

Agenda				
Estes Park Health Board of Directors' Finance Subcommittee Meeting				
Thursday, June 25, 2020				
3:00 - 4:00 p.m.				
Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517				
Timberline Conference Room / TEAMS Meeting 1-719-300-6108   Conference ID: 952 217 738#				
Regular Session		Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome	1	Action	Mr. Steve Alper
2	Approval of the Agenda	1	Action	Mr. Steve Alper
3	Approval of Finance Meeting Minutes May 15, 2020	1	Action	Board Finance Committee
3	Public Comments	2	Information	Public
4	Presentations			
	4.1 Month End Financials - May 2020	54	Discussion	Mr. Tim Cashman
5	Adjourn	1	Action	Mr. Steve Alper
Total Regular Session Mins.		60		
Next Regular Finance Subcommittee Meeting: Friday, July 23, 2020 2:00 - 3:00 p.m.				



## **ESTES PARK HEALTH BOARD OF DIRECTORS'**

### **Finance Committee Meeting Minutes – May 15, 2020**

#### **Board Members in Attendance**

Dr. David Batey  
Ms. Sandy Begley (via phone)  
Dr. Monty Miller (via phone)  
Ms. Diane Muno  
Mr. William Pinkham  
Dr. Steve Alper

#### **Other Attendees**

Mr. Vern Carda, CEO  
Mr. Tim Cashman, CFO  
Mr. Gary Hall, CIO (via phone)

#### **Community Attendees (via phone)**

Dr. Larry Lemming

#### **1. Call to Order**

The Finance Committee meeting was called to order at 3:06 p.m. by Dr. Miller, Chair; there was a quorum present. Notice of the Finance Committee meeting was posted in accordance with the SUNSHINE Law Regulation.

#### **2. Approval of the Agenda**

Mr. Pinkham motioned to approve the agenda as submitted. Ms. Muno seconded the motion, which carried unanimously.

#### **3. Public Comments**

No comments were submitted.

The teleconference number published for the meeting incurred technical difficulties at the beginning of the meeting and had to be changed. The original teleconference line was checked to ensure that any participants attending were informed of the new teleconference number.

#### **4. April 2020 Month End Financials and**

Discussion topic:

Most Estes Park Health (EPH) revenue streams, including inpatient revenues, outpatient revenues, and elective surgeries, have been derailed by the Covid-19 worldwide pandemic and the resulting

economic disaster. EPH must take decisive action to reduce its organization operational expenses and create a sustenance plan to enable the organization to navigate this economic downturn in a fiscally responsible manner until such time as operational volumes return to previously recorded levels.

To accomplish this, EPH will utilize a phased “preservation approach.” This is our chosen alternative to making significant initial workforce cuts and/or utilizing other drastic organization program, contract, or expense reductions to facilitate organization recovery. The intent of the preservation approach is to enable organizational leadership an opportunity to examine US and local economic recovery and initiate additional recovery phases if needed.

#### Targets/Major Assumptions:

Tracking mechanisms for estimated revenue growth/estimated expense in Phase 1.

Phase I (June – September 2020):

The primary focus of this stage is to reduce overall organizational expenses, restart a sputtering clinic and organizational revenue streams (e.g., elective surgery and diagnostic imaging), and study and analyze the uncertain US healthcare situation and the economic recovery of EPH.

Phase II (October – December 2020):

- Continued wage and contract reductions (if needed)
- Program and/or service line eliminations

Phase III (January 2021):

- Undetermined at this time. More detail to be discussed at the economy re-opens.

Discussion topics included:

- Administration is confident that EPH will return to post pandemic economic levels.
- April revenues were stronger than anticipated.
- The CEO will work on securing physician contract amendments over the next week.
- Department directors have submitted plans to reduce costs.
- A recommendation was made to incorporate the EPH Mission Statement into the philosophy statement and to ensure that it is clearly outlined that the organization has done a tremendous amount of work to secure loans and grants.

#### 4.1 April 2020 Month End Financials

	APRIL		YEAR TO DATE		
	FY 2020		2020		
REVENUE	Actual	Budget	Actual	Budget	Var
TOTAL OPERATING REVENUE	2,367,063	4,172,023	13,231,126	16,046,311	-18%
TOTAL OPERATING EXPENSE	4,530,767	4,787,744	19,335,368	19,200,776	-1%
<b>OPERATING INCOME (LOSS)</b>	<b>(2,163,704)</b>	<b>(615,721)</b>	<b>(6,104,242)</b>	<b>(3,154,465)</b>	<b>-94%</b>
<i>Operating Margin</i>	<i>-91.4%</i>	<i>-14.8%</i>	<i>-46.1%</i>	<i>-19.7%</i>	
Non-Operating Revenue	255,218	290,059	1,061,201	1,152,736	-8%
Non-Operating Expense	(4,195)	(4,400)	(16,780)	(17,600)	5%
NON-OPERATING	251,023	285,659	1,044,421	1,135,136	
EXCESS REVENUES (EXPENSES)	(1,912,681)	(330,062)	(5,059,821)	(2,019,329)	-151%
Gift to Purchase Capital Assets	-	0	-	100,000	
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(1,912,681)</b>	<b>(330,062)</b>	<b>(5,059,821)</b>	<b>(1,919,329)</b>	<b>-164%</b>
<i>Total Margin</i>	<i>-80.8%</i>	<i>-7.9%</i>	<i>-38.2%</i>	<i>-12.0%</i>	
<b>EBIDA</b>	<b>(1,552,179)</b>	<b>(41,943)</b>	<b>(3,918,632)</b>	<b>(766,853)</b>	

#### 2020 Net Revenue Comparison

2019 Actual = \$14,405,823.42

2020 Budget = \$15,775,602.00

2020 Actual = \$13,064,354.49

#### 2020 YTD Operating Expenses

Benefits = 11%

Contract Labor = 12%

Depreciation = 5%

Medical Supplies = 8%

Non-Medical Supplies = 2%

Other Operating = 7%

Purchased Services = 12%

Salaries = 43%

#### 2020 YTD EBIDA Comparison

2019 Actual = (\$252,794.74)

2020 Budget = (\$766,853.32)

2020 Actual = (\$3,909,062.48)

#### 2020 Net Loss Comparison

2019 Actual = (\$1,049,733.44)

2020 Budget = (\$1,919,329.32)

2020 Actual = (\$5,052,764.95)

<b>Statement of Cash Flows (Unaudited)</b>	
<b>1/1/20 through 4/30/20</b>	
<b>Cash Flows From Operating Activities</b>	
Net cash provided by (used in) operating activities	2,860,118
<b>Cash Flows From Financing Activities</b>	
Net cash provided by (used in) financing activities	6,596,459
<b>Cash Flows From Investing Activities</b>	
Net cash provided by (used in) investing activities	45,270
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	9,501,847
<b>Cash and Cash Equivalents, 01/01/2020</b>	20,744,349
<b>Cash and Cash Equivalents, 4/30/20</b>	<b>\$ 30,246,196</b>
Restricted Cash and Cash Equivalents, 4/30/20	\$ 3,914,266
Unrestricted Cash and Cash Equivalents, 4/30/20	26,331,930
	<b>\$ 30,246,196</b>

Discussion topics included:

- The \$30M includes the stimulus funds.
- \$3M a month is being collected through accounts receivables.
- EPH has \$14M in bonds.
- The cash burn is coming from operational expenses.
- Should EPH request to increase the line of credit with Bank of Colorado?

