIAL HEALTH SYSTEM**

Employer identification number

95-1683892

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
8	SHARES OF STOCK IN VARIOUS COMPANIES	\$ 250,996.	06/28/2018

Name of organization **COMMUNITY MEMORIAL HEALTH SYSTEM**

Employer identification number
95-1683892

Part III **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____		_____	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2018

Open to Public Inspection

For Organizations Exempt From Income Tax Under section 501(c) and section 527

- ▶ **Complete if the organization is described below.**
- ▶ **Attach to Form 990 or Form 990-EZ.**
- ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ _____
- 3 Volunteer hours for political campaign activities (see instructions)

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2018

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a. If zero or less, enter -0-															
i Subtract line 1f from line 1c. If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

Table with 3 main columns: Description, (a) Yes/No, and (b) Amount. Rows include questions about lobbying activities like volunteers, paid staff, media, mailings, etc., with a total amount of 69,089.

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

Table with 3 columns: Question, Yes, No. Questions include: Were substantially all dues received nondeductible? Did the organization make only in-house lobbying expenditures of \$2,000 or less? Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

Table with 2 main columns: Question and Amount. Questions include: Dues, assessments and similar amounts from members; Section 162(e) nondeductible lobbying and political expenditures; Aggregate amount reported in section 6033(e)(1)(A) notices; and Taxable amount of lobbying and political expenditures.

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Blank lines for providing supplemental information as required by the instructions.

Part IV Supplemental Information *(continued)*

SCHEDULE C, PART II-B, LINE 1

LOBBYING ACTIVITIES

THE ORGANIZATION IS A MEMBER OF THE HOSPITAL ASSOCIATION OF SOUTHERN CALIFORNIA AND THE AMERICAN HOSPITAL ASSOCIATION. IN 2018, \$234,925 WAS INCLUDED IN EXPENSES FOR ANNUAL MEMBERSHIP DUES, A PORTION OF WHICH IS DIRECTED BY THESE ORGANIZATIONS TO CONDUCT LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

Employer identification number

COMMUNITY MEMORIAL HEALTH SYSTEM

95-1683892

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (Sub-rows: a Total number of conservation easements, b Total acreage restricted by conservation easements, c Number of conservation easements on a certified historic structure included in (a), d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ _____ %
 - b** Permanent endowment ▶ _____ %
 - c** Temporarily restricted endowment ▶ _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |

- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		43,514,613.		43,514,613.
b Buildings		474,422,110.	75,197,362.	399,224,748.
c Leasehold improvements				
d Equipment		170,581,417.	67,521,911.	103,059,506.
e Other		38,507,375.		38,507,375.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				584,306,242.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CONSTRUCTION FUNDS	32,222,665.
(2) ASSETS LIMITED TO USE	9,643,403.
(3) DEPOSITS WITH INSURANCE CO	6,784,900.
(4) DUE FROM THIRD PARTIES	4,949,200.
(5) OTHER ASSETS	1,950,875.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	55,551,043.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SELF-INSURANCE LIABILITIES	6,223,479.
(3) OTHER LIABILITIES	2,212,874.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,436,353.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (2e, 3, 4c, 5).

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (2e, 3, 4c, 5).

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information (continued)

FIN 48 (ASC 740) FOOTNOTE

THE FOLLOWING FOOTNOTE IS FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF COMMUNITY MEMORIAL HEALTH SYSTEM:

THE SYSTEM ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF ASC 740, INCOME TAXES, WHICH PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE CONSOLIDATED FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. UNDER ASC 740, THE TAX BENEFIT FROM UNCERTAIN TAX POSITIONS MAY BE RECOGNIZED ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED, BASED SOLELY ON ITS TECHNICAL MERITS, WITH THE TAXING AUTHORITY HAVING FULL KNOWLEDGE OF ALL RELEVANT INFORMATION. THE SYSTEM RECORDS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS FROM UNCERTAIN TAX POSITIONS AS DISCRETE TAX ADJUSTMENTS IN THE FIRST INTERIM PERIOD THAT THE MORE-LIKELY-THAN-NOT THRESHOLD IS NOT MET. THE SYSTEM RECOGNIZES DEFERRED TAX ASSETS AND LIABILITIES FOR TEMPORARY DIFFERENCES BETWEEN THE FINANCIAL REPORTING BASIS AND THE TAX BASIS OF ITS ASSETS AND LIABILITIES ALONG WITH NET OPERATING LOSS AND TAX CREDIT CARRYOVERS FOR TAX POSITIONS THAT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION CRITERIA. THE SYSTEM COMPLETED AN ANALYSIS OF ITS TAX POSITION, IN ACCORDANCE WITH ASC 740, AND DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN. NO SIGNIFICANT TAX LIABILITY FOR UNRECOGNIZED TAX BENEFITS, INTEREST, OR PENALTIES WAS ACCRUED AS OF DECEMBER 31, 2018 OR 2017. THE SYSTEM IS SUBJECT TO ROUTINE AUDITS BY THE TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS. THE SYSTEM BELIEVES IT IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO 2014.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2018

Open to Public Inspection

▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>700.0000</u> %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		X
6b If "Yes," did the organization make it available to the public?		

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,296,906.		1,296,906.	.32
b Medicaid (from Worksheet 3, column a)			90,438,491.	81,942,827.	8,495,664.	2.09
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			91,735,397.	81,942,827.	9,792,570.	2.41
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,405,370.		1,405,370.	.35
f Health professions education (from Worksheet 5)			10,487,945.	3,150,037.	7,337,908.	1.81
g Subsidized health services (from Worksheet 6)			43,097,460.	34,699,351.	8,398,109.	2.07
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			469,935.		469,935.	.12
j Total. Other Benefits			55,460,710.	37,849,388.	17,611,322.	4.35
k Total. Add lines 7d and 7j			147,196,107.	119,792,215.	27,403,892.	6.76

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule H (Form 990) 2018

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			640,186.		640,186.	.16
9 Other						
10 Total			640,186.		640,186.	.16

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	78,240,454.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	90,180,168.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-11,939,714.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 SEE PART VI	IMAGING CENTER	51.00000		49.00000
2 SEE PART VI	MANAGEMENT SERVICES	50.00000		50.00000
3 SEE PART VI	REAL ESTATE	69.25000		30.75000
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 2

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 COMMUNITY MEMORIAL HOSPITAL 147 NORTH BRENT STREET VENTURA CA 93003 WWW.CMHSHEALTH.ORG 050000026	X	X		X			X			A
2 OJAI VALLEY COMMUNITY HOSPITAL 1306 MARICOPA HWY OJAI CA 93023 WWW.CMHSHEALTH.ORG 050000045	X	X		X	X		X			A
3										
4										
5										
6										
7										
8										
9										
10										

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group A

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1&2

Community Health Needs Assessment

Table with 3 columns: Question, Yes, No. Rows include questions 1 through 12c regarding hospital facility licensing, CHNA completion, and implementation strategies.

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group A

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0000</u> % and FPG family income limit for eligibility for discounted care of <u>700.0000</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	X	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input checked="" type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group A

		Yes	No
17	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d	<input type="checkbox"/> Actions that require a legal or judicial process		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
f	<input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d	<input type="checkbox"/> Actions that require a legal or judicial process		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a	<input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b	<input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c	<input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d	<input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e	<input type="checkbox"/> Other (describe in Section C)		
f	<input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If "No," indicate why:			
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

Name of hospital facility or letter of facility reporting group A

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.		X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.		X

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PART V, SECTION B, LINE 3E

THE SIGNIFICANT HEALTH NEEDS ARE A PRIORITIZED DESCRIPTION OF THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY AND IDENTIFIED THROUGH THE CHNA.

PART V, SECTION B, LINE 5

COMMUNITY MEMORIAL HEALTH SYSTEM (CMHS) CONDUCTED ITS MOST RECENT CHNA THROUGH A COORDINATED EFFORT WITH ITS PARTNERS AT THE VENTURA COUNTY DEPARTMENT OF PUBLIC HEALTH AND KAISER HEALTH PLAN, FOUNDATION HOSPITALS, AND THE PERMANENTE MEDICAL GROUP. CMHS ALSO HOSTED STRATEGIC FOCUS GROUPS FOR COMMUNITY ORGANIZATIONS WITH VALUABLE INSIGHT AND RELEVANT INFLUENCE IN THE LOCAL AND REGIONAL HEALTHCARE LANDSCAPE. THESE GROUPS INCLUDED HELP OF OJAI, LOS ROBLES HOME CARE, CLINICAS DEL CAMINO REAL, VENTURA COUNTY AREA AGENCY ON AGING, CALIFORNIA SENIOR LIVING, CAMARILLO HEALTHCARE DISTRICT, AND SEAVIEW IPA. FOCUS GROUP SESSIONS TOOK PLACE AT COMMUNITY MEMORIAL HOSPITAL AND OJAI VALLEY COMMUNITY HOSPITAL IN OCTOBER 2016 AND INCLUDED REPRESENTATION FROM A NUMBER OF OTHER NON-PROFIT AND HEALTHCARE ORGANIZATIONS.

PART V, SECTION B, LINES 6A AND 6B

IN CONDUCTING ITS 2016 COMMUNITY HEALTH NEEDS ASSESSMENT, CMHS COLLABORATED WITH, AND UTILIZED THE INSIGHTS AND RESOURCES OF, THE VENTURA COUNTY DEPARTMENT OF PUBLIC HEALTH AND KAISER HEALTH PLAN, FOUNDATION HOSPITALS AND THE PERMANENTE MEDICAL GROUP.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PART V, SECTION B, LINE 7

CHNA WEBSITE

[HTTP://WWW.CMHSHEALTH.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/](http://www.cmhshealth.org/about/community-health-needs-assessment/)

PART V, SECTION B, LINE 10

IMPLEMENTATION STRATEGY

[HTTP://WWW.CMHSHEALTH.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/](http://www.cmhshealth.org/about/community-health-needs-assessment/)

PART V, SECTION B, LINE 11

THE COMMUNITY MEMORIAL HEALTH SYSTEM BOARD OF TRUSTEES ESTABLISHED A COMMUNITY BENEFIT COMMITTEE TO OVERSEE THE DEVELOPMENT, IMPLEMENTATION, AND EVALUATION OF ONGOING COMMUNITY BENEFIT ACTIVITIES AND THE COMMUNITY HEALTH NEEDS ASSESSMENT. THIS COMMITTEE CAREFULLY EVALUATED THE NEEDS OF THE COMMUNITIES IN THE SERVICE AREAS OF OJAI VALLEY COMMUNITY HOSPITAL AND COMMUNITY MEMORIAL HOSPITAL, TAKING BOTH THE INPUT OF THE COMMUNITY AND PUBLICLY REPORTED HEALTH DATA INTO CAREFUL CONSIDERATION. FOLLOWING ITS EVALUATION, THE COMMITTEE OUTLINED AND RANKED THE SPECIFIC NEEDS OF EACH COMMUNITY AND MADE ITS IMPLEMENTATION STRATEGY RECOMMENDATIONS TO THE CMHS BOARD OF TRUSTEES. THE CMHS BOARD OF TRUSTEES APPROVED THESE RECOMMENDATIONS, GIVING SUBSTANCE ABUSE, MENTAL HEALTH, THE TREATMENT OF CHRONIC AND ACUTE HEALTH CONDITIONS (DIABETES, HEART DISEASE, AND CANCER), SENIOR CARE AND CHILD ABUSE PRIORITY FOCUS.

COMMUNITY MEMORIAL HEALTH SYSTEM HAS ADDRESSED THESE PRIORITY AREAS BY:

- RECRUITING SPECIALTY AND FAMILY PHYSICIANS

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- PROVIDING FREE CHRONIC DISEASE DETECTION AND SCREENING SERVICES
- OFFERING EDUCATIONAL PROGRAMS
- HOSTING SUPPORT GROUPS THAT ARE WIDELY AVAILABLE TO THE PUBLIC.
- IMPLEMENTING BEHAVIORAL HEALTH TELEMEDICINE SERVICES IN ITS EMERGENCY DEPARTMENT. EXPLORATION EFFORTS ARE UNDERWAY TO EXPAND THIS SERVICE TO SURROUNDING PHYSICIAN OFFICES.
- ENHANCING ACCESS TO BEHAVIORAL HEALTH PROVIDERS BY COLLABORATING WITH CLINICAS DEL CAMINO REAL AND WORKING WITH VISTA DEL MAR FOR DEVELOPING INTEGRATED SERVICES AT CMHS' OUTPATIENT CLINICS.
- REVIEWING OPIOID PRESCRIBING PATTERNS TO REDUCE OPIOID OVERDOSE RELATED DEATHS, WORKING WITH EMERGENCY DEPARTMENT PHYSICIANS TO SET A GENERAL STANDARD OF PRESCRIBING OPIOID PAIN MEDICATION.
- OBTAINING PHYSICIAN CERTIFICATION FOR PRESCRIBING SUBOXONE FOR OPIOID DEPENDENCE TREATMENT.
- PROVIDING FREE HEALTHCARE AND HEALTH EDUCATION SERVICES TO UNDERSERVED CHILDREN, FAMILIES, AND SENIORS ACROSS WESTERN VENTURA COUNTY THROUGH ITS CMHS GRADUATE MEDICAL EDUCATION PROGRAM.
- EXPANDING THE NUMBER OF PHYSICIANS AND PHYSICIAN SPECIALTIES IN ITS OUTPATIENT CLINICS THROUGH ITS GRADUATE MEDICAL EDUCATION PROGRAM AND PHYSICIAN RECRUITMENT SUPPORT.
- STRENGTHENING ITS OUTREACH TO THE AGING POPULATION OF VENTURA COUNTY BY OFFERING ENHANCED SUPPORT TO VARIOUS SENIOR CARE AND ASSISTED LIVING FACILITIES TO ADDRESS THE HEALTH NEEDS OF THIS GROWING POPULATION. AS PART OF THIS EFFORT, CMHS PARTICIPATES IN A HOME HEALTH ALLIANCE TO ADVOCATE FOR THE USE OF ADULT DAY HEALTH SERVICES.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- SUPPORTING SEVERAL LOCAL NON-PROFIT ORGANIZATIONS THAT ADDRESS CHILD ABUSE AND CHILDREN IN NEED TO ADDRESS THE CRITICAL HEALTH NEEDS OF YOUTH ACROSS THE COMMUNITIES IT SERVES.

- CONNECTING WITH WEST VENTURA SCHOOLS TO CONTRIBUTE TO MOTIVATING STUDENTS TO GRADUATE FROM HIGH SCHOOL INCLUDING ACTIVITIES SUCH AS CAREER DAY, CPR AND FIRST AID EDUCATION, AND DISASTER PLANNING.

IN COLLABORATION WITH THE VENTURA COUNTY DEPARTMENT OF PUBLIC HEALTH, THE SYSTEM FOLLOWED THE LET'S GET HEALTHY CALIFORNIA FRAMEWORK FOR PROMOTING COMMUNITY HEALTH:

HEALTH ACROSS THE LIFESPAN-

- HEALTHY BEGINNINGS - LAYING THE FOUNDATION FOR A HEALTHY LIFE
- LIVING WELL - PREVENTING AND MANAGING CHRONIC DISEASE
- END OF LIFE - MAINTAINING DIGNITY AND INDEPENDENCE

PATHWAYS TO HEALTH-

- REDESIGNING THE HEALTH SYSTEM - EFFICIENT, SAFE, AND PATIENT-CENTERED CARE
- CREATING HEALTHY COMMUNITIES - ENABLING HEALTHY LIVING
- LOWERING THE COST OF CARE - MAKING COVERAGE AFFORDABLE AND ALIGNING FINANCING TO HEALTH OUTCOMES
- [HTTPS://LETSGETHEALTHY.CA.GOV/GOALS/](https://letsgethealthy.ca.gov/goals/)

ORAL HEALTH IS AN INITIATIVE THAT WAS IDENTIFIED IN THE MOST RECENT CHNA.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

OJAI VALLEY COMMUNITY HOSPITAL AND COMMUNITY MEMORIAL HOSPITAL DO NOT PROVIDE DENTAL CARE SERVICES. THE SYSTEM WILL CONTINUE TO WORK CLOSELY WITH CLINICAS DEL CAMINO REAL, THE LARGEST EMPLOYER OF DENTISTS IN THE STATE OF CALIFORNIA, TO PROVIDE ACCESS TO SPECIALTY PHYSICIAN CARE TO ADDRESS UNMET DENTAL CARE NEEDS. CMHS PARTICIPATES WITH THE UNITED WAY'S BUILDING HEALTHY SMILES CAMPAIGN.

