



## Balance Sheet

### Current Assets

Cash and Cash Equivalents – \$4.8M compared to \$2.1M June 2022

Short-term Investments – Short-term investments were \$523M at month-end, net of restricted investments totaling \$110M.

Ad Valorem Taxes Receivable – \$4M balance is composed of:

Gross Tax Receivables	\$	11.8M
Taxable Assessed Valuation Adjustment		(5)M
Est. Allowance for Doubtful collections		(2.8)M
Total Taxes Receivable		<u>\$ 4M</u>

Other Receivables – Other receivables total \$7.7M and includes intercompany balances:

- Miscellaneous Receivables – \$1M mainly for CEC Alternate Utility Project
- CUC – \$2M
- Accrued Interest - \$2.8M
- Sendero - \$749k
- AR Enterprise Health Claims (self-funding) - \$30K
- Community Care Collaborative - \$86K
- Prepaid Expenses – \$1M

### Total Current Assets – \$649M

### Long Term Assets

Sendero Paid-in-Capital – \$71.0M (unchanged)

Working Capital Advance to CommUnityCare – \$4.0M (unchanged)



June 2023 Preliminary Monthly Financial Statements (unaudited)

Page 2 of 6

Sendero Surplus Debenture – \$37.1M (unchanged)

Restricted TCHD LPPF Cash & Investments - \$2.8M

Lease Receivables GASB87\* - \$251M

- Lease Receivable Short-Term \$12M
- Lease Receivable Long-Term \$239M

Capital Assets – \$151M, net of accumulated depreciation, include purchase of Cameron Road Buildings

**Total Assets – \$1.16B**



### **Current Liabilities**

Accounts Payable – Major components of the \$8.4M balance are:

- \$7.5M estimated IBNR for healthcare services.
- \$940K invoices payable

Salaries and Benefits Payable – \$6.1M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Debt Service Payable, Short-Term – \$4.4M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$3.6M

**Total Current Liabilities – \$22.5M**

### **Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$2.8M receipts from participants in the LPPF.



Debt Service Payable, Long-Term – \$71.8M balance (changed):

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	2.5 M	12.4 M	
Taxable LT		54.7 M	
Premium		2.0 M	
Totals	<b>2.5 M</b>	<b>69.1 M</b>	<b>71.8M</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 or Noncurrent Liabilities – \$74M**

Lease Payable GASB87\* - \$47.7M

- Lease Payable Short-Term \$1.2M
- Lease Payable Long-Term \$46.5M

Deferred Revenue Long-Term GASB87\* - \$240M

**Total Noncurrent Liabilities Leases\* – \$287M**

**Total Liabilities – \$384M**

**Net Assets**

Unrestricted Net Assets – \$608M

Restricted Net Assets – \$52M



Investment in Capital Assets – \$119M

**Total Net Assets – \$779M**

**Total Liabilities and Net Assets – \$1.16B**

\*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**

June financials → nine months, 75% of the fiscal year.

### **Sources – Total \$3M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$(488)k. Net revenue includes \$47.6k current month's collections; \$90K Penalties and Interest; and \$(626)K in adjustments for prior year delinquent taxes.

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

Other Revenue/Expense – \$1.9M primarily for investment income

### **Uses of Funds – Total \$18.3M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$15M for the month and \$135M YTD compared to \$98M FY22 YTD.

Administration Program – \$3.3M in expense for the month, which includes:

- Salaries and Benefits – \$759K
- Other Goods and Services - \$2.5M

**Excess Sources/(Uses)** – \$(15)M current month. Current YTD is \$164M compared to \$171M FY22 YTD.



CENTRAL HEALTH

# Central Health

Financial Statement Presentation

FY 2023 – as of June 30, 2023 (Preliminary)

Central Health Board of Managers

July 26, 2023

Lisa Owens, Deputy CFO

Patti Bethke, Controller



Slide 2 Index

Slide 3 Highlights

Slide 4 Balance Sheet

Slide 5 Sources & Uses

Slide 6 HCD - Summary

Slide 7 HCD - Specialty





- Year-to-date through June collected net property tax revenue is \$278 million compared to \$260 million as of June 2022 representing 97.5% of the adjusted tax levy compared to 98.4% as of June 2022.
- Healthcare Delivery is \$135 million for the year as of 6/30/2023.
- GAAP reporting Net Assets increased \$126 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 6/30/2023 is \$2.8 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.



