Southeast, Inc.
Financial Report
For the Month and Period ended March 31, 2020
Board Meeting held April 20, 2020

Statement of Revenue and Expenditures

- A Net Loss for the current month of $1,194,418 brings us down to a Net Loss YTD of $215,738. Operating Loss (Net Income less Investment income, interest income, rent, other income and gain/loss on disposals) came to $284,865 for the month which brings us down to an Operating Loss of $168,780 YTD.
- Investments dropping by almost a million during the current period affected the Net Income, but we still operated at a loss for the month in general operations outside of investments and other income.
- A decrease in revenue for the month is related primarily to holding those claims that were unable to be billed while telehealth guidance was being developed from Medicaid, Medicare and the rest of the payers. While it is required that payers follow standard guidelines, there are always adjustments in the way claims are to be sent. Until those changes were received, many claims could not be billed. These claims will be billed in April and there will be an upswing in revenue.

Balance Sheet & Statement of Cash Flows

- Cash ebbs and flows between 1.5M and 3.5M depending on the day, deposits made and checks written. Cash forecasts for the week go out every Friday to those who need to see it in Exec staff. Barring any extreme circumstances, the cash bottom was reached about 3 months ago and should not be breached again.
- As stated at the last board meeting, we knew that investments were extremely volatile and that proved true with the net loss in investment value of $968,951. With the many relief opportunities in the market and everyone seeing this as more of a short term issue, it is still our position that we hold steady on the investments without moving anything as the value will return in the near future. This situation is completely different from the crash in 2007 & 2008 as it is largely a speculative deflation instead of the burst of a speculative increase.

Risks & Opportunities

- The Corona Virus has had an impact on the organization as a whole which has included minimal furloughs, purchasing of supplies and equipment at a rate far beyond what we would have ever expected in normal operations, and creating flexibility where there was normally very little. Funders have reacted with opportunities for billing, grant possibilities and loans against contracts – whether a reconciliation is required or not. In the short term, the effect of the corona virus on the organization has been extremely impactful in that it has showed us that we are capable of adapting quicker than we ever thought possible. In the long run, this virus may change the way we do business on a daily basis for many years to come.
- The Revenue Cycle Department was simply astounding this past month as they were faced with not only fixing issues that continue to arise (much smaller and much less frequent than before), but also creating an entirely new process for billing remote services and doing so while a vast majority of the staff work remotely themselves.
- Further draws on the 5/3 reserve are no longer anticipated and as we move forward, a plan for replacement of the funds should be developed to ensure the funds are there should they be needed again. The first priorities will be repaying the Line of Credit with Huntington and ensuring any services required through reconciliation with the various boards are done timely and appropriately.

SOUTHEAST, INC.

