

AGENDA

BOARD OF DIRECTORS FINANCE AND FACILITIES COMMITTEE

Friday, March 17, 2023

12:00 – 1:30PM



Microsoft Teams Meeting:

Meeting ID: 255 872 543 605

Passcode: NVbTtq

- I. WELCOME
- II. APPROVAL OF MINUTES (February Meeting))
- III. FEBRUARY 2023 FINANCIAL STATEMENTS
- IV. OTHER BUSINESS

Next Meeting: **Friday, April 21st 12:00-1:30 pm**

Everyone deserves to go home.

DRAFT
BOARD OF DIRECTORS
FINANCE AND FACILITIES COMMITTEE
ZOOM MEETING
February 17, 2023



PARTICIPANTS: C. Thomaskutty, A. Foreman, C. King Arthur, P. Nicholson. Staff: C. Brady, K. Lindamood, A. Wells, L. Williams, K. Feldt, T. Thomas M. Mamman

Meeting Call to Order: C. Thomaskutty, Chair

- I. INTRODUCTIONS:** The Finance and Facilities Committee welcomed new member Paul Nicholson!
- II. APPROVAL OF MINUTES:** The committee reviewed the November minutes. Follow-up topics: None. **By unanimous vote, the November 15, 2022 minutes were approved by the committee.**

III. YEAR END 2022 FINANCIAL STATEMENT REVIEW

December 2022 Financial Results

General Performance: HCH is experienced a net operating shortfall of (\$2.2M) which is an unfavorable variance to budget of (\$2M). This unfavorable variance is driven primarily by patient revenue.

Revenue:

- YTD revenue is unfavorable to budget by (\$1.9M) and (\$1.7M) unfavorable compared to YTD December 2021. Current period variance to budget is primarily driven by patient revenue.
- Patient Service Revenue – Net (PSR) is unfavorable to budget (\$1.9M) YTD but \$883k above YTD December 2021.
- Contributions are unfavorable to budget (\$303k) and unfavorable (\$298k) to 2021.
- ACIS (supportive housing services pilot program) is favorable to budget \$147k.
- Other sources are unfavorable to budget (\$248k). The unfavorable compared to YTD 2021 of (\$3.5M) is driven by PPP loan forgiveness.
- Grants favorable to budget \$670k YTD December and favorable to 2021 YTD \$1.9M.

Expenses:

Total operating expenses are \$96.6k unfavorable to budget YTD December. Although no significant variance to budget, over \$840k are expenses recognized in 2022 for prior year's activities.

Liquidity Management:

All cash, including investments, equates to 144.7 DCOH. Operating cash on hand balances are 41.6 days.

Month	DCOH (w/invest)	Operating DCOH
Jan-22	174.6	55.5
Feb-22	160.1	44.4
Mar-22	165.1	45.3
Apr-22	151.8	31.5
May-22	142.4	30.7
Jun-22	161.8	55.3
Jul-22	163.0	47.7
Aug-22	156.3	46.5
Sep-22	142.3	32.9
Oct-22	153.5	47.4
Nov-22	159.8	49.2
Dec-22	144.7	41.6

Performance Compared to Forecast

At the time of budget development, it was forecasted that HCH would end the year with an operating shortfall of (\$117k) but this deteriorated to (\$2.2M)

- With the completion of the 2021 audit, the team spent significant amount of time reconciling 2022, which identified some expenses not recognized.
- These numbers are unaudited and could change.

2022 Forecasted Revenue	\$ 29,027,237
Unbillable Grant Revenue	(150,863)
Patient Volume Changes	(115,638)
Contributions	(73,900)
PRF Payback	(172,090)
Developer Fees	(186,855)
Other Revenue Changes	<u>(332,249)</u>
Actual Revenue	\$ 28,294,642
2022 Forecasted Expenses	\$ 29,144,391
Import of Credit Card Expenses	214,463
Athena Expenses (booked in AR)	119,277
Prepaid Releases	218,318
Late Expenses (Entered after 9/30)	241,626
Salary/Benefit Exp Changes	224,193
Other Expense Changes	<u>288,546</u>
Actual Expenses	\$ 30,450,813
Net Operating Surplus (Shortfall)	<u>\$ (2,156,172)</u>

Forecast Change Impact 2023 Budget Assumptions

With the unexpected/late expenses not accounted for in the 2022 assumptions, the organization could be faced with an operating shortfall.

