



University of Colorado Health
QUARTERLY BOND COMPLIANCE PACKET

For Quarter Ended:
June 30, 2022

Unaudited Results
University of Colorado Health
Comparative Summary Statements of Income & Changes in Fund Balances
For Quarter Ended: June 30, 2022
(in Thousands)

	Quarter 4 Fiscal Year 2022		Quarter 4 Fiscal Year 2021		Year-to-Date Fiscal Year 2022		Year-to-Date Fiscal Year 2021	
	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated
Operating Revenue								
Net Patient Revenue ¹	\$ 1,590,262	\$ 1,609,385	\$ 1,541,092	\$ 1,562,767	\$ 6,108,883	\$ 6,191,942	\$ 5,627,327	\$ 5,703,188
Grant Revenue	931	1,342	996	1,307	4,016	5,397	4,748	6,066
Other Operating Revenue	4,780	14,200	7,647	12,074	45,574	76,627	56,824	71,826
Total Net Operating Revenue	\$ 1,595,973	\$ 1,624,927	\$ 1,549,735	\$ 1,576,149	\$ 6,158,474	\$ 6,273,967	\$ 5,688,899	\$ 5,781,080
Operating Expenses:								
Wages, Contract labor, & benefits	\$ 733,131	\$ 741,760	\$ 608,670	\$ 615,358	\$ 2,793,854	\$ 2,824,518	\$ 2,360,815	\$ 2,384,513
Supplies	389,726	396,019	340,374	345,189	1,468,298	1,491,137	1,312,551	1,329,671
Purchased Services & Other Expenses	298,778	315,917	303,771	320,415	1,222,103	1,293,671	1,142,857	1,202,745
Depreciation and Amortization	109,600	112,459	72,606	75,024	328,243	337,771	283,671	291,651
Total Operating Expense	\$ 1,531,235	\$ 1,566,155	\$ 1,325,421	\$ 1,355,986	\$ 5,812,497	\$ 5,947,097	\$ 5,099,894	\$ 5,208,580
Operating Income (Loss)	\$ 64,738	\$ 58,772	\$ 224,314	\$ 220,163	\$ 345,976	\$ 326,870	\$ 589,004	\$ 572,500
Nonoperating revenue & expenses								
Interest Expense	\$ (12,074)	\$ (12,536)	\$ (11,241)	\$ (11,640)	\$ (40,191)	\$ (41,818)	\$ (45,220)	\$ (46,685)
Investment Income	(553,980)	(561,884)	279,044	282,760	(598,944)	(609,405)	1,211,438	1,225,194
Other Non-Operating Revenue	(4,988)	(5,368)	(23,984)	(24,448)	(28,251)	(33,278)	(53,865)	(56,685)
Gain (Loss) Disposal Cap	28	28	(629)	(629)	2,012	2,012	(565)	(565)
Total Nonoperating Income	\$ (571,014)	\$ (579,760)	\$ 243,191	\$ 246,043	\$ (665,374)	\$ (682,489)	\$ 1,111,789	\$ 1,121,259
Income Before Contributions	\$ (506,276)	\$ (520,988)	\$ 467,505	\$ 466,206	\$ (319,398)	\$ (355,619)	\$ 1,700,793	\$ 1,693,759
Non-Recurring	\$ 42,284	\$ 43,461	\$ 56,636	\$ 56,775	\$ 42,284	\$ 43,461	\$ 113,349	\$ 113,456
Restricted contributions	(175)	2,312	1,146	7,338	(239)	6,502	1,904	11,939
Distribution of Net Assets	-	-	(143)	(143)	(8,151)	(8,151)	(11,943)	(11,943)
Increase (Decrease) in Net Assets	\$ (464,166)	\$ (475,215)	\$ 525,143	\$ 530,176	\$ (285,504)	\$ (313,807)	\$ 1,804,103	\$ 1,807,212

¹ In accordance with GASB 34, bad debt expense is classified as a reduction of net patient service revenue.

² Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC, UCHHealth Broomfield Hospital, UCHHealth Grandview Hospital, UCHHealth Pikes Peak Regional Hospital, UCHHealth Highlands Ranch Hospital, UCHHealth Greeley Hospital, UCHHealth Community Services

Unaudited Results
University of Colorado Health
Comparative Balance Sheet
(in Thousands)
June 30, 2022

