



Central Health

Financial Statement Presentation

FY 2021 – as of Dec 31, 2020 (Preliminary)

Central Health Board of Managers

January 27, 2020

Lisa Owens, Deputy CFO



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Note: HCD = Health Care Delivery



- Year-to-date through December, collected net property tax revenue is \$90 million compared to \$92 million as of December 2019.
- Tax collected through December 2020 is 37.2% of the adjusted tax levy compared to 42.1% as of December 2019.
- Healthcare Delivery is \$23 million for the three months ending 12/31/2020.
- GAAP reporting Net Assets increased \$88 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 12/31/2020 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 12/31/2020	as of 12/31/2019
Current Assets		
Cash and cash equivalents	1,261,495	1,228,980
Short-term investments	212,755,506	154,294,915
Ad valorem taxes receivable	196,237,903	133,350,203
Other receivables	3,534,180	4,447,337
Prepaid expenses	875,440	884,246
Total Current Assets	<u>414,664,525</u>	<u>294,205,679</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	6,527,934	5,577,504
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	8,622,924	2,116,870
Total Restricted Cash and Investments or Noncurrent	<u>127,233,858</u>	<u>119,777,374</u>
Capital Assets		
Land	13,425,967	12,546,211
Buildings and improvements	132,881,024	130,395,330
Equipment and furniture	10,030,421	9,576,645
Capital Projects in progress	3,960,797	1,872,285
Less accumulated depreciation	(48,598,608)	(44,189,637)
Total Capital Assets	<u>111,699,601</u>	<u>110,200,834</u>
Total Assets	<u><u>653,597,983</u></u>	<u><u>524,183,888</u></u>



Liabilities	Preliminary	
	as of 12/31/2020	as of 12/31/2019
Current Liabilities		
Accounts payable	19,473,619	9,758,178
Salaries and benefits payable	1,707,401	1,283,864
Other Payables	-	99,287
Debt service payable, short-term	1,210,597	1,173,814
Deferred tax revenue	151,340,418	125,902,887
Other deferred revenue	1,438,027	610,794
Total Current Liabilities	175,170,062	138,828,823
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	8,622,924	2,116,870
Debt service payable, long-term	6,105,000	7,285,000
Deferred Revenue	-	610,000
Total Restricted of Noncurrent Liabilities	14,727,924	10,011,870
Total Liabilities	189,897,986	148,840,693
Net Assets		
Unrestricted	352,000,396	265,142,361
Investment in Capital Assets	111,699,601	110,200,834
Total Net Assets	463,699,997	375,343,195
Liabilities and Net Assets	653,597,983	524,183,888





Sources / Uses	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Sources					
Property Tax Revenue	87,679,200	89,847,131	234,057,519	38%	91,681,162
Lease Revenue	862,753	2,587,229	12,909,866	20%	2,573,523
Other Revenue	55,826	179,794	1,720,000	10%	529,109
Tobacco Settlement Revenue	-	-	2,800,000	0%	-
Contingency Reserve (Carryforward)	-	-	115,856,728	0%	-
Total Sources	88,597,779	92,614,154	367,344,113	25%	94,783,794
Uses of Funds					
Healthcare Delivery	7,414,162	23,260,577	353,858,894	7%	33,197,504
Administrative Program					
Salaries and benefits	439,913	1,116,389	5,561,651	20%	1,143,956
Consulting Fees	11,167	35,258	1,259,570	3%	74,000
Legal Fees	117,601	294,999	1,497,136	20%	207,218
Other Purchase Goods and Services	123,068	299,689	3,081,046	10%	294,279
Total Administrative Program	691,749	1,746,335	11,399,403	15%	1,719,453
Tax Collection Expenses	412,700	612,758	2,085,816	29%	587,891
Total Uses	8,518,611	25,619,670	367,344,113	7%	35,504,848
Excess Sources / (Uses)	80,079,168	66,994,484			59,278,946