		FORECAST						
		FY 2020						
REVENUE		2nd Quarter	3rd Quarter	4th Quarter	FY 2020 Forecast	Budget 2020	Variance	% Variance
TOTAL OPERA TING REVENUE		8,397,397	11,933,959	10,084,092	41,395,123	53,750,778	(12,355,655)	-23.0%
TOTAL OPERA TING EXPENSE		13,344,859	13,924,859	13,924,859	55,999,191	57,079,435	(1,080,244)	-1.9%
OPERATING INCOME (LOSS)		(4,947,462)	(1,990,900)	(3,840,767)	(14,604,068)	(3,328,657)	(11,275,411)	-338.7%
Operating Margin		-58.9%	-16.7%	-38.1%	-35.3%			
Non-Operating Revenue		871,128	871,128	871,128	3,419,367	3,484,512	(65,145)	-1.9%
Non-Operating Expense		(16,780)	(16,780)	(16,780)	(62,925)	(72,840)	9,915	-13.6%
NON-OPERATING		854,348	854,348	854,348	3,356,442	3,411,672	(55,230)	
EXCESS REVENUES (EXPENSES)		(4,093,114)	(1,136,552)	(2,986,419)	(11,247,626)	83,015	(11,330,641)	
Gift to Purchase Capital Assets		400,000	-	-	400,000	300,000	100,000	33.3%
INCREASE (DECREASE) IN NET ASSETS		(3,693,114)	(1,136,552)	(2,986,419)	(10,847,626)	383,015	(11,230,641)	
Total Margin		-44.0%	-9.5%	-29.6%		0.7%		
EBIDA		(2,797,760)	(241,198)	(2,091,065)	(7,380,863)	3,964,431		

### Proposed Staffing Changes

1. Implement a 10% roll-back of wages for salaried and non-exempt positions
  - a. 154 employees will not be affected (those earning less than \$50k annually)

- b. 25 employees will be affected between 0.7% and 9.99%
- c. 218 employees will see a temporary (90 days) rollback
  - Includes physicians and senior leadership
- d. Re-evaluation of hospital visits at 90 days
- e. Anticipated savings of \$450k
- f. Anticipated pension and Medicare savings of \$35k
- g. Beginning June 1, 2020
- 2. Implement a PTO accrual freeze (90 days)
  - a. Anticipated savings of \$360k
  - b. All employees affected

#### Department Adjustments

Each Department has reviewed and provided opportunities for annual cost savings including:

Emergency Dept	\$153,000
Surgery Dept	\$ 43,000
Physicians Clinic	\$ 60,000
Med Surg Inpatient	\$ 10,000
Wound Care	\$ 50,000
Birth Center	\$100,000
Patient Financial Services	\$ 40,000
Facilities	\$100,000
Dietary	\$ 5,000
Diagnostic Imaging	\$103,000
Living Center	\$ 60,000
<b>Est. Total Annual Savings</b>	<b>\$724,000</b>

Discussion topics included:

- Initial conversations with physicians regarding contract amendments occurred.
- Many hospitals around the country are proceeding forward with pay reductions, layoffs, and furloughs.
- Stimulus funds will offset some losses.
- Staffing ratio adjustments are being made.
- Administration is concerned about potentially losing staff over payroll deductions.
- All capital equipment purchases are being frozen through the remainder of the year unless they are mission critical.
- The PTO accrual freeze is part of the phase 1 approach.

The Board was in consensus with the phased preservation approach plan outlined by the senior leadership team.

#### **5. Adjournment**

Ms. Muno motioned to adjourn the Finance Committee meeting at 4:45 p.m. Mr. Pinkham seconded the motion, which carried unanimously.

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Steve Alper  
**Estes Park Health Board Finance Committee Chair**