CMHS WILL CONTINUE ITS ONGOING PARTICIPATION IN THE HOME HEALTH ALLIANCE AND ASSOCIATION WITH HOME HEALTH PROVIDERS TO BRING AWARENESS AND ACCEPTANCE TO SENIORS IN USING ADULT DAY CARE SERVICES. CMHS IS PROVIDING INDEPENDENT LIVING SUPPORT UNDER THE VILLAGE-TO-VILLAGE PROGRAM BY PROVIDING STAFF ENGAGEMENT IN DEVELOPING EFFORTS IN OJAI VALLEY AND WEST VENTURA. CMHS' AMBULATORY MEDICINE UNIT HAS EXPANDED ITS CHRONIC CARE MANAGEMENT PROGRAM TO OVER 1,000 PATIENTS DURING 2018.

PART V, SECTION B, LINE 15E

CMHS PUBLICIZES A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY ON THE FACILITY'S WEBSITE. INCLUDED ON THE BACK OF EACH BILLING STATEMENT IS A DISCLAIMER REGARDING FINANCIAL ASSISTANCE BEING AVAILABLE AND A CONTACT NUMBER TO CALL IF INTERESTED. MOREOVER, CMHS HAS SIGNAGE POSTED IN THE ADMITTING AND EMERGENCY ROOM AREAS. A WRITTEN COPY OF THIS POLICY IS AVAILABLE UPON REQUEST, AS INDICATED ON THIS SIGNAGE DISPLAYED.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PART V, SECTION B, LINE 16A

FINANCIAL ASSISTANCE POLICY WEBSITE

[HTTP://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/](http://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/)

PART V, SECTION B, LINE 16B

FINANCIAL ASSISTANCE POLICY APPLICATION WEBSITE

[HTTP://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/](http://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/)

PART V, SECTION B, LINES 16C AND 16F

PLAIN LANGUAGE SUMMARY WEBSITE

[HTTP://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/](http://WWW.CMHSHEALTH.ORG/PATIENTS-AND-VISITORS/PATIENT-INFORMATION/COMMUNITY-MEMORIAL-HOSPITAL/FINANCIAL-SERVICES/)

PART V, SECTION B, LINE 16H

CMHS CREATED A BILINGUAL FINANCIAL ASSISTANCE FLYER THAT IS DISTRIBUTED TO THE COMMUNITY AT HEALTH FAIRS, FREE CLINICS, COMMUNITY EVENTS AND SUPPORT GROUPS. THIS FLYER PROVIDES DETAILS ON THE CMHS FINANCIAL ASSISTANCE PROGRAM AS WELL AS DIRECTION ON HOW TO SOLICIT SUPPORT WITH ENROLLMENT.

Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? 23

Name and address	Type of Facility (describe)
1 SAVIERS CENTER FOR FAMILY HEALTH 2921 S. SAVIERS ROAD OXNARD CA 93033	OP CLINIC
2 GROSSMAN IMAGING CENTER OF CMH, LLC 2001 N. SOLAR DRIVE, SUITE 135 OXNARD CA 93030	IMAGING CENTER
3 CAMARILLO CENTER FOR FAMILY HEALTH 422 B ARNEILL ROAD CAMARILLO CA 93010	OP CLINIC
4 ASHWOOD CENTER FOR FAMILY HEALTH 116 ASHWOOD DRIVE VENTURA CA 93003	OP CLINIC
5 VINEYARD CENTER FOR FAMILY HEALTH 2361 VINEYARD AVENUE OXNARD CA 93036	OP CLINIC
6 SANTA PAULA CENTER FOR FAMILY HEALTH 242 E. HARVARD BLVD SANTA PAULA CA 93060	OP CLINIC
7 AIRPORT MARINA CENTER FOR FAMILY HEALTH 3641 W. FIFTH STREET OXNARD CA 93036	OP CLINIC
8 MSO SAN BUENAVENTURA UROLOGY CENTER 2705 LOMA VISTA ROAD, SUITE 206 VENTURA CA 93003	OP CLINIC
9 MAIN STREET CENTER FOR FAMILY HEALTH 138 W. MAIN STREET VENTURA CA 93001	OP CLINIC
10 MSO PACIFIC INPATIENT PHYSICIANS 147 NORTH BRENT STREET VENTURA CA 93003	OP CLINIC

Schedule H (Form 990) 2018

Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1 MSO SAN BUENAVENTURA UROGYNECOLOGY 2705 LOMA VISTA ROAD, SUITE 206 VENTURA CA 93003	OP CLINIC
2 MIDTOWN MEDICAL GROUP CLINIC 2721 E. MAIN STREET VENTURA CA 93003	OP CLINIC
3 FILLMORE CENTER FOR FAMILY HEALTH 852 VENTURA STREET FILLMORE CA 93015	OP CLINIC
4 MIDTOWN MEDICAL GROUP CLINIC SPECIALTY 168 N. BRENT STREET, SUITE 302 VENTURA CA 93003	OP CLINIC
5 PORT HUENEME CENTER FOR FAMILY HEALTH 321 E. PORT HUENEME ROAD PORT HUENEME CA 93041	OP CLINIC
6 SANTA ROSA CENTER FOR FAMILY HEALTH 5800 SANTA ROSA ROAD CAMARILLO CA 93010	OP CLINIC
7 PREMIERE HEALTH SANTA PAULA 258 & 262 E. HARVARD BLVD SANTA PAULA CA 93060	OP CLINIC
8 MSO PATEL/SPEITEL FAMILY PRACTICE 124 N. BRENT STREET VENTURA CA 93003	OP CLINIC
9 OAK VIEW CENTER FOR FAMILY HEALTH 655 N. VENTURA AVENUE OAK VIEW CA 93022	OP CLINIC
10 MIDTOWN MEDICAL GROUP CLINIC - OJAI 655 N. VENTURA AVENUE OAK VIEW CA 93022	OP CLINIC

Schedule H (Form 990) 2018

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
 (list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1 OJAI MULTISPECIALTY CENTER 117 PIRIE ROAD OJAI CA 93023	OP CLINIC
2 PREMIERE ENDOCRINOLOGY CENTER 3655 W. FIFTH STREET OXNARD CA 93035	OP CLINIC
3 MSO VENTURA ORTHOPEDIC SPINE 168 N. BRENT STREET, SUITE 505 VENTURA CA 93003	OP CLINIC
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C

IN DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE, THE ORGANIZATION ALSO USED AN ALGORITHM TO DETERMINE QUALIFICATION OF CHARITY CARE FROM INFORMATION PROVIDED BY PATIENTS AT INTAKE AS WELL AS INFORMATION FROM CREDIT REPORTS.

PART I, LINE 7

COSTING METHOD USED IS COST-TO-CHARGE USING WORKSHEET 2.

PART I, LINE 7B

UNREIMBURSED MEDICAID

THE CALIFORNIA HOSPITAL FEE PROGRAM (THE PROGRAM) AND AMENDING-LEGISLATION WAS SIGNED INTO LAW BY THE GOVERNOR OF CALIFORNIA ON JANUARY 1, 2010 AND SEPTEMBER 8, 2010, RESPECTIVELY. THE PRIMARY LEGISLATION (AB 1383) AND AMENDING LEGISLATION (AB 1653) CONTAINS TWO COMPONENTS: THE QUALITY ASSURANCE FEE ACT, WHICH GOVERNS THE "HOSPITAL FEE" OR "QUALITY ASSURANCE FEE" (QA FEE) PAID BY PARTICIPATING HOSPITALS, AND THE MEDI-CAL HOSPITAL PROVIDER STABILIZATION ACT, WHICH GOVERNS

Part VI Supplemental Information

Provide the following information.

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- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SUPPLEMENTAL MEDI-CAL PAYMENTS (SUPPLEMENTAL PAYMENTS) MADE TO PROVIDERS FROM THE FUND. HOSPITAL PARTICIPATION IS MANDATORY, WITH LIMITED EXCEPTIONS. IN JUNE 2012, THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) AMENDED LEGISLATION TO ALLOW FOR THE FEE-FOR-SERVICE PORTION OF THE PROGRAM TO BE ADMINISTERED SEPARATELY FROM THE MANAGED CARE COMPONENT.

THERE ARE TWO PROGRAMS THAT HAD ACTIVITY IN 2017 AND 2018: A 36-MONTH HOSPITAL FEE PROGRAM COVERING THE PERIOD FROM JANUARY 1, 2014 THROUGH DECEMBER 31, 2016, AND A 30-MONTH HOSPITAL FEE PROGRAM COVERING THE PERIOD FROM JANUARY 1, 2017 THROUGH JUNE 30, 2019.

THE SYSTEM MADE PAYMENTS TO THE DHCS FOR THE QA FEE IN THE AMOUNT OF \$12,494,991 AND \$22,507,259 IN 2018 AND 2017, RESPECTIVELY. THE SYSTEM MADE CALIFORNIA HEALTH FOUNDATION AND TRUST PAYMENTS IN THE AMOUNT OF \$340,885 AND \$256,552 IN 2018 AND 2017, RESPECTIVELY, AND THE PLEDGE PAYMENTS WERE RECORDED WITHIN QA FEE IN OPERATING EXPENSES WITHIN THE ACCOMPANYING CONSOLIDATED STATEMENTS OF OPERATIONS. THE SYSTEM RECEIVED SUPPLEMENTAL PAYMENTS OF \$35,518,314 AND \$28,317,134 OVER THE COURSE OF

Part VI Supplemental Information

Provide the following information.

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- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE PROGRAM IN 2018 AND 2017, RESPECTIVELY. THE SYSTEM RECORDED THE SUPPLEMENTAL PAYMENTS AS OPERATING REVENUE WITHIN THE ACCOMPANYING CONSOLIDATED STATEMENTS OF OPERATIONS.

PART I, LINE 7G

NO AMOUNT ATTRIBUTABLE TO A PHYSICIAN CLINIC WAS INCLUDED AS SUBSIDIZED HEALTH SERVICES ON PART I, LINE 7G.

PART I, LINE 7, COLUMN F

THE ORGANIZATION INCLUDED \$9,889 OF BAD DEBT EXPENSE IN PART IX. THE AMOUNT HAS BEEN SUBTRACTED FROM THE CALCULATION OF COLUMN F.

PART II

COMMUNITY BUILDING ACTIVITIES

CMHS REGULARLY EVALUATES THE HEALTH NEEDS OF THE COMMUNITIES SURROUNDING ITS OUTPATIENT AND HOSPITAL LOCATIONS AND STRATEGICALLY RECRUITS FAMILY AND SPECIALTY PHYSICIANS TO MEET THE IDENTIFIED NEEDS. CMHS ALSO SUPPORTS ITS AFFILIATED MEDICAL GROUPS WITH PHYSICIAN RECRUITMENT WHERE A

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY NEED IS DEMONSTRATED. THE MARKET NEED IS EVALUATED BY A TARGETED STUDY OF THE NUMBER OF PHYSICIANS NEEDED PER PRACTICE AREA BASED ON POPULATION SIZE.

AS A FOUNDING MEMBER AND ENGAGED PARTICIPANT IN THE VENTURA COUNTY CHNA COLLABORATIVE WORKGROUP, CMHS HAS TAKEN AN ACTIVE LEADERSHIP ROLE IN THE SHARING OF VALUABLE INFORMATION ON HEALTH IMPROVEMENT INITIATIVES AND THE PLANNING FOR A JOINT COMMUNITY HEALTH NEEDS ASSESSMENT PROJECT IN 2019. THE 2019 JOINT CHNA WILL BE A SYNERGISTIC PROCESS INVOLVING ALL MEMBERS OF THE CHNA COLLABORATIVE WORKGROUP. A COORDINATED, CROSS-ORGANIZATIONAL STRATEGY WILL BE UTILIZED TO EVALUATE AND ADDRESS THE HEALTH NEEDS OF COMMUNITIES ACROSS VENTURA COUNTY.

PART III, LINE 8

THE ENTIRE SHORTFALL OF MEDICARE EXPENSES OVER MEDICARE REIMBURSEMENTS SHOULD BE CONSIDERED A COMMUNITY BENEFIT EXPENSE. THE MEDICARE COST REPORT WAS USED TO DETERMINE THE COSTS ATTRIBUTABLE TO SERVICE MEDICARE PATIENTS. THE SYSTEM IS REIMBURSED FOR SERVICES PROVIDED TO PATIENTS

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

UNDER CERTAIN PROGRAMS ADMINISTERED BY GOVERNMENTAL AGENCIES, WHICH INCLUDES THE MEDICARE PROGRAM. THE MEDICARE PROGRAM CONSISTS OF 23.9% OF THE SYSTEMS NET REVENUE FOR 2018. HOSPITALS DO NOT DETERMINE THE LEVEL OF PAYMENT FROM THE MEDICARE PROGRAM, AND THE MEDICARE PROGRAM DOES NOT COVER THE COSTS OF TREATING THE SYSTEM'S MEDICARE PATIENTS, ALTHOUGH THE QUALITY OF CARE AND ACCESS TO CARE IS THE SAME FOR ALL PATIENTS, REGARDLESS OF PAYER SOURCE. UNREIMBURSED COST UNDER THE MEDICARE PROGRAM IS A TRUE LOSS TO THE SYSTEM AND THE LOSS IS REFLECTED IN THE SYSTEM'S FINANCIAL STATEMENTS. AS SUCH, MEDICARE LOSSES SHOULD BE CONSIDERED A COMMUNITY BENEFIT PROVIDED BY THE SYSTEM.

PART III, LINE 9B

THE PATIENT'S ABILITY TO PAY IS EVALUATED UPON ADMISSION. A PATIENT FINANCIAL SERVICES STAFF ASSISTS PATIENTS WITH APPLYING FOR LOCAL, STATE AND FEDERAL PROGRAMS WHEN THERE IS NO OTHER SOURCE OF PAYMENT. IN THE EVENT THAT NO THIRD-PARTY PAYMENT SOURCE IS AVAILABLE, PATIENTS ARE PROVIDED WITH INFORMATION ON THE SYSTEM'S FINANCIAL ASSISTANCE PROGRAM. FINANCIAL ASSISTANCE AND CHARITY CARE IS BASED ON A SLIDING SCALE FEE

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE UTILIZING THE CURRENT UNITED STATES FEDERAL POVERTY GUIDELINES.

INFORMATION FROM THE APPLICANT'S FINANCIAL APPLICATION AND SUPPORTING

DOCUMENTATION IS USED TO DETERMINE THE AMOUNT OF THE QUALIFIED FINANCIAL

ASSISTANCE TO BE GRANTED.

THE SYSTEM HAS A WRITTEN COLLECTION POLICY TO PROVIDE FOR AN EQUITABLE PROCESS BY WHICH A PATIENT AND/OR RESPONSIBLE PARTY CAN MAKE A PAYMENT OR PAYMENT ARRANGEMENT PRIOR TO OR AT THE TIME OF SERVICE. THE SYSTEM WILL PROACTIVELY DETERMINE THE PATIENT'S ABILITY TO PAY. A DEPOSIT, BASED UPON SELF-PAY LIABILITY IS COLLECTED PRIOR TO ADMISSION OR AT THE TIME OF SERVICE. FOR PATIENTS WHO ARE UNABLE TO PAY THEIR ESTIMATED LIABILITY AT THE TIME OF SERVICE, THE SYSTEM WILL OFFER A FINANCING OPTION. PATIENTS WHO MEET CHARITY OR INDIGENT GUIDELINES WILL BE REFERRED TO A FINANCIAL ADVOCATE FOR FINANCIAL AID.

PART VI, LINE 1

MANAGEMENT COMPANIES AND JOINT VENTURES

GROSSMAN IMAGING CENTER OF CMH, LLC

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BUENAVISTA MEDICAL PROPERTIES, LTD

VENTURA CARDIOVASCULAR CO-MANAGEMENT COMPANY, LLC

PART VI, LINE 2

NEEDS ASSESSMENT

IN 2016, CMHS WORKED CLOSELY WITH THE VENTURA COUNTY DEPARTMENT OF PUBLIC HEALTH, KAISER HEALTH PLAN, FOUNDATION HOSPITALS AND THE PERMANENTE MEDICAL GROUP TO UPDATE ITS COMMUNITY NEEDS ASSESSMENT. THE AREA-WIDE SURVEY AND STUDY CONSISTED OF AN ANALYSIS OF THE SOCIO-ECONOMIC PROFILE OF VENTURA COUNTY, A COMPREHENSIVE EXAMINATION OF THE HEALTH CARE STATUS AND NEEDS OF COMMUNITIES ACROSS VENTURA COUNTY, THE STATE OF HEALTHCARE DELIVERY AND ITS ASSOCIATED SERVICES, COMMUNITY REPORTED HEALTH NEEDS, AND COMMUNITY PRIORITIZATION AND IMPLEMENTATION STRATEGIES.

PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

FINANCIAL ASSISTANCE PROGRAM BROCHURES EXPLAINING THE SYSTEM'S POLICY IS POSTED AND MADE AVAILABLE TO PATIENTS AT THE TIME OF ADMITTANCE. SIGNS

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ALERTING PATIENTS TO THE AVAILABILITY OF FINANCIAL ASSISTANCE ARE PROMINENTLY DISPLAYED. AN INSERT REGARDING FINANCIAL ASSISTANCE ACCOMPANIES EACH INVOICE OF HOSPITAL SERVICES SENT TO EACH PATIENT.

PART VI, LINE 4

COMMUNITY INFORMATION

THE HEALTH SYSTEM'S TWO HOSPITALS ARE LOCATED IN THE CITY OF VENTURA AND THE CITY OF OJAI. THE HEALTH SYSTEM PROVIDES SERVICES THROUGH ITS HOSPITALS AND CENTERS FOR FAMILY HEALTH TO ALL WESTERN VENTURA COUNTY WHICH INCLUDES THE CITIES AND UNINCORPORATED AREAS SURROUNDING VENTURA, OJAI, SANTA PAULA, FILLMORE, OXNARD, PORT HUENEME AND CAMARILLO. THE POPULATION OF VENTURA COUNTY IS APPROXIMATELY 860,000 AND MADE OF UP 66.4% WHITE AND 33.6% OTHER RESIDENTS. THE COUNTY OF VENTURA PROVIDES COMMUNITY DATA THROUGH ITS WEBSITE "HEALTH MATTERS IN VC" AND CAN BE ACCESSED AT [HTTP://WWW.HEALTHMATTERSINVC.ORG/INDEX.PHP](http://www.healthmattersinvc.org/index.php) FOR FURTHER INFORMATION.

IT HAS LONG BEEN ESTABLISHED THAT THERE ARE SIGNIFICANT VARIANCES IN

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PHYSICAL AND BEHAVIORAL HEALTH CONCERNS BETWEEN GROUPS BASED ON ETHNICITY, INCOME AND RESIDENCE. AS A RESULT, CMHS CAREFULLY CONSIDERS MEANINGFUL DEMOGRAPHIC VARIABLES SUCH AS AGE, RACE AND ETHNICITY WHEN PLANNING FOR BOTH INPATIENT AND OUTPATIENT CARE TO ENSURE THAT THE PATIENT CARE SERVICES IT PROVIDES ARE SENSITIVE AND RELEVANT TO THE PROGRAM PLANNING NEEDS OF THE COMMUNITIES IT SERVES.

PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH

CMHS IS GOVERNED BY A DIVERSE BOARD OF DIRECTORS WHOSE MEMBERS ARE REPRESENTATIVE OF THE COMMUNITY, HOSPITAL AND MEDICAL STAFF LEADERSHIP. CONSISTENT WITH THE IRS "COMMUNITY BENEFIT STANDARD," A MAJORITY OF THE BOARD OF DIRECTORS ARE NEITHER EMPLOYEES, CONTRACTORS, NOR FAMILY MEMBERS OF THE ORGANIZATION. CMHS HAS AN OPEN MEDICAL STAFF, EXTENDING STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS FOR ALL AREAS AND DEPARTMENTS OF ITS FACILITY.

THE EMERGENCY DEPARTMENTS AT BOTH COMMUNITY MEMORIAL HOSPITAL AND OJAI

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

VALLEY COMMUNITY HOSPITAL TREAT ALL PATIENTS, REGARDLESS OF THEIR SOCIO-ECONOMIC STATUS OR ABILITY TO PAY. THE HEALTH SYSTEM PROVIDES EMERGENCY SERVICES TO ALL PATIENTS, WITH OR WITHOUT INSURANCE, AND CONTRACTS WITH PHYSICIANS TO PROVIDE SPECIALTY EMERGENCY COVERAGE. THIS EMERGENCY TEAM INCLUDES BOARD-CERTIFIED EMERGENCY PHYSICIANS, PHYSICIAN ASSISTANTS; BOARD CERTIFIED NURSES, EMERGENCY MEDICAL TECHNICIANS, RESPIRATORY THERAPISTS AND OTHER HIGHLY TRAINED EMERGENCY CARE PROFESSIONALS. ALL ARE DEDICATED TO PROVIDING TECHNOLOGICALLY ADVANCED AND LIFESAVING MEDICAL SERVICES.

CMHS OFFERS FREE, EDUCATIONAL SEMINARS ON A MONTHLY BASIS TO COMMUNITIES ACROSS VENTURA COUNTY. THESE EVENTS COVER A WIDE VARIETY OF HEALTH-RELATED TOPICS SUCH AS DIABETES, CANCER, HEART DISEASE AND VASCULAR HEALTH. CMHS ALSO OFFERS NUMEROUS CLASSES AND SUPPORT GROUPS THROUGH ITS CANCER RESOURCE CENTER, NEW PARENT RESOURCE CENTER, WELLNESS AND FITNESS CENTER, AND HEART AND VASCULAR HEALTH DEPARTMENT. THESE RESOURCES ARE DESIGNED TO PROVIDE A COMMUNITY OF SUPPORT TO THOSE NAVIGATING A SERIOUS ILLNESS, WORKING TO PREVENT OR ADDRESS A CHRONIC

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DISEASE, OR BUILDING A HEALTHY FUTURE FOR THEIR NEW FAMILY.

PART VI, LINE 6

N/A

PART VI, LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT

CALIFORNIA

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I General Information on Grants and Assistance

- Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) CALIFORNIA HEALTH FOUNDATION & TRUST 1215 K STREET, #800, SACRAMENTO, CA 95814	94-1498697	501(C)(3)	340,885.				CA HOSP FEE PROGRAM
(2) VENTURA FAMILY YMCA 3760 TELEGRAPH ROAD, VENTURA, CA 93003	95-1643379	501(C)(3)	10,000.				GENERAL SUPPORT
(3) VENTURA CHAMBER OF COMMERCE 505 POLI STREET, FL 2, VENTURA, CA 93001	95-1332204	501(C)(6)	7,000.				GENERAL SUPPORT
(4) NATIONAL HEALTH FOUNDATION 515 S. FIGUEROA ST #1300, LA, CA 90071	23-7314808	501(C)(3)	63,000.				GENERAL SUPPORT
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 3.

3 Enter total number of other organizations listed in the line 1 table ▶ 1.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2018)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

SCHEDULE I, PART I, LINE 2

DESCRIPTION OF PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS

THE GRANTS MADE BY COMMUNITY MEMORIAL HEALTH SYSTEM (CMHS) ARE ONLY GIVEN TO 501(C)(3), 501(C)(6) AND GOVERNMENT ORGANIZATIONS. ONCE THE GRANT IS GIVEN, IT IS NOT MONITORED BY CMHS AND IS LEFT UP TO THE DISCRETION OF THE GRANTEE.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
 - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
 - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
 - b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a	X	
2		X
3		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 CYNTHIA FAHEY CNO	(i)	250,239.	2,591.	15,282.	64,364.	498.	332,974.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 STANLEY FROCHTZWAJG CMO, INPATIENT	(i)	369,091.	2,700.	123,417.	98,428.	2,685.	596,321.	96,113.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 WILFRED GARAND VP PLANNING & MANAGED CARE	(i)	253,859.	2,619.	16,203.	83,834.	0.	356,515.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 DAVID GLYER CFO	(i)	364,037.	2,700.	65,936.	124,964.	5,285.	562,922.	60,087.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 DIANY KLEIN VP HUMAN RESOURCES	(i)	258,747.	2,700.	102,933.	137,772.	0.	502,152.	83,953.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 HAADY LASHKARI CHIEF ADMIN OFF OJAI/VP CMH	(i)	242,308.	2,542.	2,607.	117,925.	11,683.	377,065.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 EMILIE RAYMAN COMPLIANCE OFFICER	(i)	225,199.	2,446.	97,079.	71,922.	2,685.	399,331.	74,925.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 RICHARD REISMAN VP AMBULATORY MEDICINE	(i)	232,305.	2,700.	9,538.	0.	7,300.	251,843.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 ANTHONY RUSSELL CAO AMBULATORY MEDICINE	(i)	355,580.	0.	3,089.	81,118.	5,585.	445,372.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 SAMUEL SMALL CHIEF OF MEDICAL EDUCATION	(i)	421,280.	2,700.	355,214.	124,146.	6,172.	909,512.	333,405.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 ADAM THUNELL VP OPERATIONS	(i)	382,843.	2,700.	3,095.	166,603.	6,683.	561,924.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 GARY K. WILDE PRESIDENT & CFO	(i)	671,582.	2,700.	382,377.	566,648.	5,350.	1,628,657.	369,356.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 RONALD SANDIFER CIO	(i)	435,768.	0.	0.	0.	0.	435,768.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 KEITH MCWILLIAMS DIRECTOR-INFORMATION SYSTEMS	(i)	253,744.	0.	0.	0.	17,168.	270,912.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 EUGENE DAY DIRECTOR OF PHARMACY	(i)	252,988.	0.	0.	0.	14,494.	267,482.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 CARLOS LIMON JR PHARMACIST	(i)	235,552.	0.	0.	0.	17,168.	252,720.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARILYN HARRIS DIRECTOR OF SURGICAL SERVICES	(i)	235,284.	0.	0.	0.	11,829.	247,113.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 MICHELLE AZIMOV PHYSICIAN	(i)	231,411.	0.	0.	0.	0.	231,411.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 CYNTHIA DEMOTTE VP QUALITY	(i)	206,804.	2,138.	3,912.	70,663.	2,198.	285,715.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 MICHAEL ELLINGSON VP MARKETING & DEVELOPMENT	(i)	223,482.	2,333.	49,615.	63,048.	498.	338,976.	44,628.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FORM 990, SCHEDULE J, PART I, LINE 1A

CERTAIN EXECUTIVES ON FORM 990, PART VII AND SCHEDULE J, PART II RECEIVE AN AUTOMOBILE ALLOWANCE. THE ALLOWANCE IS INCLUDED IN TAXABLE WAGES AND REPORTED ON THEIR W-2.

FORM 990, SCHEDULE J, PART I, LINE 4B

ON APRIL 1, 2002, A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (THE 2002 SERP) WAS ESTABLISHED TO COVER SENIOR STAFF MEMBERS OF CMHS. FOR THE 2002 SERP, THE MONTHLY BENEFIT AT NORMAL RETIREMENT DATE (AGE 65) IS EQUAL TO THE AVERAGE MONTHLY COMPENSATION FOR THE THREE-YEAR PERIOD DURING WHICH COMPENSATION WAS THE HIGHEST, INCLUDING PERIODS BEFORE APRIL 1, 2002, AT THE FOLLOWING RATES: (I) 4% FOR THE CEO AND 2% FOR OTHER PARTICIPANTS THROUGH APRIL 4, 2004, AND (II) 5% FOR THE CEO, WHICH INCLUDES A CATCH UP PROVISION FOR A SERP BENEFIT FORFEITED FROM A PRIOR EMPLOYER AS A CONDITION OF HIS EMPLOYMENT AT CMH, AND 2% FOR OTHER PARTICIPANTS AFTER APRIL 4, 2004. PARTICIPANTS VEST AFTER TEN YEARS OF SERVICE AND THE ATTAINMENT OF AGE 60, INCLUDING SERVICE PRIOR TO THE EFFECTIVE DATE, OR ATTAINMENT OF AGE 65, WHICHEVER IS EARLIER. TOGETHER, THE 1990 SERP AND THE 2002 SERP ARE REFERRED TO AS SERPS. THE SERPS ARE FUNDED BASED ON AN

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

ANNUAL VALUATION OF THE LIABILITY. THE BOARD OF DIRECTORS HAS DESIGNATED ASSETS TO BE SEGREGATED TO FUND THE SERPS. HOWEVER, THE ASSETS ARE NOT HELD IN TRUST OR OTHERWISE LEGALLY RESTRICTED TO FUND THE PLANS.

THE FOLLOWING INDIVIDUALS RECEIVED A SERP PAYOUT DURING THE YEAR (AS NOTED ON SCHEDULE J, PART II, COLUMN F, ALL OF THESE PAYOUTS, EXCLUDING ACCRUALS FOR THE 2018 YEAR, WERE PREVIOUSLY REPORTED ANNUALLY ON SCHEDULE J, PART II, COLUMN C, IN PRIOR YEAR'S 990S):

STANLEY FROCHTZWAJG - \$96,113

DAVID GLYER - \$60,087

DIANY KLEIN - \$83,953

EMILIE RAYMAN - \$74,925

SAMUEL SMALL - \$333,405

GARY K. WILDE - \$369,356

MICHAEL ELLINGSON - \$44,628

FORM 990, SCHEDULE J, PART I, LINE 7

BONUSES ARE AWARDED TO EXECUTIVES BASED ON THEIR CONTRIBUTION TO THE

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

OVERALL GOALS OF THE SYSTEM, THEIR ACHIEVEMENT OF INDIVIDUAL GOALS AND
WITH REGARD TO REASONABLE COMPENSATION PRACTICES FOR COMPARABLE POSITIONS
IN LIKE ORGANIZATIONS. THE COMPENSATION COMMITTEE REVIEWS AND RECOMMENDS
THE BONUSES AND MOVES FOR APPROVAL BY THE BOARD OF TRUSTEES.

**SCHEDULE K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2018

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A CITY OF SAN BUENAVENTURA	95-6000807	797049AJ2	08/17/2011	350,000,000.	REPLACEMENT FACILITIES		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	349,865,548.							
4 Gross proceeds in reserve funds	32,222,665.							
5 Capitalized interest from proceeds	186,391,328.							
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds								
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	131,251,556.							
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2018							
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		X						
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X						
16 Has the final allocation of proceeds been made?		X						
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2018

Part III Private Business Use SCHEDULE K

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?	X							
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

SCHEDULE K, PART II, LINE 3

ORIGINAL ISSUE DISCOUNT OF \$134,452.

SCHEDULE K, PART IV, LINE 2C

THE REBATE COMPUTATION TO DETERMINE THAT NO REBATE IS DUE WAS COMPLETED

ON 8/23/2017.

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles.				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	1.	250,996.	FMV
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2018

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PAGE 75

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN B

THE NUMBER REPORTED IN COLUMN B REPRESENTS THE NUMBER OF CONTRIBUTIONS
RECEIVED.

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Employer identification number

95-1683892

FORM 990, PART III, LINE 1

TO ESTABLISH, EQUIP AND MAINTAIN ONE OR MORE NONPROFIT HOSPITALS, MEDICAL CENTERS, INSTITUTIONS, CLINICS OR OTHER PLACES FOR THE RECEPTION AND CARE OF THE SICK, INJURED AND DISABLED, WITH PERMANENT FACILITIES THAT INCLUDE INPATIENT BED AND MEDICAL SERVICES; TO PROVIDE DIAGNOSIS AND TREATMENT FOR PATIENTS; AND TO PROVIDE ASSOCIATED SERVICES, OUTPATIENT CARE AND HOME CARE IN FURTHERANCE OF THIS CORPORATION'S CHARITABLE PURPOSES; TO PROMOTE AND CARRY ON EDUCATION ACTIVITIES RELATED TO THE CARE OF SICK, INJURED AND DISABLED, TO THE PROMOTION OF HEALTH; TO PROMOTE AND CARRY OUT SCIENTIFIC AND MEDICAL RESEARCH RELATED TO THE CARE OF THE SICK, INJURED AND DISABLED; AND TO PROMOTE OR CARRY OUT OTHER SUCH ACTIVITIES AS MAY BE DEEMED ADVISABLE FOR THE BETTERMENT OF THE GENERAL HEALTH OF THE COMMUNITIES SERVED.

FORM 990, PART III, LINES 4A-4C

COMMUNITY BENEFIT PLAN

CMHS IS DEDICATED TO ENHANCING THE HEALTH OF THE COMMUNITIES IT SERVES. IT DEMONSTRATES THIS COMMITMENT THROUGH A CONTINUED FOCUS ON THE FOLLOWING FOUR AREAS:

COMMUNITY EDUCATION OUTREACH

1. CONTINUING TO PROVIDE FINANCIAL SUPPORT/SPONSORSHIPS AND PARTICIPATE IN HEALTH FAIRS, PUBLIC EXPOS, EVENTS AND OTHER COMMUNITY OUTREACH OPPORTUNITIES TO PROMOTE HEALTH SERVICES, HEALTH EDUCATION, AND

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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PREVENTION RESOURCES THROUGHOUT THE COMMUNITY. HEALTH RELATED EDUCATION AND PREVENTION RESOURCES WILL BE FOCUSED AROUND DIABETES, OBESITY, PRENATAL CARE, HEART HEALTH, AND HEALTHY LIVING AND NUTRITION.

2. PROVIDE COMMUNITY MEMBERS AND EMPLOYEES OF LOCAL BUSINESSES WITH THE HEARTAWARE HEART DISEASE DETECTION AND SCREENING PROGRAM.

3. CONTINUE TO PARTICIPATE IN THE STATE CPSP PROGRAM TO PROVIDE EDUCATIONAL RESOURCES TO LOW INCOME CHILDREN AND PREGNANT WOMEN.

