

Agenda for the June 16, 2020
Regular Monthly Meeting of the
Board of Directors of the Metrocrest Hospital
Video Conference Call
Hebron Parkway at Josey Lane,
City of Carrollton, Denton County, Texas

Meeting at Noon
Join Zoom Meeting

<https://us02web.zoom.us/j/5861201993?pwd=SldBRkdIMS9oTit5czNoOHVNZ21lUT09>

Meeting ID: 586 120 1993
Password: 631073

1. Call Meeting to Order.
2. Declare Open Session.
3. Invocation.
4. Report from Bill Leyhe, Interim CEO of Carrollton Regional Medical Center.
5. Authority Chief Financial Officer Delivers Report.
6. Take Action on Consent Agenda Items.

Approve Minutes of May 19, 2020 Regular Monthly Meeting.

Approve Financial Statements for May 31, 2020

7. Receive Submission of Quarterly Written Report, Prepared & Signed by both Investment Officers of the Authority, of Investment Transactions for All Funds Covered by the Public Funds Investment Act, for the Previous Reporting Period.
8. Report from the Community Service Committee Chairman.
 - a. Approve Salary Increase for Krista Weinstein, Grant Manager, The Dallas Foundation
9. Designation of Purely Consulting Expert.

The Chair designates David Margulies, The Margulies Communication Group, as a Purely Consulting Expert within the meaning of the 1st sentence of Rule 192.3(e) and the 1st Comment to Rule 195 of the Texas Rules of Civil Procedure.

10. Declare Executive Session to Deliberate upon Long Term Lease, upon Financing & Compliance with Respect to Long Term Lease, and upon Other Real Property Dispositions. The Board convenes in Executive Session to deliberate the purchase, exchange, lease or value of real property under circumstances where deliberation in an open meeting would have a detrimental effect on the position of the Metrocrest Hospital Authority in negotiations with a third person, all under and pursuant to §551.072 of the Texas Government Code.

(A) consult in confidence with its attorney under §551.071(1) of the Texas Government Code to seek advice from its attorney about -

(1) pending or contemplated litigation, or

(2) a settlement offer; or

(B) consult in confidence with its attorney under §551.071(2) of the Texas Government Code on a matter in which the duty of the attorney to the Metrocrest Hospital Authority under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Article X, §9 of Title 2, Subtitle G - Appendix of the Texas Government Code) clearly conflicts with the Texas Open Meetings Act (Chapter 551 of the Texas Government Code).

The Board also convenes in Executive Session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, all under and pursuant to 551.074(a)(1) of the Texas Government Code.

Return to Open Session and Take Any Action Necessitated by Executive Session Discussions.

11. Enact & Adopt Resolution Establishing Budget for Fiscal Year Ending June 30, 2021
12. Ask for Comments from Board Member & Staff.
13. Declare Meeting Adjourned.

Minutes for the May 19, 2020
Regular Monthly Meeting of the
Board of Directors of the Metrocrest Hospital
Video Conference Call
Hebron Parkway at Josey Lane,
City of Carrollton, Denton County, Texas

Board Members Present

Paul Lonquist, D.D.S.
Natasha Singh, M.D.
Melissa Tompkins, M.D., F.C.C.P
Craig Greenway
Bill Rohloff
Carolyn Benavides
Lisa Sutter
Tm Hayden
Cristal Retana
John Mahalik

Staff Persons Present

Charles B. Heath
Alice Sayre
Ruth Ann Thomas
Angela Campbell

Professionals Present

Michael Joseph Collins, Esq., Authority Attorney.
Bill Leyhe, Interim CEO of Carrollton Regional Medical Center.
David Margulies, Margulies Communication Group.
James Roth, Margulies Communication
Kevin Clift, RBC Wealth Management
Matt Sheldahl, RBC Wealth Management

Ex Officio Board Member Present

Mike Hennefer, City of Carrollton

Location

Video Conference Call, Hebron Parkway at Josey Lane, City of Carrollton

Call to Order

Mr. Greenway calls the meeting to order at 12:02 P.M. and declares it open to the public.

Invocation

Mr. Heath delivers the invocation.

Report from Bill Leyhe, Interim CEO of Carrollton Regional Medical Center.

Mr. Leyhe stated it has been an incredibly busy month. On May 1st the hospital was able to schedule elective surgeries. There are about five or six per day at this time. Patients trying to schedule elective surgeries must come in 48 hours prior to take a Covid test.

Mr. Leyhe stated they have been successful in recruiting several doctors. Dr. Roberts will start to schedule some Bariatric surgeries cases around the first of June. Dr. Mottl an Interventional Cardiologist will be returning. Also, Dr. Kosuri is interest in getting more involved at Carrollton Regional. The Woman's Center and Outpatient Diagnostic has had 20-30 procedures per day which is a good start but still down from prior to Covid19.

Mr. Leyhe stated he was successful in getting a PPP (Paycheck Protection Program) loan from the Federal Government based on commitment for staffing and a smaller amount from the government for other programs. The transfer of ownership is almost completed and just waiting for the last step to completion.

Last week was Hospital/Nurses Week with a lot of events throughout the week. Also, the community got involved and were sending gifts, lunches, dinners and snacks to the nurses and first responders. Mr. Leyhe stated doctors have been hurt by this situation and are trying to figure out the new normal for the hospital and their practices.

On the negative side, we were averaging 6-12 Covid patients a day with a total of 51 to date. Also, 14 patients had been on ventilators and unfortunately 6 patients have passed away.

The census in the hospital has not moved very much, with March, April and the first part of May in the mid-forties and the ER volume is around the 50-60 range, which is down pretty dramatically. This is about the range of other hospitals in the county. Many people are putting off routine care because of the Covid pandemic and they are afraid of going to the hospital.

Mr. Leyhe stated financially the net revenue is down about \$3 million dollars from the revenue reported this time last year. We were hoping to get on the Medicare Advance Program, which gives six months of Medicare payments in advance. We needed help from Baylor to get this done since the program would have been under their license. They were not comfortable working with Carrollton Regional to secure the advance and the program has now been suspended.

Mr. Leyhe stated the hospital has lost several doctors due to Baylor transferring them to their other facilities.

Mr. Leyhe stated the cost to take care of Covid patients is dramatic, especially because of the cost of the PPE for nurses and doctors, also, the safety regulations for staff. Many of the hospitals around the country are also experiencing substantial losses due to the Covid pandemic.

Mr. Leyhe stated everyone is committed to make this facility work and will make the necessary adjustments. He is in the process of talking to all of the contracted services of the hospital to discuss their contracts to minimize the cost structure, because we need all the help we can get. The losses in March, April and May have been sufficient.

Mr. Leyhe stated they were contacted by the City of Carrollton to do the Covid testing for five nursing homes. He is happy to report there was a list of nurses who volunteered to do the testing on 800 residents and employees. What a wonderful statement this makes for the quality of staff at this hospital.

Authority Chief Financial Officer Report

Ms. Thomas delivers the oral report. The April 30, 2020 financial statements were distributed to the board on Friday, May 15, 2020.

Consent Agenda Item

Take Action on Consent Agenda Items.

- a. Approve Minutes of April 21, 2020 Regular Monthly Meeting.
- b. Approve Financial Statements for April 30, 2020.

Ms. Benavides makes a motion to approve the minutes of the April 21, 2020 monthly board meeting and the financial statements for April 30, 2020. Mr. Rohloff seconds the motion. The motion passes unanimously.

Receive Oral Report from Finance Committee Chairman.

Mr. Mahalik stated the finance committee had a conference call with Mr. Clift on May 14, 2020 to review the quarterly investment information. Mr. Clift gave an account overview to the Finance Committee. Also, discussed during the Finance Committee's Zoom meeting was the draft of the MHA budget for 2020/2021.

Receive Submission of Quarterly Written Report, Prepared & Signed by Both Investment Officers of the Authority, of Investment Transactions for All Funds Covered by the Public Funds Investment Act, for the Previous Reporting Period.

The signed quarterly written report was not received prior to the board meeting. This item will be added to the agenda for the June board meeting.

