

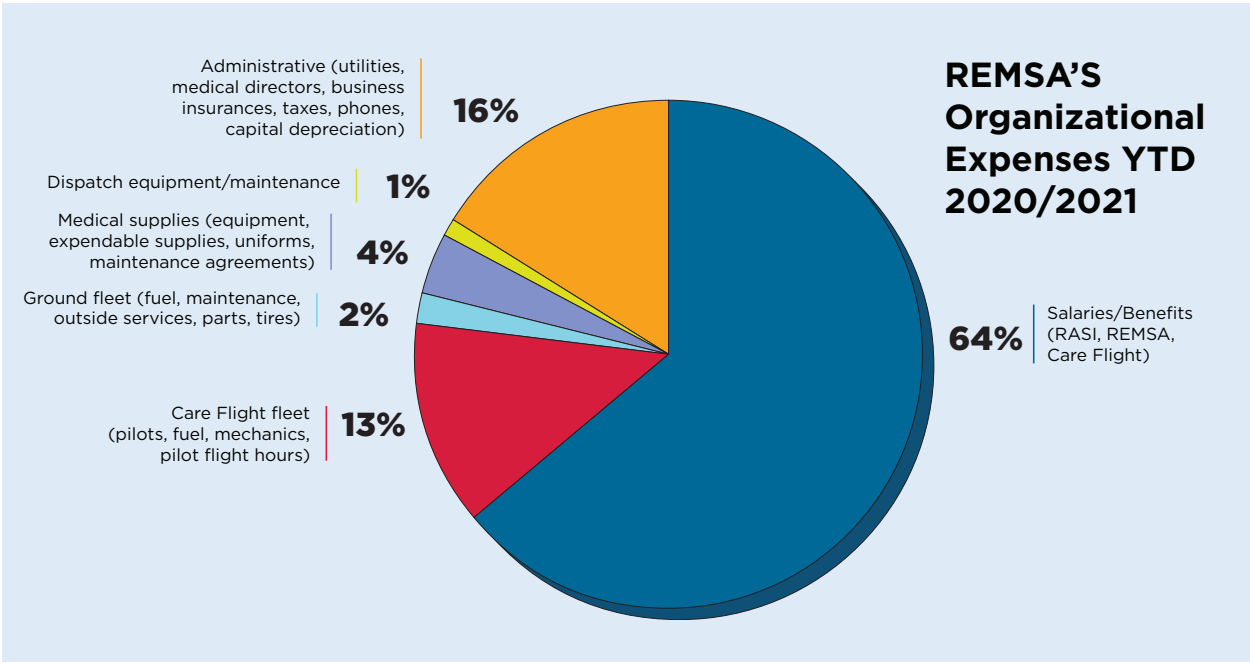
KNOW THE FACTS

AFSCME DOESN'T UNDERSTAND OUR BUSINESS

REMSA is a nonprofit organization. **All of the money we make is invested back into caring for our patients and providing a competitive total compensation package to our employees.**

The union wants you to believe REMSA makes millions of dollars in “profits.” But that’s simply not true. **If AFSCME doesn’t understand our business, how will it represent you?**

As a non-profit, we are required by law to make our finances available to anyone who wants to see them. Here are the facts about how we spend our money:



There is no slice in this pie for “profit” because we aren’t allowed to make a profit. We are proud of our record of financial sustainability. It allows us to care for our patients and provide good jobs with great rewards – like the recent holiday bonuses and the Team Sharing program.

AFSCME wants you to believe those bonuses came from a “windfall” we got through the federal Paycheck Protection Program during the COVID-19 crisis. Again, totally false. Your bonuses were based on our performance last fiscal year and had nothing to do with the PPP program.

AFSCME JUST DOESN'T GET IT

Turn the page to learn the truth about AFSCME's myths.



MYTH VERSUS FACT

AFSCME's handout about REMSA's finances gets nearly everything wrong.



Union Myth: REMSA made \$7.7 million in “profit” between 2014 and 2018

Fact: REMSA isn't legally allowed to make an excess profit. We invest any revenue above expenses in community programs, new equipment, salaries, and generous health and retirement benefits. Some years, our revenue is more than expenses and in other years, our expenses are greater than our revenues and we incur losses. We also do our best to save for a rainy day like the COVID crisis. This helps us avoid things like pay cuts or furloughs when times are challenging.



Union Myth: REMSA has too much cash-on-hand.

Fact: We have slightly more than 3 months of cash reserves, or cash-on-hand, to cover expenses. It's critical to have a strong cash reserve in our business because we provide safety-net services and rely on private and government insurance reimbursements that often are hard to collect, or don't fully cover costs. If we didn't have reserves, we couldn't continue to serve our patients while we waited on payments. These financial reserves also allowed us to avoid furloughs, pay cuts or other measures throughout the COVID-19 crisis.



Union Myth: REMSA had an unrestricted fund balance of \$26.2 million in 2018 to use as an operating reserve.

Fact: The fund balance of \$26.2 million is **not** the same as cash and it's **not** an operating reserve. It is the amount left over after all of our financial liabilities are subtracted from our assets. These funds are also restricted because the agreement we have to provide our services requires us to maintain a minimum balance at all times. The fund balance represents all of our assets, such as ambulances, buildings, etc. We would only have access to this if REMSA were liquidated and we sold everything.



Union Myth: REMSA's operating margin is 59.9%.

Fact: This is completely untrue. Our operating margin, or net income, for the fiscal year so far is 8% but our full year budget is projected to break even. Net income is revenue minus all expenses. An operating margin of nearly 60% is unheard of in non-profit healthcare organizations, as well as most for-profit companies.



Union Myth: REMSA got a “windfall” of money through the Paycheck Protection Program (PPP) and used it for bonuses.

Fact: PPP is a loan to help keep people employed during the economic downturn caused by COVID-19. **As of the date of this communication, these funds are a loan that we will need to pay back.**

IF AFSCME IS LYING TO YOU ABOUT REMSA'S FINANCES, WHAT ELSE ARE THEY LYING ABOUT?

Get the Truth. Get the Facts.

If you want to know more, contact Barry Duplantis, CFO at (775) 353-0790.