**Southeast, Inc.**
Financial Report
For the Month and Fiscal Year ended June 30, 2021
Board Meeting held July 19, 2021

## Statement of Revenue and Expenditures

- Net Income for the current month, of $3,986,798, brings YTD Net Income to $9,455,959. Operating Loss (Net Income less Investment income, interest income, rent, other income and gain/loss on disposals) came to $1,368,480 for the month, bringing YTD Operating Loss to $704,213. Revenue for ADAMH Franklin County has been conservatively recognized for the claims that have been posted to the holding system pending release to SmartCare.
    - Of the Net Income for the year, $3,122,054 or 33.02% (down 40% from last month) is related to investment income and has not yet been realized. A reconciliation to the accounts for the year resulted in assets moved from the investments to receivables.
- Investment values increased in June again, this time by only 51k, showing that the volatility, for the time being, is subsiding.

## Balance Sheet & Statement of Cash Flows

- The cash balance decreased in June, primarily due to 3 payrolls being pulled in June as well as prepaid insurances posted in June for the year. There are offsetting increases in prepaid expenses to account for this downward movement in cash.
- Receivables analysis was performed thoroughly for the year ended 6/30/21 resulting in several adjustments to revenue. These adjustments are the most conservative estimate of collections for each financial class. The largest movement was lateral from one type of Medicaid to another while there were adjustments to both private insurance and Medicare as those balances start to age. Overall, we did see another decrease in the overall days to collect on AR, so what we are collecting is speeding up.
- The PPP Forgiveness Application was approved for forgiveness and the loan has been fully repaid by the SBA as of 6/15/21. The movement of the funds from the liabilities section of the balance sheet to the net assets and income statement has occurred this month and is separated from normal operations as much as possible.

## Risks & Opportunities

- The Ascentis payroll move turned out to be our biggest hurdle this month in getting financial statements out on time. The promised general ledger integration did not successfully occur in June, so considerable delays and effort resulted in most general ledger adjustments not occurring until well after the normal financial statement release date. This is a temporary issue and should not result in further issues.
- Accounting manual processes – given the other challenges this month with regard to closing, evaluation of this situation is currently on hold. Internal discussions are necessary before moving forward.

