

Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$3.4M compared to \$1.3M January 2022

Short-term Investments – Short-term investments were \$532M at month-end, net of restricted investments totaling \$111M.

Ad Valorem Taxes Receivable – \$73M balance is composed of:

Gross Tax Receivables	\$ 77M
Taxable Assessed Valuation Adjustment	(1.4)M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	\$ 72.7M

Other Receivables – Other receivables total \$7.5M and includes intercompany balances:

- Miscellaneous Receivables – \$1.7M for CEC Alternate Utility Project
- CUC - \$3M
- Sendero - \$709K
- Community Care Collaborative - 71K
- Accrued Interest - \$959K
- AR Enterprise Health Claims (self-funding) - \$1.1M

Prepaid Expenses – \$877K balance composed of:

- Software - \$272K
- Travis Central Appraisal District – \$204K
- JTT Equipment - \$136K
- Tax Collection Fees - \$111K
- Deposits - \$82K
- Memberships/Subscriptions - \$51K
- Insurance - \$21K

Total Current Assets – \$616M



Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$111M 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 - \$46.5M

Lease Receivables GASB87* - \$248M

- Lease Receivable Short-Term \$9M
- Lease Receivable Long-Term \$239M

Capital Assets – \$129M, net of accumulated depreciation

Total Assets – \$1.3B



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$10.6M balance are:

- \$7.2M estimated IBNR for healthcare services.
- \$2.5M invoices payable.
- \$925K lease interest

Salaries and Benefits Payable – \$4.9M 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 – \$5M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$49M

Other Deferred Revenue - \$89K Episcopal Health Foundation Grant

Total Current Liabilities – \$71M

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$46.5M 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.

Total Restricted of Noncurrent Liabilities – \$122M

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

Deferred Revenue Long-Term GASB87* - \$239M

Total Noncurrent Liabilities Leases* – \$282M

Total Liabilities – \$475M

Net Assets

Unrestricted Net Assets – \$633M

Restricted Net Assets – \$56M

Investment in Capital Assets – \$100M



Total Net Assets – \$789M

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.



Sources and Uses Report – Slide 6

January financials → four months, 33% of the fiscal year.

Sources – Total \$125M for the month

Property Tax Revenue – Net property tax revenue for the month was \$121.6M. Net revenue includes \$121.7M current month's collections; \$67K Penalties and Interest; and \$(162)K in adjustments for prior year delinquent taxes.

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

Other Revenue/Expense – \$1.5M which includes:

- Monthly investment income – \$1.4M
- Grant revenue – \$100K

Uses of Funds – Total \$16M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$14M for the month and \$65M YTD compared to \$33M FY22 YTD.

Administration Program – \$1M in expense for the month, which includes:

- Personnel costs – \$526K
- Legal fees – \$151K
- Consulting fees - \$750
- Other general and administrative – \$329K

Tax Collection Expenses – \$562K for the month.

Excess Sources/(Uses) – \$109M in January. Current YTD is \$175M compared to \$198M FY22 YTD.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$14M current month; \$65M YTD compared to \$33M FY22 YTD.

Purchased Healthcare Services – Healthcare delivery providers' expense for January totaled \$10M, which includes:

- Primary care – \$5.9M
- Specialty Care including Dental – \$1.2M
- Specialty Care - Behavioral Health – \$372K
- Pharmacy - \$1.9M
- All Other - \$709K

Direct Healthcare Services – \$31K

ACA Premium Assist, Education, Enrollment – \$1.2M in expenses for the month; \$4.3M YTD compared to \$4.1M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$290K in expense for the month and \$830K YTD.

Healthcare Delivery Operating Cost – \$2.7M in expenses for the month and includes:

- Personnel costs – \$1.8M
- Consulting Services – \$4K
- Legal Fees - \$0
- Other services and purchased goods – \$951K

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

Total Healthcare Delivery - for the month of January was \$14M.



Central Health

Financial Statement Presentation

FY 2023 – as of January 31, 2023 (Preliminary)

Central Health Board of Managers

March 29, 2022

Lisa Owens, Deputy CFO

Patti Bethke, Controller



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Note: HCD = Health Care Delivery



