

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

935



FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, Auditor-Controller  
 BY *Robert E. Byrd* 6-21-05  
 Deputy

**FROM:** Riverside County Regional Medical Center (RCRMC)

**SUBMITTAL DATE:**  
June 6, 2005

**SUBJECT:** Annual Operating Advance for Riverside County Regional Medical Center.

**RECOMMENDED MOTION:** Authorize the Auditor-Controller to provide Riverside County Regional Medical Center a working capital cash advance as required up to an amount not to exceed \$34 million.

**BACKGROUND:** This is the annual approval for the Auditor-Controller to make cash advances to the hospital. This approval action is needed because the hospital is classified as an "enterprise" fund department rather than a "general" fund department, and a separate Board authorization is therefore required.

Historically, RCRMC, an enterprise fund, has operated with a negative cash balance periodically throughout a fiscal year attributed to the fluxional nature of various significant Federal and State program receipts: i.e., SB855, SB1255. RCRMC's operating costs are less fluxional than RCRMC's revenues.

Background continued on page 2

\_\_\_\_\_  
 Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2005-06

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**  
**APPROVE**

**County Executive Office Signature**

Dep't Recomm.:  Consent  Policy  
 Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.: \_\_\_\_\_ | District: \_\_\_\_\_ | Agenda Number: **3.42**

**SUBJECT:** Annual Operating Advance for Riverside County Regional Medical Center during Fiscal Year 2006 Board Budget Hearings.

Page 2

**BACKGROUND CONTINUED:**

This difference between revenues and operating costs contributes to the need for additional working capital during the fiscal year. During fiscal year 2005, the Auditor-Controller's Office determined that the number of days RCRMC operated with a negative cash balance required a working capital advance to sustain operational activities in fiscal year 2005. The working capital advance, in fiscal year 2006, would be made available on a required basis in order to sustain a positive cash balance, in the enterprise fund, throughout the 2005 fiscal year. The cash model has been coordinated between the Auditor-Controller, CEO and RCRMC staff to assure all appropriate operational issues have been addressed. The Auditor-Controller, CEO and RCRMC staff meet monthly to review RCRMC's budget performance. RCRMC recommends approval of the cash advance in the above referenced amount.

Should there be a change in the projections that would require additional working capital, RCRMC will report to the Board of Supervisors and request an increase in working capital via a Form-11.