CONSOLIDATED STATEMENT OF ACTIVITY

FOR THE PERIOD ENDED March 31, 2020

	FY19 BUDGET	****** ACTUAL ****** March	YTD	LAST YEAR YTD	YTD BUDGET	ACT vs. BUD $ VARIANCE	% VAR OF BUDGET
REVENUE							
ADAMH FUNDING							
ADAMH-FFS	$ 10,008,884	$ 1,033,187	$ 6,649,067	$ 7,236,200	$ 7,506,663	($857,596)	(11.4%)
ADAMH - BLOCK GRANT	2,792,037	513,709	2,602,336	2,058,866	2,094,028	508,308	24.3%
ADAMH PHARMACY	15,811	595	9,538	12,458	11,858	(2,320)	(19.6%)
ADAMH - OTHER	-	-	-	-	-	-	
TOTAL	12,816,731	1,547,491	9,260,941	9,307,524	9,612,548	(351,607)	(3.7%)
FIRST & THIRD PARTY							
CLIENT FEES	168,965	5,419	101,283	120,684	126,724	(25,441)	(20.1%)
INSURANCE	305,293	39,264	615,830	244,379	228,969	386,861	169.0%
MEDICARE	225,204	80,557	1,042,421	179,654	168,903	873,518	517.2%
MEDICAID	10,975,934	717,285	8,668,335	8,064,337	8,231,951	436,384	5.3%
CONTRACTS	6,608,270	553,996	5,240,413	4,866,369	4,956,202	284,211	5.7%
IN KIND REVENUE	446,949	-	-	-	-	0	#DIV/0!
TOTAL THIRD PARTY	18,730,615	1,396,521	15,668,282	13,475,423	13,712,749	1,955,533	14.3%
PHARMACY SALES	13,066,831	1,371,305	11,712,628	8,960,180	9,800,123	1,912,505	19.5%
PHARMACY COG	(8,121,340)	(668,726)	(6,202,460)	(5,459,396)	(6,091,005)	111,455	(1.8%)
OPERATING REVENUE	**$ 36,492,836**	**$ 3,646,591**	**$ 30,439,391**	**$ 26,283,731**	**$ 27,034,416**	**$ 3,404,975**	**12.6%**
EXPENSES							
SALARIES	22,010,162	2,071,325	17,851,183	15,775,919	16,507,621	1,343,562	8.1%
EMPLOYEE BENEFITS	5,655,937	881,191	4,763,744	3,979,652	4,241,953	521,791	12.3%
CONTRACT SERVICES	1,313,917	110,371	1,256,527	955,989	985,438	271,089	27.5%
COMPUTER EXPENSE	443,080	38,827	306,945	348,275	332,310	(25,365)	(7.6%)
OPERATING SUPPLIES	328,768	77,336	217,843	208,705	246,576	(28,733)	(11.7%)
OPERATING EXPENSES	837,222	134,228	653,513	646,941	627,916	25,597	4.1%
OFFICE EXPENSES	1,467,983	179,521	1,451,304	1,184,558	1,100,987	350,317	31.8%
MOBILE PHONES	257,854	7,994	229,099	206,547	193,390	35,709	18.5%
TRAVEL/TRANSPORTATION	650,199	57,972	492,029	494,518	487,649	4,380	.9%
BUILDING & GROUNDS	2,083,399	204,036	1,671,029	1,674,094	1,562,549	108,480	6.9%
DEPRECIATION	734,263	76,625	725,997	578,744	550,697	175,300	31.8%
AUDIT & LEGAL FEES	129,872	5,594	97,016	119,324	97,404	(388)	(.4%)
INSURANCE EXPENSE	747,119	60,760	550,220	509,818	560,340	(10,120)	(1.8%)
IN KIND EXPENSE	446,949	-	-	-	-	0	
OTHER EXPENSES	163,720	25,676	341,722	115,256	122,790	218,932	178.3%
TOTAL EXPENSES	**$ 37,270,444**	**$ 3,931,456**	**$ 30,608,171**	**$ 26,798,340**	**$ 27,617,621**	**$2,990,550**	**10.8%**
OPERATING NET INCOME (LOSS)	**$ (777,608)**	**$ (284,865)**	**$ (168,780)**	**$ (514,609)**	**$ (583,206)**	**$414,426**	
MISCELLANEOUS REVENUE							
INTEREST INCOME	77	7	103	65	58	45	78.4%
INVESTMENT	216,313	(968,951)	(850,552)	327,192	162,235	(1,012,787)	
RENT	184,827	14,154	140,876	151,454	138,620	2,256	1.6%
GAIN/(LOSS) ON PURCHASE	-	-	14,737	-	-	14,737	
OTHER	542,667	45,237	647,876	485,700	407,000	240,876	59.2%
TOTAL MISCELLANEOUS	943,884	(909,553)	(46,960)	964,411	707,913	(754,873)	(106.6%)
SOUTHEAST NET REVENUE	**$ 166,276**	**$ (1,194,418)**	**$ (215,738)**	**$ 449,800**	**$124,707**	**($340,445)**	
Margin on Operating Revenue	(2.1%)	(7.8%)	(.6%)	(2.0%)			
Margin on Total Revenue	.4%	(43.6%)	(.7%)	1.7%			

SOUTHEAST, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED March 31, 2020

ASSETS

CASH:		
CASH IN BANK - UNRESTRICTED	$ 1,872,162	
SCHOLARSHIP ACCOUNT		
BUILDING MANAGEMENT	27,605	
PETTY CASH	3,195	1,902,962
INVESTMENTS:		
SHORT TERM INVESTMENTS	1,031,433	
AMERICAN FUNDS	8,667,644	
RESTRICTED INVESTMENTS	280,430	9,979,507
ACCOUNTS RECEIVABLE:		
CLIENT & THIRD PARTY	1,378,840	
MEDICAID	3,070,199	
OTHER GRANTS & CONTRACTS	140,348	
ADAMH		3,614,407
Franklin County	1,919,277	
Delaware & Morrow Counties	875,192	
Belmont,Harrison & Monroe Counties	819,939	
APOTHECARE	877,143	
MISCELLANEOUS	384,826	9,465,763
OTHER CURRENT ASSETS:		
APOTHECARE INVENTORY	1,091,027	
PREPAIDS	366,050	
EMPLOYEE LOAN/EPP	13,108	
OTHER	8,587	1,478,772
TOTAL CURRENT ASSETS		**22,827,004**
FIXED ASSETS:		
VEHICLES	714,746	
BUILDING, LAND & IMPROVEMENTS	14,312,552	
FURNITURE & EQUIPMENT	4,185,116	
TENANT IMPROVEMENT	174,753	
subtotal	19,387,167	
LESS accumulated depreciation	(11,208,684)	
NET FIXED ASSETS		**8,178,483**
TOTAL ASSETS		**$ 31,005,490**

