



CENTRAL HEALTH

# Central Health

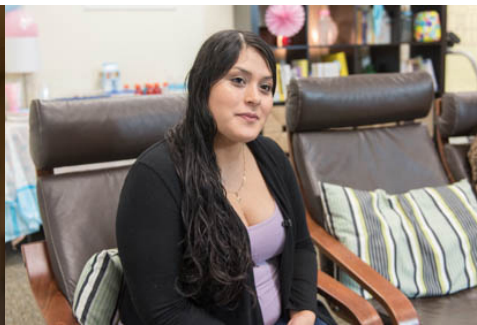
## Financial Statement Presentation

FY 2019 – as of August 31, 2019

Central Health Budget & Finance Committee

September 18, 2019

Lisa Owens, VP of Financial Operations





# August 2019 Financial Highlights

- Year-to-date, collected net property tax revenue is \$197 million compared to \$181 million as of August 2018.
- Tax collected through August 2019 is 99% of the adjusted tax levy compared to 99% as of August 2018.
- The IGT for YTD July 2019 is \$118 million compared to \$113 million as of August 2018. The increase is related to the DSRIP IGT for the CCC.



**Balance Sheet**  
**As of August 31, 2019**  
*(Page 1 of 2, Assets)*

<b>Assets</b>	<b>as of 8/31/2019</b>	<b>as of 8/31/2018</b>
Current Assets		
Cash and cash equivalents	1,198,135	1,648,328
Short-term investments	108,771,513	86,898,811
Ad valorem taxes receivable	1,589,199	1,031,943
Other receivables	3,676,360	13,206,767
Prepaid expenses	291,558	947,741
Total Current Assets	<u>115,526,765</u>	<u>103,733,590</u>
Noncurrent or restricted cash and investments		
Restricted for capital acquisition	6,242,736	6,328,247
Sendero paid-in-capital	71,000,000	71,000,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	37,083,000	17,083,000
Restricted TCHD LPPF Cash & Investments	26,163,693	-
Total Noncurrent or restricted cash and investments	<u>144,489,429</u>	<u>98,411,247</u>
Capital Assets		
Land	12,546,211	11,770,184
Buildings and improvements	134,395,476	132,393,816
Equipment and furniture	9,494,278	8,909,710
Construction in progress	1,667,771	2,677,590
Less accumulated depreciation	(43,998,333)	(40,040,603)
Total Capital Assets	<u>114,105,403</u>	<u>115,710,697</u>
<b>Total Assets</b>	<u><u>374,121,597</u></u>	<u><u>317,855,534</u></u>



**Balance Sheet**  
**As of August 31, 2019**  
*(Page 2 of 2, Liabilities and Net Assets)*

<b>Liabilities</b>	<b>as of 8/31/2019</b>	<b>as of 8/31/2018</b>
Current Liabilities		
Accounts payable	2,658,713	954,228
Salaries and benefits payable	1,408,362	513,356
Other Payables	91,418	7,170,118
Debt service payable, short-term	1,065,000	1,030,000
Deferred tax revenue	1,324,092	1,185,415
Other deferred revenue	8,278	828,027
Due to TCHD LPPF	26,163,693	-
Total Current Liabilities	32,719,556	11,681,144
Noncurrent Liabilities		
Debt service payable, long-term	7,285,000	8,350,000
Deferred Revenue	1,220,000	
Total Noncurrent Liabilities	8,505,000	8,350,000
Total Liabilities	41,224,556	20,031,144
<b>Net Assets</b>		
Unrestricted	218,791,638	182,113,693
Investment in Capital Assets	114,105,403	115,710,697
Total Net Assets	332,897,041	297,824,390
<b>Liabilities and Net Assets</b>	374,121,597	317,855,534



