

September 2020 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$888K compared to \$1.0M September 2019

Short-term Investments – Short-term investments were \$180M at month-end and restricted investments of \$7.0M for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.8M balance is composed of:

Gross Tax Receivables	\$ 4.5M
Taxable Assessed Valuation Adjustment	0M
Est. Allowance for Doubtful collections	(2.7)M
Total Taxes Receivable	\$ 1.8M

Other Receivables – Other receivables total \$2.0M and consists of intercompany balances:

- CommUnityCare - \$958K
- Sendero - \$624K
- Community Care Collaborative - \$114K
- Accrued Interest - \$298K
- Miscellaneous Receivables – \$45K

Prepaid Expenses – \$520K balance composed of:

- Prepaid Insurance - \$96K
- TCAD Appraisal Fees - \$236K
- Software - \$67K
- Prepaid Rents – \$62K
- Professional Services and Memberships - \$35K
- Deposits - \$24K

Total Current Assets – \$185M



Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$7.0M in short-term securities restricted for capital acquisition.

Sendero Paid-in-Capital – \$71.0M (unchanged)

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

Sendero Surplus Debenture – \$37.1M (unchanged)

Restricted TCHD LPPF Cash & Investments - \$6.2M

Capital Assets – \$111M, net of accumulated depreciation

Total Assets – **\$422M**

PRELIMINARY



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$7.5M balance are:

- \$5.2M estimated IBNR for healthcare services.
- \$908K estimated month-end vendor invoices due.
- \$1.4M month-end vendor invoices due.

Salaries and Benefits Payable – \$1.7M 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 – \$22K includes capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center.

Debt Service Payable, Short-Term – \$1.2M in Certificates of Obligation Payable.

Other Deferred Revenue - \$610K consists of the lease revenue \$610K for Block 164 Yr3 (FY21) from 2033 LLP

Total Current Liabilities – \$11M

PRELIMINARY



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$6.2M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$6.1M balance of the \$7.285M in General Obligation Bonds, Series 2020. This debt was originally issued in 2011 for the North Central clinic and refunded May 2020. Due annually on 3/1.

Total Restricted or Noncurrent Liabilities – \$12M

Total Liabilities – \$23M

Net Assets

Unrestricted Net Assets – \$287M

Investment in Capital Assets – \$111M

Total Net Assets – \$399M

Total Liabilities and Net Assets – \$422M

PRELIMINARY



Sources and Uses Report – Slide 6

September financials → twelve months of the fiscal year, 100% of the fiscal year.

Sources – Total \$3.1M for the month

Property Tax Revenue – Net property tax revenue for the month was \$1.7M. Net revenue includes \$234K current month's collections; \$1.5M uncollectible property tax; \$7K in adjustments for prior year delinquent taxes; \$700 in unclaimed foreclosures.

Lease Revenue – \$903K recorded for Seton lease payment and the UT ground lease.

Other Revenue – \$511K investment income for the month, \$2.8M YTD, compared to \$111k YTD last year.

Uses of Funds – Total \$10.2M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$9.3M for the month and \$149M YTD compared to \$198M YTD thru September 2019.

Administration Program – \$880K in expense for the month, which includes:

- Personnel costs – \$419K
- Consulting services – \$206K
- Legal fees – \$91K
- Other general and administrative – \$164K

Tax Collection Expenses – \$79K for the month.

Excess Sources/(Uses) – \$(7.1)M in September. Current YTD is \$140M compared to prior year 2019 YTD of \$61M.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$9.3M September; \$149M YTD compared to \$198M September 2019.

Intergovernmental Transfers (“IGT’s”) – YTD \$49.8M compared to \$118M last year.

Healthcare Services – Healthcare delivery providers’ expense for September totaled \$4.3M, which includes:

- Primary care – \$4.3M
- Specialty Care (including Dental and Behavioral Health) – \$333K
- Pharmacy - \$(415)K
- All Other Healthcare Services - \$45K

ACA Premium Assist, Education, Enrollment – \$844K in expenses for the month.

Healthcare Facilities and Campus Redevelopment - \$435K in expense for the month and \$3.9M YTD.

Healthcare Delivery Operating Cost – \$1.7M in expenses for the month and includes:

- Personnel costs – \$908K
- Consulting Services – \$19K
- Legal Fees - \$2K
- Other services and purchased goods – \$7770K, including expenses related to capital projects, totaling \$158k

Debt, Reserves and Transfer – \$8K in Debt Service expense for the month

Total Healthcare Delivery - for the month of September was \$9.3M.



Central Health

Financial Statement Presentation

FY 2020 – as of Sept 30, 2020 (Preliminary)

Central Health Board of Managers

October 28, 2020

Lisa Owens, Deputy CFO



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Note: HCD = Health Care Delivery



- Year-to-date through September, collected net property tax revenue is \$215 million compared to \$198 million as of September 2019.
- Tax collected through September 2020 is 98% of the adjusted tax levy compared to 99% as of September 2019.
- Healthcare Delivery is \$149 million for the twelve months ending 09/30/2020.
- GAAP reporting Net Assets increased \$82 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 09/30/2020 is \$6 million.