Report from Mr. Rohloff, Community Service Chairman

Mr. Rohloff thanked everyone on the Community Service Committee for their help during this unusual time because of the Coronavirus. The Community Service Committee received three funding requests including one asking to reallocate existing funds.

Mr. Rohloff stated the Children's Advocacy Center for Denton County (SANE) is requesting reallocation of \$17,000 from existing funds in the 2019/2020 budget to purchase a colposcope for use by the SANE program at Carrollton Regional Medical Center ER. The program at the THR's facility in Flower Mound has been closed. The Carrollton location has seen a substantial increase in volume. The colposcope at this location is overworked and may need to be replaced. The CSC did approve the reallocation of their funds to purchase the colposcope.

Mr. Rohloff stated Concilio has stepped beyond their structured program for which MHA has provided funds this year and awarded for next year. The Concilio has reached out to their client families, which is over 200, to help them with adapting to home schooling, understanding the Covid 19 care directions, grocery and other resources. The Concilio has been working with Metrocrest Services helping with delivery of goods to families, and to access grant funds through a national partner called Stand Together.

Finally, Concilio is working on an arrangement to assist the Woven Clinic connecting patients, which are heavily Spanish speaking, with physicians at the clinic via telemedicine. Concilio is expanding staffing hours and responsibilities beyond normal budgetary planning and are requesting \$35,000 in financial support from MHA.

Mr. Rohloff stated the third funding request is from Children's Health. With schools closed and their reopening time and format in the Fall is uncertain, Children's has been adjusting to changes their telehealth and behavioral health programs. They are finishing this school year with current MHA grant funding, but have been working on a pilot program to extend and expand services throughout the summer. The pilot program will start June 1st, and run through August 11th. In addition, as part of the pilot program, Children's Health is considering extending service to adults who are connected with the students being served. If the pilot program is set-up to care for kids only the funding request is for \$7,400, but if the program is expanded to kids and adults, then the request to MHA is for \$17,300 in funds. These changes will be reviewed and reassessed after August 11th. because the recent 2020/2021 Children's Health funding is for the pre-established telehealth and behavioral medicine programs.

Mr. Rohloff stated some of the funding would likely come from the MHA's community support budgeted funds. There is about \$35,000 at The Dallas Foundation, which was part of the funding returned from the closed BaylorScott & White Community Care Clinic. Last month the board approved additional funding dollars in the budget for community support.

The Community Service Committee will continue to review and approve emergency funding from the Community Support Program and keep the board fully informed of any additions funding request.

Mr. Rohloff updated the board regarding Metrocrest Services. Their recent funding from the community has improved substantially. The North Texas Food Bank has been able to increase their level of food which will actually bring the cost for food down for Metrocrest Services. The four cities; Carrollton, Farmers Branch, Addison and Coppell have all made sufficient financial contributions to Metrocrest Services.

Ms. Benavides stated they have recently seen about 350 families. The Benavides Foundation is discontinuing their soup kitchen on Friday, May 22nd. There has been wonderful community support and since March 16th they have served more than 15,000 meals. The schools and Metrocrest Services will now begin their summer lunch programs to help the children of our communities.

Ms. Retana serves on the Farmers Branch City Council and is active in County matters. Ms. Retana stated county officials are releasing details of their plans for the Covid relief funds in assisting three programs consisting of small businesses, mortgage assistance and childcare assistance. Basically, it is "Cares Act" funding that has come down from the Federal government. The City of Dallas received Federal funds and have created a similar program for Dallas residents only. Ms. Retana stated Denton County has also received their own funds from the Cares Act.

Ms. Retana stated the great thing about these funds is that only cities that will be eligible to receive assistance are those outside of the City of Dallas but within Dallas County. These grants can be awarded to non-profits & small businesses, and will include individuals applying for mortgage assistance and help with childcare cost. Also, from the Cares Act small cities will receive funds through Denton County's portion of funding. The cities will decide where they want to allocate their funds, but it must be Covid related, such as, food, PPE and childcare assistance. The City of Farmers Branch City Council will meet tonight to start reviewing what the city will do with their portion of the Cares Act funding. Ms. Retana feels this maybe an opportunity for non-profit organizations to access additional funding.

Report from James Roth, The Margulis Communication Group, Regarding the New MHA Website.

Mr. Roth stated he has been working on a new MHA website. Mr. Roth has been able to use most of the preexisting information on the new website. He would like the board to review the website link prior to it going up next month. So far feedback has been positive with only minor changes.

Receive Account Review & Quarterly Report from Kevin Cliff Matt Sheldahl of RBC Wealth Management.

Mr. Cliff gave an oral account review for 1st quarter 2020 ending March 31, 2020. This report will include the money received from Baylor. This pandemic has had a huge impact on the financial markets. The good news for the Authority, is that your portfolio does not have a lot of stocks which has taken a big hit. Most of the of the investments are in long and short bonds. The portfolio has had a really good yield, a little better than 3%.

Mr. Cliff has reviewed the overall funds and will make some recommendations going forward. Mr. Cliff feels based on what has happened in the bond market there is a much higher yield on a five (5) year bond than a one (1) year bond. His recommendation is to take the money out of the short duration bonds, which are two years or less, and move to core bonds. Mr. Cliff also recommends adding another fund to the portfolio, the First Trust TCW Opportunistic Fixed an asset class Intermediate Fixed Income fund. He feels going forward you should see much better returns now that the bond market has settled down.

Mr. Sheldahl stated another recommendation was to replace Cohen & Steers low duration preferred with Cohen & Steers intermediate preferred. He also recommends increasing your position in US large Cap weightings, and lowering international, small and mid-cap weightings. The thinking is that as the market recovers the larger companies will come back the fastest.

Designation of Purely Consulting Expert.

The Chair designates David Margulies and James Roth, The Margulies Communication Group, as a Purely Consulting Expert within the meaning of the 1st sentence of Rule 192.3(e) and the 1st Comment to Rule 195 of the Texas Rules of Civil Procedure.

Mr. Greenway causes the meeting to enter Executive Session at 12:53 P.M.

Declare Executive Session to deliberate the purchase, exchange, lease or value of real property under circumstances where deliberation in an open meeting would have a detrimental effect on the position of the Metrocrest Hospital Authority in negotiations with a third person, all under and pursuant to §551.072 of the Texas Government Code.

The Board also convenes in Executive Session to:

- (A) privately consult with its attorney under §551.071(1) of the Texas Government Code to seek advice from its attorney about:
 - (1) pending or contemplated litigation; or
 - (2) a settlement offer;

- (B) privately consult with its attorney under §551.071(2) of the Texas Government Code on a matter in which the duty of the attorney to the Metrocrest Hospital Authority under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Article X, §9 of Title 2, Subtitle G - Appendix of the Texas Government Code) clearly conflicts with the Texas Open Meetings Act (Chapter 551 of the Texas Government Code).

The Board also convenes in Executive Session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, all under and pursuant to 551.074(a)(1) of the Texas Government Code.

Mr. Greenway causes the meeting to enter Open Session at 1:09 P.M. The board takes no action on any matters discussed in Executive Session.

Authority Chief Financial Officer Delivers Report on Draft of Budget for Fiscal Year Ending June 30, 2021, for Discussion Purposes Only.

Ms. Thomas presented a draft of the budget for year ending June 30, 2021. The net loss for 2021 is \$1.7 million compared to budgeted net income for 2020 of \$2.8 million. The big difference is that rent from the hospital will be \$5.6 million lower than last year's budget due to the new hospital lease agreement with SANA. The rent for the MOB's is about \$355,000 less than the prior year which includes the recent terminations. The budget includes \$2 million for grant funding and \$0.5 million for community programs support. Reflecting transactions after the settlement of the Baylor lease termination in 2020, the investment return is budgeted to be \$0.8 million greater than in 2020 and interest expense will be zero.

Ms. Thomas presented a detailed report of expenses, capital expenditures, tenant improvements, and other assumptions used to prepare the budget. Once the board has an opportunity to review the budget and any updates, it will be approved at the June board meeting.

Mr. Hayden would like to possibly include in the budget, if necessary, funds for a strategic planning meeting or retreat to discuss the future of MHA going forward.