# Finance Committee Meeting

June 25, 2020

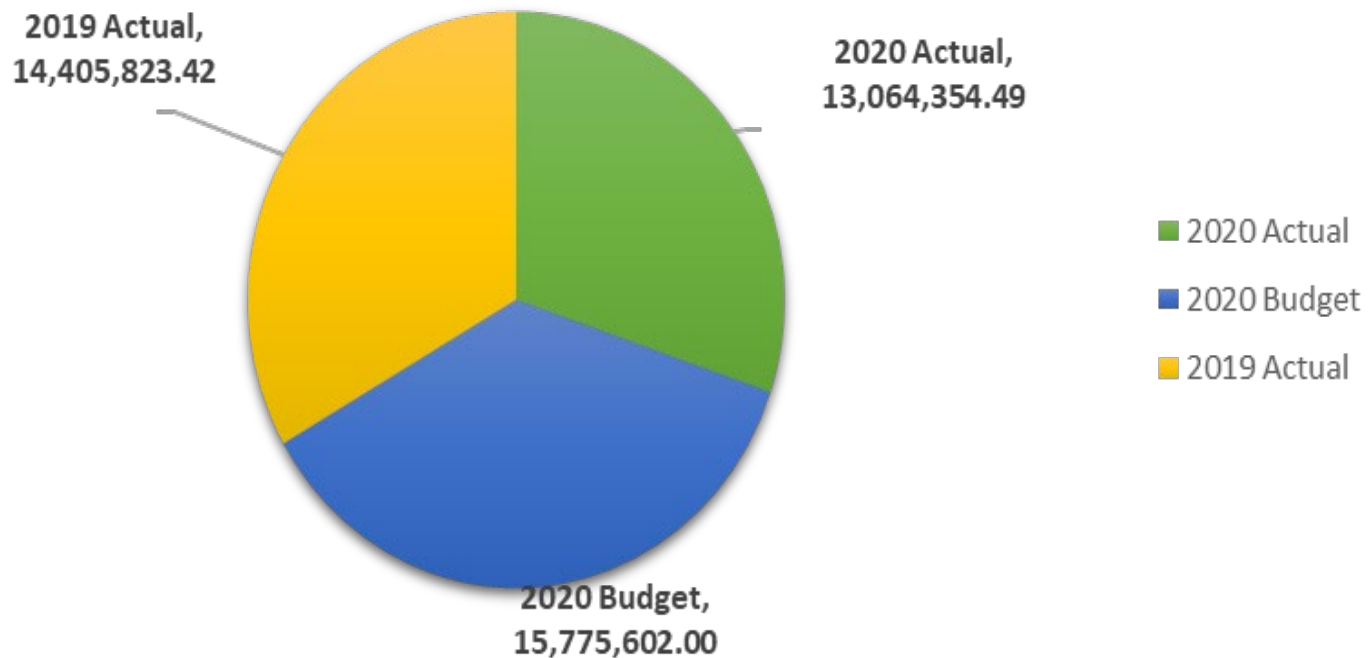


# April 2020 Financials

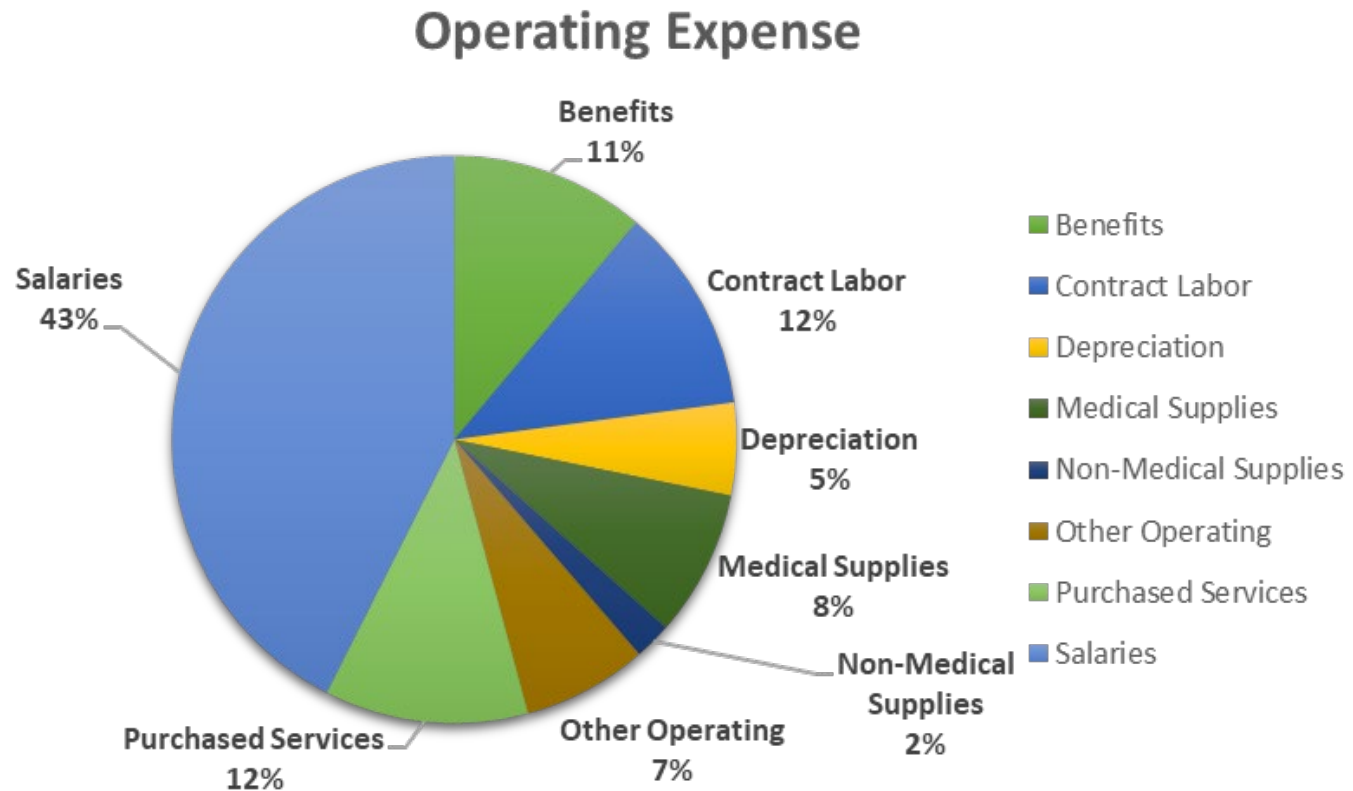
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		FY 2020		2020		
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Total Margin		-80.8%	-7.9%	-38.2%	-12.0%	
<b>EBIDA</b>		<b>(1,552,179)</b>	<b>(41,943)</b>	<b>(3,918,632)</b>	<b>(766,853)</b>	