**Sources and Uses Report**  
**Fiscal Year-to-Date through August 31, 2019**  
*(Excludes Depreciation Expense)*

<b>Sources / Uses</b>	<b>This Month</b>	<b>Fiscal Year to Date</b>	<b>Fiscal Year Budget</b>	<b>Percent of Budget Used</b>	<b>Prior Fiscal Year to Date</b>
<b>Sources</b>					
Property Tax Revenue	152,516	196,736,807	196,861,527	100%	181,447,358
Lease Revenue	2,207,841	12,316,278	18,067,937	68%	9,886,250
Other Revenue	204,551	2,592,841	400,000	648%	1,874,209
Tobacco Settlement Revenue	-	3,523,773	2,000,000	176%	3,426,346
Contingency Reserve (Carryforward)	-	52,648,775	41,039,184	128%	51,560,311
<b>Total Sources</b>	<b>2,564,908</b>	<b>267,818,474</b>	<b>258,368,648</b>	<b>104%</b>	<b>248,194,474</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>3,448,505</b>	<b>184,436,109</b>	<b>247,343,600</b>	<b>75%</b>	<b>151,096,973</b>
<b>Administrative Program</b>					
Salaries and benefits	361,016	3,858,427	4,690,997	82%	3,304,936
Consulting Fees	8,313	222,293	1,026,500	22%	757,927
Legal Fees	31,291	682,163	1,198,320	57%	696,974
Other Purchase Goods and Services	75,953	1,002,517	2,406,021	42%	1,499,180
<b>Total Administrative Program</b>	<b>476,573</b>	<b>5,765,400</b>	<b>9,321,838</b>	<b>62%</b>	<b>6,259,017</b>
<b>Tax Collection Expenses</b>	<b>1,107</b>	<b>1,558,687</b>	<b>1,703,211</b>	<b>92%</b>	<b>1,535,243</b>
<b>Total Uses</b>	<b>3,926,185</b>	<b>191,760,196</b>	<b>258,368,648</b>	<b>74%</b>	<b>158,891,233</b>
<b>Excess Sources / (Uses)</b>	<b>(1,361,277)</b>	<b>76,058,278</b>	<b>-</b>		<b>89,303,241</b>



**Healthcare Delivery Expense**  
**Fiscal Year-to-Date through August 31, 2019**  
*(Excludes Depreciation Expense)*

<b>Healthcare Delivery</b>	<b>This Month</b>	<b>Fiscal Year to Date</b>	<b>Fiscal Year Budget</b>	<b>Percent of Budget Used</b>	<b>Prior Fiscal Year to Date</b>
<b>Intergovernmental Transfers (IGTs) <sup>(1)</sup></b>					
Private Uncompensated Care	-	15,228,042	24,000,000	63%	15,965,283
DSMC Uncompensated Care	-	14,256,758	24,500,000	58%	12,667,158
DSH - Disproportionate Share	1,316,171	33,431,254	35,000,000	96%	33,959,603
DSRIP - CCC	-	32,150,830	27,500,000	117%	24,618,177
DSRIP - DSMC, Dell Children's	-	22,207,318	27,500,000	81%	25,665,759
DSRIP - St. David's	-	684,217	630,000	109%	319,637
<b>Subtotal Intergovernmental Transfers (IGTs)</b>	<b>1,316,171</b>	<b>117,958,419</b>	<b>139,130,000</b>	<b>85%</b>	<b>113,195,617</b>
<b>Provider Costs</b>					
Primary Care	60,111	613,723	790,344	78%	693,259
DSRIP Project Expense	-	-	-	0%	(39,043)
Charity Care	-	-	-	0%	1,062,933
Member Payment to CCC <sup>(2)</sup>	-	24,210,000	34,000,000	71%	15,000,000
Medical Administration	51,440	565,835	719,990	79%	565,835
<b>Subtotal Provider Costs</b>	<b>111,551</b>	<b>25,389,558</b>	<b>35,510,334</b>	<b>71%</b>	<b>17,282,984</b>
<b>Service Expansion Funds</b>					
Sexual & Reproductive Health	45,660	629,175	1,080,000	58%	-
New Initiatives <sup>(3)</sup>	52,500	52,500	1,400,000	0%	-
Other Service Expansion	-	-	2,000,000	0%	-
<b>Subtotal Service Expansion Funds</b>	<b>98,160</b>	<b>681,675</b>	<b>4,480,000</b>	<b>0%</b>	<b>-</b>

<sup>(1)</sup> Budget includes allocated portion of the contingency reserve appropriation, for IGT timing differences.