Mr. Hayden expressed his concerns regarding the appearance of the Brookhaven Nursing and Rehabilitation Center, a MHA ground leased property. He is specifically concerned with the portion of the property visible from Cheyenne Drive. He would like staff's feedback on who is responsible for the area and if MHA should budget for additional landscaping and maintenance in this area to match surrounding property standards.

Mr. Greenway addressed Mr. Hayden's suggestion about a strategic planning session whether it be a retreat or zoom meeting like today. The delay has been because of the Covid pandemic and Mr. Greenway will certainly like to get a meeting on everyone's schedule soon.

Adjourn

Mr. Greenway declares the meeting adjourned at 1:32 P.M.

Certificate of Officer

I, the undersigned Secretary of the Board of Directors of the Metrocrest Hospital Authority, do hereby certify that the above & foregoing Minutes accurately reflect the proceedings had at the posted & held meeting on the 19th day May, 2020 and were approved as such by unanimous vote of the Board of Directors of the Metrocrest Hospital Authority at its duly posted & held meeting this 16th day of June, 2020.

Secretary, Lisa Sutter

Hospital operating results are not consolidated in this financial statement

METROCREST HOSPITAL AUTHORITY

BALANCE SHEET

As of May 31, 2020

	Current mo. this year	Same mo. last year	Prior mo. this year
<u>Assets</u>			
Current assets:			
Cash	\$ 18,048	6,977	120,341
Money market funds (see sched on p.7)	325,467	434,042	94,118
Marketable securities	93,220,037	28,552,198	90,504,097
Accrued interest receivable	7,809	9,752	4,178
Due from lessee			
Accounts receivable and other rec.	170,234	34,255	128,599
Other current assets	44,003	39,515	53,339
Total current assets	93,785,598	29,076,739	90,904,672
Property and facilities:			
Leased property & facilities	105,040,936	105,040,936	105,040,936
Less: accumulated depreciation	(81,767,640)	(80,484,684)	(81,661,255)
Net leased property & facilities	23,273,296	24,556,252	23,379,681
Nonleased property & facilities	36,784,220	43,039,653	36,770,319
Less: accumulated depreciation	(20,861,517)	(22,999,928)	(20,785,070)
Net nonleased property & facilities	15,922,703	20,039,725	15,985,249
Assets limited as to use:			
Construction fund	-	-	-
Debt service reserve fund	-	1,795,276	-
Trusted funds for bond interest payable	-	226,910	-
	-	2,022,186	-
Other assets:			
Long term investments - CDs	2,339,803	3,459,852	2,328,790
Deferred lease revenue receivable	239,817	-	159,878
Total assets	\$ 135,561,217	\$ 79,154,754	\$ 132,758,270

Hospital operating results are not consolidated in this financial statement

METROCREST HOSPITAL AUTHORITY

BALANCE SHEET

As of May 31, 2020

	Current mo. this year	Same mo. last year	Prior mo. this year
<u>Liabilities & Fund Balance</u>			
Current liabilities:			
Accounts pay. & accrued liabilities	\$ 1,199,766	244,371	1,204,970
Accrued bond interest payable	-	173,953	-
Deferred / unearned income	23,561	26,834	35,341
Total current liabilities	1,223,327	445,158	1,240,311
Long-term debt:			
Bonds payable	-	14,518,235	-
Fund balance:			
Fund balance - beginning	63,939,846	60,362,967	63,939,846
Intercompany	(1,008,828)	(1,008,828)	(1,008,828)
Current year net income	71,406,872	4,837,222	68,586,941
Fund balance - ending	134,337,890	64,191,361	131,517,959
	\$ 135,561,217	79,154,754	132,758,270

Hospital operating results are not included in this financial statement.

METROCREST HOSPITAL AUTHORITY

INCOME STATEMENT

For the month and year to date May 31, 2020

	<u>MHA</u>				<u>Medical Office Buildings</u>				<u>Total</u>			
	Month	Budget	YTD	YTD Budget	Month	Budget	YTD	YTD Budget	Month	Budget	YTD	YTD Budget
Income												
Rent	(A) 79,939	550,000	4,639,817	6,050,000	(B) 210,890	220,465	2,390,054	2,441,891	390,829	770,465	7,029,871	8,491,891
Miscellaneous	56	-	554	-	340	474	8,869	5,214	396	474	9,423	5,214
Total revenue	79,995	550,000	4,640,371	6,050,000	211,230	220,939	2,398,923	2,447,105	291,225	770,939	7,039,294	8,497,105
Operating Expenses												
Cleaning	-	-	-	-	16,613	19,150	198,612	216,650	16,613	19,150	198,612	216,650
Repairs / Maintenance	-	-	128	200	33,215	21,233	162,588	162,236	33,215	21,233	162,716	162,436
Utilities	-	-	-	-	16,423	23,235	237,479	260,350	16,423	23,235	237,479	260,350
Landscaping	447	1,807	7,023	10,777	5,219	4,400	36,126	35,800	5,666	6,207	43,149	46,577
Security	-	-	-	-	8,914	9,384	101,305	103,224	8,914	9,384	101,305	103,224
Administrative												
Payroll, taxes, benefits	37,410	37,193	491,541	395,556	32,541	31,764	356,533	340,242	69,951	68,957	828,074	735,798
Professional fees	7,874	14,349	521,305	270,154	90	-	3,471	2,000	7,964	14,349	524,774	272,154
General office expenses	3,645	3,300	38,005	40,973	1,225	2,540	22,513	37,020	4,870	5,840	60,518	77,993
General liability insurance	-	-	-	-	1,160	1,175	12,740	12,497	1,160	1,175	12,740	12,497
Board expenses	19,483	22,972	207,430	208,274	-	-	-	-	19,483	22,972	207,430	208,274
Other	-	-	141,698	-	-	-	-	-	-	-	141,698	-
Total operating exp.	68,859	79,621	1,407,128	925,934	115,400	112,881	1,111,367	1,169,999	184,259	192,502	2,518,495	2,095,933
Fixed Expenses												
Real estate taxes	(F) (1,257)	82	838	896	21,920	22,695	253,749	248,295	20,663	22,777	234,587	249,191
Building insurance	-	-	-	-	3,824	3,200	38,593	34,032	3,824	3,200	38,393	34,032
Total fixed expenses	(1,257)	82	838	896	25,744	25,895	272,142	282,327	24,487	25,977	272,980	283,223
Total operating & fixed exp.	67,602	79,703	1,407,966	926,830	141,144	138,776	1,383,509	1,452,326	208,746	218,479	2,791,475	2,379,156
Net operating income / (loss)	12,393	470,297	3,232,405	5,123,170	70,086	82,163	1,015,414	994,779	82,479	552,460	4,247,819	6,117,949
Depreciation expense	106,709	106,709	1,179,097	1,179,095	76,123	80,273	859,239	879,090	182,832	186,982	2,038,336	2,058,185
Financial income and expenses												
Discretionary grant funding	-	-	(3,000)	-	-	-	-	-	-	-	(3,000)	-
Interest and dividend income	(G) 242,450	90,313	1,469,874	938,443	-	-	-	-	242,450	90,313	1,469,874	938,443
Realized gain / (loss)	(G) (1,821,733)	-	(1,683,305)	-	-	-	-	-	(1,821,733)	-	(1,683,305)	-
Unrealized gain / (loss)	(G) 4,472,784	-	517,804	-	-	-	-	-	4,472,784	-	517,804	-
Hospital income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Ground lease & other inc.	26,780	26,780	294,122	294,116	-	-	-	-	26,780	26,780	294,122	294,116
Gain - sale of Trinity North	-	-	990,537	-	-	-	-	-	-	-	990,537	-
Gain - termination of lease	-	-	68,000,000	-	-	-	-	-	-	-	68,000,000	-
Interest expense	-	(53,495)	(388,645)	(608,561)	-	-	-	-	-	(53,495)	(388,645)	(608,561)
Total financial inc. & exp.	2,920,281	63,598	69,197,389	623,998	-	-	-	-	2,920,281	63,598	69,197,389	623,998
Total expenses	(2,745,970)	122,814	(66,610,326)	1,481,927	217,267	219,049	2,242,748	2,331,416	(2,528,703)	341,863	(64,367,578)	3,813,343
Net income / (loss)	2,825,965	427,186	71,250,697	4,568,073	(6,057)	1,890	156,175	115,689	2,819,928	429,076	71,406,872	4,683,762