# CENTRAL HEALTH

	Preliminary as of 06/30/2023	as of 6/30/2022
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	4,838,387	2,144,384
SHORT TERM INVESTMENTS	522,927,021	445,770,829
RESTRICTED INVESTMENTS	109,772,080	110,450,060
ACCOUNTS RECEIVABLE TAX	3,994,337	3,023,174
OTHER RECEIVABLES	7,760,924	4,687,380
TOTAL CURRENT ASSETS	649,292,750	566,075,827
LONG TERM ASSETS		
LEASE RECEIVABLE		
LEASE RECEIVABLE SHORT TERM	11,600,579	-
LEASE RECEIVABLE LONG TERM	239,287,301	-
TOTAL LEASE RECEIVABLES	250,887,880	-
CAPITAL ASSETS	186,938,044	114,390,608
ACCUMULATED DEPRECIATION	(35,614,196)	(28,815,146)
TOTAL CAPITAL ASSETS	151,323,847	85,575,462
<b>TOTAL ASSETS</b>	<b>1,163,587,478</b>	<b>763,734,290</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	8,412,796	6,156,943
SALARIES & BENEFITS PAYABLE	6,128,914	2,962,700
DEBT SERVICE SHORT TERM	4,445,000	1,660,000
DEFERRED TAX REVENUE	3,568,115	2,634,799
TOTAL CURRENT LIABILITIES	22,554,825	13,414,442
RESTRICTED OR NONCURRENT LIABILITIES		
FUNDS HELD FOR TCHD LPPF	2,801,941	18,552,294
DEBT SERVICE PAYABLE LONG TERM	71,854,942	79,124,914
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	74,656,883	97,677,208
NONCURRENT LIABILITIES		
LEASE LIABILITIES	47,727,950	-
DEFERRED REVENUE	239,596,849	-
TOTAL NONCURRENT LIABILITIES AND LEASES	287,324,799	-
<b>TOTAL LIABILITIES</b>	<b>384,536,508</b>	<b>111,091,650</b>
<b>NET ASSETS</b>		
INVESTMENT IN CAPITAL ASSETS	119,045,405	60,178,549
RESTRICTED	52,118,502	56,055,994
UNRESTRICTED	607,887,063	536,408,096
<b>TOTAL NET ASSETS</b>	<b>779,050,970</b>	<b>652,642,639</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>1,163,587,478</b>	<b>763,734,290</b>

\* New GASB87 reporting requirement for leases.



# CENTRAL HEALTH

<b>SOURCES / USES</b>	<b>JUN 2023</b>	<b>FY23 YTD</b>	<b>FY23 Budget</b>	<b>Percent of Budget Used</b>	<b>FY22 YTD</b>
<b>SOURCES</b>					
PROPERTY TAX REVENUE	(487,917)	278,195,786	281,605,053	98.79%	259,865,263
LEASE REVENUE	1,573,374	14,407,207	13,145,328	109.60%	9,590,238
OTHER REVENUE	1,938,871	15,544,569	1,500,000	1036.30%	2,359,041
TOBACCO SETTLEMENT REVENUE	-	4,828,924	4,500,000	107.31%	4,676,730
<b>TOTAL SOURCES</b>	<b>3,024,329</b>	<b>312,976,486</b>	<b>300,750,381</b>	<b>104.07%</b>	<b>276,491,272</b>
<b>USES OF FUNDS</b>					
<b>HEALTHCARE DELIVERY PROGRAM</b> (SEE NEXT PAGE)	15,072,123	134,669,691	283,208,877	47.55%	97,667,241
<b>ADMINISTRATIVE PROGRAM</b>					
SALARIES AND BENEFITS	759,470	5,620,807	9,641,743	58.30%	4,161,283
OTHER GOODS AND SERVICES	2,516,117	9,072,137	12,507,617	72.53%	3,769,414
<b>TOTAL ADMINISTRATIVE PROGRAM</b>	<b>3,275,586</b>	<b>14,692,943</b>	<b>22,149,360</b>	<b>66.34%</b>	<b>7,930,697</b>
<b>TOTAL USES</b>	<b>18,347,709</b>	<b>149,362,635</b>	<b>305,358,238</b>	<b>48.91%</b>	<b>105,593,698</b>
<b>EXCESS SOURCES / (USES)</b>	<b>(15,323,380)</b>	<b>163,613,851</b>	<b>(4,607,857)</b>		<b>170,897,574</b>



