

Revised 9/18/17

MEMORANDUM

Date: June 28, 2017
To: Board of Trustees
From: Kent Torrence
Subject: **Budget for Year Ending June 30, 2018**

Included with this memo are the following for the year ending June 30, 2018:

- Comparison of Budget to Actual
- Budget for Payroll and Benefits
- Capital Budget
- Profit and Loss Projections
- Cash Projections

Following is background information on the assumptions and estimates used in the budget and cash projections, as well as a discussion of how budgeted revenues and expenses for 2018 compare to estimated actual expenses for the year ended June 30, 2017.

Allocation of Costs

Costs of the ambulance contract and expenses relating to joint efforts are allocated on a pro-rata basis based upon the relative unit hours expended by the contractor in each division.

For the year 2018 budget and forecasts for years 2019-2022, we assumed allocation percentages of 47% for the Eastern Division and 53% for the Western Division which are reflective of the projected unit hours required to accommodate the requirements of each division.

Transport Estimates

The 2017 transports are an approximation of the annualized YTD 3/17 transport volumes. Transport numbers are summarized as follows:

| | 2018 Budget Eastern | 2017 Budget Eastern | 2017 Actual* Eastern | 2018 Budget Western | 2017 Budget Western | 2017 Actual* Western |
|---------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
| Emergency | 63,800 | 61,700 | 63,800 | 70,500 | 73,000 | 70,500 |
| Non-emergency | 10,200 | 8,800 | 10,200 | 11,000 | 6,800 | 11,000 |
| Total | 74,000 | 70,500 | 74,000 | 81,500 | 79,800 | 81,500 |

* Projected

We anticipate no significant change in our overall payer and service mix.

Ambulance Revenue

Ambulance revenue (or "gross charges") is simply transports times rates. All transport and mileage rates remain unchanged from the previous year.

Utility Bill Revenue (East)

Utility bill revenue reflects 103,000 water taps at \$5.45 per month. The amount received is reflective of the limitation on total cash the East can maintain as per ordinance.

Subscription Revenue

Subscription revenue is expected to remain consistent with the previous year.

Deductions from Revenue/Collection Rate

Deductions from revenue generally represent the difference between gross billings and the associated receipts. Receipts have been adjusted for changes in volume and changes in rates and are reflective of current collection experience.

Ambulance Contract Service

Increases are reflective of increases in the contractor's contractual rate.

Employee Compensation and Benefits

Employee compensation and benefits reflect no increase in wage rates for senior management and a 3% increase for all other employees. The budget also reflects the addition of one position.

Medical Supplies

Costs increase due to inflation. The budget does not include any anticipated effects of any new protocols or protocol changes.

Building Rent, Utilities and Maintenance

Building rent for 2018 reflects expenses per contractual obligations.

EMSAcare Campaign Expenses

The costs are expected to approximate the prior year's costs.

Equipment Maintenance Expense

The majority of the increase in radio equipment is due to equipment coming off of original warranty and going on extended service contracts. The majority of the increase in "other" is due to costs associated with a new project that will improve data integration with hospitals positively affecting both reimbursement and quality.

Quality Assurance Fees

Costs increase slightly as wage rates for employees other than the Director and Assistant Director are increased 3%.

Telephone

Telephone expenses are per contractual obligations. Cellular rates decrease as certain devices that are no longer needed are removed from the account.

Professional Services

Legal costs increase due to having a full year of costs associated with ongoing litigation. Pension plan related costs increase due to adding formalized fiduciary services to the services already performed by the plan trustee and recordkeeper.

Community Relations

Costs are increased to reflect additional patient surveying effort and services related to litigation related communications.

Postage and Courier Services

Postage expenses are expected to remain relatively the same giving effect to a small increase in rate and volumes.

Equipment Lease Expense

Tower lease expense declines as towers are no longer needed in the East as the Authority transitions to 800mhz and away from UHF.

Office Supplies

Office supplies reflect an increase in volume and price for recurring items.

Miscellaneous Supplies

These costs are reflective of 2017 experience adjusted for changes in volume and prices. The increase in software costs includes additional vendor and contract compliance software.

