



# Central Health

## Financial Statement Presentation

FY 2022 – as of November 30, 2021  
(Preliminary)

Central Health Board of Managers

December 20, 2021

Lisa Owens, Deputy CFO

Patti Bethke, Controller



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Note: HCD = Health Care Delivery



- Year-to-date through November collected net property tax revenue is \$14 million compared to \$2 million as of November 2020 representing 5.2% of the adjusted tax levy compared to 0.9% as of November 2020.
- Healthcare Delivery is \$16 million for the two months ending 11/30/2021.
- GAAP reporting Net Assets increased \$81 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 11/30/2021 is \$9 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 11/30/2021	as of 11/30/2020
Current Assets		
Cash and cash equivalents	1,248,066	1,021,076
Short-term investments	258,136,664	173,175,933
Ad valorem taxes receivable	255,564,273	241,239,964
CO Reimbursement Receivable	21,686,449	-
Other receivables	5,534,993	2,152,468
Prepaid expenses	1,316,724	1,880,055
Total Current Assets	<u>543,487,170</u>	<u>419,469,497</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	102,838,049	6,714,072
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	9,431,963	8,335,940
Total Restricted Cash and Investments or Noncurrent	<u>224,353,013</u>	<u>127,133,012</u>
Capital Assets		
Land	26,302,222	13,425,967
Buildings and improvements	61,260,637	132,724,885
Equipment and furniture	17,752,642	10,030,421
Capital Projects in progress	5,603,046	3,603,894
Less accumulated depreciation	(25,605,760)	(48,218,028)
Total Capital Assets	<u>85,312,787</u>	<u>111,567,138</u>
<b>Total Assets</b>	<u><u>853,152,970</u></u>	<u><u>658,169,647</u></u>



<b>Liabilities</b>	<b>Preliminary</b>	
	<b>as of 11/30/2021</b>	<b>as of 11/30/2020</b>
<b>Current Liabilities</b>		
Accounts payable	16,921,027	16,634,037
Salaries and benefits payable	1,782,179	1,512,248
Other Payables	1,297,385	7,276
Debt service payable, short-term	4,697,993	1,202,948
Deferred tax revenue	252,169,286	239,735,792
Other deferred revenue	-	610,000
<b>Total Current Liabilities</b>	<b>276,867,870</b>	<b>259,702,301</b>
<b>Restricted or Noncurrent Liabilities</b>		
Funds held for TCHD LPPF	9,431,963	8,335,940
CO Reimbursement Payable	21,686,449	-
Debt service payable, long-term	80,264,606	6,105,000
<b>Total Restricted or Noncurrent Liabilities</b>	<b>111,383,018</b>	<b>14,440,940</b>
<b>Total Liabilities</b>	<b>388,250,888</b>	<b>274,143,240</b>
<b>Net Assets</b>		
Unrestricted	323,207,794	272,459,269
Restricted	56,381,500	-
Investment in Capital Assets	85,312,787	111,567,138
<b>Total Net Assets</b>	<b>464,902,082</b>	<b>384,026,407</b>
<b>Liabilities and Net Assets</b>	<b>853,152,970</b>	<b>658,169,647</b>