# SOUTHEAST, INC.
## CONSOLIDATED STATEMENT OF ACTIVITY
## FOR THE PERIOD ENDED June 30, 2021

| | FY21 BUDGET | ****** ACTUAL ****** June | ****** ACTUAL ****** YTD | LAST YEAR YTD | YTD BUDGET | ACT vs. BUD $ VARIANCE | % VAR OF BUDGET |
|---|---|---|---|---|---|---|---|
| *REVENUE* | | | | | | | |
| *ADAMH FUNDING* | | | | | | | |
| ADAMH-FFS | $ 8,343,872 | $ 3,294,146 | $ 9,281,003 | $ 7,373,291 | $ 8,343,872 | $937,131 | 11.2% |
| ADAMH - BLOCK GRANT | 3,861,780 | (8,114) | 2,421,329 | 4,595,888 | 3,861,780 | (1,440,451) | (37.3%) |
| ADAMH PHARMACY | 13,161 | (6,375) | 4,350 | 13,306 | 13,161 | (8,811) | (66.9%) |
| ADAMH - OTHER | - | - | - | - | - | - | |
| TOTAL | 12,218,813 | 3,279,657 | 11,706,682 | 11,982,485 | 12,218,813 | (512,131) | (4.2%) |
| *FIRST & THIRD PARTY* | | | | | | | |
| CLIENT FEES | 123,833 | 7,539 | 93,839 | 116,738 | 123,833 | (29,994) | (24.2%) |
| INSURANCE | 830,039 | (240,315) | 342,348 | 883,601 | 830,039 | (487,691) | (58.8%) |
| MEDICARE | 1,380,188 | (1,187,644) | (235,951) | 1,410,253 | 1,380,188 | (1,616,139) | (117.1%) |
| MEDICAID | 11,856,581 | (34,546) | 9,770,573 | 11,851,700 | 11,856,581 | (2,086,008) | (17.6%) |
| CONTRACTS | 7,013,442 | 693,427 | 9,711,127 | 6,756,165 | 7,013,442 | 2,697,685 | 38.5% |
| PHARMACY SALES | 15,820,800 | 1,753,247 | 18,859,716 | 15,900,362 | 15,820,800 | 3,038,916 | 19.2% |
| IN KIND REVENUE | 446,949 | - | - | | 446,949 | (446,949) | (100.0%) |
| TOTAL THIRD PARTY | 37,471,832 | 991,708 | 38,541,652 | 36,918,819 | 37,471,832 | 1,069,820 | 2.9% |
| **OPERATING REVENUE** | **$ 49,690,645** | **$ 4,271,365** | **$ 50,248,334** | $ 48,901,304 | **$ 49,690,645** | **$557,689** | **1.1%** |
| *EXPENSES* | | | | | | | |
| SALARIES | 24,120,018 | 1,933,870 | 24,263,713 | 23,899,985 | 24,120,018 | 143,695 | .6% |
| EMPLOYEE BENEFITS | 6,114,146 | 930,447 | 6,193,493 | 5,842,873 | 6,114,146 | 79,347 | 1.3% |
| CONTRACT SERVICES | 1,545,482 | 98,523 | 971,733 | 1,480,440 | 1,545,482 | (573,749) | (37.1%) |
| COMPUTER EXPENSE | 523,953 | 45,804 | 668,794 | 508,136 | 523,953 | 144,841 | 27.6% |
| OPERATING SUPPLIES | 404,360 | 73,368 | 552,000 | 591,039 | 404,360 | 147,640 | 36.5% |
| OPERATING EXPENSES | 2,201,807 | 248,125 | 2,353,215 | 2,354,274 | 2,201,807 | 151,408 | 6.9% |
| OFFICE EXPENSES | 1,026,957 | 67,157 | 495,950 | 976,162 | 1,026,957 | (531,007) | (51.7%) |
| MOBILE PHONES | 335,172 | 22,802 | 197,964 | 326,710 | 335,172 | (137,208) | (40.9%) |
| TRAVEL/TRANSPORTATION | 621,792 | 94,231 | 821,411 | 651,671 | 621,792 | 199,619 | 32.1% |
| BUILDING & GROUNDS | 1,879,457 | 206,631 | 2,134,622 | 1,693,992 | 1,879,457 | 255,165 | 13.6% |
| DEPRECIATION | 958,969 | 705,745 | 1,503,562 | 827,678 | 958,969 | 544,593 | 56.8% |
| AUDIT & LEGAL FEES | 117,249 | 3,781 | 139,043 | 109,514 | 117,249 | 21,794 | 18.6% |
| INSURANCE EXPENSE | 787,519 | 60,760 | 728,812 | 733,325 | 787,519 | (58,707) | (7.5%) |
| PHARMACY COG | 8,325,302 | 1,114,487 | 9,647,313 | 8,649,577 | 8,325,302 | 1,322,011 | 15.9% |
| IN KIND EXPENSE | 446,949 | - | - | - | - | 0 | #DIV/0! |
| OTHER EXPENSES | 362,931 | 34,114 | 280,922 | 323,598 | 362,931 | (82,009) | (22.6%) |
| **TOTAL EXPENSES** | **$ 49,772,063** | **$ 5,639,845** | **$ 50,952,547** | $ 48,968,974 | **$ 49,325,114** | **$1,627,433** | **3.3%** |
| **OPERATING NET INCOME/(LOSS)** | **$ (81,418)** | **$ (1,368,480)** | **$ (704,213)** | $ (67,670) | **$ 365,531** | **($1,069,744)** | |
| *MISCELLANEOUS REVENUE* | | | | | | | |
| INTEREST INCOME | 123 | 8 | 44 | 121 | 123 | (79) | (64.2%) |
| INVESTMENT | 142,388 | (907,519) | 3,122,054 | 306,928 | 142,388 | 2,979,666 | 2092.6% |
| RENT | 167,422 | 14,597 | 153,911 | 181,794 | 167,422 | (13,511) | (8.1%) |
| GAIN/(LOSS) ON PURCHASE | - | - | - | 14,737 | - | - | |
| OTHER | 906,749 | 6,248,192 | 6,884,160 | 1,265,444 | 906,749 | 5,977,411 | 659.2% |
| **TOTAL MISCELLANEOUS** | 1,216,682 | 5,355,278 | 10,160,169 | 1,769,024 | 1,216,682 | 8,943,487 | 735.1% |
| **SOUTHEAST NET REVENUE** | **$ 1,135,264** | **$ 3,986,798** | **$ 9,455,959** | **$ 1,701,354** | **$1,135,264** | **$8,320,695** | |
| Margin on Operating Revenue | (.2%) | **(32.0%)** | **(1.4%)** | **(.1%)** | | | |
| Margin on Total Revenue | 2.2% | **41.4%** | **15.7%** | **3.4%** | | | |



