



University of Colorado Health
QUARTERLY BOND COMPLIANCE PACKET

For Quarter Ended:
September 30, 2022

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

	Quarter 1 Fiscal Year 2023		Quarter 1 Fiscal Year 2022		Year-to-Date Fiscal Year 2023		Year-to-Date Fiscal Year 2022	
	Obligated	System	Obligated	System	Obligated	System	Obligated	System
	Group Total ²	Consolidated	Group Total ²	Consolidated	Group Total ²	Consolidated	Group Total ²	Consolidated
Operating Revenue								
Net Patient Revenue ¹	\$ 1,600,615	\$ 1,619,915	\$ 1,485,609	\$ 1,506,201	\$ 1,600,615	\$ 1,619,915	\$ 1,485,609	\$ 1,506,201
Grant Revenue	793	1,096	903	1,190	793	1,096	903	1,190
Other Operating Revenue	20,359	24,582	10,070	22,385	20,359	24,582	10,070	22,385
Total Net Operating Revenue	\$ 1,621,767	\$ 1,645,593	\$ 1,496,583	\$ 1,529,776	\$ 1,621,767	\$ 1,645,593	\$ 1,496,583	\$ 1,529,776
Operating Expenses:								
Wages, Contract labor, & benefits	\$ 737,600	\$ 746,247	\$ 623,781	\$ 630,529	\$ 737,600	\$ 746,247	\$ 623,781	\$ 630,529
Supplies	404,411	410,720	361,217	365,726	404,411	410,720	361,217	365,726
Purchased Services & Other Expen	326,391	339,303	291,918	313,505	326,391	339,303	291,918	313,505
Depreciation and Amortization	82,018	83,870	72,037	74,244	82,018	83,870	72,037	74,244
Total Operating Expense	\$ 1,550,421	\$ 1,580,140	\$ 1,348,954	\$ 1,384,005	\$ 1,550,421	\$ 1,580,140	\$ 1,348,954	\$ 1,384,005
Operating Income (Loss)	\$ 71,346	\$ 65,453	\$ 147,629	\$ 145,771	\$ 71,346	\$ 65,453	\$ 147,629	\$ 145,771
Nonoperating revenue & expenses								
Interest Expense	\$ (8,705)	\$ (9,117)	\$ (9,254)	\$ (9,646)	\$ (8,705)	\$ (9,117)	\$ (9,254)	\$ (9,646)
Investment Income	(199,927)	(204,055)	3,152	2,759	(199,927)	(204,055)	3,152	2,759
Other Non-Operating Revenue	(9,564)	(10,161)	(16,517)	(16,560)	(9,564)	(10,161)	(16,517)	(16,560)
Gain (Loss) Disposal Cap	69	69	765	765	69	69	765	765
Total Nonoperating Income	\$ (218,127)	\$ (223,265)	\$ (21,855)	\$ (22,683)	\$ (218,127)	\$ (223,265)	\$ (21,855)	\$ (22,683)
Income Before Contributions	\$ (146,781)	\$ (157,812)	\$ 125,774	\$ 123,088	\$ (146,781)	\$ (157,812)	\$ 125,774	\$ 123,088
Non-Recurring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted contributions	83	353	163	2,689	83	353	163	2,689
Distribution of Net Assets	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	\$ (146,697)	\$ (157,460)	\$ 125,937	\$ 125,777	\$ (146,697)	\$ (157,460)	\$ 125,937	\$ 125,777

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, UCHealth Broomfield Hospital, UCHealth Grandview Hospital, UCHealth Pikes Peak Regional Hospital, UCHealth Highlands Ranch Hospital, UCHealth Greeley Hospital, UCHealth Community Services