# CENTRAL HEALTH

Sources / Uses	Nov 2021	FY22 YTD	FY22 Budget	Percent of Budget Used	FY21 YTD
<b>Sources</b>					
Property Tax Revenue	12,429,944	13,892,610	260,933,097	5%	2,167,931
Lease Revenue	888,519	1,772,065	13,422,399	13%	1,724,476
Other Revenue	84,177	166,284	3,000,000	6%	123,968
Tobacco Settlement Revenue	-	-	3,000,000	0%	-
Contingency Reserve (Carryforward)	-	-	226,521,399	0%	0
<b>Total Sources</b>	<b>13,402,640</b>	<b>15,830,959</b>	<b>506,876,895</b>	<b>3%</b>	<b>4,016,375</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>8,167,261</b>	<b>16,301,370</b>	<b>491,485,797</b>	<b>3%</b>	<b>15,899,797</b>
<b>Administrative Program</b>					
Salaries and benefits	477,321	921,496	7,134,758	13%	676,476
Consulting Fees	15,918	42,773	1,341,120	3%	24,091
Legal Fees	107,622	128,214	1,456,636	9%	177,398
Other Purchase Goods and Services	161,028	330,810	3,287,732	10%	176,622
<b>Total Administrative Program</b>	<b>761,889</b>	<b>1,423,293</b>	<b>13,220,246</b>	<b>11%</b>	<b>1,054,587</b>
<b>Tax Collection Expenses</b>	<b>114,156</b>	<b>193,803</b>	<b>2,170,853</b>	<b>9%</b>	<b>200,059</b>
<b>Total Uses</b>	<b>9,043,306</b>	<b>17,918,466</b>	<b>506,876,896</b>	<b>4%</b>	<b>17,154,443</b>
<b>Excess Sources / (Uses)</b>	<b>4,359,334</b>	<b>(2,087,507)</b>			<b>(13,138,068)</b>





<b>Healthcare Delivery Summary</b>	<b>Nov 2021</b>	<b>FY22 YTD</b>	<b>FY22 Budget</b>	<b>Percent of Budget Used</b>	<b>FY21 YTD</b>
<b>Inter-Governmental Transfers (IGTs)</b>	-	-	15,509,298	0%	-
<b>Healthcare Services</b>					
Primary Care - (see detail on Slide 11)	3,846,367	7,733,234	59,040,000	13%	8,026,936
Specialty Care, incld Dental & Behavioral Health	546,116	1,118,293	18,558,856	6%	1,245,112
Pharmacy	725,392	1,456,533	14,250,000	10%	1,633,464
Post Acute Care	-	-	2,125,000	0%	-
All Other Healthcare Services	-	-	6,737,035	0%	-
Community Healthcare Initiatives Fund	-	-	875,000	0%	-
<b>Subtotal Healthcare Services</b>	<b>5,117,875</b>	<b>10,308,060</b>	<b>101,585,891</b>	<b>10%</b>	<b>10,905,512</b>
<b>ACA Premium Assist, Education, Enrollment</b>	<b>1,017,926</b>	<b>1,974,144</b>	<b>13,902,929</b>	<b>14%</b>	<b>1,910,853</b>
<b>Healthcare Facilities and Campus Redevelopment</b>	<b>22,908</b>	<b>168,319</b>	<b>6,284,795</b>	<b>3%</b>	<b>330,935</b>
<b>Healthcare Delivery Operating Costs</b>	<b>1,863,228</b>	<b>3,560,199</b>	<b>35,631,887</b>	<b>10%</b>	<b>2,737,198</b>
<b>Debt, Reserves and Transfers</b>	<b>145,324</b>	<b>290,648</b>	<b>318,570,997</b>	<b>0%</b>	<b>15,299</b>
<b>Total Healthcare Delivery</b>	<b>8,167,261</b>	<b>16,301,370</b>	<b>491,485,797</b>	<b>3%</b>	<b>15,899,797</b>







Details for Health Care Delivery on the following slides.



Healthcare Delivery - Detail	Nov 2021	FY22 YTD	FY22 Budget	Percent of Budget Used	FY21 YTD
<b>Intergovernmental Transfers (IGTs)</b>					
DSH - Disproportionate Share	-	-	-	0%	-
DSRIP - CCC	-	-	15,509,298	0%	-
<b>Subtotal Intergovernmental Transfers (IGTs)</b>	<b>-</b>	<b>-</b>	<b>15,509,298</b>	<b>0%</b>	<b>-</b>
<b>Healthcare Services</b>					
Primary Care - (see detail on Slide 11)	3,846,367	7,733,234	59,040,000	13%	8,026,936
Specialty Care, incld Dental - (see detail on Slide 12)	474,716	976,693	17,175,000	6%	1,081,779
Specialty Care, Behavioral Health	71,400	141,600	1,383,856	10%	163,333
Pharmacy	725,392	1,456,533	14,250,000	10%	1,633,464
Post Acute Care	-	-	2,125,000	0%	-
Medical Administration / ICC payment	-	-	687,035	0%	-
Primary, Specialty Care, & MAP Reserves	-	-	6,050,000	0%	-
Community Health Care Initiatives	-	-	875,000	0%	-
<b>Subtotal Healthcare Services</b>	<b>5,117,875</b>	<b>10,308,060</b>	<b>101,585,891</b>	<b>10%</b>	<b>10,905,512</b>
Service Expansion Funds					