33.02%

# SOUTHEAST, INC.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## FOR THE PERIOD ENDED June 30, 2021

| ASSETS | | |
|---|---|---|
| *CASH:* | | |
| CASH IN BANK - UNRESTRICTED | $ 4,571,558 | |
| SCHOLARSHIP ACCOUNT | | |
| BUILDING MANAGEMENT | 58,619 | |
| PETTY CASH | 3,195 | 4,633,372 |
| *INVESTMENTS:* | | |
| SHORT TERM INVESTMENTS | 1,572,429 | |
| AMERICAN FUNDS | 12,136,082 | |
| RESTRICTED INVESTMENTS | 280,601 | 13,989,112 |
| *ACCOUNTS RECEIVABLE:* | | |
| Claims Based Receivables | | |
| CLIENT & THIRD PARTY | 1,672,434 | |
| MEDICAID | 5,578,679 | |
| ADAMH | | 4,659,431 |
| Franklin County | 3,440,789 | |
| Delaware & Morrow Counties | 483,677 | |
| Belmont,Harrison & Monroe Counties | 733,305 | |
| Tuscarawas & Carroll Counties | 1,659 | |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS | (1,007,624) | |
| Total Claims Based Receivables | 10,902,920 | |
| Other Receivables | | |
| OTHER GRANTS & CONTRACTS | 2,494,250 | |
| APOTHECARE | 828,188 | |
| MISCELLANEOUS | 109,811 | 14,335,169 |
| Total Other Receivables | 3,432,249 | |
| *OTHER CURRENT ASSETS:* | | |
| APOTHECARE INVENTORY | 740,453 | |
| PREPAIDS | 1,175,044 | |
| EMPLOYEE LOAN/EPP | 6,521 | |
| OTHER | 9,087 | 1,931,105 |
| **TOTAL CURRENT ASSETS** | | **34,888,758** |
| *FIXED ASSETS:* | | |
| VEHICLES | 534,921 | |
| BUILDING, LAND & IMPROVEMENTS | 14,640,467 | |
| FURNITURE & EQUIPMENT | 4,161,083 | |
| TENANT IMPROVEMENT | 174,753 | |
| subtotal | 19,511,224 | |
| LESS accumulated depreciation | (12,813,926) | |
| **NET FIXED ASSETS** | | **6,697,298** |
| **TOTAL ASSETS** | | **$ 41,586,055** |

| LIABILITIES & NET ASSETS | | |
|---|---|---|
| *LIABILITIES:* | | |
| ACCOUNTS PAYABLE | $ 1,197,976 | |
| ACCRUED EXPENSES | - | |
| PROPERTY TAX PAYABLE | 130 | |
| TENANT DEPOSIT | 10,182 | 1,208,288 |
| *ACCRUED WAGES & FRINGE BENEFITS:* | | |
| ACCRUED VACATION | 1,431,436 | |
| ACCRUED PAYROLL | 1,072,960 | |
| ACCRUED RETIREMENT | | |
| ACCRUED OTHER | 365,630 | 2,870,026 |
| **TOTAL CURRENT LIABILITIES** | | **4,078,314** |
| *DEFERRED REVENUE* | | 1,478,229 |
| *LONG TERM DEBT* | | 2,763,888 |
| *ADVANCES FROM THE STATE* | | 617,740 |
| *CAPITALIZED LEASE AGREEMENT* | | 267,062 |
| **TOTAL LIABILITIES** | | **9,205,233** |
| *NET ASSETS:* | | |
| UNRESTRICTED | 30,527,916 | |
| DESIGNATED | 1,533,193 | |
| RESTRICTED | 39,112 | |
| SCHOLARSHIP | 280,601 | |
| **TOTAL NET ASSETS** | | **32,380,822** |
| **TOTAL LIABILITIES & NET ASSETS** | | **$ 41,586,055** |

