



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, OCTOBER 17, 2024 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians and the community.

1. Call to Order

2. Review Financial Updates
 - Financial Statements – September 2024
 - Finance Dashboard – September 2024
 - Supplemental Payments – September 2024
 - GASB 68 Disclosure Report – FY 06/30/24

3. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee**, which are not on this agenda.

4. Adjournment

The next Finance Committee meeting is scheduled for **Monday, November 18, 2024 at 4:30 p.m.**

The complete Finance Committee packet including subsequently distributed materials and presentations is available at the Finance Committee meeting and in the Administrative Offices of the District. All items appearing on the agenda are subject to action by the Finance Committee. Staff and Committee recommendations are subject to change by the Finance Committee.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-



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636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.



October 17, 2024

CFO Financial Summary for the District Board:

For the month ending September 30, 2024, the District's Net Surplus (**Loss**) is \$1,020,504 compared to a budgeted Surplus (**Loss**) of \$680,066. The District exceeded its budget for the month by \$340,438.

YTD as of September 30, 2024, the District's Net Surplus (**Loss**) is \$4,588,665 compared to a budgeted Surplus (**Loss**) of \$667,128. The District is exceeding its budget YTD by \$3,921,537.

Acute discharges were 161 for the month, exceeding budget by 19 discharges or 13%. The ADC was 14.67 compared to a budget of 14.98. The ALOS was 2.73. The acute I/P gross revenue exceeded budget by **\$339,210** while O/P services gross revenue was **\$1.08 million** or 4% over budget. ER I/P visits were 121 and ER O/P visits were over budget by 115 visits or 6%. The RHCs & Specialty Clinics treated 3,393 (includes 542 visits at the Diabetes Clinic) and 1,105 visits respectively.

The earnings include an accrual of **\$656,068** for the CY 2023 Rate Range payment.

Other Operating revenue exceeded budget by **\$202,451** due mainly to an unbudgeted HEDIS bonus of \$100,650 from CCA, the Magellan Health Rx rebate of \$78,810 over budget and investment interest earned of \$47,126 over budget.

Operating Expenses were slightly over budget by **\$187,580** due mainly to: Registry of \$248,153 and Purchase Services of \$166,836. These overages were offset by Salary & Wages being \$162,762 under budget.

Non-operating Revenue was slightly under budget by (**\$1,127**) due to the timing of donations.

The SNFs ADC was **88.93** for the month. The Net Surplus (**Loss**) is \$114,765 compared to a budget of \$60,305. YTD, the Net Surplus (**Loss**) is \$301,110 exceeding its budget by \$117,307.



HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 09/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE		
	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	BUDGET 09/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23
GROSS PATIENT REVENUE:									
ACUTE ROUTINE REVENUE	3,675,703	3,412,524	263,179	8	3,412,521	11,376,823	8,834,936	2,541,887	29
SNF ROUTINE REVENUE	2,004,450	1,870,654	133,796	7	2,115,900	5,948,130	5,736,670	211,460	4
ANCILLARY INPATIENT REVENUE	4,437,414	4,298,129	139,285	3	4,204,005	13,762,160	11,320,025	2,442,135	22
HOSPITALIST\PEDES I\P REVENUE	0	0	0	0	159,902	0	0	0	0
TOTAL GROSS INPATIENT REVENUE	10,117,567	9,581,307	536,260	6	9,892,328	31,087,113	25,891,631	5,195,482	20
ANCILLARY OUTPATIENT REVENUE	28,130,418	27,049,898	1,080,520	4	26,519,508	86,113,230	81,580,742	4,532,488	6
HOSPITALIST\PEDES O\P REVENUE	0	0	0	0	50,629	0	0	0	0
TOTAL GROSS OUTPATIENT REVENUE	28,130,418	27,049,898	1,080,520	4	26,570,137	86,113,230	81,580,742	4,532,488	6
TOTAL GROSS PATIENT REVENUE	38,247,984	36,631,205	1,616,779	4	36,462,465	117,200,342	107,472,373	9,727,969	9
DEDUCTIONS FROM REVENUE:									
MEDICARE CONTRACTUAL ALLOWANCES	9,965,597	9,988,601	(23,004)	0	9,531,584	31,399,072	29,138,370	2,260,702	8
MEDI-CAL CONTRACTUAL ALLOWANCES	10,226,182	9,844,007	382,175	4	10,854,106	30,795,981	28,892,849	1,903,132	7
BAD DEBT EXPENSE	830,680	522,857	307,823	59	543,514	2,134,330	1,529,994	604,336	40
CHARITY CARE	136,264	38,976	97,288	250	99,316	137,383	114,026	23,357	21
OTHER CONTRACTUALS AND ADJUSTMENTS	4,687,617	4,293,801	393,816	9	4,232,423	14,130,898	12,693,057	1,437,841	11
HOSPITALIST\PEDES CONTRACTUAL ALLOW	0	0	0	0	21,887	0	0	0	0
TOTAL DEDUCTIONS FROM REVENUE	25,846,340	24,688,242	1,158,098	5	25,342,830	78,597,664	72,368,296	6,229,368	9
NET PATIENT REVENUE	12,401,645	11,942,963	458,682	4	11,119,635	38,602,679	35,104,077	3,498,602	10
OTHER OPERATING REVENUE	750,332	547,881	202,451	37	611,098	1,934,368	1,643,643	290,725	18
NET OPERATING REVENUE	13,151,977	12,490,844	661,133	5	11,730,732	40,537,047	36,747,720	3,789,327	10
OPERATING EXPENSES:									
SALARIES & WAGES	4,968,010	5,006,256	(38,246)	(1)	4,652,324	14,794,811	15,361,590	(566,779)	(4)
REGISTRY	477,630	228,877	248,753	109	283,889	1,466,355	688,555	777,800	113
EMPLOYEE BENEFITS	2,236,769	2,273,075	(36,306)	(2)	2,207,384	6,524,051	7,019,270	(495,220)	(7)
PROFESSIONAL FEES	1,512,691	1,602,929	(90,238)	(6)	1,610,950	4,958,761	4,915,355	(356,594)	(7)
SUPPLIES	1,020,584	1,009,940	10,644	1	1,031,899	3,103,794	2,916,224	187,570	6
PURCHASED SERVICES	1,286,569	1,114,480	172,089	15	931,582	3,777,912	3,417,724	360,188	11
RENTAL	183,137	145,342	37,795	26	124,077	460,962	445,708	15,254	3
DEPRECIATION & AMORT	320,739	318,477	2,262	1	327,556	988,729	955,431	3,298	0
INTEREST	5,408	28,073	(22,666)	(81)	36,616	17,599	84,378	(66,785)	(79)
OTHER	463,908	428,427	35,481	8	365,085	1,331,389	1,311,651	19,738	2
TOTAL EXPENSES	12,475,445	12,155,876	319,569	3	11,571,363	36,994,355	37,115,886	(121,531)	0
NET OPERATING INCOME (LOSS)	676,532	334,968	341,564	102	159,370	3,542,691	(368,166)	3,910,857	(1,062)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	72,526	13,876	15,000	(1,124)	(8)	73,659
PROPERTY TAX REVENUE	241,122	241,122	0	0	205,711	723,366	723,366	0	0	617,133
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	527,744	527,745	(1)	0	511,163
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	0	(68,721)	(195,244)	(195,243)	(1)	0	(206,163)
OTHER NON-OPER REVENUE	16,406	15,908	498	3	14,866	46,967	47,724	(757)	(2)	58,376
OTHER NON-OPER EXPENSE	(27,820)	(27,766)	(54)	0	(32,880)	(83,450)	(83,298)	(152)	0	(98,322)
INVESTMENT INCOME	3,431	0	3,431	(6,483)	(6,483)	12,714	0	12,714	0	(5,432)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	343,971	345,098	(1,127)	0	355,407	1,045,973	1,035,294	10,679	1	950,414
NET SURPLUS (LOSS)	1,020,504	680,066	340,438	50	514,777	4,588,665	667,128	3,921,537	588	1,149,491
EBIDA	\$ 1,258,230	\$ 915,475	\$ 342,755	37.44%	\$ 773,547	\$ 5,298,343	\$ 1,373,355	\$ 3,924,988	285.79%	\$ 1,922,186
EBIDA MARGIN	9.57%	7.33%	2.24%	30.52%	6.59%	13.07%	3.74%	9.33%	249.72%	5.57%
OPERATING MARGIN	5.14%	2.68%	2.46%	91.81%	1.36%	8.74%	(1.00)%	9.74%	(972.27)%	0.58%
NET SUREPLUS (LOSS) MARGIN	7.76%	5.44%	2.31%	42.51%	4.39%	11.32%	1.82%	9.50%	523.53%	3.33%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,675,703	3,412,524	263,179	8	3,412,521	11,376,823	8,834,936	2,541,887	29	8,834,932
ANCILLARY INPATIENT REVENUE	4,065,493	3,989,462	76,031	2	3,989,464	12,835,634	10,373,454	2,462,180	24	10,373,453
HOSPITALIST I\P REVENUE	0	0	0	0	159,902	0	0	0	0	412,654
TOTAL GROSS INPATIENT REVENUE	7,741,196	7,401,986	339,210	5	7,561,887	24,212,457	19,208,390	5,004,067	26	19,621,038
ANCILLARY OUTPATIENT REVENUE	28,130,418	27,049,898	1,080,520	4	26,519,508	86,113,230	81,580,742	4,532,488	6	79,981,138
HOSPITALIST O\P REVENUE	0	0	0	0	50,629	0	0	0	0	156,948
TOTAL GROSS OUTPATIENT REVENUE	28,130,418	27,049,898	1,080,520	4	26,570,137	86,113,230	81,580,742	4,532,488	6	80,138,086
TOTAL GROSS ACUTE PATIENT REVENUE	35,871,613	34,451,884	1,419,729	4	34,132,024	110,325,687	100,789,132	9,536,555	10	99,759,124
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,699,244	9,787,300	(88,056)	(1)	9,356,831	30,687,380	28,521,047	2,166,333	8	27,401,463
MEDI-CAL CONTRACTUAL ALLOWANCES	10,108,539	9,726,447	382,092	4	10,612,231	30,380,070	28,532,333	1,847,737	7	31,038,908
BAD DEBT EXPENSE	893,410	517,857	375,553	73	527,795	2,177,869	1,514,994	662,875	44	1,859,870
CHARITY CARE	136,264	38,976	97,288	250	99,316	137,383	114,026	23,357	21	169,949
OTHER CONTRACTUALS AND ADJUSTMENTS	4,643,814	4,263,194	380,620	9	4,270,279	14,045,223	12,599,194	1,446,029	12	12,745,328
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	21,887	0	0	0	0	17,000
TOTAL ACUTE DEDUCTIONS FROM REVENUE	25,481,270	24,333,774	1,147,496	5	24,888,338	77,427,924	71,281,594	6,146,330	9	73,232,518
NET ACUTE PATIENT REVENUE	10,390,343	10,118,110	272,233	3	9,243,686	32,897,763	29,507,538	3,390,225	12	26,526,607
OTHER OPERATING REVENUE	750,332	547,881	202,451	37	611,098	1,994,368	1,643,643	290,725	18	1,787,048
NET ACUTE OPERATING REVENUE	11,140,675	10,665,991	474,684	5	9,854,784	34,832,131	31,151,181	3,680,950	12	28,313,655
OPERATING EXPENSES:										
SALARIES & WAGES	3,863,415	4,026,177	(162,762)	(4)	3,717,844	11,714,072	12,352,845	(638,773)	(5)	11,060,197
REGISTRY	448,153	200,000	248,153	124	256,629	1,339,758	600,000	739,758	123	648,939
EMPLOYEE BENEFITS	1,720,512	1,766,691	(46,179)	(3)	1,705,793	5,091,737	5,462,862	(371,125)	(7)	4,770,350
PROFESSIONAL FEES	1,510,481	1,600,625	(90,144)	(6)	1,608,740	4,552,131	4,908,287	(356,156)	(7)	4,707,443
SUPPLIES	932,001	914,793	17,208	2	939,981	2,814,833	2,628,825	186,008	7	2,632,235
PURCHASED SERVICES	1,194,909	1,028,073	166,836	16	844,863	3,520,443	3,152,745	367,698	12	2,931,469
RENTAL	181,389	144,283	37,106	26	123,065	456,437	442,461	13,976	3	364,252
DEPRECIATION & AMORT	281,616	278,940	2,676	1	288,164	841,358	836,820	4,538	1	861,196
INTEREST	5,408	28,073	(22,666)	(81)	36,616	17,593	84,378	(66,785)	(79)	87,686
OTHER	411,045	373,693	37,352	10	312,819	1,152,248	1,143,987	8,261	1	1,055,130
TOTAL EXPENSES	10,548,928	10,361,348	187,580	2	9,834,513	31,500,610	31,613,210	(112,600)	0	29,118,896
NET OPERATING INCOME (LOSS)	591,747	304,643	287,104	94	20,271	3,331,521	(462,029)	3,793,550	(821)	(805,241)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/24

	-----CURRENT MONTH-----			-----PRIOR YR-----			-----YEAR-TO-DATE-----			
	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	72,526	13,876	15,000	(1,124)	(8)	73,659
PROPERTY TAX REVENUE	204,954	204,954	0	0	174,854	614,862	614,862	0	0	524,562
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	527,744	527,745	(1)	0	511,163
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	0	(68,721)	(195,244)	(195,243)	(1)	0	(206,163)
OTHER NON-OPER REVENUE	16,406	15,908	498	3	14,866	46,967	47,724	(757)	(2)	58,376
OTHER NON-OPER EXPENSE	(21,632)	(21,578)	(54)	0	(25,592)	(64,885)	(64,734)	(151)	0	(76,459)
INVESTMENT INCOME	3,431	0	3,431	0	(6,483)	12,714	0	12,714	0	(5,432)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	313,992	315,118	(1,126)	0	331,838	956,034	945,354	10,680	1	879,706
NET SURPLUS (LOSS)	905,739	619,761	285,978	46	352,109	4,287,555	483,325	3,804,230	787	74,465