2022 Actual Expenses	\$ 30,450,813
Prior Year Expenses Recognized in 2022	(849,708)
Program Discontinuance (Rapid Rehousing)	(340,825)
Program Savings (Pharm Co-pay, Rent, etc.)	(343,000)
FTE Vacancy Reduction & Wage Increases	993,797
Other Program & Admin Adds*	<u>435,000</u>
Re-forecasted 2023 Expenses	\$ 30,346,077
2023 Budget Expenses	<u>29,581,052</u>
Variance	<u>\$ 765,025</u>

* Other program and admin adds are expenses included in the 2023 related to new programming or functions discontinued that the organization is looking to reinstitute in 2023.

IV. JANUARY 2023 FINANCIAL STATEMENTS

General Performance:

HCH is experiencing a net operating shortfall of (\$39.8k) which is a favorable variance to budget of \$102.7k and favorable variance of \$16k to January 2022.

Revenue:

YTD revenue is unfavorable to budget by (\$13k) and (\$25k) unfavorable compared to YTD January 2022.

- Grants unfavorable to budget (\$165k) YTD January and unfavorable to 2022 YTD (\$5k). There two grants that are the primary drivers of this variance and are being evaluated.
- Patient Service Revenue – Net (PSR) is favorable to budget \$32k YTD. Approximately \$20k is the result of higher reimbursement per encounter than budget and the remainder because of higher volumes.
- Maryland Primary Care revenue was not budgeted for January; however, revenue of \$54k was recognized this month.

- Contributions are favorable to budget \$2k and favorable \$43k to 2022.
- ACIS (supportive housing services pilot program) is unfavorable to budget (\$4k). This is a current estimate but is reconciled quarterly.
- Other sources are favorable to budget \$68k but unfavorable (\$75k) to 2022. Primary source of this is pharmacy rebates.
- Dental encounters are not yet reflected in the January revenue.

Expenses:

Total operating expenses are \$116k favorable to budget YTD January. Current expenses are trending similar to 2022. Client assistance expenses are lower than January 2022, as expected, with winding down of one housing grant funded program.

Liquidity Management:

All cash, including investments, equates to 146.2 DCOH. Operating cash on hand balances are 25.1 days. Draws were not done in January for December expenses, which would have increased to operating DCOH to approximately 39 days. A thorough review of receivables and collection process is beginning within the next week.

Month	DCOH (w/invest)	Operating DCOH
Oct-22	153.5	47.4
Nov-22	159.8	49.2
Dec-22	144.7	41.6
Jan-23	144.5	23.4

Next Meeting: Friday March 17, 2023 at 12pm

Health Care for the Homeless February 2023 Financial Results

General Performance:

- HCH is experiencing a net operating surplus of \$138.2k which is an unfavorable variance to budget of (\$74.7k) and favorable variance of \$1.4M to February 2022 YTD.

Revenue:

- YTD revenue is unfavorable to budget by (\$142.9k) and \$851.2k favorable compared to YTD February 2022.
 - Grants unfavorable to budget (\$424k) YTD February and unfavorable to 2022 YTD (\$15.4k). There are several grants that are the primary drivers of this variance and are being evaluated.
 - Patient Service Revenue – Net (PSR) is favorable to budget \$8.2k YTD.
 - Maryland Primary Care revenue is received quarterly and therefore was not budgeted for February.
 - Contributions are favorable to budget \$141.5k and favorable \$401.5k to 2022.
 - ACIS (supportive housing services pilot program) is unfavorable to budget (\$9.5k). This is a current estimate but is reconciled quarterly.
 - Other sources are favorable to budget \$86.8k and favorable \$524.4k to 2022. Primary source of this is pharmacy rebates.

Expenses:

- Total operating expenses are \$68.2k favorable to budget YTD February. Expenses \$718k favorable to YTD February 2022 as significant prior year (2021) expenses were booked in February 2022.

Liquidity Management:

- All cash, including investments, equates to 146.2 DCOH. Operating cash on hand balances are 25.1 days. Draws were not done in January for December expenses, which would have increased to operating DCOH to approximately 39 days. A thorough review of receivables and collection process is beginning within the next week.