METROCREST HOSPITAL AUTHORITY
INCOME STATEMENT
 For the month and year to date May 31, 2020

	BMCC Plaza 1			BMCC Plaza 2			BMCC Plaza 3			The Pediatric Center		
	Month	Budget	YTD	Month	Budget	YTD	Month	Budget	YTD	Month	Budget	YTD
			Budget			Budget			Budget			Budget
Income												
Rent	36,517	43,900	462,089	72,270	71,426	787,314	65,116	68,153	733,798	36,987	36,986	406,853
Miscellaneous	-	184	1,071	224	290	3,104	116	-	4,376	-	-	318
Total revenue	36,517	44,084	463,160	72,494	71,716	790,418	65,232	68,153	738,174	36,987	36,986	407,171
			501,150			789,426			749,683			406,846
Operating Expenses												
Cleaning	3,168	4,300	39,270	4,673	5,200	55,416	3,856	4,700	48,915	4,916	4,950	55,011
Repairs / Maintenance	7,807	4,845	41,375	7,471	5,253	41,835	14,326	7,668	52,118	3,611	3,467	27,260
Utilities	3,946	6,335	51,562	4,842	6,500	69,620	5,090	6,000	74,019	2,545	4,400	42,296
Landscaping	1,225	1,400	7,297	1,226	1,100	6,872	1,588	700	11,329	1,180	1,200	10,628
Security	2,850	2,987	33,234	2,850	2,987	32,956	2,850	2,910	31,058	364	500	4,057
Administrative												
Payroll, taxes, benefits	9,051	8,861	93,592	9,038	8,845	93,455	9,033	8,839	93,407	5,419	5,219	56,079
Professional fees	-	-	2,289	-	-	1,000	90	-	1,182	-	-	-
General office expenses	363	705	6,738	408	1,005	8,184	408	650	6,047	46	180	1,544
General liability insurance	313	318	3,441	313	318	3,382	348	345	3,809	186	194	2,049
Board expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total operating exp.	28,723	29,751	278,798	30,821	31,208	311,761	37,589	31,812	321,884	18,267	20,110	198,924
			309,595			328,872			319,346			212,186
Fixed Expenses												
Real estate taxes	5,815	6,053	61,926	7,610	7,898	81,376	5,741	6,111	62,393	2,754	2,633	28,054
Building insurance	1,090	922	10,979	1,090	922	10,980	1,032	866	10,375	612	490	6,061
Total fixed expenses	6,905	6,975	72,905	8,700	8,820	92,356	6,773	6,977	72,766	3,366	3,123	34,017
			76,029			96,216			76,065			34,017
Total operating & fixed exp.	35,628	36,726	351,703	39,521	40,028	404,117	44,362	38,789	394,650	21,633	23,233	233,039
			385,624			425,088			395,411			246,203
Net operating income / (loss)	889	7,358	111,457	32,973	31,688	386,301	20,870	29,364	343,524	15,354	13,753	174,132
			115,526			364,338			354,272			160,643
Depreciation expense	20,258	21,114	227,598	19,407	21,128	227,174	30,215	30,054	331,908	6,243	7,977	72,559
			227,691			234,908			329,347			87,144
Financial income and expenses												
Discretionary grant funding	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Realized gain / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Hospital income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Ground lease & other inc.	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of Trinity North	-	-	-	-	-	-	-	-	-	-	-	-
Gain on termination of lease	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
Total financial inc. & exp.	-	-	-	-	-	-	-	-	-	-	-	-
			613,315			659,996			724,758			333,347
Total expenses	55,886	57,840	579,301	58,928	61,156	631,291	74,577	68,843	726,558	27,876	31,210	305,598
			(112,165)			129,430			24,925			73,499
Net income / (loss)	(19,369)	(13,756)	(116,141)	13,566	10,560	159,127	(9,345)	(690)	11,616	9,111	5,776	101,573
			8,12			8,98			8,15			8,81
Annual operating cost per sq. ft.			\$ 7.41			\$ 8.54			\$ 8.13			\$ 8.34
BOMA standard operating cost per sq. ft.			\$ 10.65			\$ 10.65			\$ 10.65			\$ 10.13

Hospital operating results are not included in this financial statement

METROCREST HOSPITAL AUTHORITY

STATEMENT OF CASH FLOWS

For the eleven months ended May 31, 2020

Cash flows from operating activities:	
Excess of revenues over expenses	71,406,872
Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities:	
Investment (gains) and losses	1,165,501
Depreciation and amortization	2,038,337
Deduct gain on sale of Trinity North	(990,537)
Deduct gain on termination of BSWC lease	(68,000,000)
Deduct premium paid on early bond redemption	-
Bad debt expense	-
(Increase) decrease in receivables and intercompany	(79,757)
(Increase) decrease in prepaid interest and other	(4,162)
(Increase) decrease in trustee fund held for bond redemption	278,560
(Increase) decrease in other assets	896,785
Increase (decrease) in accounts payable and other accrued liabilities	(572,116)
Increase (decrease) in bond interest payable	(231,478)
Increase (decrease) in deferred lease income	8,044
Net cash provided by operating activities	5,916,049
Cash flows from investing activities:	
Purchase of property and facilities	(71,060)
Proceeds from sale of real estate, net of closing costs	4,169,831
Proceeds from termination of BSWC lease	68,000,000
(Increase) decrease in assets held by trustee designated for construction	-
(Increase) decrease in money market funds	1,772,707
(Increase) decrease in marketable securities	(67,053,946)
Net cash (used in) investing activities	6,817,532
Cash flows from financing activities	
Issuance of additional bonds / (early bond redemption), net	(14,518,235)
(Increase) decrease in debt service reserve fund	1,798,262
Premium paid on early bond redemption	-
Debt issuance costs	-
Net cash provided (used) by financing activities	(12,719,973)
Net (decrease) in cash	13,608
Cash, beginning of period	4,440
Cash, end of period	18,048

METROCREST HOSPITAL AUTHORITY
SUMMARY OF CHANGES IN CASH AND INVESTMENTS

For the month and year to date May 31, 2020

	This month	Last month	Change	Beginning of year	YTD change
Chase operating	\$ 17,851	120,144	(102,293)	4,306	13,545
Petty cash	197	197	-	134	63
Total cash	18,048	120,341	(102,293)	4,440	13,608
Chase money market	102,106	34,151	67,955	193,262	(91,156)
Pledged CD Account (money market)	2,644	1,000	1,644	6,680	(4,036)
Pledged Account (money market)	124,191	893	123,298	73,785	50,406
Unconstrained Account (money market)	60,250	22,276	37,974	85,757	(25,507)
RBC Active Assets Account (money mkt)	4,570	4,570	-	1,708,789	(1,704,219)
Certificates of Deposit	2,339,803	2,328,790	11,013	3,476,405	(1,136,602)
Marketable securities	93,220,037	90,504,097	2,715,940	27,331,592	65,888,445
Total investments	95,853,601	92,895,777	2,957,824	32,876,270	62,977,331
Total cash and investments	\$ 95,871,649	93,016,118	2,855,531	32,880,710	62,990,939

METROCREST HOSPITAL AUTHORITY

Notes to Summary of Changes in Cash and Investments
For the month of May 31, 2020