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 09/30/24

-----CURRENT MONTH----- | -----YEAR-TO-DATE-----

	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23	ACTUAL 09/30/24	BUDGET 09/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/23
GROSS SNF PATIENT REVENUE:															
ROUTINE SNF REVENUE	2,004,450	1,870,654	133,796	7	2,115,900	5,948,130	5,736,670	211,460	4	6,746,578	946,571	946,571	(20,045)	(2)	1,007,070
ANCILLARY SNF REVENUE	371,921	308,667	63,254	21	214,541	926,526	926,526								
TOTAL GROSS SNF PATIENT REVENUE	2,376,371	2,179,321	197,050	9	2,330,441	6,874,656	6,683,241	191,415	3	7,753,648					
DEDUCTIONS FROM REVENUE SNF:															
MEDICARE CONTRACTUAL ALLOWANCES	266,353	201,301	65,052	32	174,754	711,693	617,323	94,370	15	808,829					
MEDI-CAL CONTRACTUAL ALLOWANCES	117,643	117,560	83	0	241,875	415,912	360,516	55,396	15	625,388					
BAD DEBT EXPENSE	(62,730)	5,000	(67,730)	(1,355)	15,720	(43,539)	15,000	(58,539)	(390)	59,802					
CHARITY CARE	0	0	0	0	0	0	0	0	0	0					
OTHER CONTRACTUALS AND ADJUSTMENTS	43,804	30,607	13,197	43	22,145	85,675	93,863	(8,188)	(9)	78,336					
TOTAL SNF DEDUCTIONS FROM REVENUE	365,069	354,468	10,601	3	454,493	1,169,740	1,086,702	83,038	8	1,572,356					
NET SNF PATIENT REVENUE	2,011,302	1,824,853	186,449	10	1,875,948	5,704,916	5,596,539	108,377	2	6,181,292					
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0					
NET SNF OPERATING REVENUE	2,011,302	1,824,853	186,449	10	1,875,948	5,704,916	5,596,539	108,377	2	6,181,292					
OPERATING EXPENSES:															
SALARIES & WAGES	1,104,596	980,079	124,517	13	934,480	3,080,739	3,008,745	71,994	2	2,886,307					
REGISTRY	29,477	28,877	600	2	27,260	126,597	88,555	38,042	43	97,744					
EMPLOYEE BENEFITS	516,257	506,384	9,873	2	501,591	1,432,314	1,556,408	(124,094)	(8)	1,377,893					
PROFESSIONAL FEES	2,210	2,304	(94)	(4)	2,210	6,630	7,068	(438)	(6)	6,630					
SUPPLIES	88,583	95,147	(6,564)	(7)	91,919	288,961	287,399	1,562	1	284,017					
PURCHASED SERVICES	91,661	86,407	5,254	6	86,719	257,469	264,979	(7,510)	(3)	258,024					
RENTAL	1,747	1,059	688	65	1,012	4,525	3,247	1,278	39	3,015					
DEPRECIATION	39,123	39,537	(414)	(1)	39,392	117,370	118,611	(1,241)	(1)	118,177					
INTEREST	0	0	0	0	0	0	0	0	0	0					
OTHER	52,863	54,734	(1,872)	(3)	52,266	179,141	167,664	11,477	7	145,166					
TOTAL EXPENSES	1,926,516	1,794,528	131,988	7	1,736,849	5,493,745	5,502,676	(8,931)	0	5,176,973					
NET OPERATING INCOME (LOSS)	84,785	30,325	54,460	180	139,099	211,170	93,863	117,307	125	1,004,319					
NON-OPERATING REVENUE\EXPENSE:															
DONATIONS	0	0	0	0	0	0	0	0	0	0					
PROPERTY TAX REVENUE	36,168	36,168	0	0	30,857	108,504	108,504	0	0	92,571					
OTHER NON-OPER EXPENSE	(6,188)	(6,188)	0	0	(7,288)	(18,565)	(18,564)	(1)	0	(21,863)					
TOTAL NON-OPERATING REVENUE/(EXPENSE)	29,980	29,980	0	0	23,569	89,939	89,940	(1)	0	70,708					
NET SURPLUS (LOSS)	114,765	60,305	54,460	90	162,668	301,110	183,803	117,307	64	1,075,026					

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 09/30/24

	CURR MONTH 09/30/24	PRIOR MONTH 08/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT ASSETS					
CASH & CASH EQUIVALENT	28,581,016	29,990,284	(1,409,268)	(5)	35,254,150
PATIENT ACCOUNTS RECEIVABLE	68,486,974	67,353,194	1,133,780	2	67,848,785
BAD DEBT ALLOWANCE	(9,637,441)	(9,657,387)	19,947	0	(9,487,617)
CONTRACTUAL RESERVES	(42,779,088)	(41,415,770)	(1,363,318)	3	(43,327,435)
OTHER RECEIVABLES	6,684,304	6,505,939	178,365	3	5,735,874
INVENTORIES	4,473,603	4,493,124	(19,521)	0	4,496,070
PREPAID EXPENSES	2,587,036	3,019,982	(432,946)	(14)	1,775,026
DUE TO\FROM THIRD PARTIES	2,037,861	2,037,861	0	0	2,037,861
TOTAL CURRENT ASSETS	60,434,265	62,327,227	(1,892,962)	(3)	64,332,714
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	6,797,413	7,304,428	(507,015)	(7)	4,072,225
TOTAL LIMITED USE ASSETS	6,797,413	7,304,428	(507,015)	(7)	4,072,225
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	44,685,324	44,643,626	41,697	0	44,435,024
CONSTRUCTION IN PROGRESS	2,386,288	2,310,825	75,464	3	1,393,964
GROSS PROPERTY, PLANT, AND EQUIPMENT	150,540,460	150,423,299	117,161	0	149,297,836
ACCUMULATED DEPRECIATION	(95,412,087)	(95,076,605)	(335,482)	0	(94,409,166)
NET PROPERTY, PLANT, AND EQUIPMENT	55,128,373	55,346,694	(218,321)	0	54,888,670
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	380,414	386,325	(5,911)	(2)	398,148
PENSION DEFERRED OUTFLOWS NET	18,285,289	18,285,289	0	0	18,285,289
TOTAL OTHER ASSETS	18,665,703	18,671,614	(5,911)	0	18,683,437
TOTAL UNRESTRICTED ASSETS	141,025,754	143,649,964	(2,624,210)	(2)	141,977,045
RESTRICTED ASSETS	19,157	19,105	52	0	18,593
TOTAL ASSETS	141,044,911	143,669,069	(2,624,158)	(2)	141,995,638

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 09/30/24

	CURR MONTH 09/30/24	PRIOR MONTH 08/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,889,151	6,027,706	138,555	(2)	8,572,685
ACCRUED PAYROLL	1,769,990	4,449,854	2,679,864	(60)	5,660,333
ACCRUED PAYROLL TAXES	1,441,250	1,406,732	(34,518)	3	1,530,768
ACCRUED BENEFITS	5,942,236	6,464,045	521,809	(8)	6,695,829
ACCRUED PENSION (CURRENT)	4,952,331	4,952,331	0	0	4,952,331
OTHER ACCRUED EXPENSES	104,010	97,268	(6,742)	7	89,559
PATIENT REFUNDS PAYABLE	12,422	11,058	(1,365)	12	12,920
DUE TO\FROM THIRD PARTIES	(574,960)	(305,353)	269,607	88	294,647
OTHER CURRENT LIABILITIES	690,197	731,702	41,505	(6)	550,889
TOTAL CURRENT LIABILITIES	20,226,627	23,835,341	3,608,714	(15)	28,359,961
LONG-TERM DEBT					
LEASES PAYABLE	8,122,018	8,128,820	6,802	0	5,442,390
BONDS PAYABLE	31,656,561	31,685,081	28,520	0	31,742,121
TOTAL LONG TERM DEBT	39,778,579	39,813,901	35,322	0	37,184,511
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	96,491,069	100,135,106	3,644,037	(4)	102,030,336
NET ASSETS:					
UNRESTRICTED FUND BALANCE	39,870,710	39,870,710	0	0	39,870,710
RESTRICTED FUND BALANCE	95,157	95,105	(52)	0	94,593
NET REVENUE/(EXPENSES)	4,587,975	3,568,148	(1,019,827)	29	0
TOTAL NET ASSETS	44,553,842	43,533,963	(1,019,879)	2	39,965,303
TOTAL LIABILITIES AND NET ASSETS	141,044,911	143,669,069	2,624,158	(2)	141,995,638