<sup>(2)</sup> Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.

<sup>(3)</sup> Funds appropriated for \$300,000 for possible Pay for Success project and \$420,000 for Integral Care school based program, paid as a CCC Member Payment.



**Healthcare Delivery Expense (continued)**  
**Fiscal Year-to-Date through August 31, 2019**  
*(Excludes Depreciation Expense)*

<b>Healthcare Delivery</b>	<b>This Month</b>	<b>Fiscal Year to Date</b>	<b>Fiscal Year Budget</b>	<b>Percent of Budget Used</b>	<b>Prior Fiscal Year to Date</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	310,057	3,500,701	3,818,591	92%	3,248,783
Consulting Services	39,850	83,357	559,590	15%	37,938
Legal Fees	63,477	109,942	51,200	215%	60,142
Other Services and Purchased Goods	140,330	2,238,319	5,164,895	43%	1,583,847
<b>Subtotal HCD Operating Costs</b>	<b>553,714</b>	<b>5,932,319</b>	<b>9,594,276</b>	<b>62%</b>	<b>4,930,710</b>
<b>UMCB Campus Redevelopment</b>					
Salaries and benefits	35,088	322,466	435,293	74%	303,754
Consulting Services	17,286	79,067	1,685,750	5%	2,835
Legal Fees	106,107	163,960	485,000	34%	112,210
Other Services and Purchased Goods	776,644	3,802,448	8,519,499	45%	1,693,386
<b>Subtotal UMCB Campus Redevelopment</b>	<b>935,125</b>	<b>4,367,941</b>	<b>11,125,542</b>	<b>39%</b>	<b>2,112,185</b>
<b>Other Costs</b>					
ACA Enrollment and Subsidy	406,581	4,923,312	8,916,000	55%	2,234,882
Debt Service	27,203	1,342,885	1,372,818	98%	1,340,595
<b>Subtotal Other Costs</b>	<b>433,784</b>	<b>6,266,197</b>	<b>10,288,818</b>	<b>61%</b>	<b>3,575,477</b>
<b>Reserves and Transfers</b>					
FY2019 Capital reserve		2,840,000	2,840,000		
FY2019 Emergency reserve	-	1,000,000	1,000,000		
FY2019 Sendero Risk Based Capital	-	20,000,000	20,000,000		10,000,000
FY2019 Contingency reserve appropriation			13,374,630		
<b>Subtotal Reserves, Appropriated Uses &amp; Transfers</b>	<b>-</b>	<b>23,840,000</b>	<b>37,214,630</b>	<b>64%</b>	<b>10,000,000</b>
<b>Total Healthcare Delivery</b>	<b>3,448,505</b>	<b>184,436,109</b>	<b>247,343,600</b>	<b>75%</b>	<b>151,096,973</b>



Questions ? Comments ?



**Balance Sheet (Assets)** – Slide 3**Current Assets**

Cash and Cash Equivalents – \$1.2M compared to \$1.6M August 2018

Short-term Investments – Short-term investments were \$109M at month-end, which is net of restricted investments of \$6.2M for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.6M balance is composed of:

Gross Tax Receivables	\$5.3M
Taxable Assessed Valuation Adjustment	(1.5M)
Est. Allowance for Doubtful collections	<u>(2.2M)</u>
<b>Total Taxes Receivable</b>	<b>\$1.6M</b>

Other Receivables – Other receivables total \$3.7M and consists of intercompany balances:

- CommUnityCare - \$1.5M
- Sendero - \$694K
- Community Care Collaborative - \$1.3M
- Interest and miscellaneous receivables of \$135K

Prepaid Expenses – \$292K balance composed of:

- Prepaid Insurance - \$107K
- ICC Dues and TCAD Fees - \$157K
- Prepaid Memberships/Subscriptions - \$22K
- Deposits - \$6K

**Total Current Assets** – **\$116M**

**Balance Sheet (Assets)** – Slide 3 (continued)**Noncurrent Assets**

Investments Restricted for Capital Acquisition – \$6.2M in short-term securities restricted for capital acquisition.

