



October 2022 Preliminary Monthly Financial Statements (unaudited)

Page 1 of 5

Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$3.4M compared to \$1.1M October 2021

Short-term Investments – Short-term investments were \$353M at month-end, net of restricted investments totaling \$112M.

Ad Valorem Taxes Receivable – \$290M balance is composed of:

Gross Tax Receivables	\$ 292M
Taxable Assessed Valuation Adjustment	(1.5)M
Est. Allowance for Doubtful collections	(1.3)M
Total Taxes Receivable	<u>\$ 290M</u>

Other Receivables – Other receivables total \$3M and includes intercompany balances:

- Sendero - \$609K
- CUC - \$1.2M
- Community Care Collaborative - \$79K
- Accrued Interest - \$708K
- Miscellaneous Receivables – \$274K
- AR Enterprise Health Claims (self-funding) - \$118K

Prepaid Expenses – \$479K balance composed of:

- TCAD appraisal fee - \$188K
- Prepaid Insurance - \$78K
- Deposits - \$82K
- Software - \$17K
- Memberships/Subscriptions - \$17K
- JTT Equipment - \$97K



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Page 2 of 5

Total Current Assets – \$649M

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$112M 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 - \$56M

Lease Receivables GASB87* - \$249M

- Lease Receivable Short-Term \$5.5M
- Lease Interest Receivable Short-Term \$4.4M
- Lease Receivable Long-Term \$239M

Capital Assets – \$130M, net of accumulated depreciation

Total Assets – \$1.3B



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$12M balance are:

- \$10M estimated IBNR for healthcare services.
- \$2M vendor invoices due.

Salaries and Benefits Payable – \$3M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Other Payables – \$405K Contract Liability.

Debt Service Payable, Short-Term – \$4.8M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$288M

Other Deferred Revenue - \$500K Episcopal Health Foundation Grant

Total Current Liabilities – **\$309M**

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$56M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$75.8M balance (unchanged):

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	3.7 M	12.7 M	
Taxable LT		57.4 M	
Premium		2.0 M	
Totals	3.7 M	72.2 M	75.8 M

\$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. Annual payments are due on 3/1 for all Series.

Lease Payable Long-Term GASB87* - \$43M

Deferred Revenue Long-Term GASB87* - \$241M

Total Restricted of Noncurrent Liabilities – \$416M

Total Liabilities – \$725M

Net Assets

Unrestricted Net Assets – \$422M

Restricted Net Assets – \$57M

Investment in Capital Assets – \$103M

Total Net Assets – \$583M



Total Liabilities and Net Assets – \$1.3B

*Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.



Central Health

Balance Sheet Presentation

FY 2023 – as of October 31, 2022
(Preliminary)

Central Health Board of Managers

December 14, 2022

Lisa Owens, Deputy CFO

Patti Bethke, Controller



- GAAP reporting Net Assets increased \$122 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 10/31/2022 is \$56 million.
- Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.

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 10/31/2023	as of 10/31/2022
Current Assets		
Cash and cash equivalents	3,375,419	1,087,632
Short-term investments	352,572,762	255,949,442
Ad valorem taxes receivable	289,532,601	266,435,127
Other receivables	2,978,651	25,246,895
Prepaid expenses	478,872	597,603
Total Current Assets	648,938,305	549,316,700
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	112,420,682	102,423,298
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	55,840,455	9,431,670
Total Restricted Cash and Investments or Noncurrent	280,344,136	223,937,967
Lease Receivables*		
Lease Receivables Short-Term*	9,938,687	0
Lease Receivables Long-Term *	238,566,993	0
Total Lease Receivables*	248,505,680	0
Capital Assets		
Land	26,372,222	26,302,222
Buildings and improvements	56,713,918	56,495,971
Equipment and furniture	17,954,906	17,753,592
Capital Projects in progress	17,018,267	9,245,869
Leased Assets*	43,445,561	0
Less accumulated depreciation	(31,456,639)	(25,137,947)
Total Capital Assets	130,048,236	84,659,707
Total Assets	1,307,836,357	857,914,374

* New GASB87 reporting requirement for leases.



Liabilities	Preliminary as of 10/31/2023	as of 10/31/2022
Current Liabilities		
Accounts payable	12,262,806	13,506,778
Salaries and benefits payable	3,371,755	1,614,664
Other Payables	404,636	22,983,834
Debt service payable, short-term	4,781,858	4,552,669
Deferred tax revenue	287,715,083	264,547,719
Other deferred revenue	500,063	-
Total Current Liabilities	309,036,200	307,205,665
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	55,840,455	9,431,670
Debt service payable, long-term	75,801,059	80,264,606
Total Restricted or Noncurrent Liabilities	131,641,514	89,696,276
Noncurrent Liabilities Leases*		
Lease Payable Long Term *	43,129,049	0
Deferred Revenue Long Term*	241,304,288	0
Total Noncurrent Liabilities Leases*	284,433,337	-
Total Liabilities	725,111,051	396,901,940
Net Assets		
Unrestricted	422,311,673	320,296,733
Restricted	56,932,104	56,055,994
Investment in Capital Assets	103,481,528	84,659,707
Total Net Assets	582,725,306	461,012,434
Liabilities and Net Assets	1,307,836,357	857,914,374

* New GASB87 reporting requirement for leases.



Questions ? Comments ?