*INTER-COMPANY AR/AP ARE CONSOLIDATED*

Southeast, Inc.
Cash Flow Statement
As of 6/30/2021

*(In Whole Numbers)*

| | Current Period |
|---|---|
| Cash From Operations | |
| Change in net assets | 3,986,800.00 |
| | |
| Adjustments to reconcile change in net assets to net cash | |
| Depreciation | 705,745.00 |
| Unrealized and realized gains on investments, net | 557,534.00 |
| Forgiveness of advance from State of Ohio | (4,615.00) |
| Total Adjustments to reconcile change in net assets to net cash | 1,258,664.00 |
| (Increase) decrease in: | |
| Accounts receivable | 1,908,019.00 |
| Inventory | 200,879.00 |
| Other current assets | (806,206.00) |
| Total (Increase) decrease in: | 1,302,692.00 |
| Increase (decrease) | |
| Accounts payable | (18,355.00) |
| Accrued expenses and taxes | 24,771.00 |
| Deferred revenue | (3,337,497.00) |
| Total Increase (decrease) | (3,331,081.00) |
| Total Cash From Operations | 3,217,076.00 |
| | |
| Cash From Investing Activities | |
| Purchases of property and equipment | 143,663.00 |
| | |
| Purchase of investments | 350,302.00 |
| | |
| Total Cash From Investing Activities | 493,965.00 |
| | |
| Cash Flows From Financing Activities | |
| Principal payments on long-term debt | (6,236,731.00) |
| | |
| Principal payments on capital lease obligations | (3,136.00) |
| | |
| Total Cash Flows From Financing Activities | (6,239,867.00) |
| | |
| Net Increase/Decrease in Cash | (2,528,827.00) |
| Cash and Cash Equivalents, beginning of period | 7,162,199.00 |
| | |
| | |
| Cash and Cash Equivalents, end of period | 4,633,372.00 |

# SOUTHEAST, INC.
RATIO ANALYSIS
FOR THE PERIOD ENDED June 30, 2021

*Year to date performance*

| | | | |
|---|---|---|---|
| Current Ratio | (CURRENT ASSETS/CURRENT LIABILITIES) | 8.6 | Ability to pay current debt with current assets; 2 to 4 is standard. |
| Revenue over Expense Margin | (YTD REVENUE/YTD EXPENSES) | 1.23 | Indicates revenues (net income) over expenses; Over 1.03 is excellent. |
| Assets to Liabilities | (TOTAL ASSETS/TOTAL LIABILITIES) | 4.52 | Indicates debt structure of Organization; 2.0 is standard. |
| Debt to Net Assets (Equity) | (TOTAL LIABILITIES/NET ASSETS) | .28 | Compares borrowed capital to invested capital; .40 is standard. |
| Days of Cash | CASH & ST INVESTMENTS/AVE. DAY'S EXPENSES | 45.8 | Indicates number of days of cash SE has on hand. 90 days is good |
| Average Days in Receivables | (REVENUE/365)AR/Revenue per day) | 104.1 | Indicates the number of days it takes to collect our receivables |