Month	DCOH (w/invest)	Operating DCOH
Oct-22	153.5	47.4
Nov-22	159.8	49.2
Dec-22	144.7	41.6
Jan-23	144.5	23.4
Feb-23	151.9	42.8

Health Care for the Homeless
Statement of Activities
Feb-23

	<u>Jan 23</u>	<u>Feb 23</u>	<u>Feb 23</u>			<u>Feb 22</u>		
	<u>Actual</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Bud Var (\$)</u>	<u>Bud Var (%)</u>	<u>PY Actual</u>	<u>PY Var (\$)</u>	<u>PY Var (%)</u>
Grants	\$ 1,087,678	\$ 2,081,318	\$ 2,505,262	\$ (423,945)	-17%	\$ 2,096,723	\$ (15,405)	-1%
Patient Services, Net	\$ 513,017	\$ 981,229	\$ 973,026	\$ 8,203	1%	\$ 1,134,558	\$ (153,329)	-14%
MD PCP Revenue	\$ 53,996	\$ 53,996	\$ -	\$ 53,996	0%	\$ -	\$ 53,996	0%
Contributions	\$ 167,113	\$ 750,654	\$ 609,132	\$ 141,522	23%	\$ 349,119	\$ 401,535	115%
ACIS	\$ 105,000	\$ 210,000	\$ 219,546	\$ (9,546)	-4%	\$ 170,000	\$ 40,000	24%
Other Sources	\$ 456,182	\$ 863,467	\$ 776,673	\$ 86,794	11%	\$ 339,014	\$ 524,453	155%
Developer Fees	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
Total Revenue	\$ 2,382,986	\$ 4,940,664	\$ 5,083,640	\$ (142,976)	-3%	\$ 4,089,414	\$ 851,250	21%
Salaries	\$ 1,315,498	\$ 2,543,693	\$ 2,542,398	\$ 1,295	0%	\$ 2,419,358	\$ 124,335	5%
Employee Benefits	\$ 349,303	\$ 687,584	\$ 606,624	\$ 80,959	13%	\$ 672,868	\$ 14,715	2%
Contract Services	\$ 35,557	\$ 137,642	\$ 137,180	\$ 462	0%	\$ 129,198	\$ 8,444	7%
Office Supplies	\$ 1,101	\$ 34,487	\$ 30,016	\$ 4,470	15%	\$ 39,218	\$ (4,731)	-12%
Client Assistance	\$ 177,278	\$ 353,748	\$ 398,455	\$ (44,708)	-11%	\$ 607,969	\$ (254,222)	-42%
Pharmacy	\$ 211,040	\$ 410,500	\$ 349,156	\$ 61,344	18%	\$ 879,960	\$ (469,460)	-53%
Medical Supplies	\$ 25,708	\$ 50,336	\$ 83,183	\$ (32,848)	-39%	\$ 90,453	\$ (40,118)	-44%
Business Operations	\$ 58,863	\$ 120,874	\$ 164,583	\$ (43,710)	-27%	\$ 145,915	\$ (25,041)	-17%
Staff Development	\$ 23,960	\$ 48,474	\$ 53,248	\$ (4,774)	-9%	\$ 66,448	\$ (17,974)	-27%
Building Operations	\$ 62,326	\$ 90,771	\$ 143,034	\$ (52,263)	-37%	\$ 186,619	\$ (95,848)	-51%
Utilities	\$ 10,118	\$ 64,054	\$ 76,469	\$ (12,415)	-16%	\$ 80,969	\$ (16,915)	-21%
Equipment	\$ 38,352	\$ 89,175	\$ 74,455	\$ 14,721	20%	\$ 94,807	\$ (5,632)	-6%
Fundraising Events	\$ 71,675	\$ 87,259	\$ 133,000	\$ (45,741)	-34%	\$ 26,223	\$ 61,036	233%
In-Kind Expense	\$ -	\$ -	\$ -	\$ -	0%	\$ 3,909	\$ (3,909)	-100%
Interest Expense	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
Depreciation	\$ 41,957	\$ 83,914	\$ 78,932	\$ 4,982	6%	\$ 76,867	\$ 7,047	9%
Total Operating Expenses	\$ 2,422,737	\$ 4,802,510	\$ 4,870,733	\$ (68,224)	-1%	\$ 5,520,783	\$ (718,273)	-13.0%
Net Operating Surplus (Shortfall)	\$ (39,751)	\$ 138,154	\$ 212,906	\$ (74,752)	-35%	\$ (1,431,368)	\$ 1,569,523	-110%
Unrealized Gain (Loss) Investments	\$ (272,848)	\$ 278,217	\$ -	\$ 278,217		\$ (530,618)	\$ 808,835	-152%
Net Surplus (Deficit)	\$ (312,599)	\$ 416,372	\$ 212,906	\$ 203,465	96%	\$ (1,961,987)	\$ 2,378,358	-121%