	PLEDGED - CDs	PLEDGED	UNCONSTRAINED	ACTIVE ASSETS
Beginning balance	1,000.01	892.83	22,276.21	4,570.26
Plus:				
Deposit from MHA checking	-	-	-	-
Interest earned on account balance	0.01	9.44	0.72	0.03
Interest received on investments	1,643.83	-	-	160.31
Dividends received	-	189,202.08	47,801.30	-
Securities sold / redemptions	-	46,149,549.12	4,797,013.00	-
Hospital rent (excl. payment to Wells Fargo)	-	-	-	-
Baylor lease termination settlement	-	-	-	-
Less:				
Capital gain distribution		-		
Purchase securities		(46,215,462.00)	(4,806,841.00)	(160.31)
Dividend reinvestment	-	-	-	
Early bond redemption premium				
Wells Fargo bond redemption fee				
Wire to MHA Chase operating account				
Close Wells Fargo Debt Service Reserve Fund				
Close Wells Fargo Bond account				
Wire to The Dallas Foundation	-	-	-	-
Fees	-	-	-	
Transfers: To / (From)				
Transfers: To / (From)				
Transfers: To / (From)				
Transfers: To / (From)				
Ending balance	2,643.85	124,191.47	60,250.23	4,570.29
		Total all accounts		191,655.84
		Chase Money Market		102,105.90
		Deferred Comp Plan		28,079.00
		Employee 125 Plan Deposits		3,626.43
		Money Market Funds per Balance Sheet		325,467.17

METROCREST HOSPITAL AUTHORITY

NOTES - FINANCIAL STATEMENTS

For the month of May 31, 2020

<u>Income Statement</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Explanation</u>
A) Rent - MHA	79,939	550,000	(470,061)	The new lease requires no payment for the first three months and escalating payments in subsequent years. Income must be recorded on a straight-line basis over the term of the lease, which is \$79,939. A deferred lease revenue receivable is recorded on the balance sheet.
B) Rent - MOBs	210,890	220,465	(9,575)	There were no changes in occupancy in May. Prior month variances include: Family Medicine renewed their lease for a \$1,435 increase in monthly rent. Dr. Haq moved out of the Plaza 2 timeshare, reducing rent by \$592 per month. Dr. Sanders requested reduced rent since he only utilizes this satellite office 2 days per week, reducing rent by \$1,060 per month. The Baylor Pharmacy lease terminated effective 12/31/19, reducing rent by \$1,974 per month. Beginning 1/1/20, Interventional Pain management signed a 1-year extension of their lease at the new rate of \$24.50 per square foot, increasing rent by \$255 per month. Dr. Bryan moved off campus, decreasing Plaza 1 rent by \$5,316. Dr. Siri retired, decreasing Plaza 3 rent by \$3,242. LabCorp signed a 1-year extension of their lease at the new rate of \$24.50 per square foot, or \$267 more per month. Dr. Dike returned to campus in the Plaza 1 timeshare for 2 time slots per week, or \$700 per month. Urology of North Texas moved out of the Plaza 3 timeshare. Lonestar Neurology took the day but are paying \$700 per month, which is the rate they have been paying for the other days they occupy the space. Lonestar is now using all of the timeshare slots except
C) Repair & maintenance - MOBs	33,215	21,233	(11,982)	The window cleaning service that MHA has used for many years closed its business. The new company charges a much higher rate, exceeding our budget for the three Plazas by \$4,200. Repairs to the atrium roof exceeded budget by \$2,700. An HVAC unit had a leak which cost \$2,775 to repair of which over half was the cost of refrigerant. A 6 foot section of 3" cast iron pipe was replaced in Plaza 1 at a cost of \$875. Six toilet paper holders were replaced at The Pediatric Center for \$1,252.
D) Professional fees - MHA	7,874	14,349	6,475	Legal expense for the month was \$3,400 below budget. The budget included \$5,000 for the Wells Fargo annual bond trustee fees which is no longer required. The budget did not include \$3,500 for the monthly Margulies Communications Group fee.
E) Board expenses	19,483	22,972	3,489	Many community events which MHA had planned to sponsor are not taking place due to the pandemic. The budget included \$3,000 for these events.
F) Real estate taxes	(1,257)	82	1,339	In a prior month, my contact at the Denton County Appraisal District informed me that we owed additional tax on the Trinity North MOB. We paid the tax, but in May they refunded the tax.
G) Interest and dividend income	242,450	90,313		
Realized gain / (loss)	(1,821,733)	-		
Unrealized gain / (loss)	4,472,784	-		
	<u>2,893,501</u>	<u>90,313</u>	2,803,188	The month of May total investment return was \$2,803,188 better than budget, including \$4,472,784 of unrealized gains.
Interest income	1,469,874	938,443		
Realized gain / (loss)	(1,683,305)	-		
Unrealized gain / (loss)	517,804	-		
	<u>304,373</u>	<u>938,443</u>	(634,070)	The year to date investment return was \$634,070 below budget, including \$517,804 of unrealized gains.

6/11/2020

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METROCREST HOSPITAL AUTHORITY

NOTES - FINANCIAL STATEMENTS

For the month of May 31, 2020

H) Interest expense	-	(53,495)	53,495	The budget reflects interest expense according to the bond agreement. Since the bonds were paid off on March 2, there was no interest expense for the month.
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METROCREST HOSPITAL AUTHORITY

Revenue variances per month

FY 6/30/2020

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FY 2020
Obstetrix took an extra half-day in the Plaza 1 timeshare	350	350											700
Dr. Mocek planned to move out at the end of June, but he stayed on campus through the end of July	2,489												2,489
Dr. Dike returned to campus in the Plaza 1 timeshare				700	700	700	700	700	700	700	700	700	5,600
LabCorp (Plaza 1) rate increase				267	267	267	267	267	267	267	267	267	1,602
Dr. Bryan (Plaza 1) moved off campus				(5,316)	(5,316)	(5,316)	(5,316)	(5,316)	(5,316)	(5,316)	(5,316)	(5,316)	(31,896)
Dr. Siri (Plaza 3) retired				(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(19,452)
Interventional Pain Management rate increased to current 1-yr term rate				255	255	255	255	255	255	255	255	255	1,275
Baylor Pharmacy closed				(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(1,974)	(9,870)
Urology of North Texas moved out of the Plaza 3 timeshare for \$750 per month, but Lonestar Neurology took over UNT's times for \$700 per month				(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(200)
Dr. Sanders requested a rent reduction for this satellite office which is used 2 days per week				(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(3,180)
Dr. Haq moved out of the Plaza 2 timeshare				(590)	(590)	(590)	(590)	(590)	(590)	(590)	(590)	(590)	(1,770)
Family Medicine (Plaza 2) rent increase				1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	2,870

monthly variance 2,839 350 - 700 700 (7,591) (9,310) (9,360) (11,010) (9,575) (9,575) (9,575) - (51,832)

YTD variance 2,839 3,189 3,189 3,889 4,589 (3,002) (12,312) (21,672) (32,682) (42,257) (51,832) (51,832) (51,832)

Occupancy Statistics
For the month of May 2020

	BMCC			
	<u>Plaza 1</u>	<u>Plaza 2</u>	<u>Plaza 3</u>	<u>Pediatric Center</u>
Gross Square Feet	51,777	51,644	52,935	30,488
Rentable Square Feet	48,983	48,612	47,263	N/A
Usable Square Feet	41,866	41,809	N/A	22,521
Vending/Mgmt Office	586	N/A	2,416	N/A
Sq. Ft. Vacant	28,250	9,661	13,808	-
Sq. Ft. Occupied	20,147	38,951	31,039	22,521
Occupancy Rate:				
May 2019	57%	82%	72%	100%
June 2019	57%	82%	76%	100%
July 2019	57%	82%	76%	100%
August 2019	57%	82%	73%	100%
September 2019	50%	82%	73%	100%
October 2019	50%	82%	73%	100%
November 2019	50%	82%	73%	100%
December 2019	42%	82%	69%	100%
January 2020	42%	82%	69%	100%
February 2020	42%	82%	69%	100%
March 2020	42%	80%	69%	100%
April 2020	42%	80%	69%	100%
May 2020	42%	80%	69%	100%

Note: Occupancy rates for The Pediatric Center are based on usable square feet.

Occupancy rates for BMCC Plazas are based on rentable square feet.