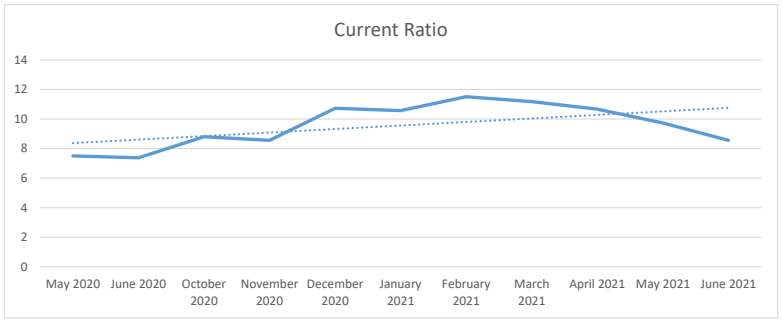
## *ADAMH Key Performance Indicators*

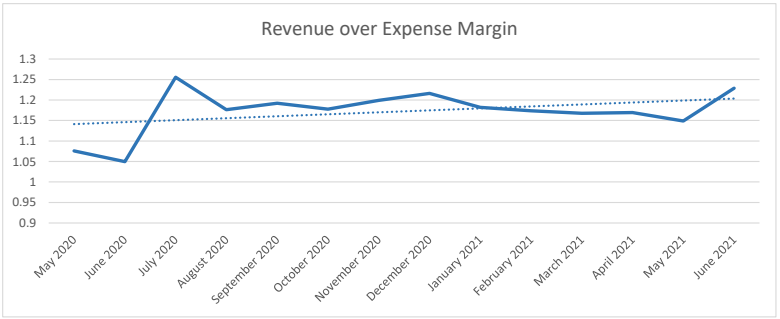
| | SOUTHEAST RATIO | ADAMH STANDARDS EXCELLENT | ADAMH STANDARDS GOOD | INDEX PTS |
|---|---|---|---|---|
| Administrative Costs to Expenses (Admin/Total expenses) | 18.9% | 7% - 9.99% | 10% - 10.99% | 3 |
| Debt to Equity Ratio (Total Liabilities/Net Assets) | .28 | .40 - .49 | .50 - 1.19 | 5 |
| Revenue to Expenses (Total Revenue / Total Expense) | 1.229 | 1.03 - 1.0599 | 1 - 1.0299 | 5 |
| Current Ratio ( Current Assets/Current Liabilities) | 8.6 | 1.80 - 2.39 | 1.4 - 1.79 | 5 |
| Cash to Avg. Mo. Expense (Days) (Cash + ST Invest/Total Expenses) | 45.8 | 80 - 89.99 | 50 - 79.99 | 3 |
| Fund Balance Reserve ( Net Assets / Ave. Monthly expenses- including CGS) | 7.6 | 6 - 6.99 | 4 - 5.99 | 5 |
| % of Revenue from ADAMH (ADAMH Revenue/Total Revenue) | 23.1% | < 55.0% | 70% - 55% | 5 |
| | | | | 4.4 |

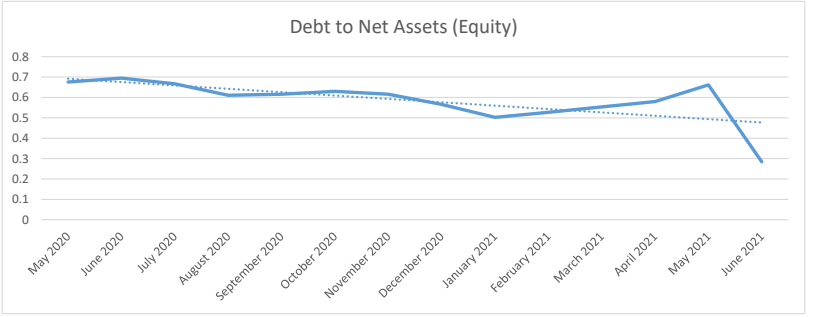
| Index Coding |
|---|
| 5 - Excellent |
| 4 - Good |
| 3 - Fair |
| 2 - Poor |
| 1 - Correction Required |