Insurance Expense

Insurance expense is increased to reflect an increase in rates and increase in property values.

Business Travel and Training Expense

Business travel approximates prior year.

Other Fees and Expenses

These services are affected by changes in volume and increases in the cost of these services. The increase in outside mailing services is due to a change in the lockbox service provider to improve efficiency in patient receipt posting and denial management. The increase is partially offset by a decrease in "bank charges" within this category.

Depreciation

The fixed asset system projects depreciation on current balances and 2017-2021 additions are depreciated over an average 3-6 years depending on the type of asset. The Lansing building addition is depreciated over 20 years.

Interest Expense

Interest expense in the East is associated with the financing of the Lansing building addition. The addition is financed at 2.25% over ten years with interest only the first two years and principal and interest over the remaining eight years. Also, interest expense for the East and West reflects the interest associated with an installment purchase of radios paid for over a five year period starting 7/1/16.

Gain (Loss) on Disposal of Assets

No significant disposals of assets with book value are anticipated for fiscal 2018.

Cash Projections for 2018 through 2022

The cash, division capital and net income (loss) projections for fiscal 2018 through 2022 are based on the following assumptions:

1. Transport volumes are held constant throughout the period.
2. The emergency ambulance rate in the East is increased \$550 to \$1850 effective 7/1/18. All other ambulance rates are held constant throughout the period.
3. There will be no anticipated change in payer mix or service type mix.
4. Collection rates are assumed to be the same throughout the period.
5. Joint costs are split between the East and West 47/53 through 2022.
6. Other operating expenses, except legal fees, are increased 3% per year for inflation.
7. The East utility fee remains at \$5.45 throughout the period.
8. The budget and cash projections do not reflect a reduction in Medicaid funding. The Oklahoma legislature is considering a reduction in Medicaid funding to partially address the shortfall in the State budget. The amount of reduction, if any, is unknown at this time.

Additional Budget Notes

1. In 2012, the emergency ambulance rate for the East and West was increased from \$1100 to \$1300.
2. In 2015, the Tulsa utility fee was increased from \$3.64 to \$5.45.
3. Prior to 2015, Tulsa received \$6,660,000 from the utility fund for first responder needs. To date, Oklahoma City has not utilized their utility fund for first responder needs.
4. East debt service exceeds West debt service for the 5-year period by \$3,621,000. This is the debt service related to the Lansing location addition.