Note: The Baylor Community Clinic closed in January 2020. Since they will continue to pay the rent through the end of their lease on May 31, 2020, they will be included as an occupied space in the schedule above. Their departure will result in a 59% occupancy

METROCREST HOSPITAL AUTHORITY
 Changes to the FY 2021 Budget

The following changes were made to the budget after it was presented at the May Board meeting:

		Favorable / (Unfavorable)
Original Budgeted Net Income / (Loss)		<u>\$ (1,727,297)</u>
Revenues:		
Plaza 2 - Texas Colon and Rectal expires 6/30/2020 and not renewing	(32,292)	
Total revenue adjustments reduced from budget	<u>(32,292)</u>	(32,292)
Expenses:		
Professional Fees Expense:		
Add Margulies Communications Group for 11 months	(4,296)	
As a result of other budget changes, the money manager fee increased	(38,500)	
Board Expenses:		
Board retreat September 2020 expense increased	(20,000)	
Total Expenses added to budget	<u>(62,796)</u>	(62,796)
Investment Return:		
Updated amount invested with fund manager as of 5/31/20		84,555
Net Change in Budgeted Net Income / (Loss)		<u>(10,533)</u>
Revised Budgeted Net Income / (Loss)		<u><u>\$ (1,737,830)</u></u>
Original Budgeted Increase in Cash		\$ 113,280
Net change in revenues and expenses per above		(10,533)
Revised Budgeted Increase in Cash		<u><u>\$ 102,747</u></u>

METROCREST HOSPITAL AUTHORITY

FISCAL YEAR 2020-2021 OPERATING BUDGET

	MHA	Office Buildings	2021 BUDGET TOTAL	2020 BUDGET TOTAL	2020 PROJECTED TOTAL
GROSS SQUARE FEET		185,509			
INCOME:					
RENT	959,256	2,274,858	3,234,114	9,262,368	7,365,518
MISCELLANEOUS	-	2,688	2,688	5,688	11,309
TOTAL INCOME	959,256	2,277,546	3,236,802	9,268,056	7,376,827
OPERATING EXPENSE:					
CLEANING	-	235,840	235,840	239,400	228,953
REPAIRS & MAINTENANCE	200	175,095	175,295	182,044	153,026
UTILITIES	-	282,570	282,570	286,405	274,659
LANDSCAPING	13,964	38,300	52,264	51,884	45,325
SECURITY SERVICE	-	123,200	123,200	112,608	109,546
ADMINISTRATIVE:	-	-	-	-	-
PAYROLL, PAYROLL TAX, FRINGES	460,816	384,317	845,133	801,457	892,676
PROFESSIONAL FEES	280,740	3,750	284,490	289,241	635,933
GENERAL OFFICE EXPENSE	41,821	32,270	74,091	83,188	66,379
GENERAL LIABILITY INSURANCE	-	14,845	14,845	13,669	13,894
BOARD EXPENSES	63,773	-	63,773	93,396	86,726
COMMUNITY PROGRAMS SUPPORT	500,000	-	500,000	450,000	343,879
OTHER EXPENSES / (INCOME)	-	-	-	-	-
TOTAL OPERATING EXPENSES	1,361,314	1,290,187	2,651,501	2,603,292	2,850,996
FIXED EXPENSE:					
PROPERTY TAXES	966	270,990	271,956	271,968	255,898
INSURANCE -- CASUALTY	-	48,946	48,946	37,228	40,992
TOTAL FIXED EXPENSES	966	319,936	320,902	309,196	296,890
TOTAL OPERATING & FIXED EXP	1,362,280	1,610,122	2,972,402	2,912,488	3,147,886
NET OPERATING INCOME / (LOSS)	(403,024)	667,424	264,400	6,355,569	4,228,941
FINANCIAL AND DISCRETIONARY ITEMS:					
DISCRETIONARY GRANT FUNDING	(2,000,000)	-	(2,000,000)	(2,000,000)	(2,132,539)
INVESTMENT RETURN	1,889,459	-	1,889,459	1,029,087	62,788,007
GROUND LEASE AND OTHER	325,116	-	325,116	320,902	320,748
INTEREST EXPENSE	-	-	-	(661,496)	(388,643)
TOTAL FINANCIAL AND DISCRETIONARY ITEMS	214,575	-	214,575	(1,311,507)	60,587,573
EARNINGS BEFORE DEPR & AMORT	(188,449)	667,424	478,975	5,044,062	64,816,514
DEPRECIATION	(1,279,154)	(937,651)	(2,216,805)	(2,245,167)	(2,229,931)
NET INCOME	(1,467,603)	(270,227)	(1,737,830)	2,798,895	62,586,583
ADJUSTMENTS TO CASH BASIS:					
BOND PRINCIPAL PAYMENTS	-	-	-	(1,124,039)	(1,022,855)
ADD BACK DEPRECIATION EXPENSE	1,279,154	937,651	2,216,805	2,245,167	2,229,931
LEASEHOLD IMPROVEMENTS	-	(76,772)	(76,772)	(374,745)	(91,044)
CAPITAL	-	(305,000)	(305,000)	(418,900)	(153,221)
CASH VS ACCRUAL - GROUND LEASE	-	-	5,544	464	-
INCREASE / (DECREASE) IN CASH	(188,449)	285,652	102,747	3,126,842	63,549,394
PROJECTED BEGINNING CASH 7/01/20			93,733,824		
PROJECTED ENDING CASH 6/30/21			93,836,571		

METROCREST HOSPITAL AUTHORITY

FISCAL YEAR 2020-2021 OPERATING BUDGET

	MHA	BSWC 1	BSWC 2	BSWC 3	Pediatric Center	2021 BUDGET TOTAL	2020 BUDGET TOTAL
GROSS SQUARE FEET		51,644	51,777	51,800	30,489		
INCOME:							
RENT	959,256	384,231	793,047	653,748	443,832	3,234,114	9,262,368
MISCELLANEOUS	-	-	2,688	-	-	2,688	5,688
TOTAL INCOME	959,256	384,231	795,735	653,748	443,832	3,236,802	9,268,056
OPERATING EXPENSE:							
CLEANING	-	46,200	65,600	55,400	68,640	235,840	239,400
REPAIRS & MAINTENANCE	200	44,801	48,867	49,582	31,845	175,295	182,044
UTILITIES	-	64,620	79,000	84,900	54,050	282,570	286,405
LANDSCAPING	13,954	8,200	7,500	9,100	13,500	52,264	51,984
SECURITY SERVICE	-	40,400	38,400	38,400	6,000	123,200	112,608
ADMINISTRATIVE:							
PAYROLL, PAYROLL TAX, FRINGES	450,816	107,216	107,021	106,948	63,132	845,133	801,457
PROFESSIONAL FEES	280,740	1,250	1,000	1,000	500	284,490	289,241
GENERAL OFFICE EXPENSE:							
GENERAL LIABILITY INSURANCE	41,821	11,046	7,749	10,468	3,005	74,091	83,188
BOARD EXPENSES	63,773	4,004	4,004	4,456	2,381	14,845	13,669
COMMUNITY PROGRAMS SUPPORT	500,000	-	-	-	-	63,773	93,396
OTHER	-	-	-	-	-	500,000	450,000
TOTAL OPERATING EXPENSES	1,361,314	327,739	359,141	360,254	243,053	2,651,501	2,603,292
FIXED EXPENSE:							
PROPERTY TAXES	966	72,276	94,308	72,966	31,440	271,956	271,968
INSURANCE -- CASUALTY	-	13,952	13,952	13,208	7,834	48,946	37,228
TOTAL FIXED EXPENSES	966	86,228	108,260	86,174	39,274	320,902	309,196
TOTAL OPERATING & FIXED EXP	1,362,280	413,967	467,401	446,428	282,326	2,972,402	2,912,488
NET OPERATING INCOME / (LOSS)	(403,024)	(29,736)	328,334	207,320	161,506	264,400	6,355,669
DEPRECIATION EXPENSE	1,279,154	245,901	233,210	371,024	87,516	2,216,805	2,245,167
FINANCIAL AND DISCRETIONARY ITEMS:							
DISCRETIONARY GRANT FUNDING	(2,000,000)	-	-	-	-	(2,000,000)	(2,000,000)
INVESTMENT RETURN	1,889,459	-	-	-	-	1,889,459	1,029,087
GROUND LEASE AND OTHER	325,116	-	-	-	-	325,116	320,902
INTEREST EXPENSE	-	-	-	-	-	-	(661,496)
AMORTIZATION EXPENSE	-	-	-	-	-	-	-
TOTAL FINANCIAL AND DISCRETIONARY ITEMS	214,575	-	-	-	-	214,575	(1,311,507)
TOTAL EXPENSES	2,426,859	659,868	700,611	817,452	369,842	4,974,632	6,469,162
NET INCOME / (LOSS)	(1,467,603)	(275,637)	95,124	(163,704)	73,990	(1,737,830)	2,798,895
LEASEHOLD IMPROVEMENTS	-	33,359	-	-	43,413	76,772	374,745
CAPITAL	0	46,000	44,000	130,000	85,000	305,000	418,900
TOTAL LHI, CAPITAL AND HOSPITAL	0	79,359	44,000	130,000	128,413	381,772	793,645
DEBT PAYMENT	-	-	-	-	-	-	1,124,039

