

University of Colorado Health

Quarterly bond compliance packet

For the quarter ending March 31, 2023



uchealth

Unaudited Results
University of Colorado Health
Comparative Summary Statements of
Income & Changes in Fund Balances



For the Quarter Ended March 31, 2023
(in Thousands)

	Obligated Group Total ²	System Consolidated
Operating Revenue		
Net Patient Revenue ¹	\$ 1,683,331	\$ 1,704,277
Grant Revenue	2,479	2,759
Other Operating Revenue	16,450	18,159
Total Net Operating Revenue	\$ 1,702,260	\$ 1,725,195
Operating Expenses:		
Wages, Contract labor, & benefits	\$ 781,561	\$ 790,257
Supplies	418,750	425,569
Purchased Services & Other Expenses	353,103	365,018
Depreciation and Amortization	80,636	82,581
Total Operating Expense	\$ 1,634,051	\$ 1,663,425
Operating Income (Loss)	\$ 68,209	\$ 61,770
Nonoperating revenue & expenses		
Interest Expense	\$ (6,466)	\$ (6,835)
Investment Income	246,647	250,011
Other Non-Operating Revenue	(2,643)	(8,140)
Gain (Loss) Disposal Cap	30	30
Total Nonoperating Income	\$ 237,568	\$ 235,065
Income Before Contributions	\$ 305,777	\$ 296,834
Non-Recurring	\$ -	\$ -
Restricted contributions	(38,738)	1,144
Distribution of Net Assets	(267)	(267)
Increase (Decrease) in Net Assets	\$ 266,772	\$ 297,711

Unaudited Results
University of Colorado Health
Comparative Summary Statements of
Income & Changes in Fund Balances



For the Fiscal Year-to-Date March 31, 2023
(in Thousands)

	Obligated Group Total ²	System Consolidated
Operating Revenue		
Net Patient Revenue ¹	\$ 4,961,048	\$ 5,021,933
Grant Revenue	4,556	5,465
Other Operating Revenue	56,410	67,081
Total Net Operating Revenue	\$ 5,022,013	\$ 5,094,479
Operating Expenses:		
Wages, Contract labor, & benefits	\$ 2,306,966	\$ 2,334,303
Supplies	1,237,018	1,256,918
Purchased Services & Other Expenses	1,017,868	1,055,677
Depreciation and Amortization	244,104	249,652
Total Operating Expense	\$ 4,805,955	\$ 4,896,550
Operating Income (Loss)	\$ 216,058	\$ 197,929
Nonoperating revenue & expenses		
Interest Expense	\$ (22,870)	\$ (24,040)
Investment Income	349,701	353,907
Other Non-Operating Revenue	(20,158)	(26,028)
Gain (Loss) Disposal Cap	64	64
Total Nonoperating Income	\$ 306,737	\$ 303,904
Income Before Contributions	\$ 522,795	\$ 501,833
Non-Recurring	\$ -	\$ -
Restricted contributions	(38,636)	2,354
Distribution of Net Assets	(1,012)	(1,012)
Increase (Decrease) in Net Assets	\$ 483,147	\$ 503,175

Unaudited Results
University of Colorado Health
Comparative Balance Sheet
(in Thousands)
March 31, 2023