EMSA
Comparison of Budget to Actual
6/30/18

| | June 30, 2018 | | | Actual for June 30, 2017 | | | |
|--|------------------|------------------|-------------|--------------------------|------------------|------------------|-------------|
| | Eastern Division | Western Division | EMSA Total | % Change | Eastern Division | Western Division | EMSA Total |
| Net patient service revenue: | | | | | | | |
| Ambulance revenue | \$ 91,800,000 | 102,600,000 | 194,400,000 | -0.1% | 92,040,984 | 102,500,000 | 194,540,984 |
| Utility bill revenue | 7,125,000 | | 7,125,000 | 42.5% | 5,000,000 | | 5,000,000 |
| Subscription revenue | 100,000 | 100,000 | 200,000 | -5.5% | 100,721 | 110,826 | 211,547 |
| Special Events | 168,000 | 188,000 | 356,000 | 0.3% | 167,958 | 187,040 | 354,998 |
| Total patient service revenue | 99,193,000 | 102,888,000 | 202,081,000 | 1.0% | 97,309,663 | 102,797,866 | 200,107,529 |
| Deductions from revenue | 66,393,000 | 72,800,000 | 139,193,000 | -0.4% | 66,202,112 | 73,521,615 | 139,723,727 |
| Net patient service revenue | 32,800,000 | 30,088,000 | 62,888,000 | 4.1% | 31,107,551 | 29,276,251 | 60,383,802 |
| Operating expenses other than depreciation and amortization: | | | | | | | |
| Ambulance service contract | 24,900,000 | 28,100,000 | 53,000,000 | 3.0% | 24,200,000 | 27,250,519 | 51,450,519 |
| Employee compensation and benefits* | 2,005,000 | 2,261,000 | 4,266,000 | 3.9% | 1,941,800 | 2,163,910 | 4,105,710 |
| Medical supplies | 134,999 | 171,000 | 305,999 | 6.5% | 125,371 | 162,050 | 287,421 |
| Nondisposable equipment and supplies | 19,700 | 22,300 | 42,000 | -5.4% | 17,359 | 27,022 | 44,381 |
| Medical waste disposal | 6,600 | 405,000 | 411,600 | 4.2% | 6,584 | 388,560 | 395,143 |
| Building rent, utilities and maintenance expense | 134,000 | 122,000 | 256,000 | 19.2% | 101,206 | 113,627 | 214,834 |
| Rent | 190,000 | 195,000 | 385,000 | 4.5% | 181,368 | 187,175 | 368,543 |
| Utilities | 28,500 | 50,300 | 78,800 | -1.9% | 32,380 | 47,954 | 80,335 |
| Repairs and maintenance | 30,000 | 15,000 | 45,000 | -5.0% | 31,500 | 15,850 | 47,350 |
| Janitorial | 113,000 | 120,000 | 233,000 | 64.7% | 66,580 | 74,918 | 141,497 |
| TotalCare campaign expenses | 235,000 | 264,000 | 499,000 | 0.9% | 227,172 | 267,233 | 494,405 |
| Equipment maintenance expense | 1,000 | 1,000 | 2,000 | -15.1% | 1,355 | 1,000 | 2,355 |
| Radio and communication equipment | 11,000 | 13,000 | 24,000 | 15.5% | 9,601 | 11,185 | 20,787 |
| CAD equipment | 140,000 | 158,000 | 298,000 | -6.0% | 142,400 | 174,570 | 316,971 |
| Computer equipment | 15,000 | 15,000 | 30,000 | 3.0% | 14,563 | 14,563 | 29,126 |
| Office equipment | 418,000 | 471,000 | 889,000 | 41.6% | 287,788 | 339,983 | 627,771 |
| Medical equipment | | | | | | | |
| Ambulances | | | | | | | |
| Other | | | | | | | |