4. PROVIDE COMMUNITY FORUMS IN VENTURA AND OJAI HIGHLIGHTING THE STATUS OF OUR HEALTH SYSTEM (THE HOSPITALS AND THE CENTERS FOR FAMILY HEALTH), THE AVAILABILITY OF NEW SERVICES TO BENEFIT RESIDENTS OF THE COMMUNITY, AND OTHER COMMUNITY BENEFITS AND OUTREACH PROGRAMS PROVIDED BY THE HEALTH SYSTEM.

5. DISTRIBUTE A HEALTH INFORMATION CARD TO INDIVIDUALS IN THE COMMUNITY TO FACILITATE THE TRACKING OF PERSONAL HEALTH INFORMATION, AND EMPHASIZE THE IMPORTANCE OF THIS VITAL INFORMATION WHEN ACCESSING THE HOSPITAL, AND IN PARTICULAR, THE EMERGENCY DEPARTMENT.

6. ADD NEW DISEASE DETECTION AND SCREENING SERVICES WITH AN EMPHASIS ON DIFFERENT CONDITIONS OF IMPORTANCE, INCLUDING BUT NOT LIMITED TO, MAJOR CHRONIC DISEASES.

7. CONTINUE TO PROVIDE AT LEAST 3,000 FREE BLOOD PRESSURE CHECKS PER MONTH, AS WELL AS BLOOD PRESSURE MANAGEMENT EDUCATION AND RESOURCES, AT THE KIOSK IN THE PACIFIC VIEW MALL IN VENTURA.

ACCESS TO CARE

CMHS IS COMMITTED TO INCREASING ACCESS OF THE UNDERSERVED AND VULNERABLE

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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POPULATIONS TO PRIMARY AND SECONDARY MEDICAL CARE IN VARIOUS GEOGRAPHIC LOCATIONS THROUGHOUT ITS SERVICE AREA.

1. CONTINUE TO OFFER A FREE PHYSICIAN REFERRAL SERVICE FOR MEMBERS OF THE COMMUNITY, PROVIDING AT LEAST 1,000 REFERRALS PER YEAR TO LOCAL PHYSICIANS AND OTHER HEALTH SERVICES.
2. CONTINUE EXPANSION OF EXISTING CENTERS FOR FAMILY HEALTH CLINICS AS INDICATED BY AN INCREASE IN PATIENT VISITS.
3. CONTINUE TO PROVIDE ACCESS THROUGH THE CENTERS FOR FAMILY HEALTH CLINICS TO SIGNIFICANT NUMBERS OF MEDICAL PATIENTS AND UNINSURED INDIVIDUALS THROUGHOUT WESTERN VENTURA COUNTY.
4. CONTINUE TO PROVIDE GENERAL MEDICAL, SURGICAL, AND SPECIALTY PROFESSIONAL COVERAGE OF ER PATIENTS THROUGH THE "ER FUND". PROVIDE STIPENDS TO PHYSICIANS, AS NECESSARY, TO INSURE COVERAGE, ESPECIALLY FOR MEDICAL AND UNINSURED PATIENTS, BY ALL MEDICAL SPECIALTIES.
5. THROUGH THE CENTERS FOR FAMILY HEALTH CLINICS, CONTINUE TO PROVIDE AN EXTENSIVE CHILDHOOD IMMUNIZATION PROGRAM.
6. ENGAGE THE SENIOR AND AGING POPULATION IN DIALOGUE SURROUNDING HEALTH CARE OBJECTIVES AND ASSIST WITH CARE COORDINATION.
7. ENHANCE OUT-OF-AREA TRANSPORTATION SERVICES TO IMPROVE ACCESS TO CARE.
8. CONTINUE TO TRAIN RESIDENT PHYSICIANS THROUGH THE SYSTEM'S GRADUATE MEDICAL EDUCATION PROGRAM WITH AN EMPHASIS ON FAMILY AND INTERNAL MEDICINE. RESIDENTS PHYSICIANS IN THE GME PROGRAM PROVIDE FREE HEALTHCARE SERVICES AND HEALTH EDUCATION OUTREACH IN MEDICALLY UNDERSERVED AREAS OF VENTURA COUNTY.

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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UNCOMPENSATED AND UNDERFUNDED CARE

1. CONTINUE TO PROVIDE ACCESS TO A SIGNIFICANT NUMBER OF MEDICAL BENEFICIARIES ACROSS A BROAD RANGE OF MEDICAL SERVICES (MEASURED AS A PERCENTAGE OF GROSS REVENUE AND TOTALING AT LEAST 9%).
2. CONTINUE TO PROVIDE A SIGNIFICANT LEVEL OF SUBSIDIZED CARE THROUGH THE CENTERS FOR FAMILY HEALTH.

SPONSORSHIP OF COMMUNITY RESOURCES

1. CONTINUE TO SUPPORT THE INTERIM PERMIT NURSING PROGRAM, WITH THE OBJECTIVE OF TRAINING AT LEAST TWENTY (20) RECENTLY GRADUATED NURSES TO BECOME EFFECTIVE AND COMPASSIONATE CLINICAL NURSES.
2. CONTINUE TO ASSIST THE VENTURA COUNTY DISTRICT ATTORNEY'S OFFICE IN SUPPORTING VICTIMS OF DOMESTIC ABUSE THROUGH THE "PROJECT SAFE HARBOR" PROGRAM.
3. PROVIDE A ROTATION FOR TRAINING OB/GYN, ORTHOPEDIC SURGERY, INTERNAL MEDICINE, AND FAMILY MEDICINE PHYSICIAN RESIDENTS.
4. CONTINUE TO PROVIDE TOURS OF THE HOSPITALS TO THE YOUTH IN THE COMMUNITY.
5. CONTINUE TO PROVIDE DATA TO A NATIONAL TUMOR REGISTRY THAT SUPPORTS A KNOWLEDGE BASE DEDICATED TO ENHANCING THE CARE OF CANCER PATIENTS IN OUR COMMUNITY.
6. CONTINUE TO PROVIDE A CANCER RESOURCE CENTER THAT OFFERS NO-COST SUPPORT GROUPS AND OTHER RESOURCES TO HELP PATIENTS AND THEIR FAMILIES NAVIGATE THEIR CANCER DIAGNOSIS, TREATMENT, AND RECOVERY.

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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FORM 990, PART VI, LINE 11B

PROCESS USED TO REVIEW FORM 990

FORM 990 WAS PREPARED BY ERNST & YOUNG AND COMMUNITY MEMORIAL HEALTH SYSTEM (CMHS) FINANCE WITH INPUT FROM THE SYSTEM'S PLANNING AND MANAGED CARE OFFICE. FORM 990 WAS REVIEWED BY THE CEO, CFO, CORPORATE COMPLIANCE OFFICER AND AUDIT COMMITTEE. IN ADDITION, A FULL COPY OF THE 990 WAS PROVIDED TO THE BOARD OF TRUSTEES VIA EMAIL IN ADVANCE OF FILING THE FORM 990 WITH THE IRS.

FORM 990, PART VI, LINE 12C

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST
CONFLICT OF INTEREST STATEMENTS ARE COMPLETED BY AND COLLECTED FROM DIRECTORS, OFFICERS AND KEY EMPLOYEES ON AN ANNUAL BASIS. SUCH STATEMENTS ENSURE FULL DISCLOSURE OF FINANCIAL INTERESTS AND TRANSACTIONS WHERE CONFLICT OF INTEREST IS A POSSIBILITY, AND SHALL ENSURE THE AVOIDANCE OF POTENTIAL CONFLICT OF INTEREST IN CHOOSING NEW DIRECTORS, AND OTHER MATTERS INVOLVING OFFICERS, DIRECTORS, AND KEY EMPLOYEES. IT IS THE POLICY OF CMHS THAT REQUIRES DIRECTORS TO DISQUALIFY HIMSELF/HERSELF FROM MAKING A DECISION WHERE HE/SHE HAS A CONFLICT OF INTEREST.

FORM 990, PART VI, QUESTIONS 15A AND 15B

PROCESS FOR DETERMINING COMPENSATION

IN 2018, THE ORGANIZATION USED AN INDEPENDENT CONSULTANT TO SURVEY EXECUTIVE COMPENSATION. NATIONWIDE SURVEYS WERE USED TO COMPARE THE COMPENSATION OF THE HEALTH SYSTEM'S EXECUTIVE STAFF TO THE 50TH PERCENTILE OF THOSE SURVEYED AND BY ORGANIZATIONAL SIZE AND SCOPE. THE

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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BOARD COMPENSATION COMMITTEE IS RESPONSIBLE FOR ENGAGING THE INDEPENDENT COMPENSATION CONSULTANT AND FOR DETERMINING THE COMPENSATION OF THE CEO. THE COMPENSATION FOR ALL OTHER EXECUTIVES IS DETERMINED BY THE CEO AND SUBJECT TO THE APPROVAL BY THE BOARD COMPENSATION COMMITTEE. THE RECOMMENDATION OF THE BOARD COMPENSATION COMMITTEE IS THEN APPROVED BY THE BOARD OF DIRECTORS. THIS PROCESS IS DOCUMENTED IN THE BOARD MINUTES. THE PROCESS WAS LAST COMPLETED IN AUGUST 2018.

FORM 990, PART VI, QUESTIONS 16A AND 16B

JOINT VENTURES

CMHS HAS MAINTAINED A LONG-STANDING PRACTICE OF REVIEWING ALL POTENTIAL JOINT VENTURE OR SIMILAR ARRANGEMENTS TO ENSURE THAT CONTRACT TERMS ARE CONSISTENT WITH THE PROTECTION OF ITS TAX-EXEMPT STATUS.

FORM 990, PART VI, QUESTION 19

PUBLIC DISCLOSURE OF CERTAIN DOCUMENTS

THE AUDITED FINANCIAL STATEMENTS, FORM 990 TAX RETURNS, GOVERNING AND ORGANIZATIONAL DOCUMENTS, AND CONFLICT OF INTEREST POLICY IS AVAILABLE THROUGH THE ADMINISTRATIVE OFFICES AND IS PROVIDED UPON REQUEST.

FORM 990, PART VIII, LINE 1F

ALL OTHER CONTRIBUTIONS, GIFTS, GRANTS, AND SIMILAR AMOUNTS

THE AMOUNT SHOWN ON LINE 1F IS LESS THAN THE TOTAL AMOUNT OF

CONTRIBUTIONS SHOWN ON SCHEDULE B. THIS DISCREPANCY RESULTS FROM

ADJUSTMENTS MADE TO THE LINE 1F CONTRIBUTION REVENUE REMOVING AMOUNTS

RECEIVED DURING THE YEAR FOR PRIOR YEAR PLEDGES.

Name of the organization COMMUNITY MEMORIAL HEALTH SYSTEM	Employer identification number 95-1683892
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FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS

CHANGE IN PENSION LIABILITY \$(1,700,329)

CHANGE IN PLEDGE RECEIVABLE BALANCE \$ 426,101

ROUNDING \$ (3)

TOTAL \$(1,274,231)

ATTACHMENT 1990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
AYA HEALTHCARE INC 5930 CORNERSTONE CRT W, SUITE 300 SAN DIEGO, CA 92121	REGISTRY NURSING	1,883,075.
KAUFMAN HALL & ASSOCIATES LLC 5202 OLD ORCHARD RD, SUITE N700 SKOKIE, IL 60077	CONSULTING SERVICES	1,793,532.
ARENT FOX LLP P.O. BOX 644672 PITTSBURGH, PA 15264-4672	LEGAL SERVICES	1,360,755.
DIVERSIFIED CLINICAL SERVICES INC P.O. BOX 551187 JACKSONVILLE, FL 32255	STAFFING SERVICES	1,258,235.
MEDICAL SOLUTIONS LLC 1010 N 102ND STREET, SUITE 300 OMAHA, NE 68114	REGISTRY NURSING	1,100,259.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization

COMMUNITY MEMORIAL HEALTH SYSTEM

Employer identification number

95-1683892

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ACCOUNTABLE CARE ALLIANCE OF VENTURA 46-2843182 147 N. BRENT STREET VENTURA, CA 93003	MGMT SVCS	CA	-2,400.	225,925.	CMHS
(2) COMMUNITY MEMORIAL PHYSICIANS SERVICES 46-3142917 147 N. BRENT STREET VENTURA, CA 93003	MGMT SVCS	CA	0.	0.	CMHS
(3) VENTURA ORTHOPEDIC CO-MANAGEMENT COMPANY 45-3483342 147 N. BRENT STREET VENTURA, CA 93003	MGMT SVCS	CA	0.	0.	CMHS
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) COMMUNITY MEMORIAL HEALTHCARE FOUNDATION 95-3847251 147 N. BRENT STREET VENTURA, CA 93003	FUNDRAISING	CA	501(C)(3)	7	CMHS	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2018

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) GROSSMAN IMAGING CENTER OF CMH SEE PART VII	IMAGING CENTER	CA	N/A	RELATED	-402,346.	90,386.		X	0.		X	51.0000
(2) VENTURA CARDIOVASCULAR CO-MGMT SEE PART VII	MANAGEMENT SRVC	CA	N/A	RELATED	199,981.	233,314.		X	0.	X		50.0000
(3) BUENAVISTA MEDICAL PROPERTIES SEE PART VII	RENTAL	CA	N/A	RELATED								
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) BUENAVISTA MEDICAL PROPERTIES, INC 147 N. BRENT STREET VENTURA, CA 93003 77-0298516	REAL ESTATE	CA	N/A	C CORP	209,429.	359,441.	100.0000	X	
(2) CALIFORNIA HEART INSTITUTE 147 N. BRENT STREET VENTURA, CA 93003 77-0276145	BILLING SERVICES	CA	N/A	C CORP	272,866.	214,274.	100.0000	X	
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) GROSSMAN IMAGING CENTER	A	106,934.	ACCRUAL METHOD
(2) GROSSMAN IMAGING CENTER	D	3,091,646.	ACCRUAL METHOD
(3) GROSSMAN IMAGING CENTER	J	162,828.	ACCRUAL METHOD
(4) COMMUNITY MEMORIAL HEALTHCARE FDN	C	115,256.	ACCRUAL METHOD
(5) COMMUNITY MEMORIAL HEALTHCARE FDN	Q	229,296.	ACCRUAL METHOD
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
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(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

FORM 990, SCHEDULE R, PART III

INFORMATION FOR RELATED ORGANIZATIONS TAXABLE AS PARTNERSHIPS

ORGANIZATION NAME: GROSSMAN IMAGING CENTER OF CMH, LLC

ORGANIZATION EIN: 37-1512002

U.S. ADDRESS: 2001 N. SOLAR DR., SUITE 135, OXNARD, CA 93030

ORGANIZATION NAME: VENTURA CARDIOVASCULAR CO-MANAGEMENT CO. LLC

ORGANIZATION EIN: 27-3227049

U.S. ADDRESS: 147 NORTH BRENT STREET, VENTURA, CA 93003

ORGANIZATION NAME: BUENAVISTA MEDICAL PROPERTIES, LTD.

ORGANIZATION EIN: 77-2753640

U.S. ADDRESS: 168 NORTH BRENT STREET, VENTURA, CA 93003

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Community Memorial Health System
Years Ended December 31, 2018 and 2017
With Report of Independent Auditors

Ernst & Young LLP



Community Memorial Health System

Consolidated Financial Statements
and Supplementary Information

Years Ended December 31, 2018 and 2017

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Report of Independent Auditors

The Board of Trustees
Community Memorial Health System

We have audited the accompanying consolidated financial statements of Community Memorial Health System (the System), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the System at December 31, 2018 and 2017, and the consolidated results of its operations, changes in net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating details appearing in conjunction with the consolidated financial statements are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst + Young LLP

May 28, 2019

Community Memorial Health System

Consolidated Balance Sheets

	December 31	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,352,332	\$ 26,269,935
Investments	99,339,902	135,764,287
Patient accounts receivable	56,547,380	54,786,965
Due from third-party payors	4,949,200	3,703,155
Inventories	10,165,825	10,325,912
Current portion of assets limited as to use	1,861,855	1,633,068
Current portion of insurance receivable	373,021	461,299
Prepaid expenses and other	57,197,457	50,231,103
Total current assets	249,786,972	283,175,724
Assets limited as to use, less current portion:		
For workers' compensation claims	4,923,045	4,496,955
For deferred compensation plans	8,244,995	8,413,357
Annuity trust	206,945	233,581
Construction funds	32,222,665	48,118,471
	45,597,650	61,262,364
Property and equipment, net	585,362,833	534,479,019
Other assets:		
Insurance receivable, net of current portion	1,025,387	1,267,390
Investment in affiliate	238,386	201,582
Property held for future use	1,984,894	1,984,894
Other assets	1,848,930	3,221,429
Total assets	\$ 885,845,052	\$ 885,592,402

	December 31	
	2018	2017
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 38,555,434	\$ 36,138,444
Hospital quality assurance fee payable	8,959,309	20,155,649
Accrued compensation and related benefits	25,175,898	24,937,943
Current maturities of long-term debt and capital lease obligations	7,517,894	7,164,497
Total current liabilities	80,208,535	88,396,533
Accrued pension obligation, less current portion	11,271,147	8,300,172
Accrued workers' compensation and malpractice insurance claims, less current portion	6,223,479	6,859,695
Long-term debt and capital lease obligations, net of current maturities	324,012,638	328,359,272
Annuity trust liability	107,006	110,286
Other liabilities	2,212,874	2,123,074
Total liabilities	424,035,679	434,149,032
Net assets:		
Without donor restrictions:		
System	462,064,328	449,448,933
Noncontrolling interests in subsidiaries	(3,377,445)	(3,207,662)
With donor restrictions – System	3,122,490	5,202,099
Total net assets	461,809,373	451,443,370
Total liabilities and net assets	\$ 885,845,052	\$ 885,592,402

See accompanying notes.