## 2020 Net Revenue Comparison

### Patient Revenue

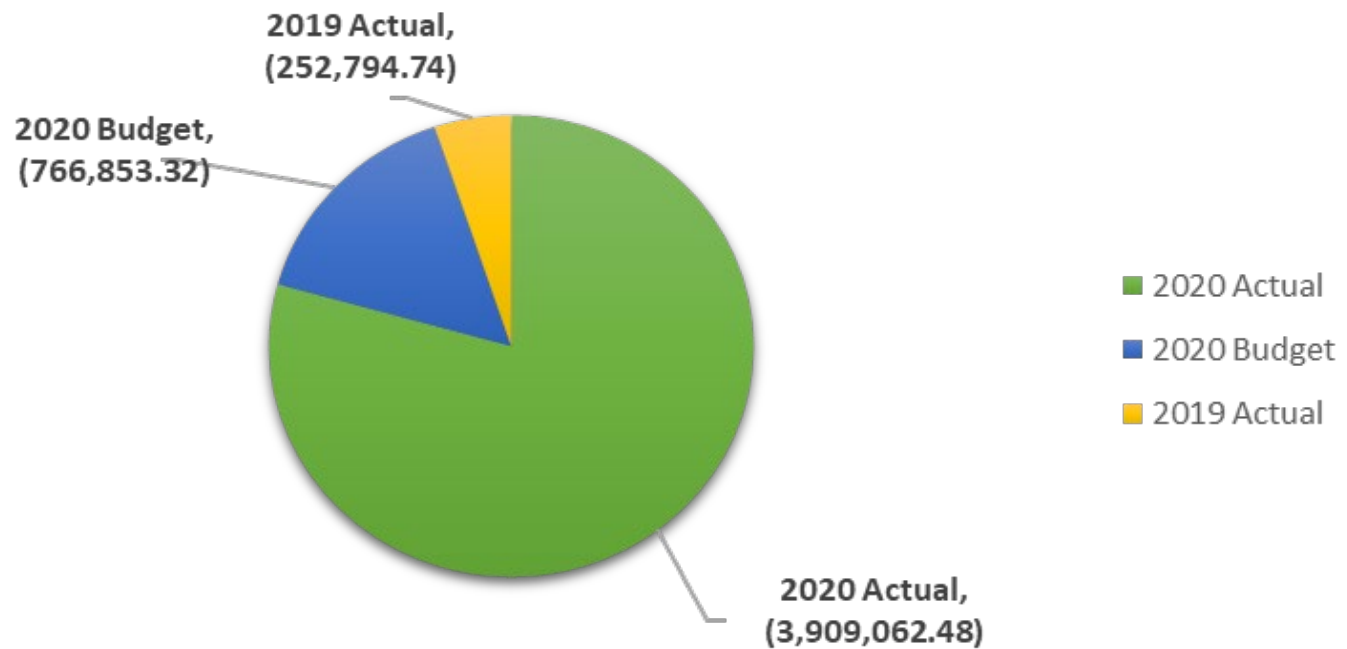


## 2020 YTD Operating Expenses

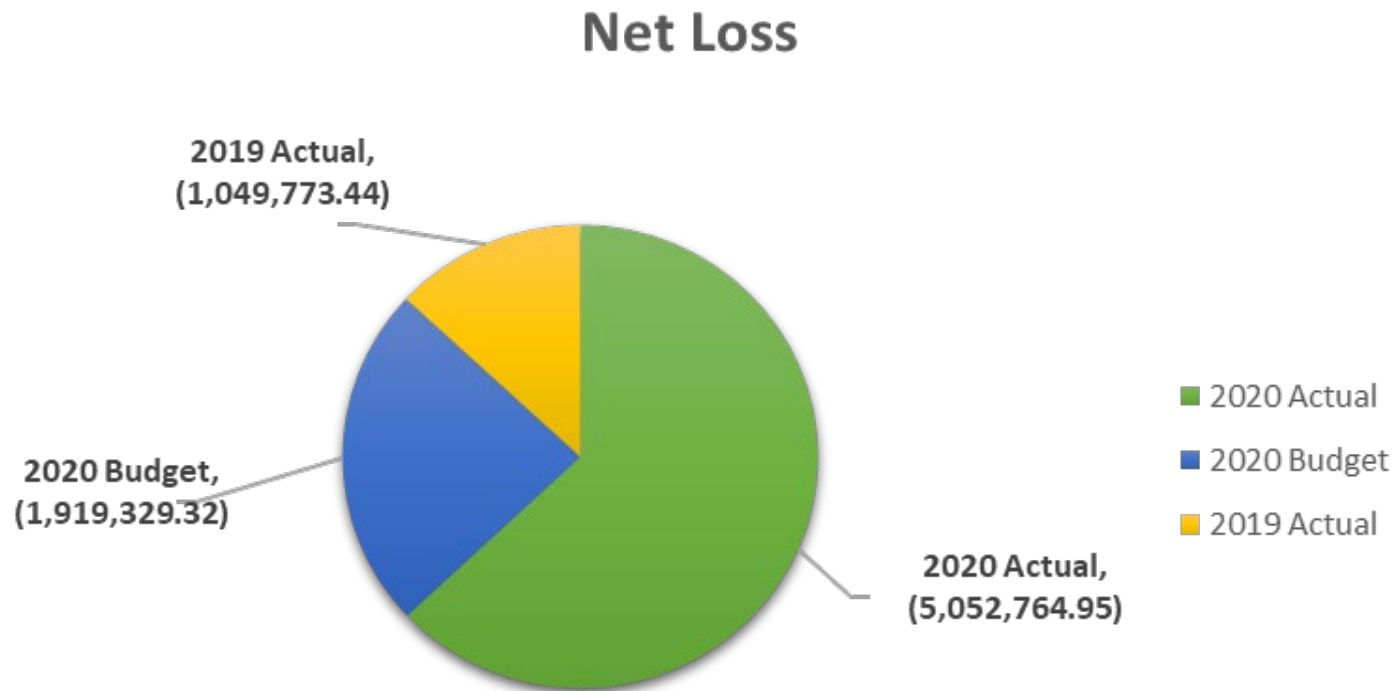


## 2020 YTD EBIDA Comparison

### EBIDA Loss



## 2020 Net Loss Comparison





## **ESTES PARK HEALTH**

### **Statement of Cash Flows (Unaudited)**

**1/1/20 through 5/31/20**

#### **Cash Flows From Operating Activities**

Net cash provided by (used in) operating activities

5,841,744

#### **Cash Flows From Financing Activities**

Net cash provided by (used in) financing activities

6,903,681

#### **Cash Flows From Investing Activities**

Net cash provided by (used in) investing activities

45,913

**Net Increase (Decrease) in Cash and Cash Equivalents**

12,791,338

**Cash and Cash Equivalents, 01/01/2020**

20,971,503

**Cash and Cash Equivalents, 5/31/20**

\$ 33,762,841

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Restricted Cash and Cash Equivalents, 5/31/20

\$ 3,914,547

Unrestricted Cash and Cash Equivalents, 5/31/20

29,848,294

\$ 33,762,841



# Forecast 2020

	FORECAST					
	FY 2020					
REVENUE	2nd Quarter	3rd Quarter	4th Quarter	FY 2020 Forecast	Budget 2020	Variance
TOTAL OPERATING REVENUE	9,133,164	11,933,959	10,084,092	42,180,772	53,750,778	(11,570,006)
TOTAL OPERATING EXPENSE	13,644,859	13,984,859	13,999,859	56,434,191	57,079,435	(645,244)
<b>OPERATING INCOME (LOSS)</b>	<b>(4,511,695)</b>	<b>(2,050,900)</b>	<b>(3,915,767)</b>	<b>(14,253,419)</b>	<b>(3,328,657)</b>	<b>(10,924,762)</b>
<i>Operating Margin</i>	<i>-49.4%</i>	<i>-17.2%</i>	<i>-38.8%</i>	<i>-33.8%</i>		
NON-OPERATING	850,153	850,153	850,153	3,343,857	3,411,672	(67,815)
EXCESS REVENUES (EXPENSES)	(3,661,542)	(1,200,747)	(3,065,614)	(10,909,562)	83,015	(10,992,577)
Gift to Purchase Capital Assets	400,000	-	-	400,000	300,000	100,000
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(3,261,542)</b>	<b>(1,200,747)</b>	<b>(3,065,614)</b>	<b>(10,509,562)</b>	<b>383,015</b>	<b>(10,892,577)</b>
<i>Total Margin</i>	<i>-35.7%</i>	<i>-10.1%</i>	<i>-30.4%</i>		<i>0.7%</i>	
<b>EBIDA</b>	<b>(2,366,188)</b>	<b>(305,393)</b>	<b>(2,170,260)</b>	<b>(7,042,799)</b>	<b>3,964,431</b>	



# Assumptions

	May/June	3rd Qtr	FY 2020
<b>Revenues</b>	March '20 saw a 31% decline in Revenues, across the board. Accordingly 3rd Qtr results showed an 11% loss of Revenues. Notably in Medsurg, Emergency Dept, Surgery, Radiology, Lab and Rehab.	As time progresses thru the summer, and if luck holds up, expectations could yield a <b>potential recovery of 70%</b> by end of September.	By end of year, expectation (and hope) could allow for a <b>continued 80%</b> of average by end of the year.
	Expectations for April are approx 45% decline in Revenues		
	With the potential of a change in "Stay at Home" restrictions, EPH could potentially see a gradual increase in patient visits, currently estimated about 5% per week. Resulting in potentially up to <b>50% of average</b> (defined as budget) by end of June.		
<b>Expenses</b>	Through May, expenses are expected to remain normal, as was the promise to the staff. Funds are received from the PPP to cover payroll for an 8 week period. Other spending is closely monitored.	For July thru September, with Revenues anticipated at 70% of normal, the hospital will try to keep expenses at 80%. However forecasting budgeted expense.	The same for year end, if Revenues are 80% recovery, so should Expenses.
	For May and June, expectations are to reduce Salary costs by up to 10%, including several initiatives.		
	Contract Labor, other than Pediatric Call, is expected to be eliminated.		
<b>Earnings</b>	The second quarter is reporting a net loss of \$3.8M.	Third Quarter forecasts a Net Loss of \$1.5M	Fourth Quarter forecasts a net loss of \$3.6M and a FY 2020 Loss of \$12M
<b>Earnings w/ Stimulus applied</b>	As Stimulus funds		Year end expectations for net loss are between \$5M and 7M.
<b>Cash Flow</b>	Loss of Cash thru March is \$2M	Thru September Cash is expected to decrease by \$5M. This does not include any Stimulus, APP or PPP funds.	End of year is expecting Days Cash on Hand to be around 125.
<b>Impact of Stimulus Funds</b>	Thru May 12, total funds received from Medicare and other Stimulus programs is \$9.5M. However, as of this report, \$4.4M must be repaid over 5 months beginning in August. There are efforts underway to request these funds be forgivable. Pending.	With an added infusion of \$14M in cash, availability should not be a problem. However, much depends on the possibility of having to repay \$4.4M.	Assuming a repayment of the \$4.4M, and the Revenue and Expense projections are close, cash as end of the year will likely show a net loss of \$4M, thus reducing Days Cash on Hand to somewhere near 120 days.
	The hospital was successful in obtaining a forgivable loan from the CARES Act and the Payroll Protection Program of \$4.8M. This is specifically for covering Payroll costs for 8 weeks.		