EMSA
Comparison of Budget to Actual
6/30/18

| | June 30, 2018 | | | Actual for June 30, 2017 | | | |
|--------------------------------------|------------------|------------------|------------|--------------------------|------------------|------------------|------------|
| | Eastern Division | Western Division | EMSA Total | % Change | Eastern Division | Western Division | EMSA Total |
| Quality assurance fees | 414,000 | 436,000 | 850,000 | 2.0% | 408,028 | 425,386 | 833,414 |
| Telephone expense | | | | | - | - | |
| Base | 275,000 | 433,000 | 708,000 | -2.4% | 323,808 | 401,326 | 725,135 |
| Cellular | 71,000 | 81,000 | 152,000 | -12.7% | 79,297 | 94,845 | 174,142 |
| Professional services expense | | | | | - | - | |
| Accounting and auditing | 23,000 | 26,000 | 49,000 | 0.9% | 22,853 | 25,722 | 48,576 |
| Legal | 1,800,000 | 2,100,000 | 3,900,000 | 152.0% | 722,378 | 825,351 | 1,547,729 |
| Pension plans | 7,000 | 8,000 | 15,000 | 114.3% | 3,000 | 4,000 | 7,000 |
| Government relations | 26,000 | 29,000 | 55,000 | 1.9% | 26,000 | 28,000 | 54,000 |
| Medicare consulting | 9,000 | 10,000 | 19,000 | -5.0% | 9,000 | 11,000 | 20,000 |
| Other consulting | 70,000 | 80,000 | 150,000 | 12.6% | 61,695 | 71,497 | 133,192 |
| Community relations | | | | | - | - | |
| Professional services | 25,000 | 27,000 | 52,000 | 0.0% | 25,000 | 27,000 | 52,000 |
| State fair | | | 0 | -100.0% | 11,000 | - | 11,000 |
| Other | 35,000 | 35,000 | 70,000 | 57.1% | 24,237 | 20,310 | 44,547 |
| Postage and courier expense | | | | | - | - | |
| Postage - general | 28,500 | 32,000 | 60,500 | 6.8% | 26,854 | 29,780 | 56,634 |
| Courier service | 8,000 | 9,000 | 17,000 | 9.6% | 7,900 | 7,616 | 15,516 |
| Equipment lease expense | | | | | - | - | |
| Towers | 4,300 | 0 | 4,300 | -78.7% | 20,143 | - | 20,143 |
| Other | 8,000 | 9,000 | 17,000 | 0.2% | 8,215 | 8,751 | 16,967 |
| Office supplies expense | 23,000 | 23,000 | 46,000 | 12.0% | 21,450 | 19,608 | 41,058 |
| Miscellaneous supplies expense | | | | | - | - | |
| Janitorial | 8,800 | 12,000 | 20,800 | 5.4% | 7,812 | 11,923 | 19,736 |
| Software | 78,000 | 90,000 | 168,000 | 35.5% | 58,000 | 66,000 | 124,000 |
| Repair supplies | 52,000 | 65,000 | 117,000 | -12.8% | 66,436 | 67,694 | 134,130 |
| Other | 138,500 | 143,000 | 281,500 | 6.6% | 124,810 | 139,357 | 264,167 |
| Insurance expense | 92,000 | 105,000 | 197,000 | 10.0% | 85,981 | 93,100 | 179,081 |
| Business travel and training expense | 15,000 | 18,000 | 33,000 | 18.7% | 12,799 | 15,013 | 27,812 |
| Other fees and expenses | | | | | - | - | |
| Medicaid terminal | 14,000 | 16,000 | 30,000 | 9.3% | 12,938 | 14,505 | 27,443 |
| Pike Pass | 2,800 | 3,600 | 6,400 | 0.6% | 2,797 | 3,564 | 6,361 |

EMSA
Comparison of Budget to Actual
6/30/18

| | June 30, 2018 | | | Actual for June 30, 2017 | | | |
|---|------------------|------------------|--------------|--------------------------|------------------|------------------|-------------|
| | Eastern Division | Western Division | EMSA Total | % Change | Eastern Division | Western Division | EMSA Total |
| Outside mailing services | 94,000 | 108,000 | 202,000 | 22.5% | 77,371 | 87,567 | 164,939 |
| Offsite storage | 7,000 | 8,000 | 15,000 | -3.2% | 8,000 | 7,500 | 15,500 |
| Bank charges | 2,000 | 2,000 | 4,000 | -87.0% | 14,432 | 16,352 | 30,784 |
| Weather paging/archiving/ACOG | 109,000 | 164,000 | 273,000 | -8.8% | 113,440 | 185,738 | 299,178 |
| Miscellaneous operating | 198,000 | 240,000 | 438,000 | 20.8% | 113,297 | 249,350 | 362,647 |
| Subscriptions | 7,000 | 5,000 | 12,000 | 10.0% | 6,102 | 4,812 | 10,914 |
| Dues | 15,000 | 18,000 | 33,000 | 2.6% | 14,970 | 17,205 | 32,175 |
| | 32,041,699 | 36,719,200 | 68,760,899 | 7.2% | 29,907,072 | 34,219,994 | 64,127,066 |
| Operating income (loss) before depreciation | 758,301 | (6,631,200) | (5,872,899) | 56.9% | 1,200,480 | (4,943,744) | (3,743,264) |
| Depreciation & Amortization | | | | | | | |
| Operating income (loss) | 2,500,000 | 1,700,000 | 4,200,000 | 10.6% | 2,300,000 | 1,496,250 | 3,796,250 |
| | (1,741,699) | (8,331,200) | (10,072,899) | -33.6% | (1,099,520) | (6,439,994) | (7,539,514) |
| Nonoperating income (expense): | | | | | | | |
| Interest expense | | | | | | | |
| Interest income | 148,000 | 33,000 | 181,000 | 326.5% | 21,413 | 21,026 | 42,439 |
| Total nonoperating income (expense) | (148,000) | (33,000) | (181,000) | 383.5% | (19,413) | (18,026) | (37,439) |
| Net income (loss) | (1,889,699) | (8,364,200) | (10,253,899) | -35.3% | (1,118,933) | (6,458,020) | (7,576,953) |

Note: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this budget.