# CENTRAL HEALTH

<b>HEALTHCARE DELIVERY SUMMARY</b>	<b>JUN 2023</b>	<b>FY23 YTD</b>	<b>FY23 Budget</b>	<b>Percent of Budget Used</b>	<b>FY22 YTD</b>
PURCHASED HEALTHCARE SERVICES					
PRIMARY CARE	8,182,030	42,218,908	66,236,822	64%	36,224,277
SPECIALTY CARE, INCLD DENTAL	1,893,005	10,492,171	27,163,000	39%	5,506,428
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	(369,106)	5,562,118	12,040,000	46%	454,207
PHARMACY	1,532,135	8,051,874	17,000,000	47%	7,957,536
POST ACUTE CARE	394,803	2,886,119	5,650,000	51%	110,976
COMMUNITY HEALTHCARE INITIATIVES FUND	23,400	135,107	1,750,000	8%	-
ALL OTHER HEALTHCARE SERVICES	-	-	687,035		515,276
SUBTOTAL PURCHASED HEALTHCARE SERVICES	11,656,267	69,346,298	130,526,857	53%	50,768,700
DIRECT HEALTHCARE SERVICES	80,416	351,412	5,673,261	6%	70,694
MAP ELIGIBILITY - INCREASE IN PERIOD	-	-	2,000,000		-
SUBTOTAL HEALTHCARE SERVICES	11,736,683	69,697,710	138,200,118	50%	50,839,394
ACA PREMIUM ASSIST	1,128,773	9,927,189	14,648,261	68%	9,291,726
HEALTHCARE FACILITIES AND CAMPUS REDEVELOPMENT	296,761	2,457,528	4,754,027	52%	2,951,352
HEALTHCARE DELIVERY OPERATION COSTS	1,785,197	24,081,709	48,109,728	50%	15,283,163
DEBT, RESERVES AND TRANSFERS	124,708	28,505,555	55,496,744	51%	19,301,607
UT AFFILIATION AGREEMENT	-	-	22,000,000		-
<b>TOTAL HEALTHCARE DELIVERY</b>	<b>15,072,123</b>	<b>134,669,691</b>	<b>283,208,877</b>	<b>48%</b>	<b>97,667,241</b>



# CENTRAL HEALTH

<b>HEALTHCARE DELIVERY - SPECIALTY CARE</b>	<b>JUN 2023</b>	<b>FY23 YTD</b>	<b>FY2023 BUDGET</b>	<b>Percent of Budget Used</b>	<b>FY2022 YTD</b>
HCD-Ancillary Services	7,285	92,036	2,408,000	4%	51,606
HCD-Cardiology	31,070	286,100	1,215,000	24%	238,741
HCD-Dental	6,748	993,455	1,500,000	66%	686,276
HCD-Dermatology	467,758	670,679	1,125,000	60%	583,702
HCD-Dialysis	83,535	539,709	2,600,000	21%	-
HCD-Durable Medical Equipment	2,644	44,095	-		6,295
HCD-Endocrinology	46,137	476,335	925,000	51%	515,706
HCD-Ear, Nose & Throat ENT	(2,723)	120,224	500,000	24%	90,821
HCD-Gastroenterology	166,528	937,009	2,100,000	45%	878,535
HCD-General Surgery	97,855	354,801	200,000	177%	53,423
HCD-Gynecology	126,109	1,005,755	1,050,000	96%	-
HCD-Musculoskeletal	40,786	1,286,420	1,700,000	76%	-
HCD-Nephrology	9,293	82,689	350,000	24%	34,642
HCD-Neurology	6,082	38,907	300,000	13%	-
HCD-Oncology	168,528	452,102	1,800,000	25%	228,640
HCD-Ophthalmology	208,852	1,068,835	3,300,000	32%	887,055
HCD-Orthopedics	-	-	-	0%	-
HCD-Orthotics & Prosthetics	83,622	347,484	-	0%	74,827
HCD-Pain Management	-	-	350,000	0%	-
HCD-Physical Med & Rehab	54,015	119,630	-	0%	18,015
HCD-Podiatry	186,674	605,502	1,350,000	45%	299,853
HCD-Project Access	-	-	330,000	0%	-
HCD-Pulmonology	41,453	273,101	475,000	57%	251,167
HCD-Referral Management	4,950	122,040	875,000	14%	225,000
HCD-Rheumatology	23,376	202,939	350,000	58%	102,242
HCD-Sexual & Reproductive Svc	(33,102)	283,794	2,110,000	13%	242,833
HCD-Urology	-	-	250,000	0%	-
HCD-Wound Care	65,531	88,531	-		37,050
<b>Total Healthcare Delivery - Specialty Care</b>	<b>1,893,005</b>	<b>10,492,171</b>	<b>27,163,000</b>	<b>39%</b>	<b>5,506,428</b>



# Questions ? Comments ?