Community Memorial Health System

Consolidated Statements of Operations

	Year Ended December 31	
	2018	2017
Revenue, gains, and other support without donor restrictions:		
Patient service revenue before Hospital Medi-Cal		
supplemental payments	\$ 378,433,804	\$ 359,953,665
Hospital Medi-Cal supplemental payments	35,518,314	28,317,134
Patient service revenue	413,952,118	388,270,799
Other operating revenue	18,494,313	17,542,094
Net assets released from restrictions	322,973	345,343
Total revenues, gains, and other support without donor restrictions	432,769,404	406,158,236
Expenses:		
Payroll and related expenses	214,267,548	201,888,148
Other operating expenses	173,547,123	157,420,871
Hospital quality assurance fee	12,835,876	22,763,811
Depreciation and amortization	13,602,567	12,837,399
Interest	1,294,608	211,693
Total expenses	415,547,722	395,121,922
Operating income	17,221,682	11,036,314
Other (expense) income:		
Investment (loss) income	(6,706,686)	14,329,935
Donations	118,820	264,008
Total other (expense) income	(6,587,866)	14,593,943
Excess of revenues, gains, and other support without donor restrictions over expenses	10,633,816	25,630,257
Deficiency (Excess) of revenues, gains, and other support without donor restrictions over expenses attributable to noncontrolling interests	63,410	(93,322)
Excess of revenues, gains, and other support without donor restrictions over expenses attributable to the System	\$ 10,697,226	\$ 25,536,935

See accompanying notes.

Community Memorial Health System

Consolidated Statements of Changes in Net Assets

	Year Ended December 31	
	2018	2017
Net assets at beginning of year	\$ 451,443,370	\$ 421,376,469
Net assets without donor restrictions:		
Excess of revenues, gains, and other support without donor restrictions over expenses attributable to the System	10,697,226	25,536,935
(Deficiency) Excess of revenues, gains, and other support without donor restrictions over expenses attributable to noncontrolling interests	(63,410)	93,322
Change in pension obligation	(1,700,329)	1,587,416
Distributions to noncontrolling interests	(106,373)	(114,125)
Net assets released from restrictions for the acquisition of property and equipment	3,618,498	3,444,841
Increase in net assets without donor restrictions	12,445,612	30,548,389
Net assets with donor restrictions:		
Contributions	1,861,862	3,308,696
Net assets released from restrictions	(3,941,471)	(3,790,184)
Decrease in net assets with donor restrictions	(2,079,609)	(481,488)
Increase in net assets	10,366,003	30,066,901
Net assets at end of year	\$ 461,809,373	\$ 451,443,370

See accompanying notes.

Community Memorial Health System

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2018	2017
Operating activities		
Increase in net assets	\$ 10,366,003	\$ 30,066,901
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	13,602,567	12,837,399
Net unrealized losses (gains) on trading investments	21,354,254	(10,541,058)
Purchases of trading investments, net of sales	15,070,131	18,362,594
Restricted contributions	(3,224,103)	(2,036,131)
Changes in operating assets and liabilities:		
Patient accounts receivable	(1,760,415)	4,528,507
Inventories	160,087	(415,870)
Prepaid expenses and other current assets	(7,195,141)	(21,004,888)
Current and non-current portions of insurance receivable	330,281	550,775
Other long term assets	1,077,967	(2,872,127)
Annuity trust asset	26,636	(14,975)
Accounts payable and accrued liabilities and hospital quality assurance fee payable	(6,761,213)	(4,622,628)
Due from third-party payors	(1,246,045)	(117,469)
Accrued pension obligation	2,970,975	(630,276)
Accrued workers' compensation and malpractice insurance claims, less current portion	(633,216)	(1,148,076)
Other liabilities	83,520	(300,339)
Net cash provided by operating activities	44,222,288	22,642,339
Investing activities		
Decrease in assets limited as to use for construction	15,895,806	29,049,825
Purchase of property and equipment	(65,192,704)	(50,763,055)
Net cash used in investing activities	(49,296,898)	(21,713,230)
Financing activities		
Proceeds from new borrowings and restricted contributions	3,974,103	2,387,714
Repayments of long-term debt and capital lease obligations	(5,817,096)	(5,694,451)
Net cash used in financing activities	(1,842,993)	(3,306,737)
Net decrease in cash and cash equivalents	(6,917,603)	(2,377,628)
Cash and cash equivalents at beginning of year	26,269,935	28,647,563
Cash and cash equivalents at end of year	\$ 19,352,332	\$ 26,269,935
Supplemental disclosure cash flow information		
Interest paid	\$ 25,822,665	\$ 25,978,693
Supplemental disclosure of noncash transactions		
Capital leases	\$ 1,073,859	\$ —
Property and equipment included in accounts payable	\$ 8,653,588	\$ 10,433,770

See accompanying notes.

Community Memorial Health System

Notes to Consolidated Financial Statements

December 31, 2018

1. Organization and Operations

Community Memorial Health System (the System, CMHS, or we), a California nonprofit public benefit corporation headquartered in Ventura, California, was organized to provide multi-hospital, multi-discipline health care services to patients in Ventura, California, and the surrounding areas.

The accounts of the System include the following significant affiliate/subsidiary organizations:

Community Memorial Hospital (CMH), a division of CMHS, operates a 250-bed acute care hospital in Ventura, California.

Ojai Valley Community Hospital (OVCH), a division of CMHS, operates a 91-bed critical access hospital located in Ojai, California, consisting of 25 acute beds and a 66-bed distinct part skilled nursing facility.

Community Memorial Healthcare Foundation (the Foundation) is a tax-exempt corporation whose purpose is to raise funds for the future support of CMH. The Foundation regularly provides funds to CMH for research, education, and the purchase of equipment. The System is the sole corporate member of the Foundation.

Buenavista Medical Properties, Inc., a California for-profit corporation owned by CMHS, is a general partner and 69.3% owner of Buenavista Medical Properties, Ltd. (BVM, Ltd.). BVM, Ltd. owns two floors of a medical office building adjacent to CMH.

California Heart Institute, Inc., a California for-profit corporation owned by CMHS, provides billing and other services to physicians.

Grossman Imaging Center of CMH (Grossman) is a limited liability corporation that owns four free-standing imaging centers. CMHS is a 51.0% owner of Grossman.

Accountable Care Alliance of Ventura County is a for-profit accountable care organization owned by CMHS to provide gainsharing for covered Medicare patients.

Community Memorial Physician Services is a for-profit limited liability corporation owned by CMHS to provide gainsharing for orthopedic spine treatment.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the System and its affiliate/subsidiary organizations listed in Note 1. Where the System has a majority voting interest but less than 100% ownership interest, the System consolidates the subsidiary or partnership's results and reflects the non-controlling interests in the performance indicator of the System. For Grossman, CMHS has recorded the non-controlling owner's losses, including those that reduced the non-controlling interest below zero, since the non-controlling owner has guaranteed his pro rata share of certain debt obligations and losses of operations and he has the ability to satisfy the guarantee (see Note 6).

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Adoption of New Accounting Standards

Effective January 1, 2018, the System adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the full retrospective method of transition. This ASU is intended to improve, converge, and replace previously existing revenue recognition guidance, including industry-specific guidance and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled to in an exchange of goods or services. The adoption of the new ASU did not materially impact the consolidated financial statements.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Effective December 31, 2018, the System adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The System adopted this ASU and has adjusted the presentation of the consolidated financial statements accordingly. This ASU has been applied retrospectively to all periods presented. The System has elected to apply the practical expedient and not disclose prior year liquidity and availability of resources. The adoption of this ASU did not impact total revenues, gains and other support without donor restrictions, excess of revenues, gains and other support without donor restrictions over expenses, or total net assets.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with lease terms greater than 12 months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This amends current guidance that requires only capital leases to be recognized on the lessee balance sheet. ASU 2016-02 will also require additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. The System will adopt ASU 2016-02 effective January 1, 2019 using a modified retrospective approach. The impact of adoption on the consolidated financial statements will be an increase in other noncurrent assets to record right-of-use assets and an increase in other current and noncurrent liabilities to record lease obligations for current operating and finance leases. The System remains in the process of determining the specific amounts to be recorded upon adoption.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU intends to clarify and improve current accounting guidance to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. The ASU is effective for the System January 1, 2019 and the System is currently assessing the impact that ASU 2018-08 will have on its consolidated financial statements.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net Assets

The System follows the reporting requirements of U.S. GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of revenues and expenses related to health care services. In addition, changes in this category of net assets include investment returns on general funds, actuarial adjustments to self-insurance liabilities, charitable gifts without restrictions, as well as previously restricted gifts and grants for buildings and equipment that have been placed in service.
- With Donor Restrictions – net assets subject to donor-imposed restrictions that will be met either by actions of the System or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and grants for buildings and equipment not yet placed in service; endowment, annuity, and life income gifts and pledges. Expirations of restrictions on net assets with donor restrictions, including reclassification of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions. Other permanently restricted items in this net asset category include annuity and life income gifts for which the ultimate purpose of the proceeds is permanently restricted.

	December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Detail of net assets			
System	\$ 462,064,328	\$ –	\$ 462,064,328
Noncontrolling interests in subsidiaries	(3,377,445)	–	(3,377,445)
Education and clinical programs	–	782,875	782,875
Medical equipment and building funds	–	2,339,615	2,339,615
Total	\$ 458,686,883	\$ 3,122,490	\$ 461,809,373

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

	December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Detail of net assets			
System	\$ 449,448,933	\$ –	\$ 449,448,933
Noncontrolling interests in subsidiaries	(3,207,662)	–	(3,207,662)
Education and clinical programs	–	956,794	956,794
Medical equipment and building funds	–	4,245,305	4,245,305
Total	\$ 446,241,271	\$ 5,202,099	\$ 451,443,370

Cash and Cash Equivalents

The System considers all cash and highly liquid debt instruments with original maturities, on acquisition date, of three months or less when purchased to be cash equivalents.

Charity Care

The System provides care without charge to patients who meet certain criteria under its charity care policy. The System's charity care policy includes a presumptive charity care model that determines a patient's ability to pay based on historical collection activities that correlate to low income and asset levels. Presumptive charity determination serves as an additional and final screening for those patients with limited ability to pay.

Because the System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as revenue. The System uses a patient cost of care to patient charge ratio to approximate its direct and indirect costs of providing charity care. This ratio is applied to the specific charges forgone for services and supplies furnished under the System's charity care policy. The System determined that its direct and indirect costs of providing charity care was \$1.3 million for each of the years ended December 31, 2018 and 2017.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Generally, the System bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied. Contractual adjustments include differences between established billing rates and amounts estimated by management as reimbursable under various cost reimbursement formulas and contracts in effect.

Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The System believes that this method provides a realistic depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospital(s) receiving inpatient acute care services. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the System does not believe it is required to provide additional goods or services to the patient. Because all of its performance obligations relate to contracts with a duration of less than one year, the System has elected to apply the optional exemption provided in FASB Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The System determines the transaction price based on standard charges for goods and services provided to patients, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the System's policy, and/or implicit price concessions based on historical collection experience. Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- **Medicare:** Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Outpatient services are paid using prospectively determined rates.
- **Medicaid:** Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.
- **Other:** Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the System. In addition, the contracts the System has with commercial payors also provide for retroactive audit and review of claims.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The System also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2018 and 2017, was not significant.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the System's historical settlement activity, including an assessment to ensure it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. In 2018 and 2017, the System settled several previously filed Medicare and Medicaid cost reports and recorded changes in estimates that decreased revenue by \$0.5 million and increased revenue by \$0.9 million, respectively. In the opinion of management, adequate provision has been made for adjustments, if any, that might result from subsequent review.

Patients who meet the System's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Patient service revenue, before Hospital Medi-Cal supplemental payments, recognized from major payor sources for the years ended December 31 is as follows:

	2018	Ratio	2017	Ratio
Medicare	\$ 90,540,069	23.9%	\$ 87,935,697	24.4%
Medicare – managed care	56,137,982	14.8	53,928,439	15.0
Medi-Cal	46,876,607	12.4	41,590,921	11.6
Managed care and other	181,545,607	48.0	173,695,863	48.2
Self-pay	3,333,539	0.9	2,802,745	0.8
Patient service revenues before Hospital Medi-Cal supplemental payments	<u>\$ 378,433,804</u>		<u>\$ 359,953,665</u>	

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System’s expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Hospital Medi-Cal Supplemental Payments and Quality Assurance Fee

The California Hospital Fee Program (the Program) and amending-legislation was signed into law by the governor of California on January 1, 2010 and September 8, 2010, respectively. The primary legislation (AB 1383) and amending legislation (AB 1653) contains two components: the Quality Assurance Fee Act, which governs the “hospital fee” or “Quality Assurance Fee” (QA Fee) paid by participating hospitals, and the Medi-Cal Hospital Provider Stabilization Act, which governs supplemental Medi-Cal payments (Supplemental Payments) made to providers from the fund. Hospital participation is mandatory, with limited exceptions. In June 2012, the Centers for Medicare and Medicaid Services (CMS) amended legislation to allow for the fee-for-service portion of the Program to be administered separately from the managed care component.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

There are two programs that had activity in 2017 and 2018: a 36-month hospital fee program covering the period from January 1, 2014 through December 31, 2016, and a 30-month hospital fee program covering the period from January 1, 2017 through June 30, 2019. As of December 31, 2018 and 2017, supplemental payments receivable totaled \$43.1 million and \$36.4 million, respectively and are included in prepaid expenses and other current assets in the accompanying consolidated financial statements. As of December 31, 2018 and 2017, quality assurance fees payable totaled \$9.0 million and \$20.2 million, respectively.

Inventories

Inventories are recorded at cost (by the first-in, first-out method), which is not in excess of net realizable value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Fair value is established based on quoted prices from recognized security exchanges. Management determines the appropriate classification as trading or other-than-trading of all equity and debt securities at the date of purchase and reevaluates such designations at each balance sheet date. The System determined that all investments held at December 31, 2018 and 2017, are designated as trading securities, as the investments are externally managed without restrictions within the guidelines of the System's investment policy. Accordingly, the change in unrealized gains and losses on investments is reported as part of investment income in the accompanying consolidated statements of operations.

Investment income or loss (including realized and unrealized gains and losses on trading investments and interest and dividends) is included in excess of unrestricted revenues, gains, and other support over expenses. Realized gains and losses with respect to disposition of investments are based on the specific-identification method.

Investment income or loss on investments included in net assets with donor restrictions (including realized gains and losses on investments and interest and dividends) is reported in excess of unrestricted revenues, gains, and other support over expenses unless the income or loss is restricted by donor or by law.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Alternative Investments

The System's alternative investment fund managers employ a range of investment strategies, including, but not limited to, long/short equity positions, derivatives, and forward and futures contracts. The gain or loss from alternative investments is included in investment income in the accompanying consolidated statements of operations. At December 31, 2018 and 2017, these alternative investments comprised 1.3%, of the System's total consolidated assets.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value in accounting U.S. GAAP and expands disclosures about fair value measurements. As defined in ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1 – Assets that have readily observable prices (quoted prices in active markets accessible at measurement date of assets) and, therefore, a reliable fair market value. Financial assets and liabilities in Level 1 include listed equity securities and mutual funds.

Level 2 – Assets that are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Assets whose fair value cannot be determined by using observable measures, and can only be calculated using estimates or risk-adjusted value ranges, when little or no market data is available. The inputs into the determination of fair value require management's judgment and interpretations by management or estimation of assumptions that market participants would use in pricing the assets or liabilities, including, but not limited to, private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates. There are no Level 3 financial assets or liabilities at December 31, 2018 and 2017.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The level in the fair value hierarchy within which the fair value is classified is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assets and liabilities measured at fair value are based on one or more of three valuation techniques as identified in the tables below. Where more than one technique is noted, individual assets or liabilities were valued using one or more of the noted techniques. The valuation techniques are as follows:

- (a) *Market Approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) *Cost Approach*. Amount that would be required to replace the service capacity of an asset (replacement cost).
- (c) *Income Approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing, and excess earnings models).