Note: 6/30/17 figures are annualized nine months ended 3/31/17

* Additional information included in schedules that follow

EMSA

Budget for Payroll and Benefits

Year Ending June 30, 2018

| # of Employees | Department | Annual Comp. | Car Allow. | Total Comp. | FICA | Company Paid | Life | Retirement | Total |
|----------------|------------------------|--------------|------------|--------------|------------|--------------|-----------|------------|--------------|
| 5 | OFFICERS | \$ 967,823 | \$ 14,400 | \$ 982,223 | \$ 53,674 | \$ 47,410 | \$ 2,787 | \$ 113,725 | \$ 1,199,819 |
| 4 | MANAGEMENT AND SUPPORT | 258,144 | | 258,144 | 19,748 | 35,340 | 743 | 23,749 | 337,725 |
| 6 | CODERS | 184,696 | | 184,696 | 16,670 | 35,340 | 628 | 20,047 | 290,587 |
| 12 | PRE-INVOICE | 419,010 | | 419,010 | 32,054 | 94,420 | 1,207 | 38,549 | 585,240 |
| | ACCOUNTING/FINANCE | | | | | | | | |
| | Albright, Mike | 77,812 | | 77,812 | 5,953 | 12,070 | 224 | 7,159 | 103,217 |
| | Hurry, Adam | 48,854 | | 48,854 | 3,737 | 12,070 | 141 | 4,495 | 69,297 |
| 2 | ACCOUNTING/FINANCE | 126,666 | | 126,666 | 9,690 | 24,140 | 365 | 11,653 | 172,514 |
| 5 | INFORMATION SERVICES | 311,913 | | 311,913 | 23,861 | 35,810 | 898 | 28,696 | 401,179 |
| 22 | PATIENT ACCOUNTING | 883,613 | | 883,613 | 67,596 | 117,830 | 2,545 | 81,292 | 1,152,877 |
| 1 | CITIZENS CPR - TULSA | 37,749 | | 37,749 | 2,888 | 12,070 | 109 | 3,473 | 56,288 |
| 57 | GRAND TOTAL | \$ 3,189,614 | \$ 14,400 | \$ 3,237,221 | \$ 226,182 | \$ 402,360 | \$ 13,000 | \$ 321,184 | \$ 4,196,229 |

Note: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this budget.

Other

70,000

4,266,229

EMSA Eastern Division

Capital Budget

Years Ending June 30, 2018 through 2022

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------|-----------|-----------|-----------|-----------|
| <i>2018 ambulance replacement - (eleven)</i> | | | | | |
| New units | 474,000 | 295,000 | 295,000 | 295,000 | |
| Miscellaneous (logos, sirens, power supply) | 20,000 | | | | |
| <i>2019 ambulance replacement - (eleven)</i> | | | | | |
| New units | | 1,378,000 | | | |
| Miscellaneous (logos, sirens, power supply) | | 20,000 | | | |
| <i>2020 ambulance replacement - (ten)</i> | | | | | |
| New units | | | 1,290,000 | | |
| Miscellaneous (logos, sirens, power supply) | | | 20,000 | | |
| <i>2021 ambulance replacement - (ten)</i> | | | | | |
| New units | | | | 1,329,000 | |
| Miscellaneous (logos, sirens, power supply) | | | | 20,000 | |
| <i>2022 ambulance replacement - (ten)</i> | | | | | |
| New units | | | | | 1,369,000 |
| Miscellaneous (logos, sirens, power supply) | | | | | 20,000 |
| New units | | | | 133,000 | |
| Repairs | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| On-board equipment: | | | | | |
| Lifepack 15's | | 1,500,000 | | | |
| Equipment for new units | | 90,000 | | | |
| Ventilators | | 253,000 | | 90,000 | |
| Computer tablets | | | | | |
| Cots | 213,000 | 639,000 | | | |
| Stair chairs | 5,000 | | | | |
| Miscellaneous | 32,000 | 33,000 | 90,000 | 35,000 | 36,000 |
| | | | 34,000 | | |
| CAD and radio equipment: | | | | | |
| Mobile data terminals | 105,000 | | | | |
| Equipment for new units | | 14,000 | | | |
| Mobile gateways in units | 119,000 | | | 14,000 | |
| Recording system | 92,000 | | | | |

