



Central Health

Financial Statement Presentation

FY 2021 – as of Nov 30, 2020 (Preliminary)

Central Health Board of Managers

December 16, 2020

Lisa Owens, Deputy CFO



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Note: HCD = Health Care Delivery



- Year-to-date through November, collected net property tax revenue is \$2 million compared to \$9 million as of November 2019.
- Tax collected through November 2020 is 1% of the adjusted tax levy compared to 4% as of November 2019.
- Healthcare Delivery is \$16 million for the two months ending 11/30/2020.
- GAAP reporting Net Assets increased \$81 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 11/30/2020 is \$8 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.



Assets	Preliminary as	
	of 11/30/2020	as of 11/30/2019
Current Assets		
Cash and cash equivalents	1,021,076	1,590,655
Short-term investments	173,175,933	92,246,569
Ad valorem taxes receivable	241,239,964	211,042,626
Other receivables	2,158,250	3,998,275
Prepaid expenses	1,880,055	1,140,817
Total Current Assets	<u>419,475,278</u>	<u>310,018,942</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	6,714,072	5,751,552
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	8,335,940	2,078,973
Total Restricted Cash and Investments or Noncurrent	<u>127,133,012</u>	<u>119,913,525</u>
Capital Assets		
Land	13,425,967	12,546,211
Buildings and improvements	132,724,885	130,395,330
Equipment and furniture	10,030,421	9,576,645
Capital Projects in progress	3,603,894	1,698,207
Less accumulated depreciation	<u>(48,218,028)</u>	<u>(43,824,463)</u>
Total Capital Assets	<u>111,567,138</u>	<u>110,391,931</u>
Total Assets	<u><u>658,175,429</u></u>	<u><u>540,324,397</u></u>



Liabilities	Preliminary	
	as of 11/30/2020	as of 11/30/2019
Current Liabilities		
Accounts payable	16,639,818	14,962,950
Salaries and benefits payable	1,512,248	1,327,011
Other Payables	7,276	91,853
Debt service payable, short-term	1,202,948	1,146,610
Deferred tax revenue	239,735,792	208,655,534
Other deferred revenue	610,000	1,440,712
Total Current Liabilities	259,708,082	227,624,670
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	8,335,940	2,078,973
Debt service payable, long-term	6,105,000	7,285,000
Deferred Revenue	-	610,000
Total Restricted of Noncurrent Liabilities	14,440,940	9,973,973
Total Liabilities	274,149,021	237,598,642
Net Assets		
Unrestricted	272,459,269	192,333,824
Investment in Capital Assets	111,567,138	110,391,931
Total Net Assets	384,026,407	302,725,755
Liabilities and Net Assets	658,175,429	540,324,397



Sources / Uses	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Sources					
Property Tax Revenue	2,119,945	2,167,931	234,057,519	1%	9,361,548
Lease Revenue	862,753	1,724,476	12,909,866	13%	1,715,682
Other Revenue	48,073	123,968	1,720,000	7%	283,397
Tobacco Settlement Revenue	-	-	2,800,000	0%	-
Contingency Reserve (Carryforward)	-	-	115,856,728	0%	-
Total Sources	3,030,771	4,016,375	367,344,113	1%	11,360,627
Uses of Funds					
Healthcare Delivery	8,140,055	15,846,417	353,858,894	4%	23,690,392
Administrative Program					
Salaries and benefits	359,426	676,476	5,561,651	12%	760,508
Consulting Fees	17,924	24,091	1,259,570	2%	163,531
Legal Fees	71,391	177,398	1,497,136	12%	105,583
Other Purchase Goods and Services	69,860	176,622	3,081,046	6%	159,279
Total Administrative Program	518,601	1,054,587	11,399,403	9%	1,188,901
Tax Collection Expenses	119,630	200,059	2,085,816	10%	185,002
Total Uses	8,778,286	17,101,063	367,344,113	5%	25,064,295
Excess Sources / (Uses)	(5,747,515)	(13,084,688)			(13,703,668)



Healthcare Delivery Summary	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Inter-Governmental Transfers (IGTs)	-	-	23,528,575	0%	7,301,891
Healthcare Services					
Community Health Care Initiatives Fund	-	-	875,000	0%	-
Primary Care - (see detail on Slide 11)	4,403,628	8,026,936	56,935,000	14%	8,412,758
Specialty Care, incld Dental & Behavioral Health	490,675	1,117,112	14,448,856	8%	1,386,666
Pharmacy	627,813	1,633,464	13,250,000	12%	1,934,013
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	40,583	78,000	4,469,990	2%	286,053
Indigent Care & Hospital Performance Incentive	-	-	59,700,000	0%	-
Subtotal Healthcare Services	5,562,699	10,855,512	155,078,846	7%	12,019,490
ACA Premium Assist, Education, Enrollment	1,049,899	1,910,853	12,160,674	16%	1,096,744
Healthcare Facilities and Campus Redevelopment	256,182	330,935	6,097,472	5%	809,635
Healthcare Delivery Operating Costs	1,263,626	2,733,818	29,473,028	9%	2,408,225
Debt, Reserves and Transfers	7,649	15,299	127,520,299	0%	54,407
Total Healthcare Delivery	8,140,055	15,846,417	353,858,894	4%	23,690,392



Details for Health Care Delivery on the following slides.