San Benito Health Care District
Hazel Hawkins Memorial Hospital
SEPTEMBER 2024

Description	MTD Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	14.98	14.67	15.57	12.99	14.90
Average Daily Census - SNF	82.03	88.93	85.98	81.99	85.00
Acute Length of Stay	3.16	2.73	2.68	2.96	2.90
ER Visits:					
Inpatient	98	121	412	299	1,444
Outpatient	1,995	2,110	6,221	5,940	25,269
Total	2,093	2,231	6,633	6,239	26,713
Days in Accounts Receivable	50.0	54.7	54.7	50.0	50.0
Productive Full-Time Equivalents	521.33	508.43	507.43	521.33	521.33
Net Patient Revenue	11,942,963	12,401,645	38,602,679	35,104,077	144,649,605
Payment-to-Charge Ratio	32.6%	32.4%	32.9%	32.7%	32.7%
Medicare Traditional Payor Mix	30.65%	27.84%	28.03%	29.59%	28.51%
Commercial Payor Mix	21.21%	23.30%	23.10%	21.43%	21.88%
Bad Debt % of Gross Revenue	1.42%	2.17%	1.82%	1.42%	1.42%
EBIDA	915,475	1,258,230	5,298,343	1,373,355	9,671,943
EBIDA %	7.33%	9.57%	13.07%	3.74%	6.40%
Operating Margin	2.68%	5.14%	8.74%	-1.00%	1.72%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	60.11%	58.41%	56.21%	62.78%	61.10%
by Total Operating Expense	61.77%	61.58%	61.59%	62.16%	62.15%
Bond Covenants:					
Debt Service Ratio	1.25	11.35	11.35	1.25	1.25
Current Ratio	1.50	2.99	2.99	1.50	1.50
Days Cash on hand	30.00	72.80	72.80	30.00	30.00
Met or Exceeded Target					
Within 10% of Target					
Not Within 10%					

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA

Eleven months ending September 30, 2024

	CASH FLOW		COMMENTS
	Current Month 9/30/2024	Current Year-To-Date 9/30/2024	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$1,020,504	\$4,588,665	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	335,482	1,002,921	
(Increase)/Decrease in Net Patient Accounts Receivable	209,592	(1,036,711)	
(Increase)/Decrease in Other Receivables	(178,365)	(948,430)	
(Increase)/Decrease in Inventories	19,521	22,467	
(Increase)/Decrease in Pre-Paid Expenses	432,946	(812,011)	
(Increase)/Decrease in Due From Third Parties	0	0	
Increase/(Decrease) in Accounts Payable	(138,555)	(2,683,534)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(3,167,155)	(4,733,454)	
Increase/(Decrease) in Accrued Expenses	6,742	14,451	
Increase/(Decrease) in Patient Refunds Payable	1,365	(497)	
Increase/(Decrease) in Third Party Advances/Liabilities	(269,607)	(869,607)	
Increase/(Decrease) in Other Current Liabilities	(41,505)	139,308	
Net Cash Provided by Operating Activities:	(2,789,539)	(9,905,097)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(117,161)	(1,242,624)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	507,015	(2,725,188)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	5,911	17,733	Amortization
Net Cash Used by Investing Activities	395,765	(3,950,079)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,802)	2,679,628	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(85,560)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Net Cash Used for Financing Activities	(35,322)	2,594,068	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0	
Net Increase/(Decrease) in Cash	(1,409,268)	(6,673,134)	
Cash, Beginning of Period	29,990,284	35,254,150	
Cash, End of Period	\$28,581,016	\$28,581,016	\$0

\$392,597

Cost per day to run the District
Operational Days Cash on Hand

72.80

Hazel Hawkins Memorial Hospital
 Bad Debt Expense
 For the Year Ending June 30, 2025

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Budgeted Gross Revenue	34,451,342	36,389,826	36,631,205	37,341,167	36,368,385	37,685,918	38,472,439	36,636,643	38,136,750	35,898,718	37,223,200	37,145,231	442,380,824
Budgeted Bad Debt Expense	489,000	518,137	522,857	531,611	518,107	536,794	547,792	523,630	542,744	509,449	528,186	528,187	6,296,494
BD Exp as a percent of Gross Revenue	1.42%	1.42%	1.43%	1.42%	1.42%	1.42%	1.42%	1.43%	1.42%	1.42%	1.42%	1.42%	1.42%
Actual Gross Revenue	38,349,323	40,614,616	38,247,984										117,211,923
Actual Bad Debt Expense	665,668	637,981	830,680										2,134,329
BD Exp as a percent of Gross Revenue	1.74%	1.57%	2.17%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.82%
Budgeted YTD BD Exp	1,529,994	1,42%											114,026
Actual YTD BD Exp	2,134,329	1.82%											137,383
Amount under (over) budget	(604,335)	-0.40%											(23,357)
Prior Year percent of Gross Revenue	1.82%												0.12%
Percent of Decrease (Inc) from Prior Year	-0.1%												

YTD Charity Exp Budget 114,026
 YTD Charity Exp Actual 137,383
 Amt under (over) budget (23,357)
 Charity Exp % of Gross Rev 0.12%

Hazel Hawkins Memorial Hospital
 Supplemental Payment Programs
 As of September 30, 2024, FYE June 30, 2025

	Payor	Actual FY 2025	Actual FY 2024	Notes:
Intergovernmental Transfer Programs:				
- AB 113 Non-Designated Public Hospital (NDPH) SFY 2022/2023 Final Payment SFY 2023/2024	DHCS	-	407,785	Requires District to fund program and wait for matching return. Paid on 04/17/24, \$156,525.63, funds rec'd in June. Exp. June 2025.
SFY 2023/2024 Interim SFY 2024/2025	DHCS	-	434,472	Paid on 04/24/24, \$506,883.51, funds rec'd in June. Exp. June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2022	Anthem	-	2,405,548	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2023	Anthem	-	2,432,278	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June. Expected in May 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2024	CCAH	-	-	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	Anthem	-	1,025,179	Expected in December 2024.
- Rate Range Jan. 1, 2022 through Dec. 31, 2023	Anthem	656,068	3,459,757	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 5 Settlement	Anthem	-	-	Expected in May 2025.
- QIP PY 6 Settlement	Anthem	-	-	Expected in May 2025.
- QIP PY 4 1st Loan Repayment	District	-	(1,253,000)	Paid on 02/26/2024.
- QIP PY 4 2nd Loan Repayment	District	-	(1,222,438)	Paid on 04/08/2024.
- QIP PY 5 Loan Repayment	District	-	-	Due January 3, 2025.
IGT sub-total		656,068	7,689,581	
Non-intergovernmental Transfer Programs:				
- AB 915	DHCS	-	4,143,717	Direct Payments. Received on March 11, 2024. Exp. June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	1,069,577	1,069,577	Rec. Sep. 4, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	-	3,208,731	1st, 2nd & 3rd Qtrs rec'd on 03/19/2024, 05/23/2024 & 06/27/2024. Expected by Sep. 30, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	DHCS	-	-	Based on actual cost difference.
- Distinct Part, Nursing Facility (DP/NF)	-	-	-	Expected quarterly through June 30, 2025.
- Medi-Cal Disproportionate Share (DSH)	DHCS	184,176	1,452,877	
Non-IGT sub-total		1,253,753	9,874,903	
Program Grand Totals		1,909,821	17,564,484	
Total Received		1,253,753	18,970,344	
Total Pending		656,068	1,069,577	
Total Paid		-	(2,475,438)	
Net Supplemental Payments		1,909,821	17,564,484	

San Benito Healthcare District

Pension Plan

Governmental Accounting Standard Board
(GASB) Statement 68

Valuation Date December 31, 2023
Measurement Date December 31, 2023
Fiscal Year Ending June 30, 2024

October 2024



October 1, 2024

San Benito Healthcare District
Defined Benefit Pension Plan
Retirement Committee
911 Sunset Drive.
Hollister, CA 95023

Re: San Benito Healthcare District Pension Plan GASB 68 Report for FYE June 30, 2024.