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

	September 30, 2022		September 30, 2021	
	Obligated Group ¹	System Consolidated	Obligated Group ¹	System Consolidated
Current Assets				
Cash and Cash Equivalents	\$ 289,654	\$ 313,179	\$ 434,392	\$ 455,457
Accounts Receivable from Patients	2,795,082	2,812,700	2,663,276	2,680,478
Allow for Uncollectibles & Contractual Adj	(2,116,596)	(2,127,851)	(2,016,917)	(2,027,536)
Related Party Receivables	98,507	19,386	75,098	21,223
Other Accounts Receivable	53,579	58,554	43,594	47,954
Intercompany ST Bonds Receivable	-	-	-	-
Inventory of Supplies at Cost	125,356	136,295	127,439	136,901
Prepaid Expense	115,203	115,646	61,131	61,269
Investments Designated for Liquidity Support	219,755	219,755	227,330	227,330
Total Current Assets	\$ 1,580,541	\$ 1,547,665	\$ 1,615,343	\$ 1,603,076
Designated Assets				
Restricted Investment Bonds	\$ 1	\$ 1	\$ 68	\$ 68
Restricted Investment Other	1,870	1,870	2,404	2,404
Investment and Receivables Restricted by Donor	15,882	58,570	9,088	60,464
Total Designated Assets	\$ 17,753	\$ 60,441	\$ 11,560	\$ 62,936
Long - Term Assets				
Non-Current Receivables	\$ -	\$ -	\$ -	\$ -
Building & Leasehold Improvements	3,910,813	3,918,084	3,458,421	3,458,522
Equipment	1,769,622	1,813,416	1,635,398	1,677,196
Accumulated Depreciation	(2,816,693)	(2,842,739)	(2,414,548)	(2,431,089)
Construction & Projects in Progress	632,173	632,434	341,200	343,817
Assets Designated for LT Purposes	2,998,336	2,998,336	2,649,380	2,649,380
Long-Term Investments	1,597,313	1,631,927	3,280,307	3,329,510
Investments in Affiliates	88,720	94,938	60,695	67,617
Intercompany LT Bonds Receivable	0	0	0	0
Intercompany Deferred Financing Costs	-	-	-	-
Deferred Financing Costs	-	-	-	-
Other Long Term Assets	97,944	98,084	112,515	112,655
Deferred Outflows	135,000	135,820	92,776	93,923
Total Long - Term Assets	\$ 8,413,227	\$ 8,480,300	\$ 9,216,144	\$ 9,301,532
Total Unrestricted Assets	\$ 10,011,522	\$ 10,088,406	\$ 10,843,047	\$ 10,967,544
Current Liabilities				
Compensated Absences Payable	\$ 115,688	\$ 116,996	\$ 106,158	\$ 107,346
Salary & Wages Payable	229,791	231,451	247,172	249,032
Sales Tax Payable	117	117	85	87
Accounts Payable (Excluding Plant & Equipment)	375,951	386,420	337,931	345,911
Accounts Payable for Construction, Property, & Equipment	44,054	44,054	41,890	41,890
Accounts Payable Other	148,222	149,692	122,948	124,072
Intercompany Payable	-	-	-	-
Estimated Net Amounts Due to Third Party Payors	210,646	210,646	491,958	491,958
Accrued Interest Payable	12,123	12,123	14,158	14,158
FV Swap Agreement	-	-	12,389	12,389
Current Portion of Long-Term Debt	47,252	47,883	122,867	122,867
Long-Term Debt Subject to Short-Term Remarketing	219,755	219,755	227,330	227,330
Total Current Liabilities	\$ 1,403,600	\$ 1,419,136	\$ 1,724,887	\$ 1,737,039
Long-term Liabilities				
Long-Term Debt	\$ 1,308,162	\$ 1,311,924	\$ 1,351,394	\$ 1,351,394
Derivative Inst Liability	0	0	56,330	56,330
Other Long-Term Liabilities	247,550	248,578	(574)	(65)
Deferred Inflows	66,795	66,795	174,838	174,838
Total Long-Term Liabilities	\$ 1,622,507	\$ 1,627,297	\$ 1,581,988	\$ 1,582,496
Total Fund Balance	\$ 6,985,414	\$ 7,041,972	\$ 7,536,173	\$ 7,648,008
Total Liabilities and Fund Balance (Unrestricted Funds)	\$ 10,011,522	\$ 10,088,406	\$ 10,843,047	\$ 10,967,544

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
September 30, 2022
(in Thousands)

	1st Quarter System Consolidated	Year-to-Date System Consolidated
Cash flows from operating activities		
Cash received from patients and third-party payors	\$ 1,634,770	\$ 1,634,770
Cash payments to suppliers for goods and services	(720,197)	(720,197)
Cash payments to employees/other on behalf of employees	(729,314)	(729,314)
Other cash payments	(5,999)	(5,999)
Other cash received	19,822	19,822
Net cash provided by operating activities	199,082	199,082
Cash flows from capital and related financing activities		
Proceeds from long-term debt	-	-
Principal payments under capital lease obligations	(9,795)	(9,795)
Principal repayments of long-term debt	-	-
Payments of interest and issuance costs on long-term debt	(2,709)	(2,709)
Capital expenditures	(144,822)	(144,822)
Receipt of contributions	362	362
(Distributions to) contributions from minority interest in component unit	-	-
Proceeds from sale of capital assets	64	64
Net cash used in capital and related financing activities	(156,900)	(156,900)
Cash flows from noncapital financing activities		
Receipt of grant revenue	-	-
Net cash provided by noncapital financing activities	-	-
Cash flows from Investing activities		
Investment income	59,500	59,500
Distributions received from joint ventures	5,958	5,958
Loans repaid by third parties	172	172
Proceeds from sale and maturities of investments	603,423	603,423
Purchases of investments	(683,303)	(683,303)
Net cash used in investing activities	(14,250)	(14,250)
Net increase (decrease) in cash and cash equivalents	27,932	27,932
Cash and cash equivalents at beginning of period	285,247	285,247
Cash and cash equivalents at end of period	\$ 313,179	\$ 313,179
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 65,453	\$ 65,453
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	83,870	83,870
Provision for bad debts	89,631	89,631
Decrease (increase) in patient accounts receivable	(98,665)	(98,665)
Increase (decrease) in estimated third-party settlements	23,889	23,889
Decrease (increase) in other receivables and receivables from related parties	2,784	2,784
Decrease (increase) in inventories	3,738	3,738
Change in net pension assets/liabilities	5,996	5,996
Decrease (increase) in prepaid expenses	(4,356)	(4,356)
Decrease (increase) in other assets	1,174	1,174
Increase (decrease) in accounts payable and accrued expenses	49,173	49,173
Increase (decrease) in accrued compensated absences and other	(5,188)	(5,188)
Equity income from joint ventures	(5,648)	(5,648)
Adjustments to other cash receipts/payments	(12,769)	(12,769)
Total adjustments	133,629	133,629
Net cash provided by operating activities	\$ 199,082	\$ 199,082
Non-cash transactions:		
Donated pharmaceuticals	\$ 1,558	\$ 1,558
Construction in progress accrued	\$ 44,054	\$ 44,054
Non-cash capital purchase	\$ -	\$ -
Unrealized gain (loss)	\$ (269,573)	\$ (269,573)
Unrealized gain (loss) on derivative instruments	\$ 21,642	\$ 21,642
Capital leases executed/cancelled	\$ -	\$ -

Unaudited Results
University of Colorado Health
Footnotes to Quarterly Bond Compliance Packet
September 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.