

Balance Sheet (Assets) – Slide 4

**Current Assets**Cash and Cash Equivalents – \$3.1M compared to \$1.2M November 2021Short-term Investments – Short-term investments were \$348M at month-end, net of restricted investments totaling \$112M.Ad Valorem Taxes Receivable – \$285M balance is composed of:

Gross Tax Receivables	\$ 288M
Taxable Assessed Valuation Adjustment	(1.5)M
Est. Allowance for Doubtful collections	(1.3)M
Total Taxes Receivable	<u>\$ 285M</u>

Other Receivables – Other receivables total \$3.6M and includes intercompany balances:

- Sendero - \$641K
- CUC - \$1.9M
- Community Care Collaborative - \$64K
- Accrued Interest - \$561K
- Miscellaneous Receivables – \$273K
- AR Enterprise Health Claims (self-funding) - \$147K

Prepaid Expenses – \$472K balance composed of:

- TCAD appraisal fee - \$94K
- Prepaid Insurance - \$59K
- Deposits - \$82K
- Software - \$105K
- Memberships/Subscriptions - \$35K
- JTT Equipment - \$97K



November 2022 Preliminary Monthly Financial Statements (unaudited)

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**Total Current Assets – \$640M**

**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 - \$22M

Lease Receivables GASB87\* - \$249M

- Lease Receivable Short-Term \$10M
- Lease Receivable Long-Term \$239M

Capital Assets – \$131M, net of accumulated depreciation

**Total Assets – \$1.3B**

**Current Liabilities** – Slide 5

Accounts Payable – Major components of the \$14M balance are:

- \$11M estimated IBNR for healthcare services.
- \$2.6M vendor invoices due.
- \$822K 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 – \$323K Contract Liability.

Debt Service Payable, Short-Term – \$4.9M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$282M

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

**Total Current Liabilities** – **\$305M****Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$22M 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	<b>3.7 M</b>	<b>72.2 M</b>	<b>75.8 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. Annual payments are due on 3/1 for all Series.

**Total Restricted of Noncurrent Liabilities – \$98M**

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

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

**Total Noncurrent Liabilities Leases\* – \$284M**

**Total Liabilities – \$686M**

**Net Assets**

Unrestricted Net Assets – \$419M

Restricted Net Assets – \$57M



Investment in Capital Assets – \$103M

**Total Net Assets – \$579M**

**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.



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**Sources and Uses Report** – Slide 6

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

**Sources – Total \$6.5M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$4.2M. Net revenue includes \$4.5M current month's collections; \$32K adjustment for uncollectible property tax; \$27K Penalties and Interest; and \$(359K) in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.6M recorded for Downtown Campus, Hancock Clinic, and land leases

Other Revenue – \$750K in monthly investment income

**Uses of Funds – Total \$10M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$9M for the month and \$41M YTD compared to \$16M FY22 YTD.

Administration Program – \$1.0M in expense for the month, which includes:

- Personnel costs – \$610K
- Consulting fees - \$4K
- Legal fees – \$252K
- Other general and administrative – \$145K

**Tax Collection Expenses** – \$94K for the month.

**Excess Sources/(Uses)** – (\$3.6M) in November. Current YTD is (\$36M) compared to (\$2M) FY22 YTD.



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**Healthcare Delivery Expense** – Slide 7

**Healthcare Delivery Expense** – Total \$9.0M current month; \$41M YTD compared to \$16M FY22 YTD.

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

Healthcare Services – Healthcare delivery providers’ expense for November totaled \$5.0M, which includes:

- Primary care – \$3.9M
- Specialty Care including Dental – \$798K
- Specialty Care - Behavioral Health – \$34K
- Pharmacy - \$189K
- All Other - \$41K

ACA Premium Assist, Education, Enrollment – \$1.1M in expenses for the month; \$2.1M YTD compared to \$2.0M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$159K in expense for the month and \$329K YTD.