Questions?

**Estes Park Health**  
Financial Overview  
Month Ended May 31, 2020

**FINANCIAL RATIOS**

	Apr	May	RED	YELLOW	GREEN
Days in Accounts Receivable	50.5	57.3	> 60	50 - 60	< 50
Days Cash on Hand	222	241	< 125	125 - 224	> 225
Debt Service Coverage Ratio	-0.67	-1.91	<1.25	1.25 - 2.0	> 2.0
Operating Margin (12 Mo. Rolling)	-15.0%	-19.5%	< 2.0%	2% - 4.99%	> 5%
Total Margin (12 Mo. Rolling)	-8.0%	-12.2%	< 5.0%	5% - 9.99%	> 10.0%

**OTHER INDICATORS**

	Apr	May	Budget	YTD	YTD Budget
Total Deductions from Revenue %	44.1%	45.3%	46.0%	44.5%	46.0%
Operating Margin	(\$2,156,649)	(\$2,089,342)	(\$481,149)	(\$7,724,976)	(\$3,635,614)
Operating Margin %	-91.1%	-71.4%	-11.1%	-47.8%	-17.8%
Increase (decrease) in Net Assets	(\$1,905,625)	(\$1,837,911)	(\$198,040)	(\$6,429,123)	(\$2,117,369)
Total Margin %	-80.5%	-62.8%	-4.6%	-39.8%	-10.4%

**SUMMARY**

**Statistics:** IP Days are at 94 compared to 83 in April and 131 in May 2019.  
Physicians Clinic Visits are at 1027 compared to 648 in April and 2168 in May 2019.  
Surgeries are at 15 compared to 4 in April and 29 in May 2019.

**Revenue:** May's Gross Patient Revenue is \$5,254,517 compared to a budget level of \$7,929,482.

**Other Operating Revenue:** YTD Other Revenues are \$121,468 below budget.

**Expenses:** Total Operating Expenses in May are \$184,695 over budget. Salaries and benefits are over budget by \$142,470.

**Excess Revenues (Expenses):** May's increase in Net Assets is -\$1,837,911 compared to a budget of -\$198,040. May's Total Margin is -62.8% compared to a budgeted level of -4.6%.

**Ratio Analysis:** Day's in A/R is at 57.3 which is higher than the industry average of fifty.  
Day's Cash on Hand is at 241 compared to April's level of 222 and May 2019 of 176.

**Debt Coverage Ratio:** May's rolling 12 month ratio is -1.91%. The loan end of year minimum required ratio is 1.25.

**ESTES PARK HEALTH**  
**Statement of Revenues and Expenses (Unaudited)**  
**May 31, 2020**

REVENUE	MONTH May-20			YEAR TO DATE FY 2020			PRIOR YEAR TO DATE FY 2019	
	Actual	Budget	Var	Actual	Budget	Var	Actual	Var
Patient Revenue								
In-Patient	\$ 902,898	\$ 1,516,743	-40%	\$ 4,688,872	\$ 8,190,511	-43%	\$ 8,444,797	-44%
Out-Patient	4,351,620	6,412,739	-32%	24,024,177	28,953,053	-17%	27,268,418	-12%
TOTAL PATIENT REVENUE	5,254,517	7,929,482	-34%	28,713,049	37,143,564	-23%	35,713,215	-20%
Less Contractual Adjustments	(2,200,487)	(3,568,267)	38%	(12,346,563)	(16,714,605)	26%	(16,759,172)	26%
Less Bad Debt Adjustments	(178,077)	(79,295)	-125%	(425,061)	(371,437)	-14%	(405,897)	-5%
TOTAL REVENUE DEDUCTIONS	(2,378,564)	(3,647,562)	35%	(12,771,624)	(17,086,042)	25%	(17,165,069)	-26%
	45.3%	46.0%		44.5%	46.0%		48.1%	
NET PATIENT REVENUE	2,875,953	4,281,920	-33%	15,941,426	20,057,522	-21%	18,548,146	-14%
Other Operating Revenue	49,882	67,414	-26%	216,655	338,123	-36%	314,522	-31%
TOTAL OPERATING REVENUE	2,925,835	4,349,334	-33%	16,158,080	20,395,645	-21%	18,862,668	-14%
EXPENSES								
Wages	2,233,332	2,130,440	-5%	10,396,885	10,390,976	0%	9,034,830	-15%
Benefits	636,885	597,307	-7%	2,775,238	2,707,038	-3%	2,692,349	-3%
Contract Labor	464,494	526,618	12%	2,662,518	2,631,090	-1%	2,570,562	-4%
Medical Supplies	344,642	375,278	8%	1,791,205	1,870,089	4%	1,827,108	2%
Non-Medical Supplies	98,143	84,772	-16%	462,946	421,876	-10%	470,046	2%
Purchased Services	606,856	503,844	-20%	2,668,989	2,847,695	6%	2,104,876	-27%
Other Operating Expenses	340,658	314,106	-8%	1,691,405	1,711,901	1%	1,474,485	-15%
Depreciation & Amortization	254,983	263,852	3%	1,265,829	1,279,264	1%	833,532	-52%
Interest	35,184	34,266	-3%	168,041	171,330	2%	163,968	-2%
TOTAL OPERATING EXPENSE	5,015,178	4,830,483	-4%	23,883,056	24,031,259	1%	21,171,755	-13%
OPERATING INCOME (LOSS)	(2,089,342)	(481,149)	-334%	(7,724,976)	(3,635,614)	-112%	(2,309,087)	-235%
Operating Margin	-71.4%	-11.1%		-47.8%	-17.8%		-12.2%	
Non-Operating Revenue	255,626	287,559	-11%	1,316,828	1,440,295	-9%	1,315,236	0%
Non-Operating Expense	(4,195)	(4,450)	6%	(20,975)	(22,050)	5%	(20,974)	0%
EXCESS REVENUES (EXPENSES)	(1,837,911)	(198,040)	-828%	(6,429,123)	(2,217,369)	-190%	(1,014,825)	534%
Gift to Purchase Capital Assets				100,000			15,277	
INCREASE (DECREASE) IN NET ASSETS	(1,837,911)	(198,040)	-828%	(6,429,123)	(2,117,369)	-204%	(999,548)	-543%
Total Margin	-62.8%	-4.6%		-39.8%	-10.4%		-5.3%	
EBDITA	\$ (1,547,744)	\$ 100,078	1647%	\$ (4,995,253)	\$ (666,775)	-649%	\$ (1,311,587)	