LIABILITIES & NET ASSETS

LIABILITIES:		
ACCOUNTS PAYABLE	$ 1,858,812	
ACCRUED EXPENSES	21,943	
PROPERTY TAX PAYABLE	6,294	
TENANT DEPOSIT	10,286	1,897,335
ACCRUED WAGES & FRINGE BENEFITS:		
ACCRUED VACATION	1,170,655	
ACCRUED PAYROLL	1,087,193	
ACCRUED RETIREMENT		
ACCRUED OTHER	289,466	2,547,314
TOTAL CURRENT LIABILITIES		**4,444,649**
DEFERRED REVENUE		655,121
LONG TERM DEBT		2,894,035
ADVANCES FROM THE STATE		687,407
CAPITALIZED LEASE AGREEMENT		310,831
TOTAL LIABILITIES		**8,992,043**
NET ASSETS:		
UNRESTRICTED	20,160,732	
DESIGNATED	1,533,173	
RESTRICTED	39,112	
SCHOLARSHIP	280,430	
TOTAL NET ASSETS		**22,013,446**
TOTAL LIABILITIES & NET ASSETS		**$ 31,005,490**

SOUTHEAST, INC.
RATIO ANALYSIS
FOR THE PERIOD ENDED March 31, 2020

Year to date performance

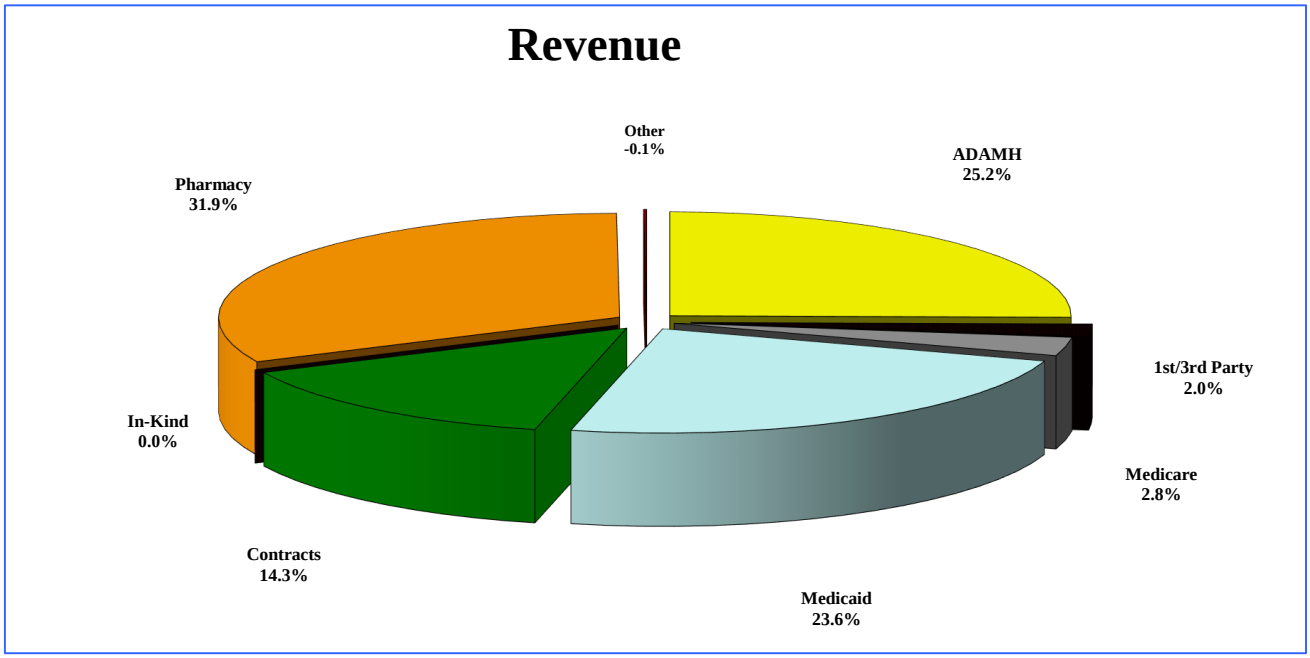
Current Ratio	(CURRENT ASSETS/CURRENT LIABILITIES)	5.1	Ability to pay current debt with current assets; 2 to 4 is standard.
Revenue over Expense Margin	(YTD REVENUE/YTD EXPENSES)	.99	Indicates revenues (net income) over expenses; Over 1.03 is excellent.
Assets to Liabilities	(TOTAL ASSETS/TOTAL LIABILITIES)	3.45	Indicates debt structure of Organization; 2.0 is standard.
Debt to Net Assets (Equity)	(TOTAL LIABILITIES/NET ASSETS)	.41	Compares borrowed capital to invested capital; .40 is standard.
Days of Cash	CASH & ST INVESTMENTS/AVE. DAY'S EXPENSES	**22.3**	Indicates number of days of cash SE has on hand. 90 days is good
Average Days in Receivables	(REVENUE/365)AR/Revenue per day)	**94.3**	Indicates the number of days it takes to collect our receivables