GAAP: Generally Accepted Accounting Principles refer to a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board. GAAP primary focus is to improve clarity, consistency, and comparability of the communication of financial information.

PRELIMINARY



Assets	Preliminary as	
	of 9/30/2020	as of 9/30/2019
Current Assets		
Cash and cash equivalents	887,856	1,005,650
Short-term investments	180,226,613	96,060,587
Ad valorem taxes receivable	1,840,933	1,203,466
Other receivables	2,039,392	4,124,702
Prepaid expenses	519,876	328,274
Total Current Assets	185,514,670	102,722,679
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	6,837,999	5,991,347
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	37,083,000
Restricted TCHD LPPF Cash & Investments	6,249,368	12,813,388
Total Restricted Cash and Investments or Noncurrent	125,170,367	130,887,735
Capital Assets		
Land	13,425,967	12,546,211
Buildings and improvements	132,649,346	130,395,330
Equipment and furniture	10,002,034	9,551,257
Construction in progress	2,779,287	1,483,800
Less accumulated depreciation	(47,458,776)	(43,094,537)
Total Capital Assets	111,397,858	110,882,061
Total Assets	422,082,895	344,492,476



Liabilities	Preliminary	
	as of 9/30/2020	as of 9/30/2019
Current Liabilities		
Accounts payable	7,497,916	3,356,630
Salaries and benefits payable	1,673,294	1,446,079
Other Payables	21,792	91,563
Debt service payable, short-term	1,187,649	1,092,203
Deferred tax revenue	-	21,793
Other deferred revenue	610,000	616,466
Total Current Liabilities	10,990,651	6,624,734
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	6,249,368	12,813,388
Debt service payable, long-term	6,105,000	7,285,000
Deferred Revenue	-	610,000
Total Restricted of Noncurrent Liabilities	12,354,368	20,708,388
Total Liabilities	23,345,020	27,333,121
Net Assets		
Unrestricted	287,496,945	206,277,293
Investment in Capital Assets	111,240,930	110,882,061
Total Net Assets	398,737,875	317,159,355
Liabilities and Net Assets	422,082,895	344,492,476



Sources / Uses	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Sources					
Property Tax Revenue	1,705,321	215,109,261	214,906,371	100%	197,810,630
Lease Revenue	903,109	11,887,787	13,749,848	86%	13,204,829
Other Revenue	511,127	2,816,104	2,150,000	131%	110,910
Tobacco Settlement Revenue	-	3,819,376	3,500,000	109%	3,523,773
Contingency Reserve (Carryforward)	-	64,898,396	56,499,497	115%	52,648,775
Total Sources	3,119,557	298,530,924	290,805,716	103%	267,298,917
Uses of Funds					
Healthcare Delivery	9,249,445	148,524,641	278,017,581	53%	198,042,335
Administrative Program					
Salaries and benefits	419,474	4,742,913	5,903,601	80%	4,058,975
Consulting Fees	205,947	691,551	1,187,720	58%	250,959
Legal Fees	90,650	1,095,469	1,390,820	79%	797,886
Other Purchase Goods and Services	163,542	1,202,869	2,417,737	50%	1,240,774
Total Administrative Program	879,613	7,732,802	10,899,878	71%	6,348,594
Tax Collection Expenses	78,728	1,764,790	1,888,258	93%	1,577,987
Total Uses	10,207,786	158,022,233	290,805,716	54%	205,968,916
Excess Sources / (Uses)	(7,088,229)	140,508,691			61,330,001



Healthcare Delivery Summary	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Inter-Governmental Transfers (IGTs)	1,981,925	49,769,894	61,694,651	81%	117,958,420
Healthcare Services					
Member Payment to CCC	-	-	-	0%	35,348,600
Primary Care - (see detail on Slide 11)	4,317,601	45,053,385	50,270,000	90%	1,127,749
Specialty Care, incld Dental & Behavioral Health	332,892	5,559,311	9,823,856	57%	-
Pharmacy	(414,654)	8,431,103	11,600,000	73%	-
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	45,293	1,075,567	5,269,990	20%	1,412,029
Indigent Care & Hospital Performance Incentive	-	-	52,925,000	0%	-
Subtotal Healthcare Services	4,281,132	60,119,366	135,288,846	44%	37,888,378
ACA Premium Assist, Education, Enrollment	844,011	9,564,506	9,856,120	97%	5,156,755
Healthcare Facilities and Campus Redevelopment	435,282	3,920,029	10,996,170	36%	5,856,318
Healthcare Delivery Operating Costs	1,699,446	14,503,929	26,044,728	56%	5,972,375
Debt, Reserves and Transfers	7,649	10,646,917	34,137,066	31%	25,210,089
Total Healthcare Delivery	9,249,445	148,524,641	278,017,581	53%	198,042,335



Details for Health Care Delivery on the following slides.