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Healthcare Delivery Detail (continued)	Nov 2021	FY22 YTD	FY22 Budget	Percent of Budget Used	FY21 YTD
<b>Healthcare Operations and Support</b>					
<b>ACA and Premium Assistance Programs</b>					
High Risk Premium Programs	678,672	1,358,830	10,240,575	13%	1,265,413
CHAP Program	227,926	455,697	3,079,354	15%	386,659
ACA Enrollment and Education Services	111,328	159,617	583,000	27%	258,781
<b>Subtotal ACA &amp; Premium Assist Program</b>	<b>1,017,926</b>	<b>1,974,144</b>	<b>13,902,929</b>	<b>14%</b>	<b>1,910,853</b>
<b>Healthcare Facilities and Campus</b>					
Salaries and benefits	28,379	54,057	395,914	14%	14,702
Consulting Services	(46,230)	(45,131)	1,512,000	-3%	26,350
Legal Fees	3,171	7,567	370,000	2%	35,768
Other Goods & Svc incl. UT Ground Lease	37,588	151,826	4,006,881	4%	254,115
<b>Subtotal Healthcare Facilities and Campus</b>	<b>22,908</b>	<b>168,319</b>	<b>6,284,795</b>	<b>3%</b>	<b>330,935</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	1,161,028	2,241,930	18,866,066	12%	1,807,356
Consulting Services	75,964	130,093	840,000	15%	18,522
Legal Fees	1,159	3,481	339,000	1%	12,172
Other Services and Purchased Goods	625,077	1,184,695	15,586,821	8%	899,148
<b>Subtotal HCD Operating Cost</b>	<b>1,863,228</b>	<b>3,560,199</b>	<b>35,631,887</b>	<b>10%</b>	<b>2,737,198</b>
<b>Debt Service, Reserves and Transfers</b>					
Debt Service	145,324	290,648	6,152,676	5%	15,299
Healthcare Capital Line of Credit	-	-	1,091,773	-	-
FY2022 Capital reserve	-	-	12,546,013	-	-
FY2022 Contingency reserve appropriation	-	-	298,780,535	-	-
<b>Subtotal Debt, Reserves and Transfers</b>	<b>145,324</b>	<b>290,648</b>	<b>318,570,997</b>	<b>0%</b>	<b>15,299</b>
<b>Total Healthcare Delivery</b>	<b>8,167,261</b>	<b>16,301,370</b>	<b>491,485,797</b>	<b>3%</b>	<b>15,899,797</b>



<b>Healthcare Delivery - Primary Care</b>	<b>Nov 2021</b>	<b>FY22 YTD</b>	<b>FY22 Budget</b>	<b>Percent of Budget Used</b>	<b>FY21 YTD</b>
<b>Primary Care</b>					
CommUnity Care	3,257,600	6,511,267	45,885,000	14%	6,328,103
Lone Star Circle of Care	410,000	843,700	6,755,000	12%	1,259,167
People's Community Clinic	166,500	353,400	2,600,000	14%	371,667
Other Primary Care	32,267	24,867	3,800,000	1%	68,000
<b>Subtotal Primary Care Services</b>	<b>3,866,367</b>	<b>7,733,234</b>	<b>59,040,000</b>	<b>13%</b>	<b>8,026,937</b>