**ESTES PARK HEALTH**  
**Balance Sheet (Unaudited)**  
**May 31, 2020**

ASSETS	2020 May	2020 Apr	2019 May
CASH & CASH EQUIVALENTS	\$ 29,848,294	\$ 26,343,798	\$ 16,697,723
PATIENT ACCOUNTS RECEIVABLE	9,099,346	9,310,952	11,823,575
LESS: ALLOWANCES	(4,287,315)	(4,553,120)	(5,902,596)
NET ACCOUNTS RECEIVABLE	<u>4,812,031</u>	<u>4,757,832</u>	<u>5,920,979</u>
RECEIVABLES FROM OTHER PAYORS	2,377,996	2,817,604	2,037,710
INVENTORY	1,074,365	1,069,955	1,108,802
PREPAID EXPENSES	<u>457,933</u>	<u>519,972</u>	<u>463,451</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>38,570,619</u></b>	<b><u>35,509,161</u></b>	<b><u>26,228,665</u></b>
<b>NET PROPERTY, EQUIPMENT &amp; INTANGIBLE ASSETS</b>	<b><u>33,202,093</u></b>	<b><u>32,773,117</u></b>	<b><u>30,550,542</u></b>
<b>RESTRICTED ASSETS</b>	<b><u>3,914,547</u></b>	<b><u>3,914,266</u></b>	<b><u>1,407,565</u></b>
OTHER ASSETS	0	0	0
LONG TERM INVESTMENTS	1,040,820	1,040,820	5,004,786
<b>TOTAL OTHER ASSETS</b>	<b><u>1,040,820</u></b>	<b><u>1,040,820</u></b>	<b><u>5,004,786</u></b>
<b>TOTAL ASSETS</b>	<b>\$ 76,728,080</b>	<b>\$ 73,237,364</b>	<b>\$ 63,191,558</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	951,042	710,108	621,868
ACCRUED EXPENSES	10,879,872	5,860,327	4,217,683
ACCRUED COMP PAYABLE	1,247,047	1,180,800	1,122,693
ACCRUED INTEREST PAYABLE	149,666	119,142	156,907
EST THIRD-PARTY SETTLEMENT	5,811,882	5,811,882	906,007
SHORT TERM NOTES PAYABLE	5,116,581	5,116,581	
OTHER CURRENT LIABILITIES	0	0	0
CURRENT MATURITIES OF OTHER LONG TERM DEBT	<u>1,085,000</u>	<u>1,085,000</u>	<u>1,060,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>25,241,090</u></b>	<b><u>19,883,840</u></b>	<b><u>8,085,157</u></b>
<b>DEPOSITS AND DEFERRED INCOME</b>			
LOANS PAYABLE	15,541,481	15,570,105	13,485,000
LEASES PAYABLE	0	0	0
<b>TOTAL LONG-TERM LIABILITIES</b>	<b><u>15,541,481</u></b>	<b><u>15,570,105</u></b>	<b><u>13,485,000</u></b>
<b>TOTAL LIABILITIES</b>	<b>40,782,571</b>	<b>35,453,945</b>	<b>21,570,157</b>
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT UNRESTRICTED	42,374,632	42,374,632	42,620,949
<b>TOTAL NET ASSETS</b>	<b>42,374,632</b>	<b>42,374,632</b>	<b>42,620,949</b>
<b>EXCESS REVENUES YTD</b>	<b><u>(6,429,123)</u></b>	<b><u>(4,591,212)</u></b>	<b><u>(999,548)</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 76,728,080</b>	<b>\$ 73,237,364</b>	<b>\$ 63,191,558</b>

**ESTES PARK HEALTH**  
**Statistical and Consolidated Financial Summary**  
**Month Ended May 31, 2020**

**Utilization**

	Month		Year To Date	
	Actual	Budget	Actual	Variance To Budget
Hospital				
In-Patient Days	94	136	477	-34.7%
Out Patient Visits	5651	8627	29354	-21.1%
Living Center				
Resident Days	846	1178	4688	-18.3%
Clinic				
Physicians Clinic Visits	1027	2135	6835	-26.5%

**Income Statement**

	Month		Year To Date	
	Actual	Budget	Actual	Variance To Budget
Hospital				
Operating Revenue (Net)	\$ 2,177,099	\$ 2,894,957	\$ 11,773,716	\$ 13,938,986
Operating Expenses	3,747,523	3,518,863	17,222,517	17,599,587
Net Operating Income (Loss)	(1,570,424)	(623,906)	(5,448,801)	(3,660,601)
Living Center				
Operating Revenue (Net)	251,070	388,845	1,491,628	1,895,469
Operating Expenses	374,917	417,283	2,025,313	2,055,048
Net Operating Income (Loss)	(123,847)	(28,438)	(533,685)	(159,579)
Clinic				
Operating Revenue (Net)	497,666	1,065,532	2,892,736	4,561,190
Operating Expenses	892,738	894,337	4,635,226	4,376,624
Net Operating Income (Loss)	(395,072)	171,195	(1,742,490)	184,566
Total				
Operating Revenue (Net)	2,925,835	4,349,334	16,158,080	20,395,645
Operating Expenses	5,015,178	4,830,483	23,883,056	24,031,259
Net Operating Income (Loss)	(2,089,342)	(481,149)	(7,724,976)	(3,635,614)
Total				
Non Operating Revenue (Net)	255,626	287,559	1,316,828	1,440,295
Non Operating Expenses (Net)	(4,195)	(4,450)	(20,975)	(22,050)
Excess of Rev over Exp Before Cap gifts	\$ (1,837,911)	\$ (198,040)	\$ (6,429,123)	\$ (2,217,369)
Gifts to Purchase Capital Assets	-	-	-	100,000
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (1,837,911)</b>	<b>\$ (198,040)</b>	<b>\$ (6,429,123)</b>	<b>\$ (2,117,369)</b>

**ESTES PARK HEALTH**  
**Statement of Cash Flows (Unaudited)**  
**1/1/20 through 5/31/20**

**Cash Flows From Operating Activities**

(Deficiency) Excess of Revenues over Expenses	\$ (6,429,123)
Interest expense (considered financing activity)	168,041
County tax subsidy, net (considered financing activity)	(1,248,940)
Interest income (considered investing activity)	(45,913)
Net income (loss) from operating activities	(7,555,935)
Assets released from restrictions	(1,000)
Depreciation & amortization	1,265,829
Amortization of Deferred Bond Financing Costs	-
Changes in working capital:	
Decrease (Increase) in Accounts receivable, net	3,246,860
Decrease (Increase) in Inventory	22,041
Decrease (Increase) in Prepaid expenses	222,562
Decrease (Increase) in Other Assets	-
Decrease (Increase) in Long Term Investment	(286,840)
Increase (Decrease) in Accounts payable	(1,921,948)
Increase (Decrease) in Accrued wages & related liabilities	955,416
Increase (Decrease) in Other current liabilities	137,468
Increase (Decrease) in Deposits and Deferred Income	5,349,414
Increase (Decrease) in Payable to 3rd party payors	4,407,877
Increase (Decrease) in Retirement cottage liability (current portion)	-
Increase (Decrease) in Apartment Damage Deposit Liability	-
Net (gain) loss on sale of equipment	-
Net cash provided by (used in) operating activities	<u>5,841,744</u>