San Benito Healthcare District (the "District") has retained Nicolay Consulting Group to complete this valuation of the San Benito Healthcare District Pension Plan (the "Plan") as of the June 30, 2024 measurement date in accordance with Governmental Accounting Standards Board (GASB) Statement 68.

The purpose of this valuation is to determine the value of the benefits for current and future retirees and the Net Pension Liability and Pension Benefit Cost for the fiscal year ending June 30, 2024. The amounts reported herein are not necessarily appropriate for use for a different fiscal year without adjustment. This report should not be disclosed to other parties without prior consent from Nicolay Consulting Group. When shared, this report should be shared in its entirety.

Based on the foregoing, the cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. We believe they fully and fairly disclose the actuarial position of the Plan based on the plan provisions, employee and plan cost data submitted.

Actuarial assumptions were selected by the plan sponsor. Nicolay Consulting Group has reviewed the assumptions and believe them to reasonable and suitable for the purposes of this actuarial measurement. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period);
- Changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.



The valuation was based on results generated in ProVal, a third-party valuation system. Use of this software required us to code the plan provisions, assumptions, and methods outlined in this report. We reviewed the outputs for reasonableness at a high level and reviewed sample calculations in detail. We are not aware of any material weaknesses or limitations in the software or its parameterization. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions stated herein.

The actuarial calculations were completed under the supervision of the below signatories. They have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

Respectfully submitted,

Respectfully submitted,

Handwritten signature of Malcolm Merrill in cursive script, positioned above a horizontal line.

Malcolm Merrill, FSA, EA, FCA

Vice President

Enrolled Actuary No. 23-8053

Handwritten signature of Sue Simon in cursive script, positioned above a horizontal line.

Sue Simon, ASA, MAAA, FCA

Vice President

Enrolled Actuary No. 23-6211

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Section I Management Summary

A) Highlights

Summary of Key Valuation Results

	6/30/2024	6/30/2023
Reporting Date for Employer under GASB 68:	Jun 30, 2024	Jun 30, 2023
Measurement Date for Employer under GASB 68:	Dec 31, 2023	Dec 31, 2022
Service Cost	\$2,376,022	\$2,257,746
Total Pension Liability	\$62,607,899	\$71,623,317
Plan Fiduciary Net Position	\$38,793,385	\$35,137,453
Net Pension Liability	\$23,814,514	\$36,485,864
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62%	49%
Contributions for fiscal year ending June 30:		
Actuarially Determined Contributions ¹	\$3,401,336	\$3,154,060
Actual Employer Contributions	<u>(96,833)</u>	<u>(1,545,627)</u>
Contribution Deficiency (excess)	\$3,304,503	\$1,608,433
Total Covered Payroll	\$26,658,478	\$25,765,287
Actual Employer Contributions as a % of Payroll	0%	6.00%
Demographic data for fiscal year ending June 30²:		
Number of retired members and beneficiaries	159	138
Number of vested terminated members	148	137
Number of Frozen-Active (Inactive) participants	10	13
Number of active members	<u>258</u>	<u>288</u>
Total	575	576
Key assumptions as of June 30:		
Discount Rate	5.44%	4.80%
Projected salary Increases	Not Applicable	

¹ GASB 68 reports the Actuarially Determined Contribution (ADC) net of employee contributions.

² Census data as of December 31 is used in the measurement of the Total Pension Liability as of June 30.

Section I Management Summary

B) Important Information about Actuarial Valuation

In order to prepare an actuarial valuation, Nicolay Consulting Group (“NCG”) relies on a number of input items. These include:

- **Assets and Participant Data** This valuation is based on the market value of assets as of the measurement date December 31, 2023, as provided by Principal and participant data as of the same measurement date and supplied by the district.
- **Actuarial Methods** The total pension liability was determined as part of an actuarial valuation as of December 31, 2023 using actuarial methods and assumptions in accordance with GASB No. 68. The total pension liability was calculated using the Entry Age Normal actuarial cost method. For additional information on actuarial methods, see Section V.
- **Actuarial Assumptions** The projected benefits are discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable. For additional information on actuarial assumptions, see Section V.

The user of Nicolay Consulting Group’s actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The valuation is prepared at the request of the plan sponsor to assist the sponsors of the Plan in preparing items related to the pension plan in their financial reports. NCG is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the Plan’s assets and liabilities at a specific date. Accordingly, except where otherwise noted, NCG did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the Plan.
- If the plan sponsor is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, NCG should be advised, so that any discrepancy can be evaluated.
- NCG does not provide investment, legal, accounting, or tax advice. NCG’s valuation is based on our understanding of applicable guidance in these areas and of the plan’s provisions, but they may be subject to alternative interpretations. The plan sponsor should look to their other advisors for expertise in these areas.

As NCG has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the plan sponsor.

Section II GASB 68 Exhibits

A) Schedule of Changes in Net Pension Liability (Exhibit 1)

Fiscal Year Ending	2024	2023
Total Pension Liability		
Service cost	\$2,376,022	\$2,257,746
Interest	3,510,551	3,394,641
Change of benefit terms	(6,965,902)	0
Differences between expected and actual experience	(453,339)	1,069,590
Changes of assumptions	(5,736,563)	10,293,791
Benefit payments, including refunds of employee contributions	<u>(1,746,187)</u>	<u>(1,323,008)</u>
Net change in Total Pension Liability	(\$9,015,418)	\$15,692,760
Total Pension Liability – beginning	\$71,623,317	\$55,930,557
Total Pension Liability – ending (a)	<u>\$62,607,899</u>	<u>\$71,623,317</u>
Plan Fiduciary Net Position		
Contributions – employer	\$96,833	\$1,545,627
Contributions – employee	173,193	310,498
Net investment income	5,155,028	(6,596,677)
Benefit payments, including refunds of employee	(1,746,187)	(1,323,008)
Administrative expense	(22,935)	(22,868)
Other	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$3,655,932	(\$6,086,428)
Plan Fiduciary Net Position – beginning	<u>\$35,137,453</u>	<u>\$41,223,881</u>
Plan Fiduciary Net Position – ending (b)	<u>\$38,793,385</u>	<u>\$35,137,453</u>
Net Pension Liability – ending (a) – (b)	\$23,814,514	\$36,485,864
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62%	49%
Covered employee payroll	\$26,658,478	\$25,765,287
Plan Net Pension Liability as percentage of covered employee payroll	89%	141.6%

Section II GASB 68 Exhibits

B) Summary of Changes in the Net Pension Liability (Exhibit 2)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Measurement as of December 31, 2022:	\$71,623,317	\$35,137,453	\$36,485,864
Recognized Changes Resulting from:			
▪ Service cost	2,376,022	-	2,376,022
▪ Interest	3,510,551	-	3,510,551
▪ Diff. between expected and actual experience	(453,339)	-	(453,339)
▪ Changes of assumptions	(5,736,563)	-	(5,736,563)
▪ Net investment income	-	5,155,028	(5,155,028)
▪ Benefit payments	(1,746,187)	(1,746,187)	-
▪ Contributions – employer	-	96,833	(96,833)
▪ Contributions – employee	-	173,193	(173,193)
▪ Administrative expense	-	(22,935)	22,935
▪ Change of benefit terms	(6,965,902)	-	(6,965,902)
Net Changes	(\$9,015,418)	\$3,655,932	(\$12,671,350)
Measurement as of December 31, 2023:	\$62,607,899	\$38,793,385	\$23,814,514

Section II GASB 68 Exhibits

C) Derivation of Significant Actuarial Assumptions

The actuarial assumptions included 6.50% investment long-term expected rate of return, net of investment expenses. See section V for more detail.