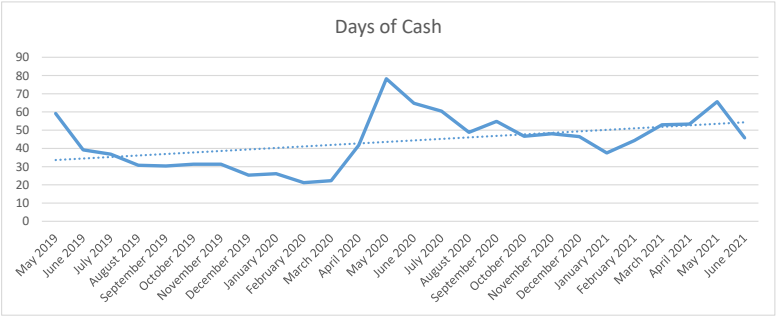
southeast healthcare

**Historical Ratio Dashboard**
**For the 13 Month Period ended June 30, 2021**





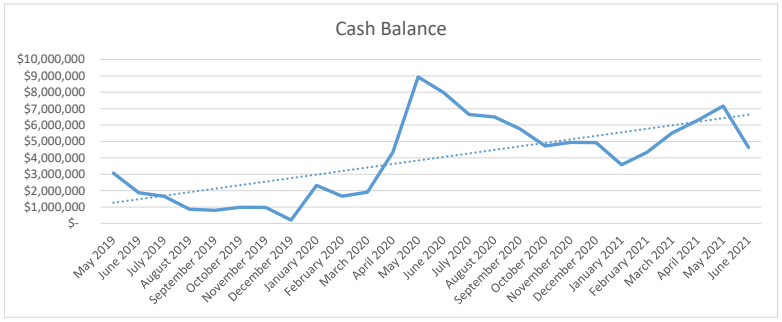



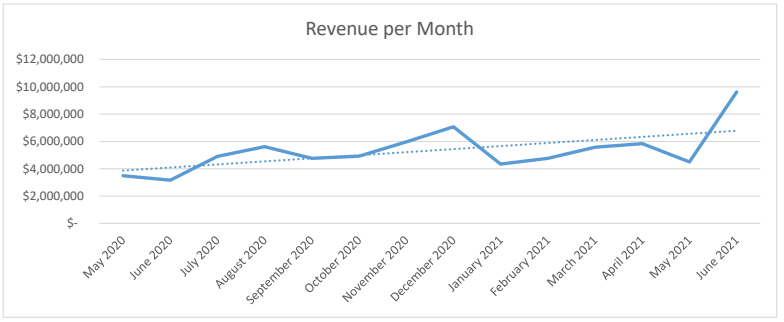

**Days of Cash on Hand period has been modified to show 25 months of history due to extraordinary circumstances with pandemic and PPP loan**

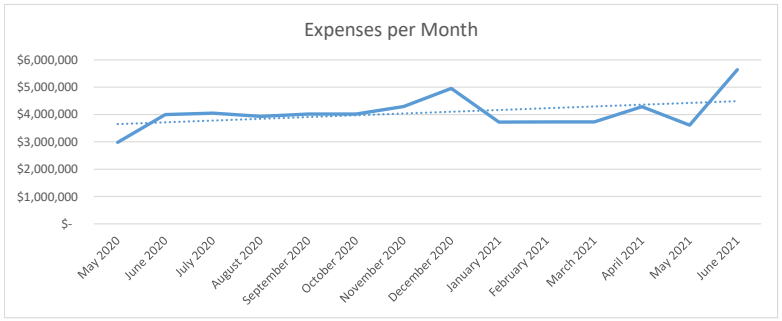
| Ratio | Formula | Description |
|---|---|---|
| Current Ratio | (CURRENT ASSETS/CURRENT LIABILITIES) | Ability to pay current debt with current assets; 2 to 4 is standard. |
| Revenue over Expense Margin | (YTD REVENUE/YTD EXPENSES) | Indicates revenues (net income) over expenses; Over 1.03 is excellent. |
| 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 |