ADAMH Key Performance Indicators

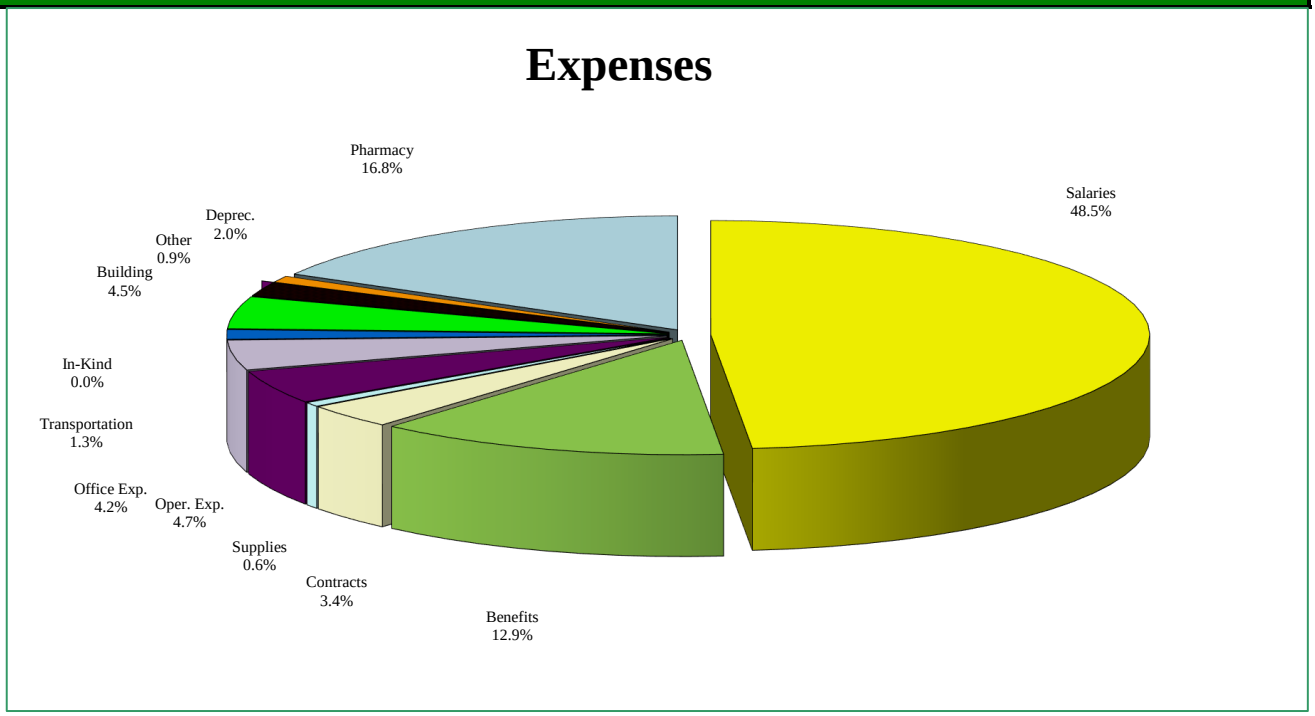
	SOUTHEAST RATIO	ADAMH STANDARDS EXCELLENT	ADAMH STANDARDS GOOD	INDEX PTS
Administrative Costs to Expenses (Admin/Total expenses)	**11.3%**	**7% - 9.99%**	**10% - 10.99%**	**3**
Debt to Equity Ratio (Total Liabilities/Net Assets)	**.41**	**.40 - .49**	**.50 - 1.19**	**5**
Revenue to Expenses (Total Revenue / Total Expense)	**0.993**	**1.03 - 1.0599**	**1 - 1.0299**	**3**
Current Ratio (Current Assets/Current Liabilities)	**5.1**	**1.80 - 2.39**	**1.4 - 1.79**	**5**
Cash to Avg. Mo. Expense (Days) (Cash + ST Invest/Total Expenses)	**22.3**	**80 - 89.99**	**50 - 79.99**	**2**
Fund Balance Reserve (Net Assets / Ave. Monthly expenses- including CGS)	**7.2**	**6 - 6.99**	**4 - 5.99**	**5**
% of Revenue from ADAMH (ADAMH Revenue/Total Revenue)	**30.5%**	**< 55.0%**	**70% - 55%**	**5**
				4.0