**Cash Flows From Financing Activities**

Restricted contributions	1,000
County tax subsidy, net	1,248,940
Increase (Decrease) in line of credit	-
Interest expense	(168,041)
Sale of equipment	-
Purchase of property, equipment & intangible assets	(2,436,280)
Increase (Decrease) in capital lease commitments, net	-
Increase (Decrease) in deferred income retirement cottage admissio	-
Loan Activity	8,258,062
Bond Activity	-
Net cash provided by (used in) financing activities	<u>6,903,681</u>

**Cash Flows From Investing Activities**

Interest income	45,913
Net cash provided by (used in) investing activities	<u>45,913</u>

**Net Increase (Decrease) in Cash and Cash Equivalents** 12,791,338

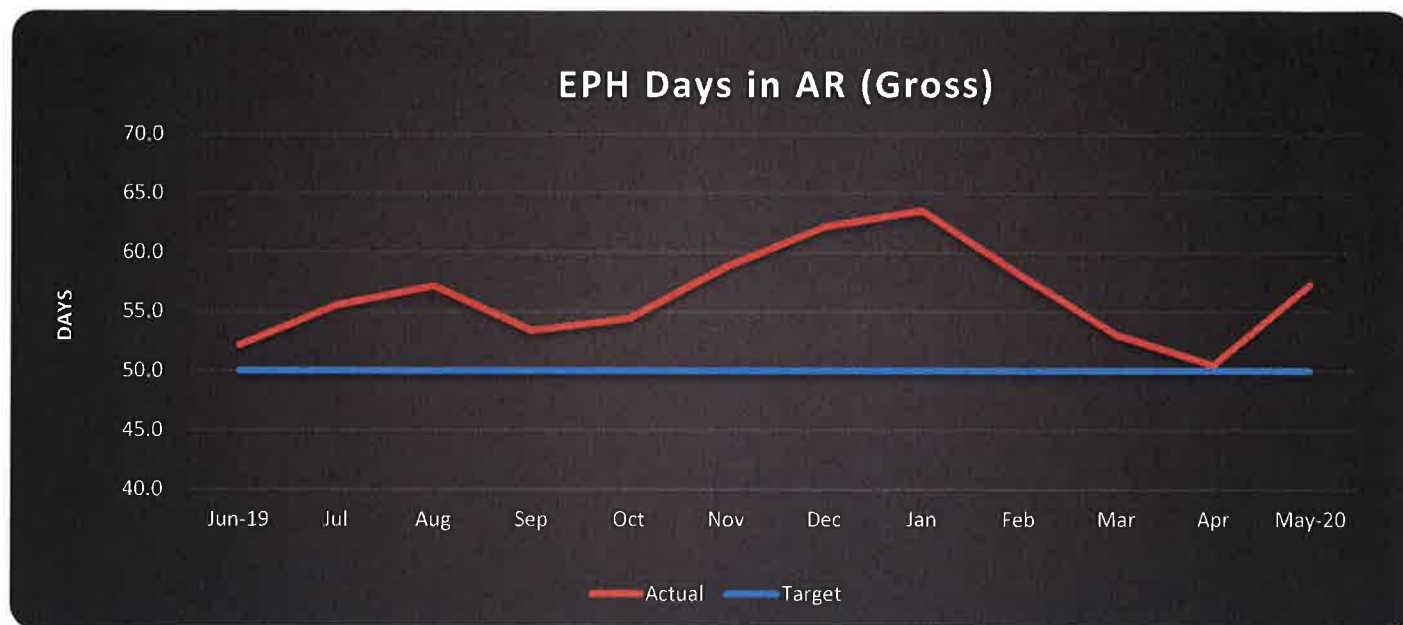
**Cash and Cash Equivalents, 01/01/2020** 20,971,503

**Cash and Cash Equivalents, 5/31/20** \$ 33,762,841

**Restricted Cash and Cash Equivalents, 5/31/20** \$ 3,914,547

**Unrestricted Cash and Cash Equivalents, 5/31/20** 29,848,294

**\$ 33,762,841**



**Calculation:** Gross Accounts Receivable

Average Daily Revenue

**Definition:** Considered a key "liquidity ratio" that calculates how quickly accounts are paid.

**Desired Position:** Downward trend below the median, and below average.

**How ratio is used:** Used to determine timing required to collect accounts. Usually, organizations below the average Days in AR are likely to have higher levels of Days Cash on Hand.

	Jun-19	Jul	Aug	Sep	Oct	Nov
A/R (Gross)	12,635,331	15,365,170	16,601,424	15,378,349	14,173,824	13,806,401
Days in Month	30	31	31	30	31	30
Monthly Revenue	7,410,739	10,356,792	8,951,469	7,200,698	7,808,340	6,340,531
Daily Revenue	242,118	276,556	290,424	288,141	260,440	234,611
Days in AR	52.2	55.6	57.2	53.4	54.4	58.8