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Financial assets and liabilities carried at fair value as of December 31, 2018, are classified in the table below:

	Total	Level 1	Level 2	Valuation Technique (a, b, c)
Assets:				
Marketable equity securities	\$ 28,974,885	\$ 28,974,885	\$ —	a
Mutual funds	59,016,051	59,016,051	—	a
	<u>87,990,936</u>	<u>87,990,936</u>	—	
Assets limited as to use:				
Cash and cash equivalents	39,319,149	39,319,149	—	a
Mutual funds	8,140,356	8,140,356	—	a
	<u>47,459,505</u>	<u>47,459,505</u>	—	
	<u>135,450,441</u>	<u>\$ 135,450,441</u>	<u>\$ —</u>	
Investments measured at net asset value	<u>11,348,966</u>			
	<u>\$ 146,799,407</u>			
Liability:				
Interest rate swap liability	\$ (23,164)	\$ —	\$ (23,164)	b
	<u>\$ (23,164)</u>	<u>\$ —</u>	<u>\$ (23,164)</u>	

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Financial assets and liabilities carried at fair value as of December 31, 2017, are classified in the table below:

	Total	Level 1	Level 2	Valuation Technique (a, b, c)
Assets:				
Marketable equity securities	\$ 36,789,623	\$ 36,789,623	\$ –	a
Mutual funds	85,348,624	85,348,624	–	a
Municipal bonds	905,909	–	905,909	a
Corporate bonds	1,086,936	–	1,086,936	a
	<u>124,131,092</u>	<u>122,138,247</u>	<u>1,992,845</u>	
Assets limited as to use:				
Cash and cash equivalents	54,580,919	54,580,919	–	a
Mutual funds	8,314,513	8,314,513	–	a
	<u>62,895,432</u>	<u>62,895,432</u>	<u>–</u>	
	187,026,524	<u>\$ 185,033,679</u>	<u>\$ 1,992,845</u>	
Investments measured at net asset value				
	<u>11,633,195</u>			
	<u>\$ 198,659,719</u>			
Liability:				
Interest rate swap liability	\$ (20,490)	\$ –	\$ (20,490)	b
	<u>\$ (20,490)</u>	<u>\$ –</u>	<u>\$ (20,490)</u>	

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

Financial instruments that potentially subject the System to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and patient accounts receivable. The investment portfolio is managed within the guidelines established by the Board of Directors, which, as a matter of policy, limit the amounts that may be invested in any one issue. Concentration of credit risk with respect to patient accounts receivable is limited due to the large number of payors comprising the System's patient base.

Fair Value of Financial Instruments

The System's consolidated balance sheets include the following financial instruments: cash and cash equivalents, investments, other receivables, accounts payable and accrued liabilities, estimated third-party payor settlements, and long-term debt. The System considers the carrying amounts of current assets and liabilities in the consolidated balance sheets to approximate the fair value of these financial instruments because of the relatively short period of time between origination of the instruments and their expected realization. The System determines the fair value of its long-term debt using inputs that can be corroborated by observable market data, which is defined as a Level 2 input under U.S. GAAP on fair value measures.

Capitalized Interest

Interest, related to the facility replacement project, is capitalized during construction. Interest on the Community Memorial Health System Series 2011 Revenue Bonds, net of investment income earned on unused bond proceeds, was capitalized in the amount of \$25.0 million and \$25.4 million for the years ended December 31, 2018 and 2017, respectively.

Accounting for the Impairment of Long-Lived Assets

The System reviews long-lived assets for impairment when events or changes in business conditions indicate that their carrying value may not be recoverable. The System considers assets to be impaired and writes them down to fair value if expected associated cash flows are less than the carrying amounts. Fair value is the present value of the associated cash flows. No long-lived asset impairment indicators were present and no impairment was recognized for the years ended December 31, 2018 and 2017.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Amortization expense related to capital leases is included in depreciation and amortization expense. The System provides for depreciation using the straight-line method over the following estimated useful lives:

Buildings and improvements	3 to 40 years
Equipment	3 to 15 years

Gifts of long-lived assets, such as buildings or equipment, are recorded at fair value at the donation date and are reported as support without donor restrictions and excluded from the excess of revenue, gains, and other support without donor restrictions over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

On July 18, 2011, in connection with its replacement hospital project, CMHS entered into a real estate exchange agreement with the City of Ventura to reconfigure the surrounding area of its CMH facility. Pursuant to the agreement, CMHS transferred a portion of its asset held for future use with a carrying value of \$2.0 million in exchange for three parcels of the City of Ventura's properties, with a fair value totaling \$2.0 million. Both parties mutually agreed that the exchanged properties were of equal value. For reasons related to the financing and development of the project, the City of Ventura transferred one of its three parcels to be exchanged to CMHS in July 2011. CMHS is in the process of transferring its property to the City of Ventura, and the City of Ventura is in the process of transferring the other two parcels of property to CMHS with expected completion in 2019. CMHS has classified the property received by the City of Ventura, totaling \$0.8 million, as land and has recorded a right to receive land from the city, with a fair value of \$1.2 million for the two remaining parcels to be received and a liability for the future transfer of its asset held for future use to the city in the amount of \$2.0 million.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use include assets held by the insurer for payment of workers' compensation claims, amounts held to fund an annuity trust, amounts designated by the Board of Trustees for payment of accrued pension obligations, and construction funds held in trust. The current portion of assets limited as to use includes amounts that will be used to pay the current portion of workers' compensation claims.

Employee Healthcare, Workers' Compensation, and Medical Malpractice Claims

The System is self-insured for certain employee health care claims. Employee health care claims, including an estimate for incurred but not reported claims, are estimated by management based on historical experience. Amounts accrued totaled \$1.0 million and \$0.8 million at December 31, 2018 and 2017, respectively, and are included in accrued compensation and related benefits in the accompanying consolidated balance sheets.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The System is insured for workers' compensation claims with deductibles as follows:

Policy Period	Deductible	Annual Aggregate Retention
4/9/2001–4/8/2002	\$ 250,000	\$ 3,155,120
4/9/2002–4/8/2003	350,000	4,351,652
4/9/2003–4/8/2004	350,000	None
4/9/2004–4/8/2005	350,000	None
4/9/2005–4/8/2006	350,000	None
4/9/2006–4/8/2007	350,000	3,905,000
4/9/2007–4/8/2008	350,000	4,080,000
4/9/2008–4/8/2009	350,000	4,052,160
4/9/2009–4/8/2010	350,000	5,550,000
4/9/2010–4/8/2011	350,000	6,000,000
4/9/2011–4/8/2012	350,000	7,000,000
4/9/2012–4/8/2013	350,000	10,000,000
4/9/2013–4/8/2014	350,000	11,000,000
4/9/2014–4/8/2015	500,000	13,973,995
4/9/2015–4/8/2016	500,000	13,000,000
4/9/2016–4/8/2017	500,000	14,500,000
4/9/2017–4/8/2018	500,000	14,500,000
4/9/2018–4/8/2019	500,000	14,500,000

Accruals for known claims and claims incurred but not reported are estimated, on an undiscounted basis, based upon the System's claims experience. Such accruals totaled \$4.8 million and \$5.2 million as of December 31, 2018 and 2017, respectively.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The System has various levels of general and malpractice liability self-insured risks that vary by year, as follows:

<u>Policy Period</u>	<u>Deductible</u>	<u>Annual Aggregate Retention</u>
11/13/1958–4/30/2003	\$ 1,000	Claims-made excess coverage
5/1/2003–4/30/2004	25,000	Claims-made excess coverage
5/1/2004–6/30/2008	100,000	Claims-made excess coverage
7/1/2008–12/31/2018	250,000	Claims-made excess coverage

The System purchases excess insurance coverage resulting in total coverage of \$250,000 per occurrence insuring all employees, volunteers, and members of the medical staff. Accruals for uninsured claims and claims incurred but not reported are estimated, on an undiscounted basis, based on the System's claims experience. Such accruals totaled \$3.7 million and \$4.1 million as of December 31, 2018 and 2017, respectively. The accruals represent the total actuarially determined loss without reduction for the portion that is expected to be recoverable through insurance. The expected amounts to be recovered through insurance are included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

The current portion of workers' compensation and medical malpractice liabilities, totaling \$2.3 million and \$2.5 million as of December 31, 2018 and 2017, respectively, represents the cost expected to be paid in the following year and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. Amounts expected to be paid beyond one year are included in the long-term portion of workers' compensation and malpractice insurance claims liabilities in the accompanying consolidated balance sheets.

Income Taxes

CMH and OVCH are divisions of the System, a nonprofit corporation recognized as tax-exempt under Internal Revenue Code (IRC) Section 501(a) as an organization described in Sections 501(c)(3) and 170(b)(1)(A)(iii) and corresponding sections of the California Revenue and Taxation Code. Grossman is a limited liability corporation. CMHS's ratable share of Grossman's earnings is recorded by CMHS and, as it furthers CMHS's mission, is exempt from federal and state income taxes. Foundation is a non-profit corporation recognized as tax exempt under IRC Section 501(a) as an organization described in 501(c)(3) and 170(b)(1)(A)(vi). CMHS and Foundation are subject to federal and California income taxes on income that is unrelated to their tax-exempt purposes.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The System accounts for income taxes under the provisions of ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Under ASC 740, the tax benefit from uncertain tax positions may be recognized only if it is more likely than not that the tax position will be sustained, based solely on its technical merits, with the taxing authority having full knowledge of all relevant information. The System records a liability for unrecognized tax benefits from uncertain tax positions as discrete tax adjustments in the first interim period that the more-likely-than-not threshold is not met. The System recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of its assets and liabilities along with net operating loss and tax credit carryovers for tax positions that meet the more-likely-than-not recognition criteria. The System completed an analysis of its tax position, in accordance with ASC 740, and determined that there are no uncertain tax positions taken or expected to be taken. No significant tax liability for unrecognized tax benefits, interest, or penalties was accrued as of December 31, 2018 or 2017. The System is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The System believes it is no longer subject to income tax examinations for years prior to 2014.

Conditional Asset Retirement Obligations

The System accounts for asset retirement obligations under ASC 410, *Asset Retirement and Environmental Obligations*. ASC 410 requires an entity to recognize a liability for the fair value of conditional asset retirement obligations if the fair value of the liability can be reasonably estimated. The fair value of a liability for conditional asset retirement obligations must be recognized when incurred, generally upon acquisition, construction, or development and/or through the normal operation of the asset.

On August 18, 2011, the System began its construction of an acute care replacement hospital at its CMH facility in order to comply with California's seismic safety standards (see Note 10). The cost of the project, which concluded on December 16, 2018, was \$281.0 million (unaudited) excluding capitalized interest. Funding for the project came from a \$350.0 million bond issue (see Note 5). Bond proceeds were recorded as assets limited as to use, and bond obligations were recorded as long-term debt in the accompanying consolidated balance sheets. The System's plans for renovation of the existing facility are not complete, and the date and amounts for which the asset retirement obligations, if any, would be settled are unknown. Accordingly, the System concluded

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

it could not reasonably estimate the fair value of a liability, if any, and no amounts have been recorded in the consolidated balance sheets. Instead, the System will record a liability in a future period in which the fair value can be reasonably estimated.

Performance Indicator

Management considers excess of revenues, gains, and other support without donor restrictions over expenses to be the System's performance indicator. Changes in net assets without donor restrictions, which are excluded from the excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions that, by donor restriction, were to be used for the purposes of acquiring such assets) and change in the pension obligations.

Subsequent Events

The System has evaluated subsequent events occurring through May 28, 2019, the date the consolidated financial statements were issued.

3. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Land and improvements	\$ 41,529,719	\$ 24,965,007
Buildings	474,023,617	132,430,126
Leasehold improvements	7,573,146	7,573,146
Equipment	186,937,762	128,754,789
	<u>710,064,244</u>	<u>293,723,068</u>
Less accumulated depreciation and amortization	(163,208,786)	(192,918,134)
	546,855,458	100,804,934
Construction-in-progress	38,507,375	433,674,085
Total property and equipment, net	<u>\$ 585,362,833</u>	<u>\$ 534,479,019</u>

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

3. Property and Equipment (continued)

Equipment under capital leases, net of accumulated depreciation, of \$1.2 million and \$0.8 million at December 31, 2018 and 2017, respectively, is included above. Depreciation on equipment under capital leases is included in depreciation and amortization.

4. Investments and Assets Limited as to Use

Investments stated at fair value consist of the following at December 31:

	2018	2017
Mutual funds – bond	\$ 59,016,051	\$ 85,348,624
Alternative investments – bond	2,656,332	2,743,401
Alternative investments – equity	5,303,521	5,484,193
Alternative investments – international	3,389,113	3,405,601
Marketable equity securities – domestic	24,587,637	30,279,974
Marketable equity securities – international	4,387,248	6,509,649
Municipal bonds	–	905,909
Corporate bonds	–	1,086,936
Total investments	\$ 99,339,902	\$ 135,764,287

Assets limited as to use, stated at fair value, consist of the following at December 31:

	2018	2017
Cash and cash equivalents	\$ 39,319,149	\$ 54,580,919
Mutual funds – bond	3,084,615	3,007,954
Mutual funds – equity	4,536,832	4,760,799
Mutual funds – international	518,909	545,760
	47,459,505	62,895,432
Less current portion	(1,861,855)	(1,633,068)
	\$ 45,597,650	\$ 61,262,364

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

4. Investments and Assets Limited as to Use (continued)

Investment (loss) income consists of the following for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 3,398,420	\$ 3,576,280
Realized gains	11,249,148	212,597
Unrealized (losses) gains	(21,354,254)	10,541,058
	<u>\$ (6,706,686)</u>	<u>\$ 14,329,935</u>

5. Liquidity and Available Resources

The System's primary cash requirements are paying operating expenses, servicing debt, and capital expenditures related to the expansion and renovation of existing facilities and acquisitions. Cash in excess of near-term working capital needs is invested as described in Notes 2 and 4. The System's financial assets available for general operating expenses within one year of December 31, 2018, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 19,352,332
Investments	99,339,902
Patient accounts receivable	56,547,380
Accrued Hospital Medi-Cal supplemental payments	43,093,597
Total financial assets and liquidity available within one year	<u>\$ 218,333,211</u>

Primary cash resources are cash flows from operating and investing activities. Additionally, the System has access to public and private debt markets and maintains a revolving credit agreement as described in Note 6.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Capital Lease Obligations

Long-term debt consists of the following as of December 31:

	2018	2017
Series 2011 Revenue Bonds, with interest from 5.0% to 8.0%, principal amount \$350.0 million, semiannual principal and interest payments due through 2041	\$ 333,878,601	\$ 339,484,120
Term note payable to bank, with interest of 3.5%, secured by real property, due through 2026	2,358,102	2,505,289
Bank line of credit	747,000	1,270,000
Capital lease obligations for medical equipment, net of imputed interest ranging from \$1,040 to \$4,112, including interest at rates ranging from 4.95% to 16.00% per annum; the leases expire at various dates through 2021	2,399,997	464,629
	339,383,700	343,724,038
Less current maturities	(7,517,894)	(7,164,497)
	331,865,806	336,559,541
Less debt issuance costs	(7,853,168)	(8,200,269)
	\$ 324,012,638	\$ 328,359,272

On August 1, 2011, the obligated group of CMHS, consisting of CMH and OVCH (the Group), entered into a loan agreement with the City of San Buenaventura (the City), State of California, for \$350.0 million. In connection with this loan, the City authorized the issuance of Community Memorial Health System Series 2011 Revenue Bonds in the principal amount of \$350.0 million for the purpose of assisting CMHS with the acquisition, construction, and improvement of its health care facilities. The bonds were issued on August 17, 2011, with an original issuance discount of \$0.1 million. Pursuant to a Master Indenture between the Group and The Bank of New York Mellon Trust Company, N.A. (Master Trustee), the Group is obligated to make payments sufficient to pay the principal and interest on the bonds. To secure its obligation to make required payments under the Master Indenture, the Group has granted to the Master Trustee a security interest in its gross receivables, inventory, and property and equipment. Interest on the bonds is payable semiannually on June 1 and December 1 of each year, with bonds fully maturing in the year 2041. Principal and sinking fund payments of \$5.3 million to \$28.9 million are due annually from 2017 to 2041. Debt issuance costs of \$10.3 million were incurred in connection with the debt offering in 2011. Debt issuance costs are being amortized, using the effective interest method, over the 30-year life of the note.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Capital Lease Obligations (continued)

As of December 31, 2018 and 2017, the fair value of the System's bonds was \$367.9 million and \$389.8 million, respectively.