Southeast, Inc. Revenue & Expenses by Category

YTD FY 2020 TOTAL CONSOLIDATED REVENUE $36,594,891

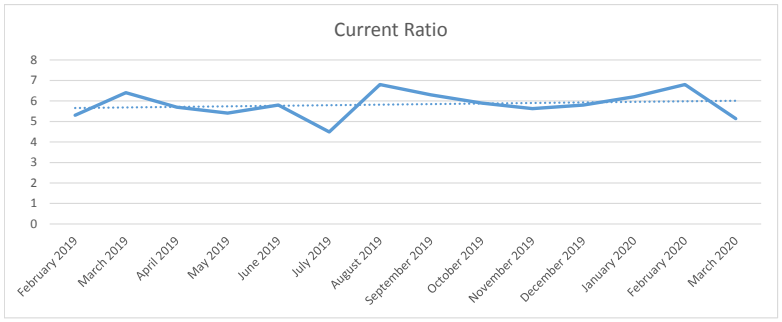


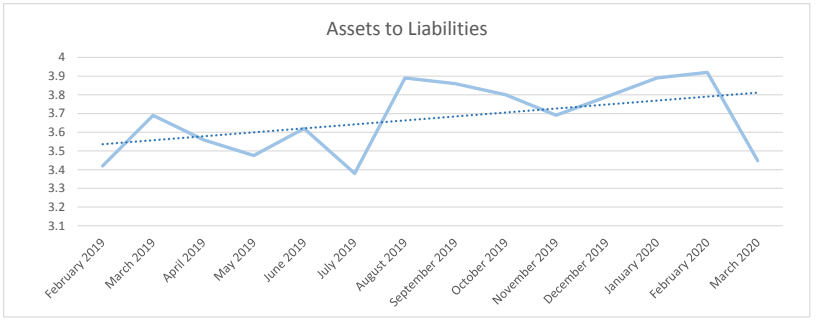
YTD FY 2020 TOTAL CONSOLIDATED EXPENSES $36,810,631