EMSA Eastern Division

Capital Budget

Years Ending June 30, 2018 through 2022

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| Building expenses: | | | | | |
| Office furniture | | 10,000 | | | |
| Garage - general | | 15,000 | | 10,000 | |
| Common use vehicle | | | | 15,000 | |
| Miscellaneous | 43,000 | 44,000 | 45,000 | 35,000 | 47,000 |
| Computer equipment: | | | | | |
| Firewall and network security | | 47,000 | | | |
| UPS batteries | 5,000 | | 5,000 | | |
| Miscellaneous IT needs | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| TOTAL | 1,233,000 | 4,588,000 | 1,904,000 | 2,147,000 | 1,602,000 |

NOTE: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this budget.

EMSA Western Division

Capital Budget

Years Ending June 30, 2018 through 2022

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------|-----------|-----------|-----------|-----------|
| Ambulances | | | | | |
| <i>2018 ambulance replacement - (eleven)</i> | | | | | |
| New units | 1,338,000 | | | | |
| Miscellaneous (springs, logos, sirens, power supply) | 20,000 | | | | |
| <i>2019 ambulance replacement - (eleven)</i> | | | | | |
| New units | | 1,378,000 | | | |
| Miscellaneous (springs, logos, sirens, power supply) | | 20,000 | | | |
| <i>2020 ambulance replacement - (ten)</i> | | | | | |
| New units | | | 1,290,000 | | |
| Miscellaneous (springs, logos, sirens, power supply) | | | 20,000 | | |
| <i>2021 ambulance replacement - (eleven)</i> | | | | | |
| New units | | | | 1,462,000 | |
| Miscellaneous (springs, logos, sirens, power supply) | | | | 20,000 | |
| <i>2022 ambulance replacement - (eleven)</i> | | | | | |
| New units | | | | | 1,505,000 |
| Miscellaneous (springs, logos, sirens, power supply) | | | | | 20,000 |
| Repairs | 25,000 | 125,000 | 25,000 | 25,000 | 25,000 |
| LP 15's | | 1,800,000 | | | |
| Power cots | 870,000 | | | | |
| Stair chairs | 5,000 | 5,000 | 100,000 | 100,000 | |
| Training manikin | | | | | |
| Equipment for new units(1) | | 90,000 | | | |
| Ventilators | | 279,000 | | | |
| Miscellaneous | 39,000 | 40,000 | 41,000 | 42,000 | 42,000 |
| CAD and radio equipment: | | | | | |
| Mobile data terminals | 115,000 | | | | |
| Equipment for new units | | 14,000 | | | |
| Radio infrastructure (NG911 system) | 117,500 | 117,500 | 117,500 | 117,500 | 117,500 |
| Recording system | 108,000 | | | | |
| Mobile gateways in trucks | 131,000 | | | | |

EMSA Western Division

Capital Budget

Years Ending June 30, 2018 through 2022

| Description | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| Building expenses: | | | | | |
| Bldg improvements | | 10,000 | 10,000 | | |
| Office furniture | 10,000 | 10,000 | | | |
| Parking lot and grounds | 10,000 | | 10,000 | | |
| Miscellaneous | 48,000 | 49,000 | 50,000 | 51,000 | 52,000 |
| Computer equipment: | | | | | |
| Server upgrade (accounting) | | 10,000 | | | |
| UPS batteries | | 5,000 | | | |
| Server upgrade (network) | | | 50,000 | | |
| Billing/CAD system hardware | | | 10,000 | | |
| Firewall and network security | | | | | |
| Miscellaneous IT needs | | | | | |
| | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| | <u>2,936,500</u> | <u>4,077,500</u> | <u>1,823,500</u> | <u>1,917,500</u> | <u>1,861,500</u> |

NOTE: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this budget.