Long-term Expected Rate of Return – The long-term expected rate of return on the Plan’s investments was based on capital market projections by the investment consultant, Lockton Retirement Service, adjusted for administrative expenses paid from the trust.

Investment Class	Target Allocation*	Long-Term Expected Return on Asset [†]
US Large Cap Equity	31%	2.48%
US Small / SMID	14%	1.26%
International Equity	15%	1.20%
Total Equity	60%	4.94%
Core Bond	20%	0.80%
Core Plus / Multi-Sector	15%	0.75%
Cash/Short-term	5%	0.13%
Total Fixed Income	40%	1.68%
Total	100%	6.62%

Investment Class	Long-Term Expected Return on Asset [†]
US Large Cap Equity	8.00%
US Small / SMID	9.00%
International Equity	8.00%
Emerging Market Equity	9.00%
REITs	8.00%
Commodities	5.00%
Money Market	2.00%
Short-Term Bond	2.50%
Core Bond	4.00%
Long Corporate Bond	6.00%
High Yield Bond	6.50%

* Expected Return on Assets information provided by Lockton.

Discount rate – Since the plan’s assets are not expected to be sufficient to fund all future benefit payments, the discount rate used to measure the total pension liability was 5.44%. See Section II Exhibit J for additional detail.

Section II GASB 68 Exhibits

D) Sensitivity Analysis (Exhibit 3)

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the Net Pension Liability calculated using the discount rate of 5.44%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	1% Decrease (4.44%)	Current Discount Rate (5.44%)	1% Increase (6.44%)
San Benito Healthcare District Net Pension Liability	\$33,155,997	\$23,814,514	\$16,285,162



Section II GASB 68 Exhibits

E) Pension Expense for Measurement Period (Exhibit 4)

Measurement Period Ending December 31:	2023	2022
Components of Pension Expense:		
Service Cost	\$2,376,022	\$2,257,746
Interest on the Total Pension Liability (Exhibit 5)	3,510,551	3,394,641
Projected Earnings on Pension Plan Investments (Exhibit 6)	(2,235,980)	(2,695,873)
Employee Contributions	173,193	(310,498)
Administrative Expense	22,935	22,868
Changes on Benefit Terms	(6,965,902)	0
Recognition of Deferred Resources Due to:		
▪ Changes of Assumptions	2,183,211	3,422,209
▪ Differences Between Expected/Actual Experience	19,116	117,029
▪ Differences Between Projected/Actual Earnings on Assets	(64,137)	1,060,665
Aggregate Pension Expense	(\$1,327,377)	\$7,268,787

Section II GASB 68 Exhibits

F) Interest on the Total Pension Liability (Exhibit 5)

	Amount for Period	Portion of Period	Interest Rate	Interest on the Total Pension Liability
Beginning Total Pension Liability	\$71,623,317	100%	4.80%	\$3,437,919
Service Cost	\$2,376,022	100%	4.80%	114,049
Benefit payments, including refunds¹	(\$1,746,187)	50%	4.80%	<u>(41,417)</u>
Total Interest on the TPL				\$3,510,551

¹Includes employee contribution refunds

Section II GASB 68 Exhibits

G) Projected Earnings on Plan Fiduciary Net Position (Exhibit 6)

	Amount for Period	Portion of Period	Projected Interest Rate	Projected Earnings
Beginning plan fiduciary net position	\$35,137,453	100%	6.50%	\$2,283,934
Employer contributions	\$96,833	50%	6.50%	3,098
Employee contributions	\$173,193	50%	6.50%	5,540
Benefit payments, including refunds¹	(\$1,746,187)	50%	6.50%	(55,858)
Administrative expense and other	(\$22,935)	50%	6.50%	(734)
Total Projected Earnings				\$2,235,980

¹Includes employee contribution refunds

Section II GASB 68 Exhibits

H) Deferred Inflows/Outflows of Resources (Exhibit 7)

Fiscal year Ending June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the TPL	\$925,724	\$888,555
Changes in assumptions	9,382,924	4,527,485
Net difference between projected and actual earnings of pension plan investments	2,145,541	0
Contribution to pension plan after measurement date	<u>0</u>	<u>0</u>
Total	\$12,454,189	\$5,416,040

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended December 31	Deferred Outflows/(Inflows) of Resources
2025	\$2,579,454
2026	2,681,874
2027	2,539,486
2028	(762,665)
2029	-
Thereafter	-
Total Deferred Resources:	<u>\$7,038,149</u>

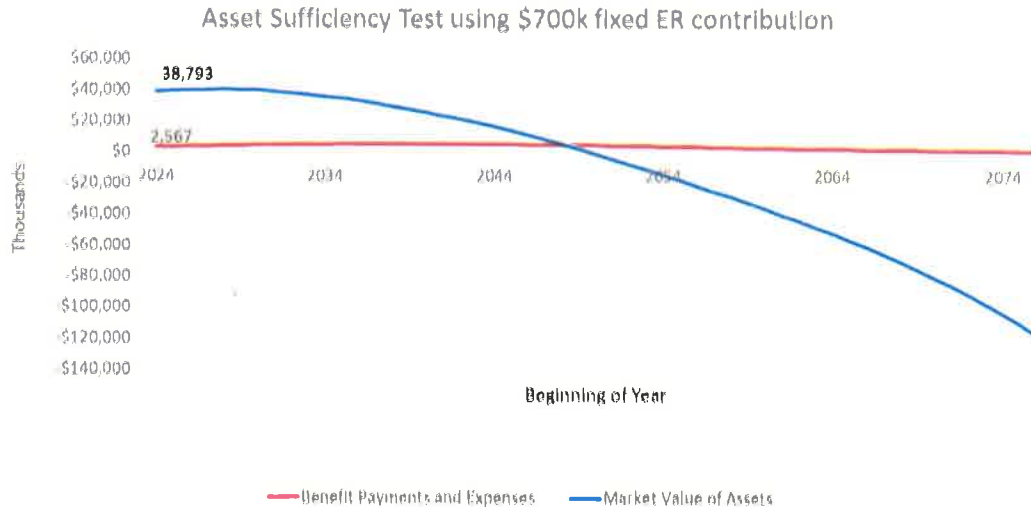
Section II GASB 68 Exhibits

I) Journal Entry to Record the NPL for FY ended June 30, 2024 (Exhibit 8)

	DR	CR
Net Position	\$16,776,365	
DO-Experience	\$925,724	
DO-Investment	\$2,145,541	
DO-Contributions		
DO-Assumptions	\$9,382,924	
DI-Experience		888,555
DI-Investment		
DI-Assumptions		4,527,485
NPL		23,814,514
	\$29,230,554	\$29,230,554

Section II GASB 68 Exhibits

J) Asset Sufficiency Test (Exhibit 9)



For the asset sufficiency test, assets are projected using expected employer and employee contributions, expected benefit payments, expected administrative expenses and expected investment return. Projected assets are then compared to expected benefit payments in each future year to confirm sufficiency. The table above shows that assets are expected to be sufficient to cover plan cash flows through 2048.

GASB 68 bases the discount rate on a blend of the employer's Expected Long-Term Return on Assets and the current rate on high-grade 20-yr municipal bonds as of the measurement date. The former is used to discount future cash flows for which future trust assets are sufficient to pay; the latter is used to discount cash flows for which future trust assets are not sufficient to pay. The GASB 68 discount rate is the single-equivalent (blended) rate that, when used to discount all future cash flows, results in the same present value resulting from using the two rates. Future assets include contributions expected to be made in the future based on the employer's funding policy and history of contributions made.