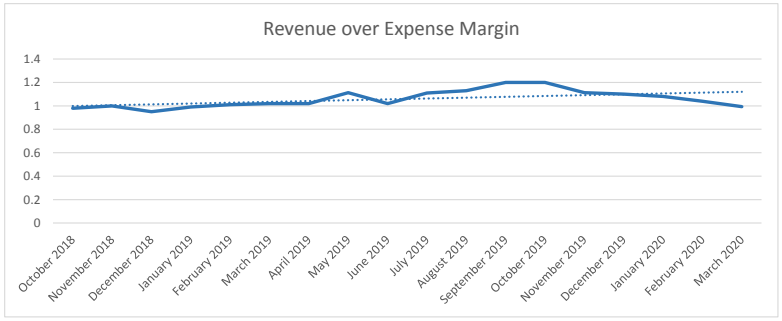


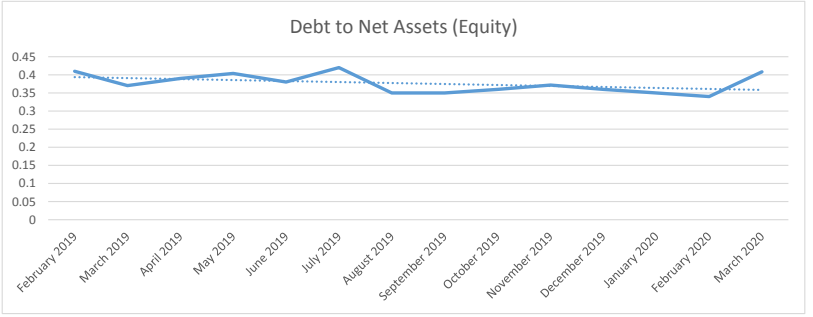
southeast healthcare

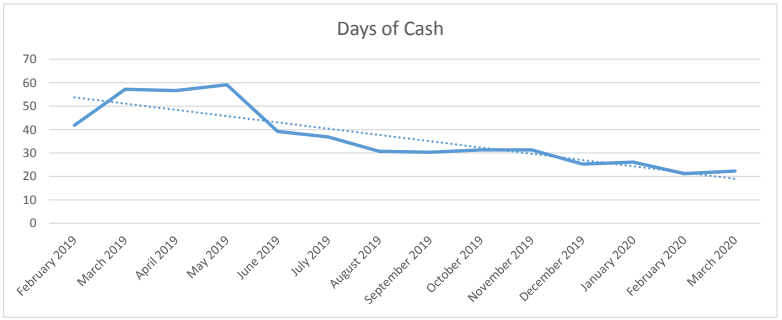
Historical Ratio Dashboard
For the 13 Month Period ended March 31, 2020