Health Care for the Homeless
Grant Revenue
Feb-23

Current Month %:

16.7%

Name	Grant Number	2023 Budgeted	YTD Budgeted	YTD Actual	Variance	% of Grant Spent YTD
MOHS ESG–Rapid Re–Housing	2204	\$ –	-	13,145	13,145	
HUD Connect	2282	\$ 427,885	77,798	95,215	17,417	22.3%
MDH – HARM Reduction	2300	\$ 66,831	11,138	8,851	(2,287)	13.2%
HUD HOPWA CARES	2303	\$ 70,360	23,454	7,049	(16,405)	10.0%
RW B – Outreach (MDH–BCHD)	2308	\$ 229,345	38,224	32,125	(6,099)	14.0%
BHSB – Spring Grove	2309	\$ 46,509	7,752	457	(7,295)	1.0%
RW B – SS HOUSING (MDH–BCHD)	2318	\$ 146,013	24,336	41,179	16,843	28.2%
RW A Case Management	2320	\$ 138,016	23,002	15,076	(7,926)	10.9%
RW B – H.E.R.R.	2325	\$ 168,696	28,116	17,181	(10,935)	10.2%
MDH – OOH	2327	\$ 44,057	7,342	6,167	(1,175)	14.0%
SAMHSA – Target Capacity Exp (Yr 5)	2329	\$ 375,000	83,334	93,488	10,154	24.9%
MOHS – Homeward Bound 2	2333	\$ 1,096,010	182,668	147,799	(34,869)	13.5%
MDH – BCCP EBI	2335	\$ 60,000	10,000	10,092	92	16.8%
RW A Housing	2338	\$ 43,053	7,176	4,277	(2,899)	9.9%
RW A Oral Health	2339	\$ 91,798	15,300	14,060	(1,240)	15.3%
HRSA Expanding COVID Vaccination	2344	\$ 123,446	49,378	47,234	(2,145)	38.3%
MOHS – Archways	2355	\$ 267,402	44,568	30,107	(14,461)	11.3%
Opiod Op Comm Ctr	2358	\$ 105,791	35,264	9,499	(25,765)	9.0%
MOHS – ESG Convalescent Care	2368	\$ 195,000	32,500	17,085	(15,415)	8.8%
HRSA – American Rescue Plan H8F	2372	\$ 867,313	289,104	183,593	(105,511)	21.2%
BCHD MDH (City Grant)	2376	\$ 262,484	87,494	81,338	(6,156)	31.0%
HRSA Base	2377	\$ 6,154,005.00	1,025,668	948,658	(77,010)	15.4%
BCHD CTR – HIV Testing & Surveillance	2379	\$ 83,760	13,960	12,643	(1,317)	15.1%
BHSB PATH SSI	2380	\$ 177,850	29,642	27,834	(1,808)	15.7%
BHSB – Homeless ID Project/SOAR	2383	\$ 93,052	15,508	14,663	(845)	15.8%
BHSB SOAR Housing	2389	\$ 604,385	100,730	76,201	(24,529)	12.6%
MOHS – Homeward Bound 1	2393	\$ 1,450,830	241,806	126,301	(115,505)	8.7%
Total		\$ 13,388,890	2,505,262	2,081,318	(423,945)	15.5%

2023 Encounters

2023 Client Encounters	Budget	Actual	Variance
Behavior Health	1922	2059	137
CCP	247	193	(54)
Dental	266	157	(109)
Housing Services	4970	3314	(1656)
MAT RN	330	798	468
Medical	3208	3489	281
Nursing	808	1150	342
Psychiatry	864	1248	384
Supportive Services	3758	3164	(594)
Total	16374	15572	(802)

2023 Billable Encounters	Budget	Actual	variance
Behavior Health	1310	1083	(227)
CCP	140	88	(52)
Dental	121	0	(121)
Housing Services	382	196	(186)
MAT RN	188	389	201
Medical	1566	1649	83
Nursing	366	188	(178)
Psychiatry	784	1103	319
Total	4857	4696	(161)