- Year-to-date through January collected net property tax revenue is \$236 million compared to \$231 million as of January 2022 representing 82.4% of the adjusted tax levy compared to 87% as of January 2022.
- Healthcare Delivery is \$65 million for the year as of 1/31/2023.
- GAAP reporting Net Assets increased \$125 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 1/31/2023 is \$47 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 1/31/2023	as of 1/31/2022
Current Assets		
Cash and cash equivalents	3,374,399	1,254,330
Short-term investments	532,132,428	449,847,609
Ad valorem taxes receivable	72,592,756	63,408,572
Other receivables	7,467,289	2,230,295
Prepaid expenses	877,834	730,113
Total Current Assets	<u>616,444,706</u>	<u>517,470,919</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	111,140,786	79,093,651
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	46,544,273	22,298,833
Total Restricted Cash and Investments or Noncurrent	<u>269,768,059</u>	<u>213,475,484</u>
Lease Receivables		
Lease Receivables Short-Term*	9,552,425	-
Lease Receivables Long-Term *	238,640,113	-
Total Lease Receivables	<u>248,192,538</u>	<u>0</u>
Capital Assets		
Land	26,372,222	26,372,222
Buildings and improvements	61,959,062	56,589,949
Equipment and furniture	17,954,906	17,761,542
Capital Projects in progress	12,178,799	11,181,570
Leased Assets*	43,445,561	0
Less accumulated depreciation	(32,820,565)	(26,525,158)
Total Capital Assets	<u>129,089,984</u>	<u>85,380,126</u>
Total Assets	<u><u>1,263,495,287</u></u>	<u><u>816,326,529</u></u>

* New GASB87 reporting requirement for leases.



Liabilities	Preliminary as of 1/31/2023	as of 1/31/2022
Current Liabilities		
Accounts payable	10,628,166	7,610,895
Salaries and benefits payable	4,857,935	2,013,277
Other Payables	323,477	1,216,226
Debt service payable, short-term	5,208,583	4,988,640
Deferred tax revenue	49,413,523	34,301,038
Other deferred revenue	89,389	-
Total Current Liabilities	70,521,073	50,130,076
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	46,544,272	22,298,833
Debt service payable, long-term	75,773,702	80,228,130
Total Restricted or Noncurrent Liabilities	122,317,974	102,526,963
Noncurrent Liabilities Leases*		
Lease Payable Long Term *	43,097,980	0
Deferred Revenue Long Term*	238,990,841	0
Total Noncurrent Liabilities Leases*	282,088,821	-
Total Liabilities	474,927,868	152,657,039
Net Assets		
Unrestricted	632,632,046	522,233,370
Restricted	55,703,236	56,055,994
Investment in Capital Assets	100,232,138	85,380,126
Total Net Assets	788,567,419	663,669,490
Liabilities and Net Assets	1,263,495,287	816,326,529

* New GASB87 reporting requirement for leases.



Sources / Uses	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Sources					
Property Tax Revenue	121,575,087	236,313,546	281,605,053	84%	230,978,341
Lease Revenue	1,555,933	6,234,148	13,145,328	47%	3,528,309
Other Revenue	1,473,225	4,152,375	1,500,000	277%	356,614
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
Total Sources	124,604,245	246,700,069	300,750,381	82%	234,863,264
Uses of Funds					
Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059
Administrative Program					
Salaries and benefits	526,209	2,163,170	9,131,752	24%	1,767,785
Consulting Fees	750	16,405	1,626,520	1%	5,073
Legal Fees	150,721	620,514	2,756,636	23%	221,453
Other Purchase Goods and Services	329,030	739,539	4,486,802	16%	646,637
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
Total Administrative Program	1,006,710	5,539,628	20,001,710	28%	2,640,948
Tax Collection Expenses	561,520	1,252,889	2,147,650	58%	1,106,297
Total Uses	16,001,052	71,934,589	305,358,238	24%	37,241,304
Excess Sources / (Uses)	108,603,193	174,765,480	(4,607,857)		197,621,960



Healthcare Delivery Summary	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Purchased Healthcare Services					
Primary Care - (see detail on Slide 10)	5,925,056	17,836,367	66,236,822	27%	15,792,112
Specialty Care, incld Dental - (see detail on Slide 11)	1,192,560	3,585,261	27,163,000	13%	1,999,451
Specialty Behavioral Health and Substance Use	372,235	507,719	12,040,000	4%	243,951
Pharmacy	1,903,671	3,547,662	17,000,000	21%	3,132,651
Post Acute Care	709,363	1,078,167	5,650,000	19%	-
Community Healthcare Initiatives Fund	-	9,360	1,750,000	1%	-
Subtotal Purchased Healthcare Services	10,102,885	26,564,536	129,839,822	20%	21,168,165
Direct Healthcare Services	31,479	57,186	5,673,261	1%	-
Map Eligibility - Increase in period	-	-	2,000,000	0%	-
Subtotal Healthcare Services	10,134,364	26,621,722	137,513,083	19%	21,168,165
ACA Premium Assist, Education, Enrollment	1,154,283	4,302,805	15,236,261	28%	4,146,083
Healthcare Facilities and Campus Redevelopment	289,886	829,787	4,721,027	18%	1,414,535
Healthcare Delivery Operating Costs	2,721,945	9,858,380	48,241,763	20%	6,220,457
SubTotal	14,300,478	41,612,694	205,712,134	20%	32,949,240
Debt, Reserves and Transfers	132,344	23,529,377	55,496,744	42%	544,819
UT Affiliation Agreement	-	-	22,000,000	0%	-
Total Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059



Details for Health Care Delivery on the following slides.