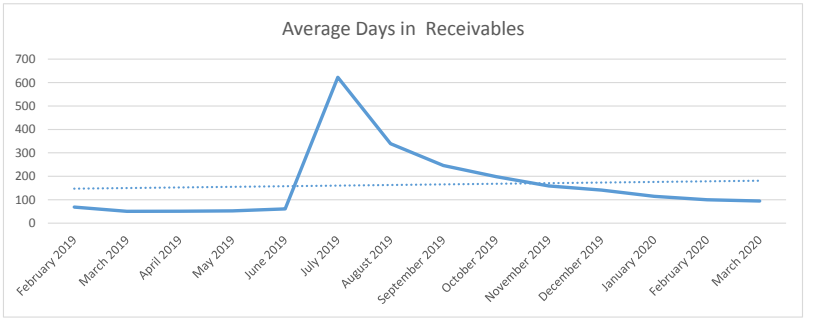




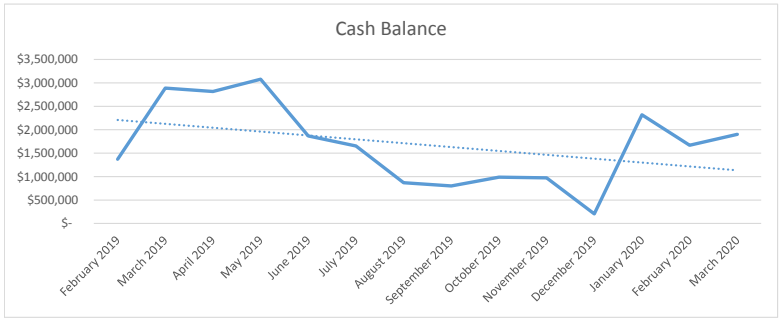
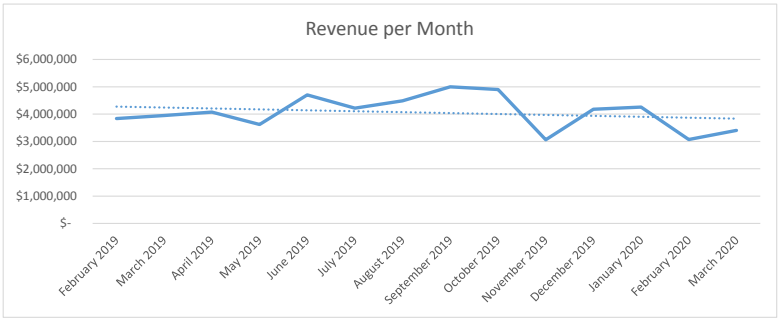
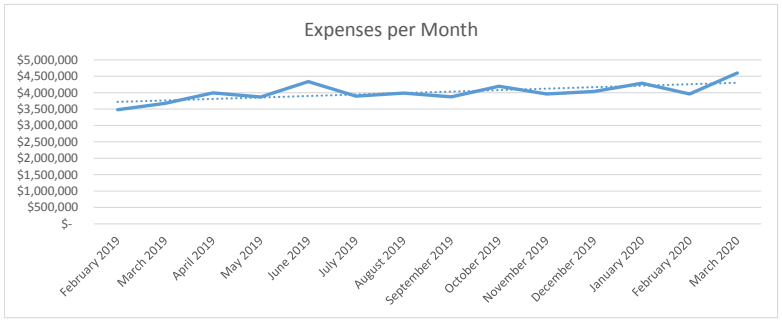
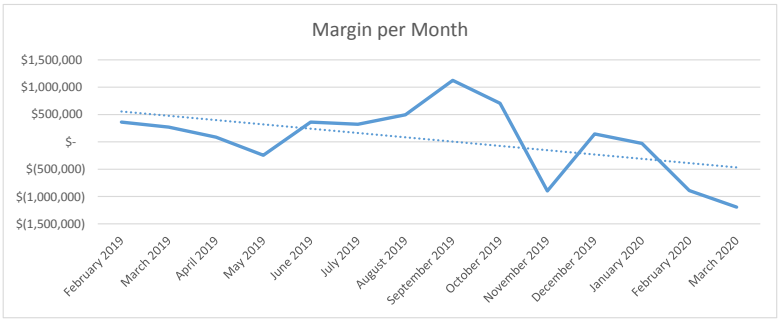
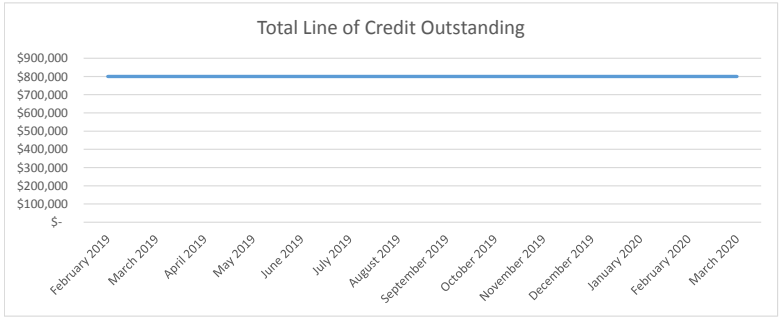
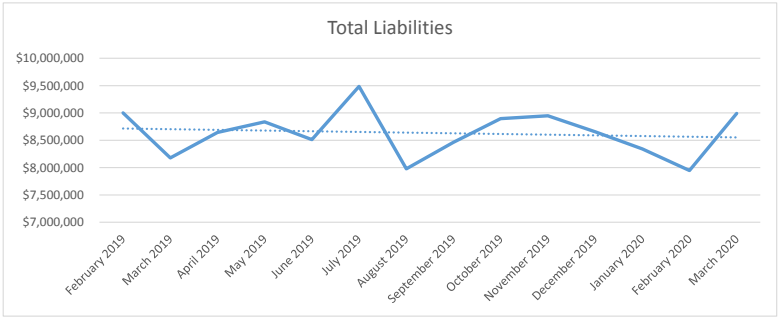








Ratio	Formula	Description
Current Ratio	(CURRENT ASSETS/CURRENT LIABILITIES)	Ability to pay current debt with current assets; 2 to 4 is standard.
Revenue over Expense Margin	(YTD REVENUE/YTD EXPENSES)	Indicates revenues (net income) over expenses; Over 1.03 is excellent.
Assets to Liabilities	(TOTAL ASSETS/TOTAL LIABILITIES)	Indicates debt structure of Organization; 2.0 is standard.
Debt to Net Assets (Equity)	(TOTAL LIABILITIES/NET ASSETS)	Compares borrowed capital to invested capital; .40 is standard.
Days of Cash	CASH & ST INVESTMENTS/AVE. DAY'S EXPENSES	Indicates number of days of cash SE has on hand. 90 days is good
Average Days in Receivables	(REVENUE/365)AR/Revenue per day)	Indicates the number of days it takes to collect our receivables
Total Liabilities	Current Liabilities + Long Term Liabilities	Note - December 2018 Garage purchase closed @ 2.4M

southeast healthcare

Historical Ratio Dashboard
For the 13 Month Period ended March 31, 2020