EMSA Eastern Division

P&L Forecast

Years Ending June 30, 2018 - 2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Ambulance revenue | 91,968,000 | 127,045,000 | 127,045,000 | 127,045,000 | 127,045,000 |
| Utility bill revenue | 7,125,000 | 5,723,000 | 5,420,000 | 5,420,000 | 5,420,000 |
| Subscription revenue | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| | <u>99,193,000</u> | <u>132,868,000</u> | <u>132,565,000</u> | <u>132,565,000</u> | <u>132,565,000</u> |
| Deductions: | | | | | |
| Allowance and collection fees | 66,393,000 | 97,000,000 | 97,045,000 | 97,045,000 | 97,045,000 |
| | <u>32,800,000</u> | <u>35,868,000</u> | <u>35,520,000</u> | <u>35,520,000</u> | <u>35,520,000</u> |
| Net Revenue | | | | | |
| Operating expense: | | | | | |
| Contractor | 24,900,000 | 25,500,000 | 26,200,000 | 26,800,000 | 27,500,000 |
| Other | 7,142,000 | 5,600,000 | 5,800,000 | 5,900,000 | 6,100,000 |
| | <u>32,042,000</u> | <u>31,100,000</u> | <u>32,000,000</u> | <u>32,700,000</u> | <u>33,600,000</u> |
| Depreciation & Amor | 2,500,000 | 3,500,000 | 3,900,000 | 4,400,000 | 2,900,000 |
| | <u>(1,742,000)</u> | <u>1,268,000</u> | <u>(380,000)</u> | <u>(1,580,000)</u> | <u>(980,000)</u> |
| Operating income | | | | | |
| Nonoperating income (expense): | | | | | |
| Interest expense | 148,000 | 135,000 | 112,000 | 88,000 | 64,000 |
| | <u>(1,890,000)</u> | <u>1,133,000</u> | <u>(492,000)</u> | <u>(1,668,000)</u> | <u>(1,044,000)</u> |
| Net income (loss) | | | | | |

Note: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this forecast.

EMSA Western Division

P&L Forecast

Years Ending June 30, 2018 - 2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Ambulance revenue | 102,788,000 | 102,800,000 | 102,800,000 | 102,800,000 | 102,800,000 |
| Subscription revenue | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| | <u>102,888,000</u> | <u>102,900,000</u> | <u>102,900,000</u> | <u>102,900,000</u> | <u>102,900,000</u> |
| Deductions: | | | | | |
| Allowance & collection fees | 72,800,000 | 72,800,000 | 72,800,000 | 72,800,000 | 72,800,000 |
| Net Revenue | <u>30,088,000</u> | <u>30,100,000</u> | <u>30,100,000</u> | <u>30,100,000</u> | <u>30,100,000</u> |
| Operating expense: | | | | | |
| Contractor | 28,100,000 | 28,700,000 | 29,400,000 | 30,200,000 | 30,900,000 |
| Other | 8,619,000 | 6,700,000 | 6,900,000 | 7,100,000 | 7,300,000 |
| | <u>36,719,000</u> | <u>35,400,000</u> | <u>36,300,000</u> | <u>37,300,000</u> | <u>38,200,000</u> |
| Depreciation & Amor | 1,700,000 | 2,400,000 | 2,500,000 | 2,600,000 | 1,400,000 |
| Operating income (loss) | <u>(8,331,000)</u> | <u>(7,700,000)</u> | <u>(8,700,000)</u> | <u>(9,800,000)</u> | <u>(9,500,000)</u> |
| Nonoperating income (expense): | | | | | |
| Interest expense | 33,000 | 25,000 | 17,000 | 9,000 | - |
| Net income (loss) | <u>(8,364,000)</u> | <u>(7,725,000)</u> | <u>(8,717,000)</u> | <u>(9,809,000)</u> | <u>(9,500,000)</u> |

Note: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this forecast.