The Group has agreed to comply with certain financial covenants in the Master Indenture, including the maintenance of a debt service coverage ratio of not less than 1.25 and days cash on hand ratio of not less than 75. As of December 31, 2018, the Group was in compliance with both of its debt service covenants.

Grossman had a line of credit agreement with a bank in the amount of \$1.5 million, with interest at the bank's prime rate plus 0.50%. The line of credit was renewed through July 15, 2019, for \$1.5 million and at prime plus 0.50% (5.5% at December 31, 2018). Grossman had \$0.7 million and \$1.3 million drawn and outstanding at December 31, 2018 and 2017, respectively.

On August 28, 2012, the System obtained an unsecured revolving line of credit for \$5.0 million, with interest at the greater of the bank's prime rate (5.5% as of December 31, 2018) or 4.0% per annum. The System did not have any amount drawn and outstanding at December 31, 2018 and 2017. The line of credit was renewed through July 15, 2019.

On April 1, 2009, the System entered into an interest rate swap transaction with a lender. Under the terms of the swap agreement, the System has agreed to pay the lender a fixed interest rate of 5.42%, and the lender has agreed to pay the System one-month London Interbank Offered Rate (LIBOR), based on an aggregate notional amount of \$3.5 million, which is equal to the principal amount, secured by real estate, of the term note payable to the bank. Management did not designate the swap as a cash flow hedge as permitted by ASC 814, *Derivatives and Hedging*. On November 15, 2016, the System refinanced the swap agreement for a new ten-year agreement with a fixed interest rate of 3.5% for the initial interest period and LIBOR plus 1.95% for the remainder of the loan.

Effective October 1, 2007, CMHS made an intercompany loan to Grossman of \$8.5 million, the proceeds of which were used to immediately pay term notes payable to a bank and capital lease obligations to lessors that were outstanding at that date of \$1.5 million and \$3.5 million, respectively, and to provide additional working capital for Grossman. In addition, effective October 1, 2007, Irwin Grossman M.D., the minority shareholder, made an irrevocable and personal guarantee to CMHS for his pro rata share (49.0%) of the payments owing to CMHS by Grossman on the intercompany loan. On June 22, 2010, the Board of Trustees of CMHS agreed to

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Capital Lease Obligations (continued)

refinance the intercompany loan to Grossman. The balance outstanding on the intercompany loan, which eliminates in consolidation, is \$2.4 million and \$2.7 million at December 31, 2018 and 2017, respectively. On January 1, 2015, the outstanding balance of the loan was refinanced again over five years at a rate of 4.25%, with annual escalating principal payments over the five-year period.

Principal maturities on all long-term debt and capital lease obligations at December 31, 2018, are as follows:

	Net Capital Lease Obligations	Notes Payable and Line of Credit	2011 Revenue Bonds	Total Long-Term Debt
2019	\$ 732,361	\$ 850,533	\$ 5,935,000	\$ 7,517,894
2020	712,360	103,533	6,290,000	7,105,893
2021	472,087	103,533	6,685,000	7,260,620
2022	294,979	103,533	7,120,000	7,518,512
2023	188,210	103,533	7,580,000	7,871,743
Thereafter	–	1,840,437	300,268,601	302,109,038
	<u>\$ 2,399,997</u>	<u>\$ 3,105,102</u>	<u>\$ 333,878,601</u>	<u>\$ 339,383,700</u>

7. Retirement Plans

CMHS has a defined contribution plan covering substantially all employees except those at Grossman. The Plan allows employees to contribute an amount of compensation up to the Internal Revenue Service elective deferral limit, as defined, with CMHS matching 50.0% of the employees' contributions up to a maximum of 6.0% of each employee's annual compensation. In addition, CMHS contributed 1.0% in 2018 and 2017 of all covered employees' compensation. Amounts charged to expense applicable to this defined contribution plan totaled \$5.6 million and \$5.4 million in 2018 and 2017, respectively.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

Effective January 1, 1990, CMH established a Supplemental Executive Retirement Plan (the 1990 SERP) to cover senior staff members of CMH. The 1990 SERP, which was frozen effective December 1, 1999, calls for benefits to be paid to eligible employees at retirement based on the number of years of service with CMH and the five highest years of earned compensation. Service and salary after 1999 are not counted under the frozen plan. On April 1, 2002, a second Supplemental Executive Retirement Plan (the 2002 SERP) became effective. For the 2002 SERP, the monthly benefit at normal retirement date (age 65) is equal to the average monthly compensation for the three-year period during which compensation was the highest, including periods before April 1, 2002, at the following rates: (i) 4.0% for the CEO and 2.0% for other participants through April 4, 2004, and (ii) 5.0% for the CEO and 2.0% for other participants after April 4, 2004. Participants vest after ten years of service, including service prior to the effective date, or attainment of age 65, whichever is earlier. Together, the 1990 SERP and the 2002 SERP are referred to as SERPs.

The SERPs are funded based on an annual valuation of the liability. The Board of Directors has designated assets to be segregated to fund the SERPs. However, the assets are not held in trust or, otherwise, legally restricted to fund the plans.

The following tables set forth the changes in benefit obligations, components of net periodic benefit cost, and other benefit information for the SERPs as of December 31:

	2018	2017
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 6,490,401	\$ 7,791,639
Service cost	1,494,039	1,005,928
Interest cost	332,161	256,365
Actuarial gain (loss)	1,871,006	(1,617,687)
Benefits paid	(558,185)	(945,844)
Projected benefit obligation at end of year and funded status	\$ 9,629,422	\$ 6,490,401

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

Net pension cost includes the following components for the years ended December 31:

	2018	2017
Service cost	\$ 1,494,039	\$ 1,005,928
Interest cost	332,161	256,365
Recognition of past service credits	24,330	24,330
Recognition of prior experience losses	146,349	—
Net periodic pension cost	\$ 1,996,879	\$ 1,286,623

Weighted-average assumptions used to determine the pension benefit obligation are as follows at December 31:

	2018	2017
Discount rate	4.0%	3.3%
Rate of compensation increase	5.0	5.0

Weighted-average assumptions to determine net periodic pension cost are as follows for the year ended December 31:

	2018	2017
Discount rate	4.0%	3.3%
Rate of compensation increase	5.0	5.0

The following benefit payments, which reflect expected future service, as appropriate are expected to be paid:

2019	\$ 6,552,548
2020	490,801
2021	429,628
2022	—
2023	—
Years 2024–2028	2,294,322

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

8. Changes in Consolidated Net Assets Without Donor Restriction

Changes in consolidated net assets without donor restriction that are attributable to the System and the non-controlling interests in subsidiaries are as follows:

	Total	System	Non-Controlling Interest
Balance January 1, 2017	\$ 415,692,882	\$ 418,879,741	\$ (3,186,859)
Excess of revenue and gains over expenses	25,630,257	25,536,935	93,322
Contributions	3,444,841	3,444,841	–
Distributions	(114,125)	–	(114,125)
Change in pension obligation	1,587,416	1,587,416	–
Change in net assets	<u>30,548,389</u>	<u>30,569,192</u>	<u>(20,803)</u>
Balance December 31, 2017	446,241,271	449,448,933	(3,207,662)
Excess of revenue and gains over expenses	10,633,816	10,697,226	(63,410)
Net Assets released from restrictions for the acquisition of property and equipment	3,618,498	3,618,498	–
Distributions	(106,373)	–	(106,373)
Change in pension obligation	(1,700,329)	(1,700,329)	–
Change in net assets	<u>12,445,612</u>	<u>12,615,395</u>	<u>(169,783)</u>
Balance December 31, 2018	<u>\$ 458,686,883</u>	<u>\$ 462,064,328</u>	<u>\$ (3,377,445)</u>

9. Commitments and Contingencies

Leases

The System leases office space and certain medical and office equipment under operating leases. The following is a summary of minimum non-cancelable lease commitments for the years ending December 31:

2019	\$ 5,459,130
2020	3,985,913
2021	2,988,420
2022	2,386,139
2023	1,262,657
Thereafter	2,732,449
	<u><u>\$ 18,814,708</u></u>

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

9. Commitments and Contingencies (continued)

Rent and lease expense under the operating leases totaled \$6.0 million and \$5.7 million for the years ended December 31, 2018 and 2017, respectively.

The System is involved in legal actions in the normal course of business, some of which seek substantial monetary damages, including claims for punitive damages, which are not covered by insurance. These actions, when finally concluded and determined, will not, in the opinion of management, have a material adverse effect on the System's consolidated financial position, results of operations, or cash flows.

The System is required to comply with the Hospital Seismic Safety Act (SB1953), which regulates the seismic performance of all aspects of hospital facilities in California. SB1953 imposes near-term and long-term compliance deadlines for seismic safety assessments, submission of corrective plans, and the retrofitting or replacement of the Hospital's facilities to comply with current seismic standards. These requirements are expected to result in significant operational changes and capital outlays. The cost to replace and construct the CMH six-story and 250-bed facility is projected to be \$289.4 million (unaudited), of which \$4.2 million (unaudited) represents open purchase commitments as of December 31, 2018. Actual amounts could differ from these estimates.

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

10. Functional Expenses

The System provides general health care services to residents within its geographic location. Management, general and administrative services include administration, finance and accounting, information technology, public relations, human resources, legal and other functions. Expenses by functional classification are as follows for the years ended December 31 (in thousands):

	<u>Healthcare Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Hospital</u>	<u>Physician</u>	<u>Management, General and Administration</u>	<u>Fundraising</u>	
	<i>(In Thousands)</i>				
2018					
Payroll and related expenses	\$ 125,724	\$ 12,642	\$ 75,902	\$ –	\$ 214,268
Other operating expenses	115,149	–	58,363	35	173,547
Hospital quality assurance fee	12,836	–	–	–	12,836
Depreciation and amortization	5,371	–	8,232	–	13,603
Interest	122	–	1,172	–	1,294
	<u>\$ 259,202</u>	<u>\$ 12,642</u>	<u>\$ 143,669</u>	<u>\$ 35</u>	<u>\$ 415,548</u>

	<u>Healthcare Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Hospital</u>	<u>Physician</u>	<u>Management, General and Administration</u>	<u>Fundraising</u>	
	<i>(In Thousands)</i>				
2017					
Payroll and related expenses	\$ 119,956	\$ 11,893	\$ 70,039	\$ –	\$ 201,888
Other operating expenses	106,016	–	51,350	55	157,421
Hospital quality assurance fee	22,764	–	–	–	22,764
Depreciation and amortization	5,454	–	7,383	–	12,837
Interest	98	–	114	–	212
	<u>\$ 254,288</u>	<u>\$ 11,893</u>	<u>\$ 128,886</u>	<u>\$ 55</u>	<u>\$ 395,122</u>

Community Memorial Health System

Notes to Consolidated Financial Statements (continued)

10. Functional Expenses (continued)

The consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, amortization, interest, and other occupancy costs, are allocated to a function based on a square footage or units of service basis. Allocated health care services costs not allocated on a units-of-service basis are otherwise allocated on revenue.

Supplementary Information

Community Memorial Health System

Consolidating Balance Sheet

December 31, 2018

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Assets											
Current assets:											
Cash and cash equivalents	\$ 13,039,030	\$ 85,210	\$ 13,447	\$ 581,383	\$ 261,699	\$ 99,090	\$ 216,625	\$ -	\$ 14,296,484	\$ 5,055,848	\$ 19,352,332
Investments	104,395,750	-	-	-	-	-	-	-	104,395,750	(5,055,848)	99,339,902
Patient accounts receivable	52,721,715	3,825,665	-	-	-	-	-	-	56,547,380	-	56,547,380
Due from third-party payors	5,171,677	(222,477)	-	-	-	-	-	-	4,949,200	-	4,949,200
Inventories	9,664,599	501,226	-	-	-	-	-	-	10,165,825	-	10,165,825
Current portion of assets limited as to use	1,615,737	246,118	-	-	-	-	-	-	1,861,855	-	1,861,855
Current portion of insurance receivable	349,123	23,898	-	-	-	-	-	-	373,021	-	373,021
Prepaid expenses and other	52,436,949	2,709,135	1,960,389	78,911	-	2,773	9,300	-	57,197,457	-	57,197,457
Total current assets	239,394,580	7,168,775	1,973,836	660,294	261,699	101,863	225,925	-	249,786,972	-	249,786,972
Assets limited as to use, less current portion:											
For workers' compensation claims	4,317,658	605,387	-	-	-	-	-	-	4,923,045	-	4,923,045
For deferred compensation plans	8,244,995	-	-	-	-	-	-	-	8,244,995	-	8,244,995
Annuity trust	-	-	-	-	206,945	-	-	-	206,945	-	206,945
Construction funds	32,222,665	-	-	-	-	-	-	-	32,222,665	-	32,222,665
	44,785,318	605,387	-	-	206,945	-	-	-	45,597,650	-	45,597,650
Property and equipment, net	560,538,488	21,782,860	955,176	2,086,309	-	-	-	-	585,362,833	-	585,362,833
Other assets:											
Intercompany receivables	40,575,079	-	-	-	-	475,222	-	-	41,050,301	(41,050,301)	-
Insurance receivable, net of current portion	950,544	74,843	-	-	-	-	-	-	1,025,387	-	1,025,387
Investment in affiliates	8,045,870	-	-	-	-	-	-	-	8,045,870	(7,807,484)	238,386
Property held for future use	1,984,894	-	-	-	-	-	-	-	1,984,894	-	1,984,894
Other assets	1,710,065	97,000	41,865	-	-	-	-	-	1,848,930	-	1,848,930
Total assets	\$ 897,984,838	\$ 29,728,865	\$ 2,970,877	\$ 2,746,603	\$ 468,644	\$ 577,085	\$ 225,925	\$ -	\$ 934,702,837	\$ (48,857,785)	\$ 885,845,052

Community Memorial Health System
Consolidating Balance Sheet (continued)

December 31, 2018

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Liabilities and net assets (deficit)											
Current liabilities:											
Accounts payable and accrued liabilities	\$ 35,770,030	\$ 2,177,138	\$ 517,978	\$ 67,906	\$ -	\$ 3,285	\$ 19,097	\$ -	\$ 38,555,434	\$ -	\$ 38,555,434
Hospital quality assurance fee payable	8,959,309	-	-	-	-	-	-	-	8,959,309	-	8,959,309
Accrued compensation and related benefits	23,575,109	1,600,789	-	-	-	-	-	-	25,175,898	-	25,175,898
Current maturities of long-term debt and capital lease obligations	6,296,200	-	1,118,161	103,533	-	-	-	-	7,517,894	-	7,517,894
Total current liabilities	74,600,648	3,777,927	1,636,139	171,439	-	3,285	19,097	-	80,208,535	-	80,208,535
Intercompany payables	-	36,407,542	3,091,647	527,322	47,511	362,811	611,734	1,734	41,050,301	(41,050,301)	-
Accrued pension obligation, less current portion	11,271,147	-	-	-	-	-	-	-	11,271,147	-	11,271,147
Accrued workers' compensation and malpractice insurance claims, less current portion	5,651,965	571,514	-	-	-	-	-	-	6,223,479	-	6,223,479
Long-term debt and capital lease obligations, net of current maturities	320,749,758	-	1,008,311	2,254,569	-	-	-	-	324,012,638	-	324,012,638
Annuity trust liability	-	-	-	-	107,006	-	-	-	107,006	-	107,006
Other liabilities	2,084,274	-	-	-	-	-	128,600	-	2,212,874	-	2,212,874
Total liabilities	414,357,792	40,756,983	5,736,097	2,953,330	154,517	366,096	759,431	1,734	465,085,980	(41,050,301)	424,035,679
Net assets (deficit):											
Without donor restrictions:											
System	481,606,845	(11,960,325)	258,533	146,965	144,045	210,989	(533,506)	(1,734)	469,871,812	(7,807,484)	462,064,328
Noncontrolling interests in subsidiaries	-	-	(3,023,753)	(353,692)	-	-	-	-	(3,377,445)	-	(3,377,445)
With donor restrictions - System	2,020,201	932,207	-	-	170,082	-	-	-	3,122,490	-	3,122,490
Total net assets (deficit)	483,627,046	(11,028,118)	(2,765,220)	(206,727)	314,127	210,989	(533,506)	(1,734)	469,616,857	(7,807,484)	461,809,373
Total liabilities and net assets (deficit)	\$ 897,984,838	\$ 29,728,865	\$ 2,970,877	\$ 2,746,603	\$ 468,644	\$ 577,085	\$ 225,925	\$ -	\$ 934,702,837	\$ (48,857,785)	\$ 885,845,052

