

# CHAMPAIGN COUNTY NURSING HOME POST-CLOSURE FUND

## Fund 081-000

### *BUDGET HIGHLIGHTS*

In FY2020 the Nursing Home Fund was reclassified from an Enterprise Fund to a Special Revenue Fund. The County continues to budget for the release of escrow holdback, as well as accounting for expenses associated with County responsibilities of ongoing fund obligations.

The sale of the Champaign County Nursing Home to Extended Care Clinical, LLC and Altitude Health Services, Inc. was completed on April 1, 2019. The Home sold for \$11 million; however, negotiated allowances and fees resulted in net sale proceeds of \$9.2 million. On April 30, 2019, the County used sale proceeds to defease (2011 Issue) and redeem (2015 Issue) the outstanding bonds issued for construction of the Home. The total amount required for defeasance and redemption including fees was \$6.29 million.

The Asset Purchase Agreement required an Escrow Holdback of 3% totaling \$330,000. The purpose of the holdback is to provide the purchaser and new operator with available funds for satisfaction of all payment of any amounts due with respect to any of the County's indemnification obligations prior to the three-year anniversary of the closing date. If there are no claims, one-third of the holdback is to be released to the County on the first, second- and third-year anniversary of the closing date. The first two years of holdback have been released to the County. The FY2022 Budget anticipates revenue in the amount of \$110,000 for release of final one-third of the escrow holdback.

In FY2021, the reallocation of the former tax levy was used to eliminate the \$1 million loan owed from the Home to the General Fund, in addition to other balances owed to the General Fund. For FY2022, the levy is reallocated to Tort Immunity for obligations still owed to the Self-Funded Insurance Fund. The obligations of the Home continue to be paid from County funds even after the sale of the facility, primarily for defense attorney fees and claims settlements. As of August 2021, the Home owed County funds a total of \$5.7 million.

The County's agreement with the new operator obligated the County for all residents in Public Aid Pending (PAP) status at the time of closing ended on December 31, 2020. Because some PAP residents received Medicaid approval after payment to University Rehab, the County is owed back \$152,352.51. University Rehab has refused to extend reimbursement to the County until completion of the ongoing HFS audit, which reflects Medicaid and patient liability and may result in backpay. In FY2022, the County will budget for accounting services if necessary and software costs to comply with recordkeeping requirements.

### *FINANCIAL*

Fund 081 Summary			2020	2021	2021	2022
			Actual	Original	Projected	Budget
345	23	NH CARE-MEDICAID PATIENTS	\$76,705	\$0	\$3,628	\$0
		FEES AND FINES	\$76,705	\$0	\$3,628	\$0
361	10	INVESTMENT INTEREST	\$5,380	\$0	\$200	\$0
363	10	GIFTS AND DONATIONS	\$16	\$0	\$0	\$0

FY2022 Budget  
Champaign County, Illinois 350

Nursing Home Post-Closure Summary  
Fund 081-000

<b>Fund 081 Summary</b>			<b>2020 Actual</b>	<b>2021 Original</b>	<b>2021 Projected</b>	<b>2022 Budget</b>
364	10	SALE OF FIXED ASSETS	\$110,000	\$110,000	\$110,000	\$110,000
369	90	OTHER MISC. REVENUE	\$4,447	\$0	\$7,269	\$0
		MISCELLANEOUS	\$119,843	\$110,000	\$117,469	\$110,000
371	80	FROM GENERAL CORP FND 080	\$0	\$1,000,000	\$1,000,000	\$0
		INTERFUND REVENUE	\$0	\$1,000,000	\$1,000,000	\$0
<b>REVENUE TOTALS</b>			<b>\$196,548</b>	<b>\$1,110,000</b>	<b>\$1,121,097</b>	<b>\$110,000</b>
533	7	PROFESSIONAL SERVICES	\$26,131	\$12,000	\$3,000	\$10,000
533	29	COMPUTER/INF TCH SERVICES	\$72,620	\$66,516	\$24,398	\$15,000
533	31	ELECTRIC SERVICE	\$24,089	\$0	\$0	\$0
533	40	AUTOMOBILE MAINTENANCE	\$4,275	\$0	\$0	\$0
533	51	EQUIPMENT RENTALS	\$9,804	\$0	\$0	\$0
534	40	CABLE/SATELLITE TV EXP	\$6,541	\$0	\$0	\$0
		SERVICES	\$143,460	\$78,516	\$27,398	\$25,000
571	14	TO CAPITAL IMPRV FUND 105	\$0	\$259,332	\$259,332	\$0
571	18	TO SOCIAL SECURITY FND188	\$0	\$232,334	\$232,334	\$0
571	19	TO SELF-FUNDED INS FND476	\$0	\$389,089	\$0	\$0
571	20	TO HEALTH INSUR FUND 620	\$456,724	\$0	\$0	\$0
571	88	TO IMRF FUND 088	\$0	\$182,643	\$182,643	\$0
		INTERFUND EXPENDITURE	\$456,724	\$1,063,398	\$674,309	\$0
<b>EXPENDITURE TOTALS</b>			<b>\$600,184</b>	<b>\$1,141,914</b>	<b>\$701,707</b>	<b>\$25,000</b>

***FUND BALANCE/NET POSITION***

<b>FY2020 Actual</b>	<b>FY2021 Projected</b>	<b>FY2022 Budgeted</b>
(\$330,299)	\$89,091	\$174,091

In FY2021, forgiveness of the outstanding loan from the General Fund and subsequent transfer of \$1,000,000 to the Home remedied the negative fund balance. The final escrow holdback payment in FY2022 will increase the fund balance.