Sendero Paid-in Capital – \$71M (unchanged)

Working Capital Advance to CommUnityCare – \$4.0M (unchanged)

Sendero Surplus Debenture – \$37.1M (unchanged) (\$20M paid by CH in December 2018)

Restricted TCHD LPPF Cash & Investments - \$26M

Capital Assets – \$114M, net of accumulated depreciation

**Total Assets** – **\$374M**

**Balance Sheet (Liabilities and Net Assets)** – Slide 4**Current Liabilities**

Accounts Payable – Major components of the \$2.7M balance are:

- \$2M estimated healthcare delivery costs for services incurred but not received.
- \$665K in vendor invoices at month-end.

**Balance Sheet (Liabilities and Net Assets)** – Slide 4 (continued)

Salaries and Benefits Payable – \$1.4M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off and various fringe benefit amounts withheld and not yet paid.

Other Payables – \$91K capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center. (unchanged)

Debt Service Payable, Short-Term – \$1M balance is comprised of \$1M in Certificates of Obligation Payable.

Deferred Tax Revenue - \$1.3M

Other Deferred Revenue - \$486K are funds received from the HRSA grant related to the Convenient Care Clinic move to South East Health & Wellness Center.

Due to TCHD LPPF - \$26M Receipts from participants in the LPPF.

**Total Current Liabilities** – \$33M**Noncurrent Liabilities**

Debt Service Payable, Long-Term – \$7.3M balance of the \$16M in Series 2011 Certificates of Obligation, reduced by eight payments made to date. This debt was issued for the North Central clinic.

Deferred Revenue – Long Term - \$1.2M, lease revenue for Block 164 year 2-FY20 and year 3-FY21 from 2033 LLP.

**Total Noncurrent Liabilities** – \$8.5M**Total Liabilities** – \$41M

**Net Assets**

Unrestricted Net Assets – \$219M

Investment in Capital Assets – \$114M

**Total Net Assets – \$333M**

**Total Liabilities and Net Assets – \$374M**

**Sources and Uses Report** – Slide 5

August financials → eleven months into the fiscal year, 92% of the fiscal year.

**Sources – Total \$2.6M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$153K. Net revenue includes \$172K current month's collections, less \$19K in adjustments for prior year delinquent taxes.

Lease Revenue – \$2.2M recorded for Seton lease payment, UT ground lease and one-time premium fee.

Other Revenue – \$205K investment income for the month, \$2.6M YTD, compared to \$1.7M YTD last year.

**Uses of Funds – Total \$3.9M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$184M YTD compared to \$151M YTD thru August 2018.

Administration Program – \$477K in expense for the month, which includes:

- Personnel costs – \$361K

August 2019 Monthly Financial Statements (unaudited)

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- Legal fees – \$31K
- Consulting services – \$8K
- Other general and administrative – \$76K

Tax Collection Expenses – \$1K for the month.

**Excess Sources/(Uses)** – \$(1.4)M in August. Current YTD is \$76M compared to prior year 2018 YTD of \$89M.

**Healthcare Delivery Expense** – Slide 6 & 7

**Healthcare Delivery Expense** – Total \$3.4M August, \$184M YTD and \$151M August 2018

Provider Costs – Healthcare delivery providers' expense for August totaled \$112K, which includes:

- Primary care – \$60K
- Medical Administration – \$52K

Service Expansion Funds – Service Expansion expense for August totaled \$46K for the LARC program, \$53K for Capital Idea.

Healthcare Delivery Operating Cost – \$554K in expenses for the month and includes:

- Personnel costs – \$310K
- Consulting Services – \$40K
- Legal Fees - \$63K
- Other services and purchased goods – \$140K

UMCB Campus Redevelopment - \$935K in expense for the month and \$4.4M YTD.

Other Costs – \$434K in expense for the month, which includes:

- ACA Enrollment and Subsidy – \$406K
- Debt Service – \$27K

**Total Healthcare Delivery** - for the month of August was \$3.4M.