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Healthcare Delivery - Specialty Care	Nov 2021	FY22 YTD	FY22 Budget	Percent of Budget Used	FY21 YTD	YOY Percent Change	Comments
Specialty Care							
Ancillary Services	4,369	12,400	610,000	2%	8,397	48%	
Cardiology	14,800	29,600	265,000	11%	22,963	29%	
Consultation & Referral Service	25,000	50,000	500,000	10%	50,000	0%	Addition of services with CUC
Dental Specialty	67,515	132,915	1,300,000	10%	119,492	11%	
Dermatology	17,032	66,345	550,000	12%	63,234	5%	
Durable Medical Equipment	2,300	2,600	125,000	2%	0	0%	
Ear, Nose & Throat ENT	22,096	46,301	350,000	13%	57,667	-20%	
Endocrinology	33,217	66,433	575,000	12%	42,910	55%	Increased utilization of e-consults
Gastroenterology	85,567	135,767	2,100,000	6%	212,213	-36%	
General Surgery	2,300	6,400	300,000	2%	11,600	-45%	
Gynecology Complex	0	0	100,000	0%	0	0%	Services currently contracted in CCC
Nephrology	2,200	4,400	200,000	2%	2,616	68%	New service in FY21 with lower volume
Oncology	19,500	47,100	700,000	7%	83,333	-43%	Lower volume
Ophthalmology	89,620	185,519	1,650,000	11%	162,875	14%	Increased volume
Orthotics & Prosthetics	399	13,810	200,000	7%	13,000	6%	
Podiatry	26,700	53,400	350,000	15%	48,300	11%	
Pulmonology	20,200	40,400	375,000	11%	56,971	-29%	Lower volume
Reproductive and Sexual Health	28,100	55,700	1,150,000	5%	78,000	-29%	
Rheumatology	9,000	18,000	250,000	7%	23,471	-23%	
Neurology	0	0	100,000	0%	0	0%	
Wound Care	4,800	9,600	150,000	6%	24,738	-61%	
MAP Basic Expansion	0	0	1,975,000	0%	0	0%	
Systems Planning Expansion	0	0	3,300,000	0%	0	0%	
<b>Total Specialty Care</b>	<b>474,715</b>	<b>976,690</b>	<b>17,175,000</b>	<b>6%</b>	<b>1,081,780</b>	<b>-10%</b>	



# Questions ? Comments ?



November 2021 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4

**Current Assets**

Cash and Cash Equivalents – \$1.2M compared to \$1.0M November 2020

Short-term Investments – Short-term investments were \$258M at month-end net of restricted investments increased to \$103M to reflect certificates of obligation restricted for capital construction.

Ad Valorem Taxes Receivable – \$256M balance is composed of:

Gross Tax Receivables	\$	258M
Taxable Assessed Valuation Adjustment		0M
Est. Allowance for Doubtful collections		(2.9)M
Total Taxes Receivable	\$	256M

CO Reimbursement Receivable - \$21.7M

Other Receivables – Other receivables total \$5.6M and includes intercompany balances:

- CommUnityCare - \$3.6M
- Sendero - \$1.4M
- Community Care Collaborative - \$175K
- Accrued Interest - \$292K
- Miscellaneous Receivables – \$24K





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Balance Sheet (Assets) – Slide 4 (continued)

Prepaid Expenses – \$1.3M balance composed of:

- Prepaid Tax Collection Fees - \$828K
- Prepaid Insurance - \$127K
- Software - \$118K
- Deposits - \$82K
- TCAD Appraisal Fees - \$80K
- Memberships - \$49K
- JTT Equipment - \$31K
- **Total Current Assets – \$543M**

**Restricted Cash & Investments or Noncurrent**

Investments Restricted for Capital Acquisition – \$103M in securities and reserves 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 - \$9.4M

Capital Assets – \$85M, net of accumulated depreciation

**Total Assets – \$853M**



**Current Liabilities** – Slide 5

Accounts Payable – Major components of the \$17M balance are:

- \$14.5M estimated IBNR for healthcare services.
- \$2.4M vendor invoices due.