Healthcare Delivery - Detail	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Intergovernmental Transfers (IGTs)					
DSH - Disproportionate Share	-	-	-	0%	7,301,891
DSRIP - CCC	-	-	23,528,575	0%	-
Subtotal Intergovernmental Transfers (IGTs)	-	-	23,528,575	0%	7,301,891
Healthcare Services					
Community Health Care Initiatives	-	-	875,000	0%	-
Primary Care - (see detail on Slide 11)	4,403,628	8,026,936	56,935,000	14%	8,412,758
Specialty Care, incld Dental - (see detail on Slide 12)	397,758	953,779	12,565,000	8%	1,245,833
Specialty Care, Behavioral Health	92,917	163,333	1,883,856	9%	140,833
Pharmacy	627,813	1,633,464	13,250,000	12%	1,934,013
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	40,583	78,000	1,150,000	7%	96,375
Health care services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	-	-	719,990	0%	102,879
Primary & Specialty Care Reserves	-	-	2,000,000	0%	86,799
Indigent Care	-	-	57,000,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	5,562,699	10,855,512	155,078,846	7%	12,019,490

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Healthcare Delivery Detail (continued)	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	638,883	1,265,413	8,600,000	15%	482,333
CHAP Program	209,194	386,659	2,959,354	13%	302,790
ACA Enrollment and Education Services	201,822	258,781	601,320	43%	311,621
Subtotal ACA & Premium Assist Program	1,049,899	1,910,853	12,160,674	16%	1,096,744
Healthcare Facilities and Campus					
Salaries and benefits	7,298	14,702	368,579	4%	57,081
Consulting Services	(12,877)	26,350	1,730,000	2%	-
Legal Fees	44,820	35,768	174,500	20%	48,473
Other Goods & Svc incl. UT Ground Lease	216,941	254,115	3,824,393	7%	704,081
Subtotal Healthcare Facilities and Campus	256,182	330,935	6,097,472	5%	809,635
Healthcare Delivery Operating Costs					
Salaries and benefits	876,038	1,807,356	15,021,176	12%	1,593,016
Consulting Services	5,226	18,522	1,085,500	2%	6,407
Legal Fees	7,232	12,172	332,000	4%	26,262
Other Services and Purchased Goods	375,130	895,768	13,034,352	7%	782,540
Subtotal HCD Operating Cost	1,263,626	2,733,818	29,473,028	9%	2,408,225
Debt Service, Reserves and Transfers					
Debt Service	7,649	15,299	1,264,357	1%	54,407
FY2021 Capital reserve	-	-	34,100,000	-	-
Health Care Capital Line of Credit	-	-	1,091,773	-	-
FY2021 Hospital Services Reserve	-	-	4,000,000	-	-
FY2021 Contingency reserve appropriation	-	-	87,064,169	-	-
Subtotal Debt, Reserves and Transfers	7,649	15,299	127,520,299	0%	54,407
Total Healthcare Delivery	8,140,055	15,846,417	353,858,894	4%	23,690,392



Healthcare Delivery - Primary Care	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Primary Care					
CommUnity Care	3,482,461	6,328,103	44,885,000	14%	6,575,000
Lone Star Circle of Care	725,833	1,259,167	6,555,000	19%	1,258,400
People's Community Clinic	163,333	371,667	2,600,000	14%	416,667
Other Primary Care	32,000	68,000	2,895,000	2%	162,692
Subtotal Primary Care Services	4,403,627	8,026,937	56,935,000	14%	8,412,759

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Healthcare Delivery - Specialty Care	Nov 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Specialty Care					
Ancillary Services	4,447	8,397	610,000	1%	16,667
Cardiology	11,481	22,963	265,000	9%	25,000
Consultation Services	0	0	500,000	0%	12,500
Dental Specialty	51,675	119,492	1,000,000	12%	166,667
Dermatology	32,459	63,234	550,000	11%	66,667
Durable Medical Equipment	0	0	115,000	0%	12,500
Ear, Nose & Throat ENT	28,500	57,667	350,000	16%	158,333
Endocrinology	21,455	42,910	575,000	7%	50,000
Gastroenterology	104,273	212,213	2,100,000	10%	166,667
General Surgery	(15,600)	9,400	300,000	3%	50,000
Gynecology IPU	(6,333)	2,200	600,000	0%	0
Nephrology	(18,217)	2,616	200,000	1%	0
Oncology	41,667	83,333	700,000	12%	100,000
Ophthalmology	62,708	162,875	1,575,000	10%	216,667
Orthotics & Prosthetics	4,667	13,000	200,000	7%	33,333
Podiatry	24,150	48,300	350,000	14%	41,667
Pulmonology	28,485	56,971	375,000	15%	62,500
Rheumatology	11,736	23,471	250,000	9%	25,000
Specialty Care	(2,163)	0	0	0%	16,667
Musculoskeletal	0	0	1,700,000	0%	0
Neurology	0	0	100,000	0%	0
Wound Care	12,369	24,738	150,000	16%	25,000
Total Specialty Care	397,759	953,780	12,565,000	8%	1,245,835