Healthcare Delivery - Detail	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Intergovernmental Transfers (IGTs)					
Private - Uncompensated Care	-	-	-	0%	15,228,042
DSMC - Uncompensated Care	-	(907,876)	-	0%	14,256,758
DSH - Disproportionate Share	1,981,925	29,848,916	36,120,000	83%	33,431,254
DSRIP - CCC	-	20,828,853	25,574,651	81%	32,150,830
DSRIP - DSMC, Dell Children's	-	1	-	0%	22,207,318
DSRIP - St. David's	-	-	-	0%	684,218
Subtotal Intergovernmental Transfers (IGTs)	1,981,925	49,769,894	61,694,651	81%	117,958,420
Healthcare Services					
Member Payment to CCC	-	-	-	0%	35,348,600
Primary Care - (see detail on Slide 11)	4,317,601	45,053,385	50,270,000	90%	1,127,749
Specialty Care, incld Dental - (see detail on Slide 12)	292,687	5,013,530	8,940,000	56%	-
Specialty Care, Behavioral Health	40,205	545,781	883,856	62%	-
Pharmacy	(414,654)	8,431,103	11,600,000	73%	-
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	(6,147)	405,792	1,950,000	21%	-
Health care services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	51,440	617,275	719,990	86%	617,275
Primary & Specialty Care Reserves	-	52,500	2,000,000	3%	794,754
Indigent Care	-	-	50,225,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	4,281,132	60,119,366	135,288,846	44%	37,888,378

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Healthcare Delivery Detail (continued)	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	651,311	6,820,914	7,000,000	97%	2,547,794
CHAP Program	179,661	2,159,543	2,251,800	96%	2,013,640
ACA Enrollment and Education Services	13,039	584,049	604,320	97%	595,321
Subtotal ACA & Premium Assist Program	844,011	9,564,506	9,856,120	97%	5,156,755
Healthcare Facilities and Campus					
Salaries and benefits	8,752	330,453	432,555	76%	355,821
Consulting Services	77,281	77,281	5,872,788	1%	79,067
Legal Fees	3,690	183,835	234,000	79%	192,908
Other Goods & Svc incl. UT Ground Lease	345,559	3,328,460	4,456,827	75%	5,228,522
Subtotal Healthcare Facilities and Campus	435,282	3,920,029	10,996,170	36%	5,856,318
Healthcare Delivery Operating Costs					
Salaries and benefits	908,364	9,671,668	15,367,495	63%	3,891,342
Consulting Services	18,706	75,923	1,073,000	7%	142,008
Legal Fees	2,262	107,841	184,500	58%	121,143
Other Services and Purchased Goods	770,114	4,648,497	9,419,733	49%	1,817,882
Subtotal HCD Operating Cost	1,699,446	14,503,929	26,044,728	56%	5,972,375
Debt Service, Reserves and Transfers					
Debt Service	7,649	1,290,627	1,373,283	94%	1,370,089
FY2020 Capital reserve	-	2,950,000	2,950,000	100%	2,840,000
FY2020 Emergency reserve	-	6,406,290	6,406,290	100%	1,000,000
FY2020 Sendero Risk Based Capital	-	-	-		20,000,000
FY2020 Contingency reserve appropriation			23,407,493		-
Subtotal Debt, Reserves and Transfers	7,649	10,646,917	34,137,066	31%	25,210,089
Total Healthcare Delivery	9,249,445	148,524,641	278,017,581	53%	198,042,335



Healthcare Delivery - Primary Care	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used
Primary Care				
CommUnity Care	3,709,732	38,277,155	39,000,000	98%
Lone Star Circle of Care	354,448	5,193,051	6,400,000	81%
People's Community Clinic	274,402	1,948,846	2,500,000	78%
Other Primary Care	(20,981)	(365,666)	2,370,000	-15%
Subtotal Primary Care Services	4,317,601	45,053,386	50,270,000	90%

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Healthcare Delivery - Specialty Care	Sep 2020	FY20 YTD	FY20 Budget	Percent of Budget Used
Specialty Care				
Ancillary Services	(1,208)	20,133	100,000	20%
Cardiology	34,721	134,541	150,000	90%
Consultation Services	0	0	75,000	0%
Dental Specialty	(10,004)	782,932	1,000,000	78%
Dermatology	(225,904)	492,909	550,000	90%
Durable Medical Equipment	941	17,992	115,000	16%
Ear, Nose & Throat ENT	42,864	346,952	400,000	87%
Endocrinology	71,296	270,551	300,000	90%
Gastroenterology	110,108	832,666	1,650,000	50%
General Surgery	4,464	137,443	300,000	46%
Gynecology IPU	7,361	19,251	100,000	19%
Nephrology	0	0	200,000	0%
Oncology	27,437	402,643	700,000	58%
Ophthalmology	121,357	829,302	1,725,000	48%
Orthotics & Prosthetics	23,898	136,912	200,000	68%
Podiatry	(13,678)	46,047	250,000	18%
Pulmonology	57,667	325,665	375,000	87%
Rheumatology	45,957	159,386	150,000	106%
Specialty Care	(5,893)	28,144	450,000	6%
Wound Care	1,303	30,060	150,000	20%
Total Specialty Care	292,687	5,013,529	8,940,000	56%



Questions ? Comments ?