	March 31, 2023	
	Obligated Group ¹	System Consolidated
Current assets		
Cash and cash equivalents	\$ 246,828	\$ 259,550
Patient accounts receivable, less allowances for uncollectible accounts	700,113	707,096
Other receivables	138,154	82,176
Inventories	126,414	137,821
Prepaid expenses	120,999	122,116
Investments designated for liquidity support	219,755	219,755
Total current assets	\$ 1,552,262	\$ 1,528,516
Non-current assets		
Restricted investments, bonds	\$ 0	\$ 0
Restricted investments, other	840	840
Restricted investments and donor pledges	13,910	57,746
Capital assets, net of accumulated depreciation and amortization	3,635,554	3,657,482
Long-term investments	2,136,112	2,179,962
Assets designated for long-term purposes	2,943,246	2,943,246
Other investments	103,886	108,863
Other assets	93,980	94,120
Deferred outflows of resources	120,631	121,289
Total non-current assets	\$ 9,048,159	\$ 9,163,548
Total assets	\$ 10,600,421	\$ 10,692,063
Current liabilities		
Current portion of long-term debt	\$ 69,954	\$ 70,403
Accounts payable and accrued expenses	696,086	706,721
Accounts payable - construction	60,413	60,413
Accrued compensated absences	126,542	127,827
Accrued interest payable	9,248	9,248
Fair value of derivative instruments	-	-
Estimated third-party settlements	212,782	212,782
Long-term debt subject to short-term remarketing arrangements	219,755	219,755
Total current liabilities	\$ 1,394,780	\$ 1,407,149
Long-term liabilities		
Long-term debt, less current portion	\$ 1,257,069	\$ 1,260,659
Fair value of derivative instruments, less current portion	0	0
Other long-term liabilities	250,354	250,435
Deferred inflows of resources	72,001	72,001
Total long-term liabilities	\$ 1,579,423	\$ 1,583,095
Total fund balance	\$ 7,626,218	\$ 7,701,819
Total liabilities and fund balance (unrestricted funds)	\$ 10,600,421	\$ 10,692,063

	Quarter 3 System Consolidated	Fiscal Year-to-Date System Consolidated
Cash flows from operating activities		
Cash received from patients and third-party payors	\$ 1,680,155	\$ 5,016,678
Cash payments to suppliers for goods and services	(833,190)	(2,367,635)
Cash payments to employees/other on behalf of employees	(738,831)	(2,268,847)
Other cash payments	(9,213)	(28,159)
Other cash received	14,279	52,442
Net cash provided by operating activities	113,200	404,479
Cash flows from capital and related financing activities		
Proceeds from long-term debt	-	-
Principal payments under capital lease obligations	(8,940)	(28,756)
Principal repayments of long-term debt	-	(8,115)
Payments of interest and issuance costs on long-term debt	(3,046)	(25,596)
Capital expenditures	(148,318)	(413,816)
Receipt of contributions	1,175	2,414
(Distributions to) contributions from minority interest in component unit	(583)	(1,327)
Proceeds from sale of capital assets	39	123
Net cash used in capital and related financing activities	(159,673)	(475,073)
Cash flows from noncapital financing activities		
Receipt of grant revenue	-	-
Net cash provided by noncapital financing activities	-	-
Cash flows from investing activities		
Investment income	61,206	137,688
Distributions received from joint ventures	2,658	11,783
Loans repaid by third parties	209	953
Proceeds from sale and maturities of investments	806,871	1,990,862
Purchases of investments	(790,937)	(2,096,389)
Net cash used in investing activities	80,007	44,897
Net increase (decrease) in cash and cash equivalents	33,534	(25,697)
Cash and cash equivalents at beginning of period	313,179	313,179
Cash and cash equivalents at end of period	\$ 346,713	\$ 287,482
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 61,770	\$ 197,929
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	82,581	249,652
Provision for bad debts	65,143	246,789
Decrease (increase) in patient accounts receivable	(86,550)	(278,069)
Increase (decrease) in estimated third-party settlements	(2,715)	26,025
Decrease (increase) in other receivables and receivables from related parties	(2,438)	(1,452)
Decrease (increase) in inventories	1,277	2,212
Change in net pension assets/liabilities	9,043	22,754
Decrease (increase) in prepaid expenses	(6,974)	(10,826)
Decrease (increase) in other assets	3,389	5,138
Increase (decrease) in accounts payable and accrued expenses	3,210	(11,787)
Increase (decrease) in accrued compensated absences and other	108	1,982
Equity income from joint ventures	(1,285)	(9,002)
Adjustments to other cash receipts/payments	(13,359)	(36,866)
Total adjustments	51,430	206,550
Net cash provided by operating activities	\$ 113,200	\$ 404,479
Non-cash transactions:		
Donated pharmaceuticals	\$ 1,558	\$ 4,422
Construction in progress accrued	\$ 60,413	\$ 60,413
Non-cash capital purchase	\$ -	\$ -
Unrealized gain (loss)	\$ 241,355	\$ 255,683
Refunding of debt	\$ -	\$ 245,176
Unrealized gain (loss) on derivative instruments	\$ (9,357)	\$ 16,749
Leases executed/cancelled	\$ 12,035	\$ 14,995

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*

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. UCHealth 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.