Questions ? Comments ?



November 2020 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.0M compared to \$1.0M November 2019

Short-term Investments – Short-term investments were \$173M at month-end and restricted investments of \$6.7M for capital acquisitions.

Ad Valorem Taxes Receivable – \$241.2M balance is composed of:

Gross Tax Receivables	\$ 244M
Taxable Assessed Valuation Adjustment	(175)K
Est. Allowance for Doubtful collections	(2.7)M
Total Taxes Receivable	\$ 241M

Other Receivables – Other receivables total \$2.1M and includes intercompany balances:

- CommUnityCare - \$1.1M
- Sendero - \$645K
- Community Care Collaborative - \$190K
- Accrued Interest - \$167K
- Miscellaneous Receivables – \$9K

Prepaid Expenses – \$1.9M balance composed of:

- Prepaid Tax Collection Fees - \$809
- Sendero Premium Assistance - \$789k
- Prepaid Insurance - \$60K
- TCAD Appraisal Fees - \$79K
- Software - \$106K
- Professional Services and Memberships - \$16K
- Deposits - \$21K

Total Current Assets – \$419M



November 2020 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$6.7M 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 - \$8.3M

Capital Assets – \$112M, net of accumulated depreciation

Total Assets – \$658M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$16.6M balance are:

- \$13.7M estimated IBNR for healthcare services.
- \$785K estimated month-end vendor invoices due.
- \$2.1M month-end vendor invoices due.

Salaries and Benefits Payable – \$1.5M 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 – \$7K 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.

Deferred Tax Revenue - \$240M pending collection

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

Total Current Liabilities – **\$260M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$8.3M 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 – \$14M

Total Liabilities – \$274M

Net Assets

Unrestricted Net Assets – \$272M

Investment in Capital Assets – \$112M

Total Net Assets – \$384M

Total Liabilities and Net Assets – \$658M



November 2020 Preliminary Monthly Financial Statements (unaudited)

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Sources and Uses Report – Slide 6

November financials → two months, 17% of the fiscal year.

Sources – Total \$3.0M for the month

Property Tax Revenue – Net property tax revenue for the month was \$2.1M. Net revenue includes \$2.2M current month's collections; \$27k Penalties and Interest; (\$106)k in adjustments for prior year delinquent taxes.

Lease Revenue – \$863K recorded for Seton lease payment and the UT ground lease.

Other Revenue – \$48K investment income for the month, \$124k YTD, compared to \$283k YTD last year.

Uses of Funds – Total \$8.8M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$8.1M for the month and \$16M YTD compared to \$24M YTD thru November 2019.

Administration Program – \$519K in expense for the month, which includes:

- Personnel costs – \$359K
- Consulting services – \$18K
- Legal fees – \$71K
- Other general and administrative – \$70K

Tax Collection Expenses – \$120K for the month.

Excess Sources/(Uses) – \$(5.7)M in November. Current YTD is \$(13)M compared to prior year FY20 YTD of \$(14)M.

Healthcare Delivery Expense – Slide 7**Healthcare Delivery Expense** – Total \$8.1M November; \$16M YTD compared to \$24M November FY20 YTD.Intergovernmental Transfers (“IGT’s”) – YTD \$0 compared to \$7.3M YTD last year.Healthcare Services – Healthcare delivery providers’ expense for November totaled \$5.6M, which includes:

- Primary care – \$4.4M
- Specialty Care (including Dental and Behavioral Health) – \$491K
- Pharmacy - \$628K
- All Other Healthcare Services - \$41K

ACA Premium Assist, Education, Enrollment – \$1M in expenses for the month; \$1.9M YTD compared to \$1.1M November FY20 YTDHealthcare Facilities and Campus Redevelopment - \$256K in expense for the month and \$331K YTD.Healthcare Delivery Operating Cost – \$1.3M in expenses for the month and includes:

- Personnel costs – \$876K
- Consulting Services – \$5K
- Legal Fees - \$7K
- Other services and purchased goods – \$375K

Debt, Reserves and Transfer – \$8K in Debt Service expense for the month**Total Healthcare Delivery** - for the month of November was \$8.1M.