Healthcare Delivery Detail	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
ACA Healthcare Premium Assistance Programs	1,154,283	4,289,760	14,648,261	29%	3,679,485
ACA Education and Enrollment Services	-	13,045	588,000	2%	466,598
Subtotal ACA & Premium Assist Program	1,154,283	4,302,805	15,236,261	28%	4,146,083
Real Estate and Campus Redevelopment					
Salaries and benefits	53,152	201,965	892,250	23%	108,175
Consulting Services	2,206	13,018	200,000	7%	5,096
Legal Fees	3,782	9,871	175,000	6%	14,312
Other Goods & Svc incl. UT Ground Lease	230,746	604,933	3,453,777	18%	1,286,953
Subtotal Healthcare Facilities and Campus	289,886	829,787	4,721,027	18%	1,414,535
Healthcare Delivery Operating Costs					
Salaries and benefits	1,767,313	6,461,895	25,545,451	25%	4,432,912
Consulting Services	3,518	14,493	1,740,000	1%	258,675
Legal Fees	-	884	433,000	0%	6,264
Other Services and Purchased Goods	951,114	3,381,108	20,523,312	16%	1,522,606
Subtotal HCD Operating Cost	2,721,945	9,858,380	48,241,763	20%	6,220,457
Debt Service, Reserves and Transfers					
Debt Service	132,344	529,377	5,996,744	9%	544,819
Healthcare Capital Line of Credit	-	-	500,000		
FY2022 Capital reserve	-	23,000,000	49,000,000	47%	-
Subtotal Debt, Reserves and Transfers	132,344	23,529,377	55,496,744	42%	544,819
UT Affiliation Agreement	-	-	22,000,000		
Total Healthcare Delivery	14,432,822	65,142,072	283,208,878	23%	33,494,059



Healthcare Delivery - Primary Care	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Primary Care					
CommUnity Care	5,195,502	15,232,258	49,835,000	31%	13,416,079
Lone Star Circle of Care	520,367	1,828,048	6,955,000	26%	1,671,072
People's Community Clinic	101,377	590,001	3,100,000	19%	655,979
Other Primary Care	107,810	186,060	6,346,822	3%	48,982
Subtotal Primary Care Services	5,925,056	17,836,367	66,236,822	27%	15,792,112

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Healthcare Delivery - Specialty Care	JAN 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services & DME	115,873	201,824	2,408,000	8%	35,027	476%	
Cardiology	3,870	87,271	1,215,000	7%	88,436	-1%	
Dental Specialty	41,880	312,503	1,500,000	21%	326,930	-4%	
Dermatology	82,999	255,933	1,125,000	23%	168,397	52%	
Dialysis	244,661	370,590	2,600,000	14%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	60,168	87,439	500,000	17%	61,503	42%	Provider Vacancy
Endocrinology	16,574	198,684	925,000	21%	135,625	46%	Service Expansion
Gastroenterology	221,000	429,823	2,100,000	20%	255,141	68%	Service Expansion
General Surgery	31,126	75,059	200,000	38%	10,252	632%	
Gynecology	57,420	99,800	1,050,000	10%	0	0%	Transition from CCC
Musculoskeletal	52,706	262,350	1,700,000	15%	0	0%	Transition from CCC
Nephrology	0	0	350,000	0%	12,486	-100%	
Neurology	12,550	16,000	300,000	5%	0	0%	New CUC Service
Oncology	41,191	108,273	1,800,000	6%	103,777	4%	
Ophthalmology	111,656	465,732	3,300,000	14%	344,961	35%	
Palliative Care	6,433	16,580	0	0%	0	0%	
Physical Med & Rehab	13,790	86,600	350,000	25%	0	0%	
Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
Podiatry	20,969	200,997	1,350,000	15%	108,475	85%	
Pulmonology	27,000	110,000	475,000	23%	74,338	48%	
Referral Services	12,261	81,492	875,000	9%	100,000	-19%	
Reproductive and Sexual Health	25,258	82,311	2,110,000	4%	122,873	-33%	
Rheumatology	(6,825)	36,000	350,000	10%	51,230	-30%	
Urology	0	0	250,000	0%	0	0%	
Total Specialty Care	1,192,560	3,585,261	27,163,000	13%	1,999,451	79%	

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



Questions ? Comments ?