Salaries and Benefits Payable – \$1.8M 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 – \$1.3M Contract Liability.

Debt Service Payable, Short-Term – \$4.7M in Certificates of Obligation Payable for 2011 and 2021 Taxable and non-Taxable Series, interest due 03/01/22

Deferred Tax Revenue - \$252M pending collection

**Total Current Liabilities** – **\$276.9M**

**Restricted or Noncurrent Liabilities** – Slide 5 (continued)

Funds held for TCHD LPPF - \$9.4M receipts from participants in the LPPF.

CO Reimbursement Payable - \$21.7M

Balance Sheet (Liabilities) – Slide 5 (continued)

Debt Service Payable, Long-Term – \$80.2M balance:

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	7.285 M	10.8 M	
Taxable LT		60.0 M	
Premium		2.1 M	
Totals	<b>7.285 M</b>	<b>72.9 M</b>	<b>80.2 M</b>

\$7.285M was originally issued in 2011 for the North Central clinic and refunded May 2020. \$72.9M was issued in 2021 for two clinics and an administration building. All are due annually on 3/1.

**Total Restricted of Noncurrent Liabilities – \$111.3M**

**Total Liabilities – \$388M**

**Net Assets**

Unrestricted Net Assets – \$323M

Restricted Net Assets – \$56M

Investment in Capital Assets – \$85M

**Total Net Assets – \$465M**

**Total Liabilities and Net Assets – \$853M**



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**Sources and Uses Report** – Slide 6

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

**Sources – Total \$13.4M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$12.4M. Net revenue includes \$12.4M current month's collections; \$41K Penalties and Interest; (\$4K) in adjustments for prior year delinquent taxes.

Lease Revenue – \$889K recorded for Seton and CUC Hancock Clinic lease payment.

Other Revenue – \$84K in monthly investment income

**Uses of Funds – Total \$9.0M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$8.2M for the month and \$16M YTD compared to \$16M YTD thru November 2020.

Healthcare Delivery Budget includes funds for service expansion in Post-Acute Care \$2.1M, Primary & Specialty Care \$6M, and Community Health Care Initiatives \$875K

Administration Program – \$762K in expense for the month, which includes:

- Personnel costs – \$477K
- Consulting services – \$16K
- Legal fees – \$108K
- Other general and administrative – \$161K

**Sources and Uses Report** – Slide 6 (continued)

**Tax Collection Expenses** – \$114K for the month.

**Excess Sources/(Uses)** – \$4.4M in November. Current YTD is (\$2M) compared to prior year FY21 YTD of (\$13M).

**Healthcare Delivery Expense** – Slide 7

**Healthcare Delivery Expense** – Total \$8.2M November; \$16M YTD compared to \$16M November FY21 YTD.

**Intergovernmental Transfers (“IGT’s”)** – YTD \$0M for DSRIP IGT compared to \$0M YTD last year for DSRIP IGT.

**Healthcare Services** – Healthcare delivery providers’ expense for November totaled \$5.1M, which includes:

- Primary care – \$3.8M
- Specialty Care (including Dental and Behavioral Health) – \$546K
- Pharmacy - \$725K

**ACA Premium Assist, Education, Enrollment** – \$1M in expenses for the month; \$2M YTD compared to \$2M FY21 YTD

**Healthcare Facilities and Campus Redevelopment** - \$23K in expense for the month and \$168K YTD.



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**Healthcare Delivery Expense** – Slide 7 (continued)

Healthcare Delivery Operating Cost – \$1.9M in expenses for the month and includes:

- Personnel costs – \$1.2M
- Consulting Services – \$76K
- Legal Fees - \$1K
- Other services and purchased goods – \$625K

Debt, Reserves and Transfer – \$145K in Debt Service and Capital Reserve for the month

**Total Healthcare Delivery** - for the month of November was \$8.2M.