	June 30, 2022		June 30, 2021	
	Obligated Group 1	System Consolidated	Obligated Group 1	System Consolidated
Current Assets				
Cash and Cash Equivalents	\$ 257,598	\$ 285,247	\$ 567,960	\$ 582,956
Accounts Receivable from Patients	2,587,469	2,602,068	2,587,829	2,602,605
Allow for Uncollectibles & Contractual Adj	(1,917,252)	(1,926,252)	(1,950,168)	(1,958,439)
Related Party Receivables	90,831	21,628	62,110	14,425
Other Accounts Receivable	54,044	61,227	49,775	53,548
Intercompany ST Bonds Receivable	-	-	-	-
Inventory of Supplies at Cost	129,079	140,033	126,500	136,827
Prepaid Expense	110,517	111,290	99,276	99,323
Investments Designated for Liquidity Support	219,755	219,755	227,330	227,330
Total Current Assets	\$ 1,532,041	\$ 1,514,995	\$ 1,770,612	\$ 1,758,575
Designated Assets				
Restricted Investment Bonds	\$ 1	\$ 1	\$ 99	\$ 99
Restricted Investment Other	736	736	799	799
Investment and Receivables Restricted by Donor	10,462	55,470	13,248	63,287
Total Designated Assets	\$ 11,199	\$ 56,207	\$ 14,146	\$ 64,185
Long - Term Assets				
Non-Current Receivables	\$ -	\$ -	\$ -	\$ -
Building & Leasehold Improvements	3,908,352	3,915,623	3,468,823	3,468,924
Equipment	1,730,090	1,773,775	1,612,464	1,654,328
Accumulated Depreciation	(2,737,530)	(2,761,852)	(2,362,071)	(2,376,565)
Construction & Projects in Progress	541,127	541,397	293,211	296,122
Assets Designated for LT Purposes	2,768,841	2,768,841	-	-
Long-Term Investments	2,022,109	2,055,884	5,935,127	5,984,526
Investments in Affiliates	78,897	86,576	59,607	66,782
Intercompany LT Bonds Receivable	0	0	0	0
Intercompany Deferred Financing Costs	-	-	-	-
Deferred Financing Costs	-	-	-	-
Other Long Term Assets	99,118	99,258	69,144	69,284
Deferred Outflows	141,917	142,819	85,768	86,997
Total Long - Term Assets	\$ 8,552,922	\$ 8,622,320	\$ 9,162,072	\$ 9,250,398
Total Unrestricted Assets	\$ 10,096,162	\$ 10,193,522	\$ 10,946,830	\$ 11,073,157
Current Liabilities				
Compensated Absences Payable	\$ 120,220	\$ 121,570	\$ 114,376	\$ 115,620
Salary & Wages Payable	232,913	234,684	273,718	275,800
Sales Tax Payable	109	110	87	88
Accounts Payable (Excluding Plant & Equipment)	375,848	390,924	372,898	379,498
Accounts Payable for Construction, Property, & Equipment	53,385	53,385	21,077	21,077
Accounts Payable Other	91,577	92,789	76,076	77,053
Intercompany Payable	-	-	-	-
Estimated Net Amounts Due to Third Party Payors	186,757	186,757	534,185	534,185
Accrued Interest Payable	4,758	4,758	6,827	6,827
FV Swap Agreement	-	-	12,389	12,389
Current Portion of Long-Term Debt	48,416	49,105	257,528	257,528
Long-Term Debt Subject to Short-Term Remarketing	219,755	219,755	227,330	227,330
Total Current Liabilities	\$ 1,333,739	\$ 1,353,837	\$ 1,896,490	\$ 1,907,396
Long-term Liabilities				
Long-Term Debt	\$ 1,317,819	\$ 1,321,697	\$ 1,356,078	\$ 1,356,078
Derivative Inst Liability	0	0	65,107	65,107
Other Long-Term Liabilities	248,141	248,816	46,309	46,763
Deferred Inflows	69,740	69,740	175,583	175,583
Total Long-Term Liabilities	\$ 1,635,700	\$ 1,640,253	\$ 1,643,076	\$ 1,643,530
Total Fund Balance	\$ 7,126,723	\$ 7,199,432	\$ 7,407,263	\$ 7,522,231
Total Liabilities and Fund Balance (Unrestricted Funds)	\$ 10,096,162	\$ 10,193,522	\$ 10,946,830	\$ 11,073,157

¹ Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC, UCHHealth Broomfield Hospital, UCHHealth Grandview Hospital, UCHHealth Pikes Peak Regional Hospital, UCHHealth Highlands Ranch Hospital, UCHHealth Greeley Hospital, UCHHealth Community Services

Unaudited Results
University of Colorado Health
Statement of Cash Flows
June 30, 2022
(in Thousands)