Healthcare Delivery Summary	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Inter-Governmental Transfers (IGTs)	-	-	23,528,575	0%	8,773,729
Healthcare Services					
Primary Care - (see detail on Slide 11)	3,516,254	11,543,190	56,935,000	20%	12,670,036
Specialty Care, incld Dental & Behavioral Health	429,427	1,546,539	14,448,856	11%	2,064,602
Pharmacy	954,803	2,588,267	13,250,000	20%	2,900,000
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	208,759	286,759	4,469,990	6%	351,194
Community Health Care Initiatives Fund	-	-	875,000	0%	-
Hospital and Specialty Services & Incentives	-	-	59,700,000	0%	-
Subtotal Healthcare Services	5,109,243	15,964,755	155,078,846	10%	17,985,832
ACA Premium Assist, Education, Enrollment	900,294	2,811,147	12,160,674	23%	1,598,351
Healthcare Facilities and Campus Redevelopment	122,370	453,303	6,097,472	7%	1,224,094
Healthcare Delivery Operating Costs	1,274,606	4,008,424	29,473,028	14%	3,533,888
Debt, Reserves and Transfers	7,649	22,948	127,520,299	0%	81,610
Total Healthcare Delivery	7,414,162	23,260,577	353,858,894	7%	33,197,504



Details for Health Care Delivery on the following slides.



Healthcare Delivery - Detail	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Intergovernmental Transfers (IGTs)					
DSH - Disproportionate Share	-	-	-	0%	8,773,729
DSRIP - CCC	-	-	23,528,575	0%	-
Subtotal Intergovernmental Transfers (IGTs)	-	-	23,528,575	0%	8,773,729
Healthcare Services					
Primary Care - (see detail on Slide 11)	3,516,254	11,543,190	56,935,000	20%	12,670,036
Specialty Care, incld Dental - (see detail on Slide 12)	436,060	1,389,839	12,565,000	11%	1,853,352
Specialty Care, Behavioral Health	(6,633)	156,700	1,883,856	8%	211,250
Pharmacy	954,803	2,588,267	13,250,000	20%	2,900,000
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	37,000	115,000	1,150,000	10%	144,375
Health care services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	171,759	171,759	719,990	24%	154,319
Primary & Specialty Care Reserves	-	-	2,000,000	0%	52,500
Community Health Care Initiatives	-	-	875,000	0%	-
Hospital and Specialty Services	-	-	57,000,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
Subtotal Healthcare Services	5,109,243	15,964,755	155,078,846	10%	17,985,832

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Healthcare Delivery Detail (continued)	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	619,197	1,884,610	8,600,000	22%	727,800
CHAP Program	133,722	520,381	2,959,354	18%	455,392
ACA Enrollment and Education Services	147,375	406,156	601,320	68%	415,159
Subtotal ACA & Premium Assist Program	900,294	2,811,147	12,160,674	23%	1,598,351
Healthcare Facilities and Campus					
Salaries and benefits	8,871	23,572	368,579	6%	85,252
Consulting Services	(52,700)	(26,350)	1,730,000	-2%	-
Legal Fees	(15,827)	19,941	174,500	11%	95,154
Other Goods & Svc incl. UT Ground Lease	182,026	436,140	3,824,393	11%	1,043,688
Subtotal Healthcare Facilities and Campus	122,370	453,303	6,097,472	7%	1,224,094
Healthcare Delivery Operating Costs					
Salaries and benefits	973,311	2,780,666	15,021,176	19%	2,343,650
Consulting Services	27,000	45,522	1,085,500	4%	8,778
Legal Fees	7,406	19,579	332,000	6%	44,980
Other Services and Purchased Goods	266,889	1,162,657	13,034,352	9%	1,136,480
Subtotal HCD Operating Cost	1,274,606	4,008,424	29,473,028	14%	3,533,888
Debt Service, Reserves and Transfers					
Debt Service	7,649	22,948	1,264,357	2%	81,610
FY2021 Capital reserve	-	-	34,100,000	-	-
Health Care Capital Line of Credit	-	-	1,091,773	-	-
FY2021 Hospital Services Reserve	-	-	4,000,000	-	-
FY2021 Contingency reserve appropriation	-	-	87,064,169	-	-
Subtotal Debt, Reserves and Transfers	7,649	22,948	127,520,299	0%	81,610
Total Healthcare Delivery	7,414,162	23,260,577	353,858,894	7%	33,197,504