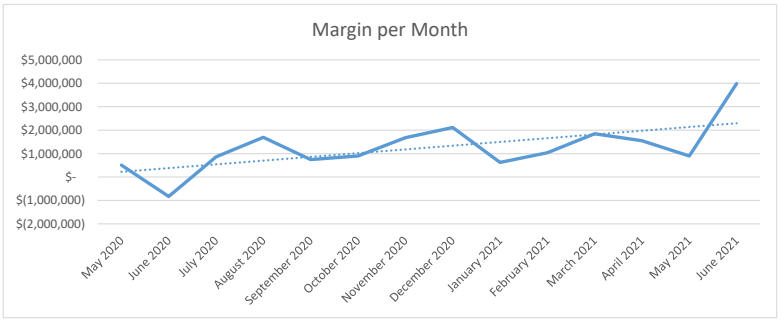
southeast healthcare

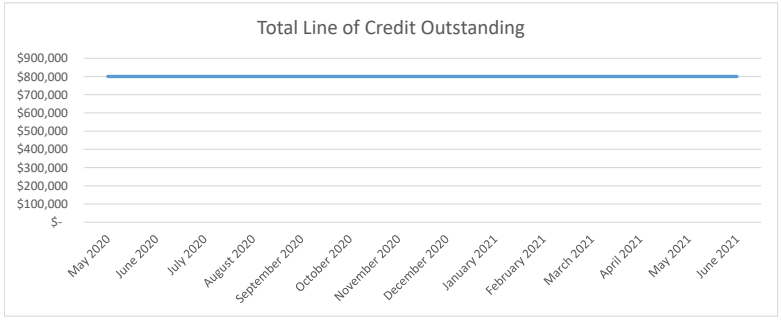
**Historical Ratio Dashboard**
**For the 13 Month Period ended June 30, 2021**