EMSA Eastern Division

Cash Projection

Years Ending June 30, 2018 through 2022

Assumes Increase in Rate of \$550 Effective 7/1/18

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|-----------------------|---------------------|-------------------|-------------------|
| Receipts: | | | | | |
| Patient accounts | 25,600,000 | 28,900,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Utility bill receipts | 7,125,000 | 5,723,000 | 5,420,000 | 5,420,000 | 5,420,000 |
| Non-beneficiary subsidy | 782,000 | 782,000 | 782,000 | 782,000 | 782,000 |
| TotalCare receipts | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total receipts | <u>33,607,000</u> | <u>35,505,000</u> | <u>36,302,000</u> | <u>36,302,000</u> | <u>36,302,000</u> |
| Disbursements: | | | | | |
| Ambulance contract | 24,900,000 | 25,500,000 | 26,200,000 | 26,800,000 | 27,500,000 |
| Operating expenses | 7,150,000 | 5,600,000 | 5,800,000 | 5,900,000 | 6,100,000 |
| Debt reduction and interest | 798,000 | 963,000 | 963,000 | 963,000 | 754,000 |
| Capital expenditures | 1,233,000 | 4,588,000 | 1,904,000 | 2,147,000 | 1,602,000 |
| Total disbursements | <u>34,081,000</u> | <u>36,651,000</u> | <u>34,867,000</u> | <u>35,810,000</u> | <u>35,956,000</u> |
| Current year change in cash | <u>\$ (474,000)</u> | <u>\$ (1,146,000)</u> | <u>\$ 1,435,000</u> | <u>\$ 492,000</u> | <u>\$ 346,000</u> |
| Cash balance at beginning of year | 3,300,000 | 2,826,000 | 1,680,000 | 3,115,000 | 3,607,000 |
| Increase (decrease) in cash balance for year | (474,000) | (1,146,000) | 1,435,000 | 492,000 | 346,000 |
| Cash balance at end of year | <u>2,826,000</u> | <u>1,680,000</u> | <u>3,115,000</u> | <u>3,607,000</u> | <u>3,953,000</u> |
| Beginning Balance Utility Fund | | | | | 2,000,000 |
| Addition to Utility Fund | | | | | |
| Reduction of Utility Fund | 1,700,000 | 300,000 | | | |
| Utility Fund Balance | 300,000 | | | | |

EMSA Western Division

Cash Projection

Years Ending June 30, 2018 through 2022

| | 2018 | 2019 | 2020 | 2021 | 2022 | 5-year |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Receipts: | | | | | | |
| Patient accounts | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 | 150,000,000 |
| Total Care proceeds | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| Total receipts | <u>30,100,000</u> | <u>30,100,000</u> | <u>30,100,000</u> | <u>30,100,000</u> | <u>30,100,000</u> | <u>150,500,000</u> |
| Disbursements: | | | | | | |
| Ambulance contract | 28,100,000 | 28,700,000 | 29,400,000 | 30,200,000 | 30,900,000 | 147,300,000 |
| Operating expenses | 8,600,000 | 6,700,000 | 6,900,000 | 7,100,000 | 7,300,000 | 36,600,000 |
| Capital expenditures | 2,937,000 | 4,078,000 | 1,824,000 | 1,918,000 | 1,862,000 | 12,619,000 |
| Installment purchase | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 820,000 |
| Total disbursements | <u>39,842,000</u> | <u>39,683,000</u> | <u>38,329,000</u> | <u>39,423,000</u> | <u>40,062,000</u> | <u>197,339,000</u> |
| Reduction in cash: | 1,500,000 | | | | | |
| Ending cash balance | <u>\$ (8,242,000)</u> | <u>\$ (9,583,000)</u> | <u>\$ (8,229,000)</u> | <u>\$ (9,323,000)</u> | <u>\$ (9,962,000)</u> | <u>\$ (46,839,000)</u> |

Note: Please refer to the accompanying narrative for a discussion of the assumptions utilized in the preparation of this forecast.