

# Champaign County Nursing Home - Finances

Dan Welch

Champaign County Treasurer

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# Property Tax 2017

- The 3-cent levy in 2017 will raise \$1,212,067 (estimate)
- The Nursing Home has already borrowed 85% \$1,021,757
- TAW was received on December 22, 2017
- An additional \$150,000 was advanced on April 11, 2017
- TAW will be repaid over five months starting in late May 2017 when the first real estate tax distribution is made

# Nursing Home Current Financial Picture

- Cash Balance \$315,775 (Today) Includes TAW and \$150,000 advance
- Monthly Payroll Expense \$480,000
- Outstanding Bills \$2,927,756 (4/10/2017)
- State of Illinois Owes Nursing Home \$1,100,000 (Pending payments for current residents)
- As of today 19 pending Medicaid applications have been approved, but the money has not yet started to flow. Each approved application will mean \$4,000 per month or in this case \$76,000

# Nursing Home Owes the County General Fund

- \$262,114 Debt Service payment (2017)
- \$226,802 Boilers cost (2016)
- \$447,137 Unpaid bills (Today)
- Total Owed to the County: \$936,053

# Tax Anticipation Warrants

## 50 ILCS 420/2

- Can borrow up to 85% of tax levy
- Must repay with current real estate tax collections
- 9th Year of borrowing
- \$1,021,757 borrowed (Interest Rate – 1.45%)
- Interest Expense for first 8 years - \$50,085.14
- TAW normally used to make debt service payment / help cash flow
- 2016 TAW was used to repay County for \$1,027,000 in Pension & Social Security payments made on behalf of the Nursing Home

# Nursing Home Debt Service

- **2015 NH Construction Bonds** - \$2,543,388 (18 semi-annual payments)
  - June 15 - \$21,335
  - December 15 - \$261,335
  - Paid from General Corp Fund then reimbursed by NH
- **2011 NH Construction Bonds** - \$4,940,200 (10 semi-annual payments)
  - Paid from NH Debt Service Fund (Champ. County Tax Levy)
- **2005A NH Construction Bonds** - \$2,536,632 (4 semi-annual payments)
  - Paid from NH Debt Service Fund (Champ. County Tax Levy)

# County General Corporate Fund Balance

The primary goal is to protect the fund balance

- The General Corp fund balance goal is 12.5% of the expenditure budget (roughly \$4,500,000)
- The fund balance should be enough money to make it from January 1 to the end of May (when real estate tax money starts to flow)
- The General Fund typically needs to borrow up to \$1,500,000 from Public Safety Sales Tax fund in April – No borrowing yet
- Any money transferred or loaned to the Nursing Home comes from the fund balance and if not repaid creates a hole in the next years budget
- Cash balance (Today) is \$1,813,009
- Monthly payroll expense is \$1,700,000

# Nursing Home needs money - 2005 to 2009

- 2005 – 2007 the County Board approved transfers of \$1,583,000 to the Nursing Home (only \$100,000 repaid)
- County Board decides any new money be in the form of loans
- 2007 – 2008 loans of \$2,108,000 approved (only \$775,000 repaid)
- 2009 – \$1,000,000 Legal settlement with contractor over mold (Money goes to the General fund)
- \$1,816,000 in loans and transfers never repaid and eventually forgiven by County Board



# Effect of loans and transfers on General Fund General Fund Borrowing 2007 - 2009

The transfers and loans to the Nursing Home wiped out the General Corp fund balance

The following loans to the General Fund were necessary to continue operating:

2007 \$1,150,000

2008 \$2,625,000

2009 \$3,765,000

General Fund borrowed from various County Departments

# Nursing Home Cash Balances 1999-2005

- Jan 1999 \$995,749.83 (Depreciation \$863,962.71)
- Jan 2000 \$1,877,3301.15 (Depreciation \$765,117.56)
- Jan 2001 \$1,866,824.74 (Depreciation \$899,624.42)
- Jan 2002 \$1,037,127.76 (Depreciation \$554,089.09)
- Jan 2003 \$925,734.48 (Depreciation \$460,380.94)
- Jan 2004 \$1,387,237.68 (Depreciation \$25,738.96)
- Jan 2005 \$845,574.69 (Depreciation \$25,983.26)

# Nursing Home Cash Balances 2006 – 2011

- Jan 2006 \$164,385.48
- Jan 2007 \$294,195.91
- Jan 2008 \$146,226.92
- Jan 2009 \$852,600.01
- Jan 2010 871,915.72
- Jan 2011 \$246,564.02

# Nursing Home Cash Balances 2012 - 2017

- Jan 2012 \$1,455,572.00
- Jan 2013 \$1,378,510.49
- Jan 2014 \$681,973.36
- Jan 2015 \$704,010.13
- Jan 2016 \$364,389.85
- Jan 2017 \$311,442.19

# April 2016 – April 2017 Challenges

- April 2016 – Nursing Home needed \$13,000 advance for payroll
- August 2016 – Borrowed \$226,802 from County for boilers
- September 2016 – Received a \$110,000 advance on tax collections
- December 2016 – Received \$1,021,757 in Tax Anticipation Warrants
- January 2017 – Repaid pension and social security to County \$1,027,000
- January 2017 – Could not make \$262,114 debt service payment
- January 2017 – Emergency \$1,000,000 loan request from State denied
- March 2017 – CB approves \$250,000 “credit line” to cover shortfalls
- April 2017 – Received a \$150,000 advance for payroll and A/P