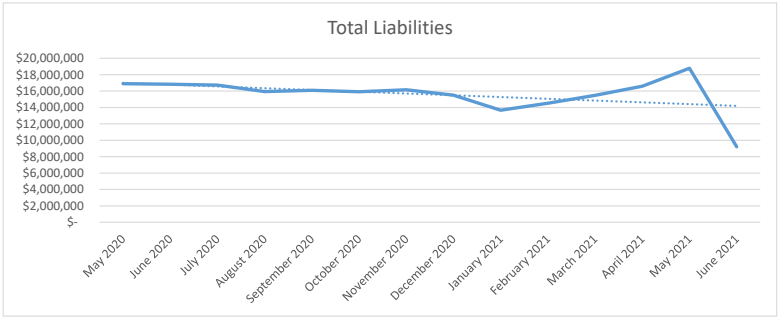


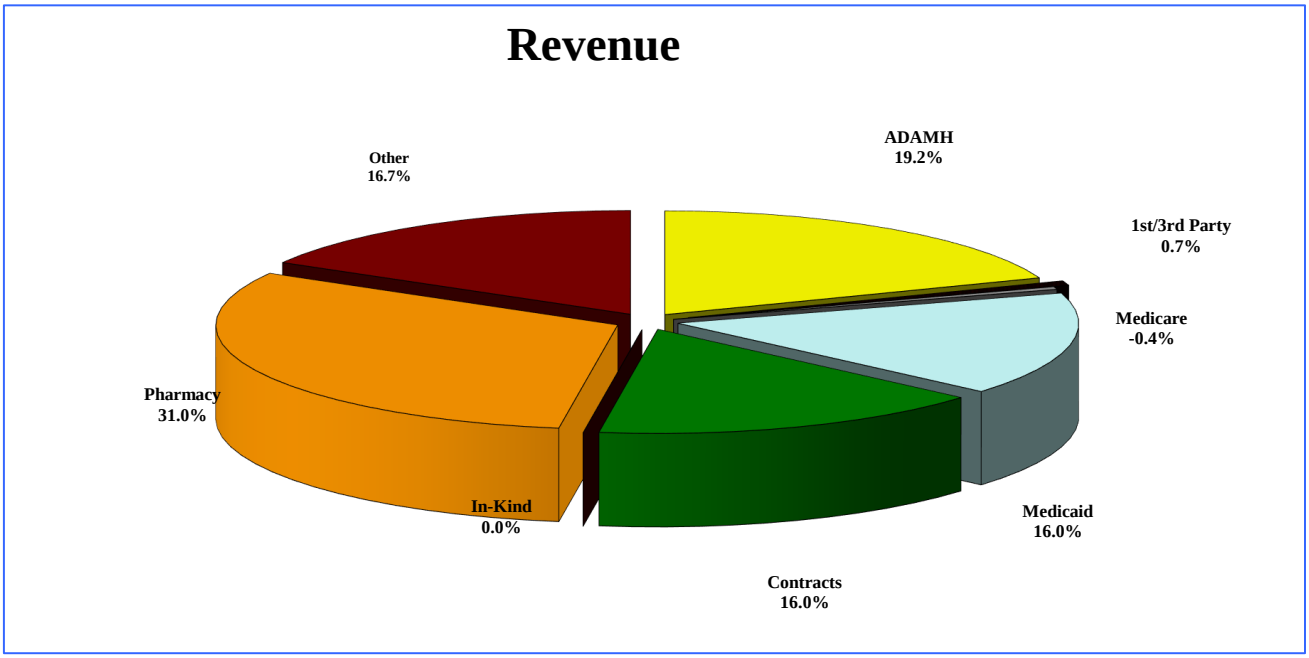



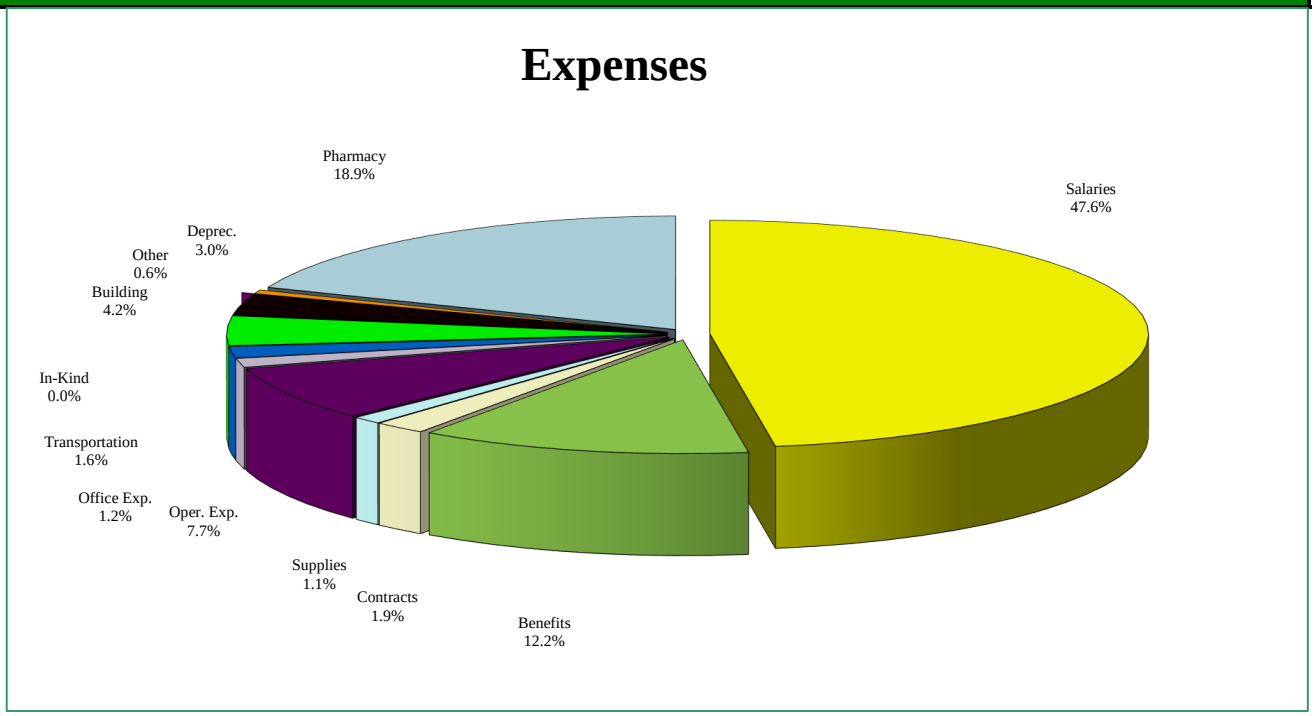



# Southeast, Inc. Revenue & Expenses by Category

## YTD FY 2021 TOTAL CONSOLIDATED REVENUE $60,408,503




## YTD FY 2021 TOTAL CONSOLIDATED EXPENSES $50,952,547