Healthcare Delivery Operating Cost – \$2.6M in expenses for the month and includes:

- Personnel costs – \$1.5M
- Consulting Services – \$4K
- Legal Fees - \$0K
- Other services and purchased goods – \$1.1M

Debt, Reserves and Transfer – \$132K in Debt Service

**Total Healthcare Delivery** - for the month of November was \$9.0M.



# Central Health

## Financial Statement Presentation

FY 2023 – as of November 30, 2022  
(Preliminary)

Central Health Board of Managers

February 22, 2022

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 \$4.1 million compared to \$14 million as of November 2021 representing 1.6% of the adjusted tax levy compared to 5.2% as of November 2021. Property Tax Notices were delayed until after the November Election day, therefore a small lag in collections is expected in October and November
- Healthcare Delivery is \$18 million for the year ending 11/30/2022.
- GAAP reporting Net Assets increased \$114 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 11/30/2022 is \$22 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.



Assets	Preliminary as	
	of 11/30/2023	as of 11/30/2022
Current Assets		
Cash and cash equivalents	3,132,217	1,248,066
Short-term investments	347,910,678	258,136,664
Ad valorem taxes receivable	285,170,490	255,564,273
Other receivables	3,634,774	27,221,442
Prepaid expenses	472,364	1,316,724
Total Current Assets	640,320,525	543,487,170
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	111,894,637	102,838,049
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	21,742,057	9,431,963
Total Restricted Cash and Investments or Noncurrent	245,719,695	224,353,013
Lease Receivables		
Lease Receivables Short-Term*	10,316,747	-
Lease Receivables Long-Term *	238,068,745	-
Total Lease Receivables	248,385,492	0
Capital Assets		
Land	26,372,222	26,302,222
Buildings and improvements	63,912,031	56,495,971
Equipment and furniture	17,954,906	17,752,642
Capital Projects in progress	10,853,574	10,367,712
Leased Assets*	43,445,561	0
Less accumulated depreciation	(32,008,590)	(25,605,760)
Total Capital Assets	130,529,704	85,312,787
<b>Total Assets</b>	<b>1,264,955,416</b>	<b>853,152,970</b>

\* New GASB87 reporting requirement for leases.



<b>Liabilities</b>	<b>Preliminary as of 11/30/2023</b>	<b>as of 11/30/2022</b>
<b>Current Liabilities</b>		
Accounts payable	14,482,952	16,922,152
Salaries and benefits payable	2,623,062	1,782,179
Other Payables	323,477	22,983,834
Debt service payable, short-term	4,924,097	4,697,993
Deferred tax revenue	282,329,147	252,169,286
Other deferred revenue	500,063	-
Total Current Liabilities	305,182,798	298,555,444
<b>Restricted or Noncurrent Liabilities</b>		
Funds held for TCHD LPPF	21,742,057	9,431,963
Debt service payable, long-term	75,791,940	80,264,606
Total Restricted or Noncurrent Liabilities	97,533,997	89,696,570
<b>Noncurrent Liabilities Leases*</b>		
Lease Payable Long Term *	43,118,725	0
Deferred Revenue Long Term*	240,519,519	0
Total Noncurrent Liabilities Leases*	283,638,244	-
Total Liabilities	686,355,040	388,252,013
<b>Net Assets</b>		
Unrestricted	418,777,370	323,532,175
Restricted	56,546,313	56,055,994
Investment in Capital Assets	103,276,693	85,312,787
Total Net Assets	578,600,376	464,900,957
<b>Liabilities and Net Assets</b>	1,264,955,416	853,152,970

\* New GASB87 reporting requirement for leases.



Sources / Uses	NOV 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Sources</b>					
Property Tax Revenue	4,205,779	4,138,001	281,605,053	1%	13,892,610
Lease Revenue	1,554,974	3,117,139	13,145,328	24%	1,772,065
Other Revenue	749,822	1,442,376	1,500,000	96%	166,284
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
<b>Total Sources</b>	<b>6,510,575</b>	<b>8,697,516</b>	<b>300,750,381</b>	<b>3%</b>	<b>15,830,959</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>8,978,952</b>	<b>40,747,821</b>	<b>283,208,878</b>	<b>14%</b>	<b>16,302,494</b>
<b>Administrative Program</b>					
Salaries and benefits	609,984	1,048,705	9,131,752	11%	921,496
Consulting Fees	4,150	6,956	1,626,520	0%	42,773
Legal Fees	251,532	345,603	2,756,636	13%	128,214
Other Purchase Goods and Services	144,840	373,774	4,486,802	8%	330,810
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
<b>Total Administrative Program</b>	<b>1,010,506</b>	<b>3,775,038</b>	<b>20,001,710</b>	<b>133%</b>	<b>1,423,293</b>
<b>Tax Collection Expenses</b>	<b>94,100</b>	<b>188,199</b>	<b>2,147,650</b>	<b>9%</b>	<b>193,803</b>
<b>Total Uses</b>	<b>10,083,558</b>	<b>44,711,058</b>	<b>305,358,238</b>	<b>15%</b>	<b>17,919,590</b>
<b>Excess Sources / (Uses)</b>	<b>(3,572,983)</b>	<b>(36,013,542)</b>	<b>(4,607,857)</b>		<b>(2,088,631)</b>