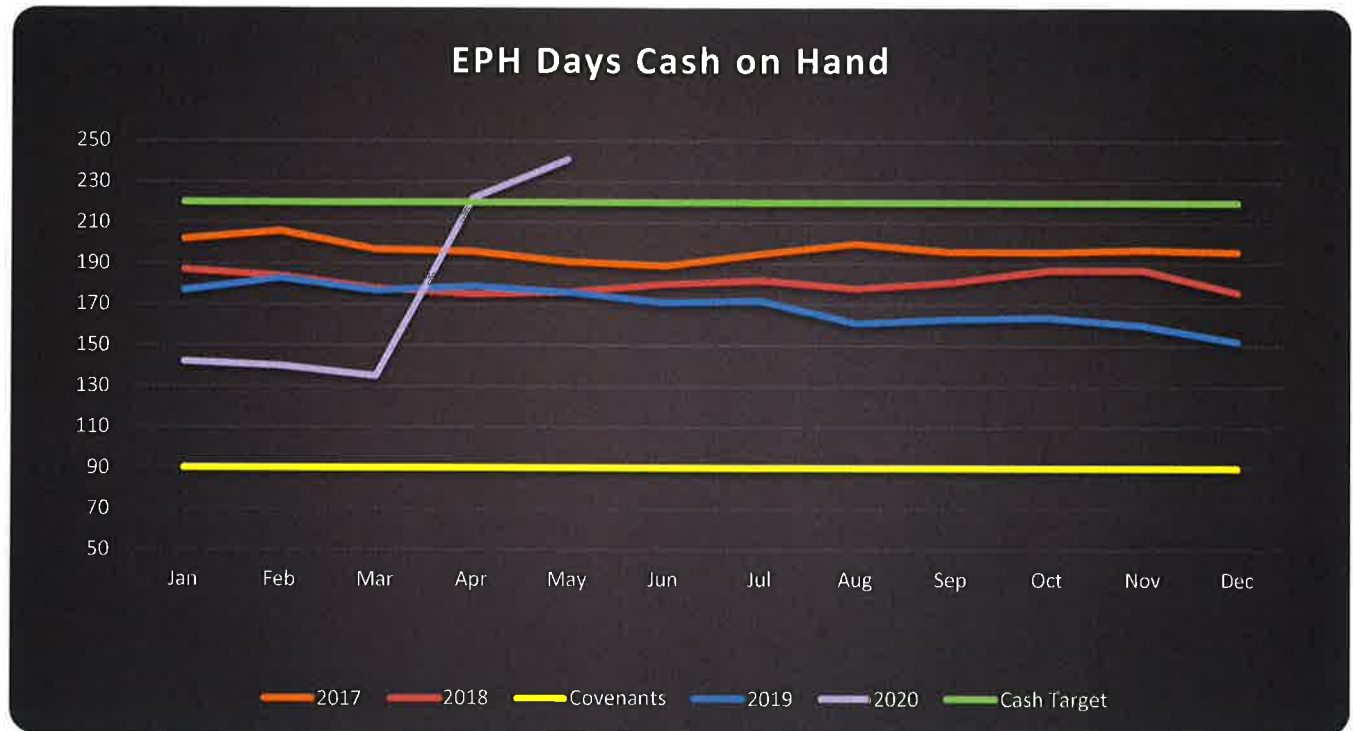
  

	Dec	Jan	Feb	Mar	Apr	May-20
A/R (Gross)	14,575,357	14,237,980	13,759,900	11,257,627	9,310,952	9,099,346
Days in Month	31	31	29	31	30	31
Monthly Revenue	7,414,874	6,857,233	7,238,504	5,214,133	4,148,662	5,254,518
Daily Revenue	234,389	224,050	236,380	212,196	184,459	158,884
Days in AR	62.2	63.5	58.2	53.1	50.5	57.3

# ESTES PARK HEALTH

## Days Cash on Hand

May 31, 2020



**Calculation:**

Total Unrestricted Cash on Hand  
Daily Operating Cash Needs

**Definition:**

This ratio quantifies the amount of cash on hand in terms of how many "days" an organization can survive with existing cash reserves.

**Desired Position:**

Upward trend, above the median--AND above Bond Covenant Minimums

**How ratio is used:**

This ratio is frequently used by bankers, bondholders and analysts to gauge an organization's liquidity--and ability to meet short term obligations as they mature.

**Note:**

At EPH, the Bond Refunding/Loan documents require a minimum level of 90 days cash be maintained. It changed to 90 effective March 1, 2016.

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
2020	142	140	135	222	241							
2019	177	183	177	179	176	171	172	161	163	164	160	152
2018	187	184	178	175	176	180	182	178	181	187	187	176
2017	202	206	197	196	191	189	195	200	196	196	197	196
Bond Covenant MIN	90	90	90	90	90	90	90	90	90	90	90	90
Cash Target	220	220	220	220	220	220	220	220	220	220	220	220

**ESTES PARK HEALTH**  
**Statement of Revenues and Expenses (Unaudited)**

	FORECAST FY 2020						
	2nd Quarter	3rd Quarter	4th Quarter	FY 2020 Forecast	Budget 2020	Variance	% Variance
<b>REVENUE</b>							
Patient Revenue							
In-Patient	3,167,447	3,795,374	3,588,309	13,580,611	19,985,112	(6,404,501)	-32.0%
Out-Patient	12,754,893	17,068,838	13,972,570	60,075,571	77,722,701	(17,647,130)	-22.7%
<b>TOTAL PATIENT REVENUE</b>	15,922,339	20,864,212	17,560,878	73,656,183	97,707,813	(24,051,631)	-24.6%
Less Contractual Allowances	(6,687,382)	(8,762,969)	(7,375,569)	(30,935,597)	(43,968,516)	13,032,919	-29.6%
Less Bad Debt Adjustments	(318,447)	(417,284)	(351,218)	(1,473,124)	(977,078)	(496,046)	50.8%
<b>TOTAL REVENUE DEDUCTIONS</b>	(7,005,829)	(9,180,253)	(7,726,786)	(32,408,720)	(44,945,594)	12,536,874	-27.9%
	44.0%	44.0%	44.0%	44.0%	46.0%		0.0%
<b>NET PATIENT REVENUE</b>	8,916,510	11,683,959	9,834,092	41,247,462	52,762,219	(11,514,757)	-21.8%
Other Operating Revenue	216,655	250,000	250,000	933,310	988,559	(55,249)	-5.6%
<b>TOTAL OPERATING REVENUE</b>	9,133,164	11,933,959	10,084,092	42,180,772	53,750,778	(11,570,006)	-21.5%
<b>EXPENSES</b>							
Wages	5,906,814	5,956,814	5,981,814	23,914,573	24,027,256	(112,683)	-0.5%
Benefits	1,939,977	2,179,977	2,169,977	7,850,658	8,759,908	(909,250)	-10.4%
Contract Labor	1,499,679	1,499,679	1,499,679	6,349,478	6,398,715	(49,237)	-0.8%
Medical Supplies	939,370	989,370	989,370	4,278,573	4,257,478	21,094	0.5%
Non-Medical Supplies	266,092	266,092	266,092	1,148,289	1,064,370	83,920	7.9%
Purchased Services	801,370	801,370	801,370	4,193,271	3,405,478	787,793	23.1%
Other Operating Expenses	1,396,204	1,396,204	1,396,204	5,232,587	5,584,814	(352,228)	-6.3%
Depreciation & Amortization	792,557	792,557	792,557	3,060,979	3,170,229	(109,250)	-3.4%
Interest/Bank Fees	102,797	102,797	102,797	405,784	411,187	(5,403)	-1.3%
<b>TOTAL OPERATING EXPENSE</b>	13,644,859	13,984,859	13,999,859	56,434,191	57,079,435	(645,244)	-1.1%
<b>OPERATING INCOME (LOSS)</b>	<b>(4,511,695)</b>	<b>(2,050,900)</b>	<b>(3,915,767)</b>	<b>(14,253,419)</b>	<b>(3,328,657)</b>	<b>(10,924,762)</b>	<b>-328.2%</b>
Operating Margin	-49.4%	-17.2%	-38.8%	-33.8%			
Non-Operating Revenue	871,128	871,128	871,128	3,419,367	3,484,512	(65,145)	-1.9%
Non-Operating Expense	(20,975)	(20,975)	(20,975)	(75,510)	(72,840)	(2,670)	3.7%
<b>NON-OPERATING</b>	850,153	850,153	850,153	3,343,857	3,411,672	(67,815)	
<b>EXCESS REVENUES (EXPENSES)</b>	(3,661,542)	(1,200,747)	(3,065,614)	(10,909,562)	83,015	(10,992,577)	
Gift to Purchase Capital Assets	400,000	-	-	400,000	300,000	100,000	33.3%
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (3,261,542)</b>	<b>\$ (1,200,747)</b>	<b>\$ (3,065,614)</b>	<b>\$ (10,509,562)</b>	<b>\$ 383,015</b>	<b>\$ (10,892,577)</b>	
Total Margin	-35.7%	-10.1%	-30.4%		0.7%		
<b>EBIDA</b>	<b>\$ (2,366,188)</b>	<b>\$ (305,393)</b>	<b>\$ (2,170,260)</b>	<b>\$ (7,042,799)</b>	<b>\$ 3,964,431</b>		

Loan from DHHS/Medicare	Adv Pmt Program (APP)	4,381,398
Grants, with requirements	HHS Stimulus	5,098,817
Must use at least 75% to cover Payroll	Payroll Protect Program (PPP)	4,800,000
Purchase PPE for COVID Response. Send receipts incurred since March 1	CHA - ASPR Grant	7,230
		-
<b>Total Receipts</b>		<b>\$ 14,287,445</b>