<i>Employer's Funding Policy:</i>	Contribute the Full ADC
<i>PEPRA Employee Contribution Rate</i>	N/A due to plan freeze
<i>Expected Future Annual Employer Contributions:</i>	\$700,000
<i>Expected Long-Term Return on Assets:</i>	6.50%
<i>S&P Municipal Bond 20 Year High Grade Index:</i>	4%

As current assets are expected to be insufficient beginning in 2050, a blending of the long-term return assumption and the S&P Municipal Bond Index is completed to determine the final discount rate. The blended rate used to determine the Total Pension Liability is 5.44%

Section III Supplementary Information

A) Schedule of Contributions - Last Nine Fiscal Years (Exhibit 10)

Measurement Year Ended Dec 31	Actuarially Determined Contributions ¹	Contributions in Relation to the Actuarially Determined Contributions ²	Contribution Deficiency (Excess)	Covered Employee Payroll
2014	\$1,558,842	\$3,056,518	\$(1,497,676)	\$29,126,434
2015	\$3,058,440	\$3,058,440	\$0	\$31,424,795
2016	\$3,375,540	\$272,374	\$3,103,166	\$29,345,672
2017	\$3,330,495	\$2,213,588	\$1,116,907	\$30,648,185
2018	\$3,486,828	\$3,933,677	\$(446,849)	\$30,690,643
2019	\$3,577,595	\$1,306,536	\$2,271,059	\$30,784,852
2020	\$3,545,809	\$2,702,669	\$843,140	\$28,848,422
2021	\$3,438,240	\$2,738,385	\$699,855	\$24,420,350
2022	\$3,154,060	\$1,545,627	\$1,608,433	\$25,765,287
2023	\$3,401,336	\$96,833	\$3,304,503	\$26,658,478

¹ Amounts shown are the total ADC for the Plan net of employee contributions (i.e., the employer ADC).

² 2014 through 2017 amounts reflect impact of Plan Year accrued contributions and 2017 amount includes 2016 employee contributions.

Section III Supplementary Information

B) Schedules of Changes of Assumptions (Exhibit 11)

Measurement Date	Changes of Assumption	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions (Reporting Dates)						
			2024	2025	2026	2027	2028	2029	2030+
2014	3,785,415	9.440	375,186	165,081	-	-	-	-	-
2015	(48,983)	9.440	(5,189)	(2,282)	-	-	-	-	-
2016	(506,429)	8.038	(63,004)	(2,397)	-	-	-	-	-
2017	(132,646)	7.520	(17,639)	(9,173)	-	-	-	-	-
2018	(74,412)	7.652	(9,724)	(9,724)	(6,344)	-	-	-	-
2019	1,939,682	6.789	285,710	285,710	225,422	-	-	-	-
2020	1,227,120	6.432	190,784	190,784	190,784	82,416	-	-	-
2021	4,008,624	5.510	727,518	727,518	727,518	371,034	-	-	-
2022	10,293,791	5.310	1,938,567	1,938,567	1,938,567	1,938,567	600,956	-	-
2023	(5,736,563)	4.630	(1,238,998)	(1,238,998)	(1,238,998)	(1,238,998)	(780,571)	-	-
Net Increase (Decrease) in Pension Expense			2,183,211	2,045,086	1,836,949	1,153,019	(179,615)		

Section III Supplementary Information

C) Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions (Exhibit 12)

Year End Measurement Year	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2024 c	Balances at June 30, 2024	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2014	3,785,415	-	3,620,334	165,081	-
2015	-	(48,983)	(46,701)	-	(2,282)
2016	-	(506,429)	(504,032)	-	(2,397)
2017	-	(132,646)	(123,473)	-	(9,173)
2018	-	(74,412)	(58,344)	-	(16,068)
2019	1,939,682	-	1,428,550	511,132	-
2020	1,227,120	-	763,136	463,984	-
2021	4,008,624	-	2,182,554	1,826,070	-
2022	10,293,791	-	3,877,134	6,416,657	-
2023	-	(5,736,563)	(1,238,998)	-	(4,497,565)
				\$ 9,382,924	\$ (4,527,485)

Section III Supplementary Information

D) Schedule of Differences between Expected and Actual Experience (Exhibit 13)

Measurement Date	Difference Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of effects of Differences between Expected and Actual Experience (Reporting Dates)						
			2024	2025	2026	2027	2028	2029	Thereafter
2014	131,657	9.440	13,049	5,742					
2015	74,961	9.440	7,941	3,492					
2016	187,133	8.038	23,281	885					
2017	398,336	7.520	52,970	27,546					
2018	(237,050)	7.652	(30,977)	(30,977)	(20,211)				
2019	(1,044,501)	6.789	(153,852)	(153,852)	(121,389)				
2020	(546,664)	6.432	(84,991)	(84,991)	(84,991)	(36,718)			
2021	485,864	5.510	88,179	88,179	88,179	44,969			
2022	1,069,590	5.510	201,429	201,429	201,429	201,429	62,445		
2023	(453,339)	4.630	(97,913)	(97,913)	(97,913)	(97,913)	(61,445)		
Net Increase in Pension Expense:			(19,116)	(40,460)	(34,896)	111,767	758		

Section III Supplementary Information

E) Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience (Exhibit 14)

Year End Measurement Year	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2024 c	Balances at June 30, 2024	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2014	131,657		125,915	5,742	
2015	74,961		71,469	3,492	
2016	187,133		186,248	885	
2017	398,336		370,790	27,546	
2018		(237,050)	(185,862)		(51,188)
2019		(1,044,501)	(769,260)		(275,241)
2020		(546,664)	(339,964)		(206,700)
2021	485,864		264,537	221,327	
2022	1,069,590		402,858	666,732	
2023		(453,339)	(97,913)		(355,426)
				\$ 925,724	\$ (7,414,167)

Section III Supplementary Information

F) Increase (Decrease) In Pension Expense Arising from the Recognition of Difference Between Projected and Actual Earnings on Pension Plan Investments (Exhibit 15)

Year End Measurement Year	Difference in Expected and Actual Earnings	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of Difference between Projected and Actual Earnings on Pension Plan Investments (Reporting Dates)					
			2024	2025	2026	2027	2028 Thereafter	
2019	(3,194,825)	5.00	(638,965)					
2020	(1,524,970)	5.00	(304,994)	(304,994)				
2021	(1,974,391)	5.00	(394,878)	(394,878)	(394,879)			
2022	9,292,550	5.00	1,858,510	1,858,510	1,858,510	1,858,510		
2023	(2,919,048)	5.00	(583,810)	(583,810)	(583,810)	(583,810)	(583,808)	
Net Increase (Decrease) in Pension Expense			(64,137)	574,828	879,821	1,274,700	(583,808)	

Section III Supplementary Information

G) Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings and Plan Investments (Exhibit 16)

Year End Measurement Year	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2023 c	Balances at June 30, 2023	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2019		(3,194,825)	(3,194,825)	-	-
2020		(1,524,970)	(1,219,976)	-	(304,994)
2021		(1,974,391)	(1,184,634)	-	(789,757)
2022	9,292,550	-	3,717,020	5,575,530	-
2023		(2,919,048)	(583,810)	-	(2,335,238)
				5,575,530	(3,429,989)

Section IV Participant Data

A) Participant Data

This actuarial valuation is based on participant data provided by the District. NCG does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for NCG to receive the best possible data and to be informed about any known incomplete or inaccurate data.