Healthcare Delivery Summary	NOV 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Purchased Healthcare Services</b>					
Primary Care - (see detail on Slide 10)	3,922,792	7,942,251	66,236,822	12%	7,733,234
Specialty Care, incld Dental - (see detail on Slide 11)	798,322	1,284,019	27,163,000	5%	976,693
Specialty Behavioral Health and Substance Use	33,636	68,216	12,040,000	1%	141,600
Pharmacy	188,755	1,025,872	17,000,000	6%	1,456,533
Post Acute Care	40,876	58,876	5,650,000	1%	-
Community Healthcare Initiatives Fund	-	-	1,750,000	0%	-
<b>Subtotal Purchased Healthcare Services</b>	<b>4,984,381</b>	<b>10,379,234</b>	<b>129,839,822</b>	<b>8%</b>	<b>10,308,060</b>
<b>Direct Healthcare Services</b>	-	-	5,673,261	0%	-
<b>Map Eligibility - Increase in period</b>	-	-	2,000,000	0%	-
<b>Subtotal Healthcare Services</b>	<b>4,984,381</b>	<b>10,379,234</b>	<b>137,513,083</b>	<b>8%</b>	<b>10,308,060</b>
<b>ACA Premium Assist, Education, Enrollment</b>	<b>1,057,788</b>	<b>2,124,736</b>	<b>15,236,261</b>	<b>14%</b>	<b>1,974,144</b>
<b>Healthcare Facilities and Campus Redevelopment</b>	<b>159,005</b>	<b>329,075</b>	<b>4,721,027</b>	<b>7%</b>	<b>168,318</b>
<b>Healthcare Delivery Operating Costs</b>	<b>2,645,434</b>	<b>4,650,087</b>	<b>48,241,763</b>	<b>10%</b>	<b>3,561,324</b>
<b>SubTotal</b>	<b>8,846,608</b>	<b>17,483,132</b>	<b>205,712,134</b>	<b>8%</b>	<b>16,011,846</b>
<b>Debt, Reserves and Transfers</b>	<b>132,344</b>	<b>23,264,689</b>	<b>55,496,744</b>	<b>42%</b>	<b>290,648</b>
<b>UT Affiliation Agreement</b>	-	-	22,000,000	0%	-
<b>Total Healthcare Delivery</b>	<b>8,978,952</b>	<b>40,747,821</b>	<b>283,208,878</b>	<b>14%</b>	<b>16,302,494</b>



Details for Health Care Delivery on the following slides.