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 Cash flow forecast for the period ending June 30, 2021

Projected cash (excluding money manager) at June 30, 2020	93,733,824
BMCC lease cash payments	964,800
MOB rent, parking, etc.	2,277,546
Operating expenses	(2,651,501)
Property tax & property insurance	(320,902)
Discretionary grant funding	(2,000,000)
Investment return	1,889,459
Other revenues (ground leases)	325,116
Capital expenditures / leasehold improvements	(381,772)
Other	-
	<hr/>
Net increase / (decrease) in cash	102,747
	<hr/>
Projected cash balance June 30, 2021	<u>93,836,571</u>

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 MHA

	FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTION
INCOME:			
RENT - BSWC	959,256	6,600,000	4,719,753
MISCELLANEOUS	-	-	497
TOTAL INCOME	959,256	6,600,000	4,720,250
OPERATING EXPENSE:			
CLEANING	-	-	-
REPAIRS & MAINTENANCE	200	200	128
UTILITIES	-	-	-
LANDSCAPING	13,964	12,884	9,600
SECURITY SERVICE	-	-	-
ADMINISTRATIVE:			
PAYROLL, PAYROLL TAX, FRINGES	460,816	430,770	526,100
PROFESSIONAL FEES	280,740	285,741	632,136
GENERAL OFFICE EXPENSE:	41,821	43,488	41,137
GENERAL LIABILITY INSURANCE	-	-	-
BOARD EXPENSES	63,773	93,396	86,726
COMMUNITY PROGRAMS SUPPORT	500,000	250,000	343,879
OTHER	-	-	-
TOTAL OPERATING EXPENSES	1,361,314	1,116,479	1,639,706
FIXED EXPENSE:			
PROPERTY TAXES	966	978	2,687
INSURANCE -- CASUALTY	-	-	-
TOTAL FIXED EXPENSES	966	978	2,687
TOTAL OPERATING & FIXED EXP	1,362,280	1,117,457	1,642,393
NET OPERATING INCOME / (LOSS)	(403,024)	5,482,543	3,077,857
DEPRECIATION EXPENSE	1,279,154	1,285,804	1,287,572
FINANCIAL AND DISCRETIONARY ITEMS:			
DISCRETIONARY GRANT FUNDING	(2,000,000)	(2,000,000)	(2,132,539)
INVESTMENT RETURN	1,889,459	1,029,984	62,788,007
GROUND LEASE AND OTHER	325,116	320,902	320,748
INTEREST EXPENSE	-	(661,496)	(388,643)
AMORTIZATION EXPENSE	-	-	-
TOTAL FINANCIAL / DISCRETIONARY	214,575	(1,310,610)	60,587,573
TOTAL EXPENSES	2,426,859	3,713,871	(57,657,608)
NET INCOME / (LOSS)	(1,467,603)	2,886,129	62,377,858
BOND PRINCIPAL PAYMENTS			
	-	(1,124,039)	(1,022,855)
LEASEHOLD IMPROVEMENTS			
None	-	-	-
TOTAL LHI	-	-	-
CAPITAL			
0	-	-	-
TOTAL CAPITAL	-	200,000	8,560
Total Capital, LHI, and Hospital	-	200,000	8,560

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 BMCC PLAZA 1

	FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTION
INCOME:			
RENT	384,231	543,029	545,094
MISCELLANEOUS	-	2,208	1,428
TOTAL INCOME	384,231	545,237	546,522
OPERATING EXPENSE:			
CLEANING	46,200	54,800	43,488
REPAIRS & MAINTENANCE	44,801	51,820	40,807
UTILITIES	64,620	70,995	58,738
LANDSCAPING	8,200	8,200	7,497
SECURITY SERVICE	40,400	35,844	36,003
ADMINISTRATIVE:			
PAYROLL, PAYROLL TAX, FRINGES	107,216	103,407	101,588
PROFESSIONAL FEES	1,250	1,000	2,439
GENERAL OFFICE EXPENSE	11,048	11,048	7,700
GENERAL LIABILITY INSURANCE	4,004	3,700	3,753
BOARD EXPENSES	-	-	-
OTHER	-	-	-
TOTAL OPERATING EXPENSES	327,739	340,814	302,013
FIXED EXPENSE:			
PROPERTY TAXES	72,276	72,276	67,061
INSURANCE -- CASUALTY	13,952	10,728	11,733
TOTAL FIXED EXPENSES	86,228	83,004	78,794
TOTAL OPERATING & FIXED EXP	413,967	423,818	380,807
<i>MHA EXPENSES PER SQ FT</i>	<i>\$ 8.00</i>	<i>\$ 8.19</i>	<i>\$ 7.35</i>
<i>BOMA EXPENSES PER SQ FT</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>
NET OPERATING INCOME / (LOSS)	(29,736)	121,419	165,715
DEPRECIATION	245,901	248,805	249,443
INTEREST EXPENSE	-	-	-
NET INCOME	(275,637)	(127,386)	(83,728)

LEASEHOLD IMPROVEMENTS			
200B Labcorp (1 year no TI)	-		
107 Alavi (3 year with TI)	12,492		
307 Jennings (3 year with TI)	20,867		
	0		
	-		
	-		
TOTAL LHI	33,359	133,162	13,749
CAPITAL			
Access System upgrade	10,000		
Additional Landscaping	10,000		
Replace ceiling tiles in common areas	12,000		
Replace Automatic doors	14,000		
	0		
	-		
	-		
	-		
	-		
TOTAL CAPITAL	46,000	48,200	-
TOTAL CAPITAL AND LHI	79,359	181,362	13,749

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 BMCC PLAZA 2

	FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTION
INCOME:			
RENT	793,047	857,662	857,722
MISCELLANEOUS	2,688	3,480	3,541
TOTAL INCOME	795,735	861,142	861,263
OPERATING EXPENSE:			
CLEANING	65,600	65,600	61,003
REPAIRS & MAINTENANCE	48,867	49,396	41,099
UTILITIES	79,000	78,160	79,124
LANDSCAPING	7,500	8,200	6,931
SECURITY SERVICE	38,400	35,844	35,632
ADMINISTRATIVE:	-	-	-
PAYROLL, PAYROLL TAX, FRINGES	107,021	103,225	101,440
PROFESSIONAL FEES	1,000	1,000	150
GENERAL OFFICE EXPENSE	7,749	14,709	8,869
GENERAL LIABILITY INSURANCE	4,004	3,700	3,753
BOARD EXPENSES	-	-	-
OTHER	-	-	-
TOTAL OPERATING EXPENSES	359,141	359,834	338,001
FIXED EXPENSE:			
PROPERTY TAXES	94,308	94,308	88,208
INSURANCE -- CASUALTY	13,952	10,728	11,733
TOTAL FIXED EXPENSES	108,260	105,036	99,941
TOTAL OPERATING & FIXED EXP	467,401	464,870	437,942
<i>MHA EXPENSES PER SQ FT</i>	<i>\$ 9.05</i>	<i>\$ 9.00</i>	<i>\$ 8.48</i>
<i>BOMA EXPENSES PER SQ FT</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>
NET OPERATING INCOME / (LOSS)	328,334	396,272	423,321
DEPRECIATION	233,210	256,036	251,148
INTEREST EXPENSE	-	-	-
NET INCOME	95,124	140,236	172,173
LEASEHOLD IMPROVEMENTS			
206 Mashigan (3 years No TI)	-	-	-
0	-	-	-
TOTAL LHI	-	152,152	-
CAPITAL			
Install new automatic doors	14,000	-	-
Access System Upgrade	10,000	-	-
Additional Landscaping	10,000	-	-
Replace ceiling tiles in common areas	10,000	-	-
TOTAL CAPITAL	44,000	45,700	-
TOTAL CAPITAL AND LHI	44,000	197,852	-