	4th Quarter System Consolidated	Year-to-Date System Consolidated
Cash flows from operating activities		
Cash received from patients and third-party payors	\$ 1,595,741	\$ 5,812,862
Cash payments to suppliers for goods and services	(776,885)	(2,861,405)
Cash payments to employees/other on behalf of employees	(628,255)	(2,744,834)
Other cash payments	520	(35,290)
Other cash received	(7,456)	44,318
Net cash provided by operating activities	183,665	215,651
Cash flows from capital and related financing activities		
Proceeds from long-term debt	-	-
Principal payments under capital lease obligations	(34,690)	(39,305)
Principal repayments of long-term debt	-	(442,525)
Payments of interest and issuance costs on long-term debt	(21,161)	(47,739)
Capital expenditures	(122,798)	(519,092)
Receipt of contributions	5,193	9,101
(Distributions to) contributions from minority interest in component unit	-	(8,151)
Proceeds from sale of capital assets	32	12,772
Net cash used in capital and related financing activities	(173,424)	(1,034,939)
Cash flows from noncapital financing activities		
Receipt of grant revenue	20,827	44,332
Net cash provided by noncapital financing activities	20,827	44,332
Cash flows from Investing activities		
Investment income	41,481	141,737
Distributions received from joint ventures	3,904	10,550
Loans repaid by third parties	581	1,411
Proceeds from sale and maturities of investments	779,458	4,087,151
Purchases of investments	(842,929)	(3,763,602)
Net cash used in investing activities	(17,505)	477,247
Net increase (decrease) in cash and cash equivalents	13,563	(297,709)
Cash and cash equivalents at beginning of period	271,684	582,956
Cash and cash equivalents at end of period	\$ 285,247	\$ 285,247
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 58,772	\$ 326,870
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	112,459	337,771
Provision for bad debts	61,068	263,205
Decrease (increase) in patient accounts receivable	(89,276)	(294,856)
Increase (decrease) in estimated third-party settlements	14,564	(347,429)
Decrease (increase) in other receivables and receivables from related parties	(7,583)	(14,880)
Decrease (increase) in inventories	(910)	(3,206)
Change in net pension assets/liabilities	59,459	12,806
Decrease (increase) in prepaid expenses	(14,801)	(11,967)
Decrease (increase) in other assets	(14,502)	(9,423)
Increase (decrease) in accounts payable and accrued expenses	(24,112)	(13,933)
Increase (decrease) in accrued compensated absences and other	10,491	11,403
Equity income from joint ventures	(3,233)	(9,650)
Adjustments to other cash receipts/payments	21,269	(31,060)
Total adjustments	124,893	(111,219)
Net cash provided by operating activities	\$ 183,665	\$ 215,651
Non-cash transactions:		
Donated pharmaceuticals	\$ 1,684	\$ 6,843
Construction in progress accrued	\$ 53,385	\$ 53,385
Non-cash capital purchase	\$ 9,735	\$ 9,735
Unrealized gain (loss)	\$ (612,455)	\$ (947,339)
Refunding of debt	\$ -	-
Unrealized gain (loss) on derivative instruments	\$ 31,542	\$ 99,909
Capital leases executed/cancelled	\$ -	\$ 8,273

Unaudited Results
University of Colorado Health
Financial Covenant Calculations
June 30, 2022
(in Thousands)

Days Cash on Hand (fiscal year-to-date)

Cash	\$	257,598
Investments Designated for Liquidity Support		219,755
Assets Designated for Long-Term Purposes		2,768,841
Long-Term Investments		2,022,109
Total Cash and Investments	\$	5,268,303

Operating Expenses	\$	5,947,097
Bad Debt Expense		263,205
Interest Expense		41,818
Total Expenses		6,252,119

Less:

Depreciation/Amortization		337,771
Total		5,914,348

Days	365
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Average Daily Operating Expense	\$	16,204
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Days Cash on Hand	325.1
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Indebtedness Ratio

Long Term and Short Term Debt	\$	1,590,557
Unrestricted Net Assets		7,125,044
Total Capitalization	\$	8,715,600

Ratio of LT Debt to Total	18.2%
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Debt Service Coverage Ratios* (previous twelve months)

Income (loss) before Contributions & Impairment	\$	(312,158)
Add Back:		
Depreciation	\$	337,771
Interest Expense		41,818
Unrealized (Gain)/Loss on Investments		(849,104)
(Gain)/ Loss on Disposal of Capital Assets		2,012
Income Available for Debt Service	\$	914,523

Maximum Annual Debt Service**	\$	87,932
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MADS Coverage	10.40
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****Maximum Annual Debt Service as calculated per 2019A Official Statement Debt Service Schedule**

Unaudited Results
University of Colorado Health
Footnotes to Quarterly Bond Compliance Packet
June 30, 2022

In 2017, the GASB issued Statement No. 87, Leases, which improves the accounting and financial reporting for leases by governments for the financial statement users. GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. UCHHealth adopted this statement effective July 1, 2020. The adoption impacted the combined balance sheet by adding right of use assets of \$333,016,287 and corresponding lease liability of \$213,248,065 as of the date of adoption. This adoption impacts the Statement of Income & Changes in Fund Balances, Balance Sheet, Statement of Cash Flows, and Financial Covenant Calculations.