Healthcare Delivery Detail	NOV 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Healthcare Operations and Support</b>					
<b>ACA and Premium Assistance Programs</b>					
ACA Healthcare Premium Assistance Programs	1,057,788	2,124,197	14,648,261	15%	1,814,527
ACA Education and Enrollment Services	-	539	588,000	0%	159,617
<b>Subtotal ACA &amp; Premium Assist Program</b>	<b>1,057,788</b>	<b>2,124,736</b>	<b>15,236,261</b>	<b>14%</b>	<b>1,974,144</b>
<b>Real Estate and Campus Redevelopment</b>					
Salaries and benefits	50,623	99,660	892,250	11%	54,057
Consulting Services	-	3,313	200,000	2%	(45,131)
Legal Fees	-	-	175,000		7,567
Other Goods & Svc incl. UT Ground Lease	108,382	226,102	3,453,777	7%	151,826
<b>Subtotal Healthcare Facilities and Campus</b>	<b>159,005</b>	<b>329,075</b>	<b>4,721,027</b>	<b>7%</b>	<b>168,318</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	1,519,634	3,184,293	25,545,451	12%	2,241,930
Consulting Services	3,723	8,028	1,740,000	0%	130,093
Legal Fees	14	14	433,000	0%	3,481
Other Services and Purchased Goods	1,122,063	1,457,752	20,523,312	7%	1,185,820
<b>Subtotal HCD Operating Cost</b>	<b>2,645,434</b>	<b>4,650,087</b>	<b>48,241,763</b>	<b>10%</b>	<b>3,561,324</b>
<b>Debt Service, Reserves and Transfers</b>					
Debt Service	132,344	264,689	5,996,744	4%	290,648
Healthcare Capital Line of Credit	-	-	500,000		
FY2022 Capital reserve	-	23,000,000	49,000,000	47%	-
<b>Subtotal Debt, Reserves and Transfers</b>	<b>132,344</b>	<b>23,264,689</b>	<b>55,496,744</b>	<b>42%</b>	<b>290,648</b>
UT Affiliation Agreement	-	-	22,000,000		
<b>Total Healthcare Delivery</b>	<b>8,978,952</b>	<b>40,747,821</b>	<b>283,208,878</b>	<b>14%</b>	<b>16,302,494</b>





Healthcare Delivery - Primary Care	NOV 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Primary Care</b>					
CommUnity Care	3,232,651	6,686,915	49,835,000	13%	6,511,267
Lone Star Circle of Care	524,231	929,355	6,955,000	13%	843,700
People's Community Clinic	165,910	325,981	3,100,000	11%	353,400
Other Primary Care	-	-	6,346,822	0%	24,867
<b>Subtotal Primary Care Services</b>	<b>3,922,792</b>	<b>7,942,251</b>	<b>66,236,822</b>	<b>12%</b>	<b>7,733,234</b>

(continued on next page)



Healthcare Delivery - Specialty Care	NOV 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services & DME	5,716	5,716	2,408,000	0%	28,832	-80%	
Cardiology	28,634	55,230	1,215,000	5%	29,600	87%	
Dental Specialty	105,978	167,212	1,500,000	11%	132,915	26%	
Dermatology	53,781	108,110	1,125,000	10%	66,345	63%	
Dialysis	(49,782)	0	2,600,000	0%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	21,812	21,812	500,000	4%	46,301	-53%	Provider Vacancy
Endocrinology	64,372	112,201	925,000	12%	66,433	69%	Service Expansion
Gastroenterology	119,756	192,934	2,100,000	9%	135,767	42%	Service Expansion
General Surgery	18,561	18,561	200,000	9%	6,400	190%	
Gynecology	0	0	1,050,000	0%	0	0%	
Musculoskeletal	0	0	1,700,000	0%	0	0%	
Nephrology	54,587	58,893	350,000	17%	4,400	1238%	
Neurology	1,244	2,300	300,000	1%	0	0%	New CUC Service
Oncology	36,359	38,298	1,800,000	2%	47,100	-19%	
Ophthalmology	148,520	181,792	3,300,000	6%	185,500	-2%	
Palliative Care	4,822	4,822	0	0%	0	0%	
Physical Med & Rehab	31,790	36,960	350,000	11%	0	0%	
Project Access	0	0	330,000	0%	0	0%	
Podiatry	58,690	91,906	1,350,000	7%	53,400	72%	
Pulmonology	27,275	55,333	475,000	12%	40,400	37%	
Referral Services	21,154	46,154	875,000	5%	50,000	-8%	
Reproductive and Sexual Health	24,393	45,302	2,110,000	2%	55,700	-19%	
Rheumatology	14,277	28,550	350,000	8%	18,000	59%	
Urology	0	0	250,000	0%	0	0%	
Wound Care	6,383	11,933	0	0%	9,600	24%	
<b>Total Specialty Care</b>	<b>798,322</b>	<b>1,284,019</b>	<b>27,163,000</b>	<b>5%</b>	<b>976,693</b>	<b>31%</b>	

\* Changes greater than \$90,000 and +/- 33%



# Questions ? Comments ?