Community Memorial Health System

Consolidating Balance Sheet

December 31, 2017

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Assets											
Current assets:											
Cash and cash equivalents	\$ 20,146,634	\$ 43,828	\$ 129,807	\$ 546,309	\$ 175,661	\$ 177,944	\$ 41,225	\$ -	\$ 21,261,408	\$ 5,008,527	\$ 26,269,935
Investments	140,772,814	-	-	-	-	-	-	-	140,772,814	(5,008,527)	135,764,287
Patient accounts receivable	50,537,546	4,249,419	-	-	-	-	-	-	54,786,965	-	54,786,965
Due from third-party payors	3,951,843	(248,688)	-	-	-	-	-	-	3,703,155	-	3,703,155
Inventories	9,638,970	686,942	-	-	-	-	-	-	10,325,912	-	10,325,912
Current portion of assets limited as to use	1,404,400	228,668	-	-	-	-	-	-	1,633,068	-	1,633,068
Current portion of insurance receivable	433,358	27,941	-	-	-	-	-	-	461,299	-	461,299
Prepaid expenses and other	45,778,703	2,332,788	2,033,880	80,112	-	5,620	-	-	50,231,103	-	50,231,103
Total current assets	272,664,268	7,320,898	2,163,687	626,421	175,661	183,564	41,225	-	283,175,724	-	283,175,724
Assets limited as to use, less current portion:											
For workers' compensation claims	3,959,688	537,267	-	-	-	-	-	-	4,496,955	-	4,496,955
For deferred compensation plans	8,413,357	-	-	-	-	-	-	-	8,413,357	-	8,413,357
Annuity trust	-	-	-	-	233,581	-	-	-	233,581	-	233,581
Construction funds	48,118,471	-	-	-	-	-	-	-	48,118,471	-	48,118,471
	60,491,516	537,267	-	-	233,581	-	-	-	61,262,364	-	61,262,364
Property and equipment, net	514,277,306	16,832,476	1,048,995	2,320,242	-	-	-	-	534,479,019	-	534,479,019
Other assets:											
Intercompany receivables	31,228,389	-	-	-	-	484,711	-	165,447	31,878,547	(31,878,547)	-
Insurance receivable, net of current portion	1,179,887	87,503	-	-	-	-	-	-	1,267,390	-	1,267,390
Investment in affiliates	8,009,066	-	-	-	-	-	-	-	8,009,066	(7,807,484)	201,582
Property held for future use	1,984,894	-	-	-	-	-	-	-	1,984,894	-	1,984,894
Other assets	3,082,564	97,000	41,865	-	-	-	-	-	3,221,429	-	3,221,429
Total assets	\$ 892,917,890	\$ 24,875,144	\$ 3,254,547	\$ 2,946,663	\$ 409,242	\$ 668,275	\$ 41,225	\$ 165,447	\$ 925,278,433	\$ (39,686,031)	\$ 885,592,402

Community Memorial Health System
Consolidating Balance Sheet (continued)

December 31, 2017

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Liabilities and net assets (deficit)											
Current liabilities:											
Accounts payable and accrued liabilities	\$ 33,275,970	\$ 2,391,788	\$ 404,764	\$ 58,182	\$ –	\$ 7,740	\$ –	\$ –	\$ 36,138,444	\$ –	\$ 36,138,444
Hospital quality assurance fee payable	20,155,649	–	–	–	–	–	–	–	20,155,649	–	20,155,649
Accrued compensation and related benefits	23,170,208	1,730,604	5,751	–	–	–	–	31,380	24,937,943	–	24,937,943
Current maturities of long-term debt and capital lease obligations	5,610,000	–	1,450,964	103,533	–	–	–	–	7,164,497	–	7,164,497
Total current liabilities	82,211,827	4,122,392	1,861,479	161,715	–	7,740	–	31,380	88,396,533	–	88,396,533
Intercompany payables	–	26,924,251	3,529,213	791,596	26,891	472,509	–	134,087	31,878,547	(31,878,547)	–
Accrued pension obligation, less current portion	8,300,172	–	–	–	–	–	–	–	8,300,172	–	8,300,172
Accrued workers' compensation and malpractice insurance claims, less current portion	6,172,380	687,315	–	–	–	–	–	–	6,859,695	–	6,859,695
Long-term debt and capital lease obligations, net of current maturities	325,673,851	–	283,665	2,401,756	–	–	–	–	328,359,272	–	328,359,272
Annuity trust liability	–	–	–	–	110,286	–	–	–	110,286	–	110,286
Other liabilities	2,084,274	–	–	–	–	–	38,800	–	2,123,074	–	2,123,074
Total liabilities	424,442,504	31,733,958	5,674,357	3,355,067	137,177	480,249	38,800	165,467	466,027,579	(31,878,547)	434,149,032
Net assets:											
Without donor restriction:											
System	465,412,838	(8,829,658)	434,692	(55,244)	103,358	188,026	2,425	(20)	457,256,417	(7,807,484)	449,448,933
Noncontrolling interests in subsidiaries	–	–	(2,854,502)	(353,160)	–	–	–	–	(3,207,662)	–	(3,207,662)
With donor restrictions – System	3,062,548	1,970,844	–	–	168,707	–	–	–	5,202,099	–	5,202,099
Total net assets (deficit)	468,475,386	(6,858,814)	(2,419,810)	(408,404)	272,065	188,026	2,425	(20)	459,250,854	(7,807,484)	451,443,370
Total liabilities and net assets (deficit)	\$ 892,917,890	\$ 24,875,144	\$ 3,254,547	\$ 2,946,663	\$ 409,242	\$ 668,275	\$ 41,225	\$ 165,447	\$ 925,278,433	\$ (39,686,031)	\$ 885,592,402

Community Memorial Health System

Consolidating Statement of Operations

Year Ended December 31, 2018

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Revenues, gains, and other support without donor restrictions:											
Patient service revenue before Hospital Medi-Cal supplemental payments	\$ 352,280,433	\$ 26,153,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,433,804	\$ -	\$ 378,433,804
Hospital Med-Cal supplemental payments	34,792,531	725,783	-	-	-	-	-	-	35,518,314	-	35,518,314
Patient service revenue	387,072,964	26,879,154	-	-	-	-	-	-	413,952,118	-	413,952,118
Other operating revenue	7,951,962	336,336	9,392,770	1,202,704	-	272,866	(2,400)	(31,380)	19,122,858	(628,545)	18,494,313
Net assets released from restrictions	198,154	124,819	-	-	-	-	-	-	322,973	-	322,973
Total revenues, gains, and other support without donor restrictions	395,223,080	27,340,309	9,392,770	1,202,704	-	272,866	(2,400)	(31,380)	433,397,949	(628,545)	432,769,404
Expenses:											
Payroll and related expenses	190,339,371	19,635,693	4,292,484	-	-	-	-	-	214,267,548	-	214,267,548
Other operating expenses	157,145,861	10,979,893	4,696,709	552,189	34,676	249,903	533,531	(29,666)	174,163,096	(615,973)	173,547,123
Hospital quality assurance fee	12,835,876	-	-	-	-	-	-	-	12,835,876	-	12,835,876
Depreciation and amortization	11,416,674	1,429,931	519,509	236,453	-	-	-	-	13,602,567	-	13,602,567
Interest	1,066,051	-	229,478	106,012	-	-	-	-	1,401,541	(106,933)	1,294,608
Total expenses	372,803,833	32,045,517	9,738,180	894,654	34,676	249,903	533,531	(29,666)	416,270,628	(722,906)	415,547,722
Operating income (loss)	22,419,247	(4,705,208)	(345,410)	308,050	(34,676)	22,963	(535,931)	(1,714)	17,127,321	94,361	17,221,682
Other (expense) income:											
Investment (loss) income	(6,612,655)	-	-	-	330	-	-	-	(6,612,325)	(94,361)	(6,706,686)
Donations	39,846	3,941	-	-	75,033	-	-	-	118,820	-	118,820
Total other (expense) income	(6,572,809)	3,941	-	-	75,363	-	-	-	(6,493,505)	(94,361)	(6,587,866)
Excess (deficiency) of revenues, gains and other support without donor restrictions over expenses	15,846,438	(4,701,267)	(345,410)	308,050	40,687	22,963	(535,931)	(1,714)	10,633,816	-	10,633,816
Deficiency (excess) of revenues, gains, and other support without donor restrictions over expenses attributable to noncontrolling interests	-	-	169,251	(105,841)	-	-	-	-	63,410	-	63,410
Excess (deficiency) of revenues, gains and other support without donor restrictions over expenses attributable to the System	\$ 15,846,438	\$ (4,701,267)	\$ (176,159)	\$ 202,209	\$ 40,687	\$ 22,963	\$ (535,931)	\$ (1,714)	\$ 10,697,226	\$ -	\$ 10,697,226

Community Memorial Health System

Consolidating Statement of Operations

Year Ended December 31, 2017

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Revenues, gains, and other support without donor restrictions:											
Patient service revenue before Hospital Medi-Cal supplemental payments	\$ 334,064,706	\$ 25,888,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,953,665	\$ -	\$ 359,953,665
Hospital Med-Cal supplemental payments	27,142,824	1,174,310	-	-	-	-	-	-	28,317,134	-	28,317,134
Patient service revenue	361,207,530	27,063,269	-	-	-	-	-	-	388,270,799	-	388,270,799
Other operating revenue	7,226,778	(329,282)	9,882,466	1,155,394	-	264,713	2,400	-	18,202,469	(660,375)	17,542,094
Net assets released from restrictions	73,263	272,080	-	-	-	-	-	-	345,343	-	345,343
Total revenues, gains, and other support without donor restrictions	368,507,571	27,006,067	9,882,466	1,155,394	-	264,713	2,400	-	406,818,611	(660,375)	406,158,236
Expenses:											
Payroll and related expenses	178,556,624	19,299,712	4,031,812	-	-	-	-	-	201,888,148	-	201,888,148
Other operating expenses	142,176,091	9,714,623	5,178,562	507,662	55,057	223,704	164,755	20	158,020,474	(599,603)	157,420,871
Hospital quality assurance fee	22,763,811	-	-	-	-	-	-	-	22,763,811	-	22,763,811
Depreciation and amortization	10,590,264	1,476,341	538,590	232,204	-	-	-	-	12,837,399	-	12,837,399
Interest	-	7,477	219,456	106,423	-	-	-	-	333,356	(121,663)	211,693
Total expenses	354,086,790	30,498,153	9,968,420	846,289	55,057	223,704	164,755	20	395,843,188	(721,266)	395,121,922
Operating income (loss)	14,420,781	(3,492,086)	(85,954)	309,105	(55,057)	41,009	(162,355)	(20)	10,975,423	60,891	11,036,314
Other (expense) income:											
Investment (loss) income	14,390,482	-	-	-	344	-	-	-	14,390,826	(60,891)	14,329,935
Donations	177,288	-	-	-	86,720	-	-	-	264,008	-	264,008
Total other (expense) income	14,567,770	-	-	-	87,064	-	-	-	14,654,834	(60,891)	14,593,943
Excess (deficiency) of revenues, gains and other support without donor restrictions over expenses	28,988,551	(3,492,086)	(85,954)	309,105	32,007	41,009	(162,355)	(20)	25,630,257	-	25,630,257
Deficiency (excess) of revenues, gains, and other support without donor restrictions over expenses attributable to noncontrolling interests	-	-	42,117	(135,439)	-	-	-	-	(93,322)	-	(93,322)
Excess (deficiency) of revenues, gains and other support without donor restrictions over expenses attributable to the System	\$ 28,988,551	\$ (3,492,086)	\$ (43,837)	\$ 173,666	\$ 32,007	\$ 41,009	\$ (162,355)	\$ (20)	\$ 25,536,935	\$ -	\$ 25,536,935

Community Memorial Health System
Consolidating Statement of Changes in Net Assets

Year Ended December 31, 2018

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Net assets (deficit) at beginning of year	\$ 468,475,386	\$ (6,858,814)	\$ (2,419,810)	\$ (408,404)	\$ 272,065	\$ 188,026	\$ 2,425	\$ (20)	\$ 459,250,854	\$ (7,807,484)	\$ 451,443,370
Net assets without donor restrictions:											
Excess (deficiency) of revenues, gains, and other support without donor restrictions over expenses attributable to the System	15,846,438	(4,701,267)	(176,159)	202,209	40,687	22,963	(535,931)	(1,714)	10,697,226	-	10,697,226
Deficiency (excess) of revenues, gains and other support without donor restrictions over expenses attributable to noncontrolling interests	-	-	(169,251)	105,841	-	-	-	-	(63,410)	-	(63,410)
Change in pension obligation	(1,700,329)	-	-	-	-	-	-	-	(1,700,329)	-	(1,700,329)
Distributions to noncontrolling interests	-	-	-	(106,373)	-	-	-	-	(106,373)	-	(106,373)
Net assets released from restrictions for the acquisition of property and equipment	2,047,898	1,570,600	-	-	-	-	-	-	3,618,498	-	3,618,498
Increase (decrease) in net assets without donor restrictions	16,194,007	(3,130,667)	(345,410)	201,677	40,687	22,963	(535,931)	(1,714)	12,445,612	-	12,445,612
Net assets with donor restrictions:											
Contributions	1,088,449	656,782	-	-	116,631	-	-	-	1,861,862	-	1,861,862
Intercompany transfers	115,256	-	-	-	(115,256)	-	-	-	-	-	-
Net assets released from restrictions	(2,246,052)	(1,695,419)	-	-	-	-	-	-	(3,941,471)	-	(3,941,471)
(Decrease) increase in net assets with donor restrictions	(1,042,347)	(1,038,637)	-	-	1,375	-	-	-	(2,079,609)	-	(2,079,609)
Increase (decrease) in net assets	15,151,660	(4,169,304)	(345,410)	201,677	42,062	22,963	(535,931)	(1,714)	10,366,003	-	10,366,003
Net assets at end of year	\$ 483,627,046	\$ (11,028,118)	\$ (2,765,220)	\$ (206,727)	\$ 314,127	\$ 210,989	\$ (533,506)	\$ (1,734)	\$ 469,616,857	\$ (7,807,484)	\$ 461,809,373

Community Memorial Health System
Consolidating Statement of Changes in Net Assets

Year Ended December 31, 2017

	Community Memorial Hospital	Ojai Valley Community Hospital	Grossman Imaging Center of CMH	Consolidated Buenavista Medical Properties, Inc.	Community Memorial Healthcare Foundation	California Heart Institute, Inc.	Accountable Care Alliance of Ventura County	Community Memorial Physicians Services	Totals	Eliminations	Consolidated
Net assets (deficit) at beginning of year	\$ 436,272,817	\$ (4,835,113)	\$ (2,333,856)	\$ (603,384)	\$ 371,692	\$ 147,017	\$ (150,608)	\$ -	\$ 428,868,565	\$ (7,492,096)	\$ 421,376,469
Net assets without donor restrictions:											
Excess (deficiency) of revenues, gains, and other support without donor restrictions over expenses attributable to the System	28,988,551	(3,492,086)	(43,837)	173,666	32,007	41,009	(162,355)	(20)	25,536,935	-	25,536,935
Deficiency (excess) of revenues, gains and other support without donor restrictions over expenses attributable to noncontrolling interests	-	-	(42,117)	135,439	-	-	-	-	93,322	-	93,322
Contributed capital	-	-	-	-	-	-	315,388	-	315,388	(315,388)	-
Change in pension obligation	1,587,416	-	-	-	-	-	-	-	1,587,416	-	1,587,416
Distributions to non-controlling interests	-	-	-	(114,125)	-	-	-	-	(114,125)	-	(114,125)
Intercompany transfers	75,000	-	-	-	(75,000)	-	-	-	-	-	-
Net assets released from restrictions for the acquisition of property and equipment	1,554,685	1,890,156	-	-	-	-	-	-	3,444,841	-	3,444,841
Increase (decrease) in net assets without donor restrictions	32,205,652	(1,601,930)	(85,954)	194,980	(42,993)	41,009	153,033	(20)	30,863,777	(315,388)	30,548,389
Net assets with donor restrictions:											
Contributions	1,424,321	1,740,465	-	-	143,910	-	-	-	3,308,696	-	3,308,696
Intercompany transfers	200,544	-	-	-	(200,544)	-	-	-	-	-	-
Net assets released from restrictions	(1,627,948)	(2,162,236)	-	-	-	-	-	-	(3,790,184)	-	(3,790,184)
(Decrease) increase in net assets with donor restrictions	(3,083)	(421,771)	-	-	(56,634)	-	-	-	(481,488)	-	(481,488)
Increase (decrease) in net assets	32,202,569	(2,023,701)	(85,954)	194,980	(99,627)	41,009	153,033	(20)	30,382,289	(315,388)	30,066,901
Net assets at end of year	\$ 468,475,386	\$ (6,858,814)	\$ (2,419,810)	\$ (408,404)	\$ 272,065	\$ 188,026	\$ 2,425	\$ (20)	\$ 459,250,854	\$ (7,807,484)	\$ 451,443,370

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