At December 31, 2023, pension plan membership consisted of the following:

Number of retired members and beneficiaries	159
Number of vested terminated members	148
Number of active members	<u>268</u>
Total	575

Section V Actuarial Assumptions and Methods

A) Actuarial Assumptions

Measurement Date	December 31, 2023										
Reporting Date	June 30, 2024										
Discount Rate	5.44% per annum compounded annually										
Long Term Expected Return on Assets:	6.50% per annum, compounded annually. The investment return assumption was set based on updated capital market projections by the investment consultant, Lockton Retirement Services, adjusted for administrative expenses paid from the trust.										
Salary Scale:	For 2024: Not Applicable For 2023: 3.5% per annum (NUHW); 3.0% per annum (all other participants).										
Mortality:	PubG-2010 Public Retirement Mortality Tables for Males and Females with Projections using MP-2021.										
Retirement:*	100% at Normal Retirement Age										
Turnover:*	Based on T-4 Table, Sample Rates are: <table><thead><tr><th>Age</th><th>Rate</th></tr></thead><tbody><tr><td>25</td><td>5.29%</td></tr><tr><td>35</td><td>4.70%</td></tr><tr><td>45</td><td>3.54%</td></tr><tr><td>55</td><td>0.94%</td></tr></tbody></table>	Age	Rate	25	5.29%	35	4.70%	45	3.54%	55	0.94%
Age	Rate										
25	5.29%										
35	4.70%										
45	3.54%										
55	0.94%										
Disability:	None										
Marital Status*:	Percentage married: 80% are assumed to be married. Age difference: Females are assumed to be three years younger than males.										

Assumption Changes

The discount rate was reduced from 4.8% to 5.44% as a result of the insufficiency of projected assets to cover future benefit payments past 2048. There have been no other assumption changes since the last measurement date.

* NCG has not performed an experience study to select these assumptions.

Section V Actuarial Assumptions and Methods

B) Actuarial Methods

Actuarial Cost Method:	Entry Age Normal Cost Method This method was effective December 31, 2014. Under the Entry Age Normal Actuarial Cost Method, the actuarial value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial Accrued Liability. As the plan is now frozen, future pensionable earnings are \$0 and benefits are treated as fully accrued, resulting in a \$0 normal cost.
Amortization Methodology	The District uses straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses use a fixed 5 year period. Plan changes are recognized immediately in the year they occurred.
Valuation of Assets:	The value of assets is determined as market value of assets as of the measurement date.
Measurement Date	December 31, 2023
Valuation Date	December 31, 2023
Reporting Date	Fiscal Year End: June 30, 2024

Section VI Plan Provisions

A) Plan Provisions

Effective Date:	January 1, 2005
Most Recent Restatement Date:	January 1, 2015
Most Recent Amendment Date:	July 3, 2023 (Plan Freeze)
Plan Year:	January 1 to December 31
Eligible Employee:	Benefited full-time or part-time employee. Hired prior to January 1, 2013.
Participation Entry Date:	January 1 st following three years of consecutive employment (1,000 hours in each year) and attainment of age 21. No new entrants on or after the freeze date of July 3, 2023.
Normal Retirement Date:	First of month after reaching age 65 and completing five Years of Service.
Deferred Retirement Date:	First of any month following actual retirement after a participant's Normal Retirement Age. An employee can work beyond his normal retirement date and continue to earn pension benefits.
Early Retirement Date:	First of any month after reaching age 50 and completing 15 Years of Service and 5 years of Plan participation.
Normal Form of Payment For Unmarried Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months.
Normal Form of Payment For Married Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months; in addition, after the 120-month period, in the event of the participant's death, the participant's spouse will receive a monthly pension equal to 50% of the participant's pension for the remainder of the spouse's lifetime.
Optional Forms of Distribution of Retirement Benefit:	No other options available.

Section VI Plan Provisions

A) Plan Provisions (Continued)

Retirement Benefit Formula For Future Service:	Effective January 1, 2005: 1% of the participant's compensation in each calendar year. Effective January 1, 2007, the rate increases to 1.1% per year for future service of non-SEIU employees' future service after January 1, 2007, but prior to January 1, 2010. Effective January 1, 2010, the rate increases to 1.3% per year for non-SEIU employees' future service after January 1, 2010. Effective January 1, 2012, the benefit accrual rate increases to 1.3% of participant's compensation for all eligible employees' future service after January 1, 2012.
Retirement Benefit Formula For Past Service as of January 1, 2005	1% of the participant's compensation in each consecutive calendar year in which the participant completed 1,000 hours as a benefited full-time or part-time employee during the period 1999 through 2004.
Early Retirement Benefit:	Accrued benefit earned to the date of early retirement with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Disability Benefit:	Accrued benefit earned to disability retirement date with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Death Benefits:	Larger of: (1) Present value of vested accrued benefits; (2) 25,000.
Vesting of Accrued Benefits:	The earlier of (i) the completion of five years of service (1,000 hour rate) in the Plan and (ii) a participant's Normal Retirement Date. This vested benefit would be in the form of a pension beginning at normal retirement date equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before normal retirement date.

Section VI Plan Provisions

A) Plan Provisions (Continued)

PEPRA Provisions

PEPRA Participant

"PEPRA Participant" means a participant who (i) was never a member of a California "public retirement system" as that term is defined in California Government Code section 7522.04(j), prior to January 1, 2013, (ii) was a member of a California public retirement system prior to January 1, 2013, other than the system through which this Plan is offered but was not subject to reciprocity under California Government Code section 7522.02(c), or (iii) was an active member in the system through which this Plan is offered but who returned to active membership in the system with a new employer after a break in service of more than six (6) months.

Classic Participant

Means a participant who is not a PEPRA Participant

Eligibility Requirements

Employees must be employed by the Employer in an eligible category of employment, have attained age 21, and completed three years of service in order to be eligible to participate in the plan. An eligible employee will become a participant upon the later of January 1, 2016, completion of three years of services, or attainment of age 21.

PEPRA Benefit Accrual Rates

Same as Retirement Benefit Formula for Future Service

Normal Retirement:

Normal retirement age under the plan is the later of age 65 or the date an employee completes 5 years of service. Normal retirement date is the first day of the month after reaching normal retirement age.

Section VI Plan Provisions

A) Plan Provisions (Continued)

PEPRA Provisions (Continued)

Early Retirement:

The first day of the month following a Participant's attainment of age fifty (50) years and the completion of ten (10) Years of Service, or the first day of any subsequent month preceding the Participant's Normal Retirement Age; provided, however, that PEPRA Participant must have attained age fifty-two (52).

Maximum Benefit of PEPRA Participants

The Accrued Benefit of a PEPRA participant shall not exceed the amount defined in PEPRA and described in Appendix A of the plan document. The amount shall be determined by interpolating to the participant's nearest completed quarter of age at the date benefit are scheduled to commence, based on the rates shown opposite the participant's age in Appendix A of the plan document table.

Based on Appendix A table, Sample rates are:

Age of retirement	Benefit Rate (Percentage of Final Base Pay)
52	1.000%
55	1.300%
60	1.800%
65	2.300%
67	2.500%

Employee Contributions

PEPRA participants shall have an initial contribution rate of at least 50% of the normal cost rate as defined under the Employer PEPRA Contribution.

Plan Provision Changes

The plan was amended to freeze participation and benefit accruals as of July 3, 2023. This means that the plan is closed to new entrants and no additional benefits will be earned after this date. PEPRA participants' employee contributions also ceased on that date, with the exception of retroactive payments for service prior to July 3, 2023.

The decrease in the net pension liability due to this amendment is \$6,965,902.