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 BMCC PLAZA 3

	FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTION
INCOME:			
RENT	653,748	817,842	799,106
MISCELLANEOUS	-	-	5,525
TOTAL INCOME	653,748	817,842	804,631
OPERATING EXPENSE:			
CLEANING	55,400	59,600	54,513
REPAIRS & MAINTENANCE	49,582	45,623	41,625
UTILITIES	84,900	84,400	84,469
LANDSCAPING	9,100	9,100	8,700
SECURITY SERVICE	38,400	34,920	33,744
ADMINISTRATIVE:			
PAYROLL, PAYROLL TAX, FRINGES	106,948	103,152	101,388
PROFESSIONAL FEES	1,000	1,000	1,208
GENERAL OFFICE EXPENSE	10,468	10,458	6,908
GENERAL LIABILITY INSURANCE	4,456	4,016	4,151
BOARD EXPENSES	-	-	-
OTHER	-	-	-
TOTAL OPERATING EXPENSES	360,254	352,269	336,706
FIXED EXPENSE:			
PROPERTY TAXES	72,966	72,966	67,881
INSURANCE -- CASUALTY	13,208	10,076	11,077
TOTAL FIXED EXPENSES	86,174	83,042	78,958
TOTAL OPERATING & FIXED EXP	446,428	435,311	415,664
<i>MHA EXPENSES PER SQ FT</i>	<i>\$ 8.65</i>	<i>\$ 8.44</i>	<i>\$ 8.06</i>
<i>BOMA EXPENSES PER SQ FT</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>	<i>\$ 10.65</i>
NET OPERATING INCOME / (LOSS)	207,320	382,531	388,967
DEPRECIATION	371,024	359,401	361,971
GROUND LEASE AND OTHER (FEE)	-	-	-
NET INCOME	(163,704)	23,130	26,996
LEASEHOLD IMPROVEMENTS			
206 Tricity Pain (1 year no TI) 12/31/20	-	-	-
TOTAL LHI	-	15,263	11,023
CAPITAL			
HVAC (Atirum unit)	90,000	-	-
Access System upgrade	10,000	-	-
Additional Landscaping	10,000	-	-
Remodel elevators inside and out	20,000	-	-
TOTAL CAPITAL	130,000	40,000	116,964
TOTAL CAPITAL AND LHI	130,000	55,263	127,987

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET
 THE PEDIATRIC CENTER

	FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTION
INCOME:			
RENT	443,832	443,836	443,843
MISCELLANEOUS	-	-	318
TOTAL INCOME	443,832	443,836	444,161
OPERATING EXPENSE:			
CLEANING	68,640	59,400	69,949
REPAIRS & MAINTENANCE	31,845	36,005	29,367
UTILITIES	54,050	52,850	52,328
LANDSCAPING	13,500	13,500	12,597
SECURITY SERVICE	6,000	6,000	4,167
ADMINISTRATIVE:			
PAYROLL, PAYROLL TAX, FRINGES	63,132	60,903	62,160
PROFESSIONAL FEES	500	500	-
GENERAL OFFICE EXPENSE	3,005	3,485	1,765
GENERAL LIABILITY INSURANCE	2,381	2,253	2,237
BOARD EXPENSES	-	-	-
OTHER	-	-	-
TOTAL OPERATING EXPENSES	243,053	233,896	234,570
FIXED EXPENSE:			
PROPERTY TAXES	31,440	31,440	30,061
INSURANCE -- CASUALTY	7,834	5,696	6,449
TOTAL FIXED EXPENSES	39,274	37,136	36,510
TOTAL OPERATING & FIXED EXP	282,326	271,032	271,080
<i>MHA EXPENSES PER SQ FT</i>	\$ 9.26	\$ 8.89	\$ 8.89
<i>BOMA EXPENSES PER SQ FT</i>	\$ 10.13	\$ 10.13	\$ 10.13
NET OPERATING INCOME / (LOSS)	161,506	172,804	173,081
DEPRECIATION	87,516	95,121	79,797
INTEREST EXPENSE	-	-	-
NET INCOME	73,990	77,683	93,284

LEASEHOLD IMPROVEMENTS			
160 Cooks 7.50	43,413		
0	-		
TOTAL LHI	43,413	21,855	15,249
CAPITAL			
Public Restrooms	30,000		
New tile for common area floors	20,000		
New HVAC unit	35,000		
TOTAL CAPITAL	85,000	57,000	-
TOTAL CAPITAL AND LHI	128,413	78,855	15,249

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET

MEMBERSHIPS

Chambers of Commerce:	
Metrocrest	600
Texas Hospital Association	250
Rotary	1,240
Brookhaven Country Club	7,158
Sam's Wholesale	125
Total	<u>\$ 9,373</u>

EDUCATION AND PROFESSIONAL DUES

CPA License Fees	66
AICPA	750
TSCPA / Dallas Chapter	640
CPE for Ruth - 40 hours @ \$25	1,000
Total	<u>\$ 2,456</u>

COMMUNITY OTHER

Golf Hole Sponsorships	1,000
Citizen of the Year Ad	300
Metrocrest Services - Seasons of Service	2,500
Post Prom -CFBISD; Colony; Coppell; Hebron	1,000
Undesignated	2,500
Total	<u>\$ 7,300</u>

ENTERTAINMENT - STAFF

Christmas Dinner	\$ 2,500
Staff Lunches	500
Other	500
Total	<u>\$ 3,500</u>

ENTERTAINMENT / TENANT RELATIONS - CEO

Expense Account	<u>\$ 4,000</u>
Total - Staff and CEO entertainment	<u>\$ 7,500</u>

METROCREST HOSPITAL AUTHORITY
FISCAL YEAR 2020-2021 OPERATING BUDGET

LANDSCAPE MAINTENANCE

BMCC open field mowing: 8 @ \$850	6,800
BMCC flowers at entrance: 2 @ \$900	1,800
BMCC campus monthly service: 12 @ \$447	<u>5,364</u>
Total	<u>\$ 13,964</u>

PROFESSIONAL FEES

Attorney	66,000
Money manager / trust fees (incl retirement plan)	124,740
Computer Consulting - website	6,000
Computer Consulting	10,000
Public relations	42,000
Property tax consultant - see Plazas	-
Auditors - include compliance work	<u>32,000</u>
Total	<u>\$ 280,740</u>

METROCREST HOSPITAL AUTHORITY
 FISCAL YEAR 2020-2021 OPERATING BUDGET

LUNCHEONS

Monthly Board Meeting (12 @ \$400)	\$ 4,800
Special Board Meetings (2 @ \$300 and 4 @ \$200 and 4 @ \$100)	\$ 1,800
Chamber of Commerce Meetings	\$ 900
Total	<u>\$ 7,500</u>

BOARD EDUCATION

Governance education	<u>1,000</u>
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BOARD RETREAT

Board Retreat - spring 2021	<u>20,000</u>
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SPECIAL EVENTS

Civic League Holiday Home Tour	\$ 500
Metrocrest Chamber Golf Tournament	500
Metrocrest Chamber Annual Banquet	1,000
Metrocrest Services Keyholder Breakfast	1,000
Metrocrest Mayors' Prayer Breakfast	500
Red Ribbon Breakfast	250
Reception for grant recipients	2,500
Undesignated	<u>2,275</u>
Total	<u>\$ 8,525</u>

INSURANCE - DIRECTORS AND OFFICERS

\$ 26,348

MISC BOARD EXPENSES

Miscellaneous	<u>400</u>
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TOTAL BOARD EXPENSES	<u>\$ 63,773</u>
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