Healthcare Delivery - Primary Care	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Primary Care					
CommUnity Care	3,236,949	9,565,052	44,885,000	21%	9,862,500
Lone Star Circle of Care	146,271	1,405,438	6,555,000	21%	1,875,000
People's Community Clinic	77,833	449,500	2,600,000	17%	625,000
Other Primary Care	42,000	110,000	2,895,000	4%	307,536
Subtotal Primary Care Services	3,503,053	11,529,990	56,935,000	20%	12,670,036

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Healthcare Delivery - Specialty Care	Dec 2020	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Specialty Care					
Ancillary Services	3,190	11,587	610,000	2%	25,000
Cardiology	15,231	38,194	265,000	14%	37,500
Consultation Services	0	0	500,000	0%	18,750
Dental Specialty	33,733	153,225	1,000,000	15%	250,000
Dermatology	32,459	95,693	550,000	17%	101,685
Durable Medical Equipment	0	0	115,000	0%	22,500
Ear, Nose & Throat ENT	24,584	82,250	350,000	24%	237,500
Endocrinology	21,455	64,365	575,000	11%	75,000
Gastroenterology	96,588	308,802	2,100,000	15%	250,000
General Surgery	7,783	17,183	300,000	6%	75,000
Gynecology IPU	100	2,300	600,000	0%	0
Nephrology	1,308	3,924	200,000	2%	0
Oncology	23,157	106,490	700,000	15%	150,000
Ophthalmology	88,732	251,607	1,575,000	16%	325,000
Orthotics & Prosthetics	11,000	24,000	200,000	12%	50,000
Podiatry	24,150	72,450	350,000	21%	41,667
Pulmonology	28,485	85,456	375,000	23%	93,750
Rheumatology	11,736	35,207	250,000	14%	37,500
Specialty Care	0	0	0	0%	25,000
Musculoskeletal	0	0	1,700,000	0%	0
Neurology	0	0	100,000	0%	0
Wound Care	12,369	37,106	150,000	25%	37,500
Total Specialty Care	436,060	1,389,839	12,565,000	11%	1,853,352



Questions ? Comments ?



Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.3M compared to \$1.2M December 2019

Short-term Investments – Short-term investments were \$213M at month-end and restricted investments of \$6.5M for capital acquisitions.

Ad Valorem Taxes Receivable – \$196M balance is composed of:

Gross Tax Receivables	\$ 200M
Taxable Assessed Valuation Adjustment	(750)K
Est. Allowance for Doubtful collections	(2.7)M
Total Taxes Receivable	\$ 196M

Other Receivables – Other receivables total \$3.5M and includes intercompany balances:

- CommUnityCare - \$2.5M
- Sendero - \$598K
- Community Care Collaborative - \$227K
- Accrued Interest - \$235K
- Miscellaneous Receivables – \$9K

Prepaid Expenses – \$875M balance composed of:

- Prepaid Tax Collection Fees - \$475K
- Prepaid Insurance - \$43K
- TCAD Appraisal Fees - \$239K
- Software - \$92K
- Memberships - \$6K
- Deposits - \$21K

Total Current Assets – \$415M



December 2020 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$6.5M in short-term securities 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 - \$8.6M

Capital Assets – \$112M, net of accumulated depreciation

Total Assets – \$654M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$19.5M balance are:

- \$16.4M estimated IBNR for healthcare services.
- \$784K estimated month-end vendor invoices due.
- \$2.3M month-end vendor invoices due.

Salaries and Benefits Payable – \$1.7M 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.

Debt Service Payable, Short-Term – \$1.2M in Certificates of Obligation Payable.

Deferred Tax Revenue - \$151M pending collection

Other Deferred Revenue - \$1.4M consists of Seton's January rent \$828K and the lease revenue \$610K for Block 164 Yr3 (FY21) from 2033 LLP

Total Current Liabilities – **\$175M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$8.6M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$6.1M balance of the \$7.285M in General Obligation Bonds, Series 2020. This debt was originally issued in 2011 for the North Central clinic and refunded May 2020. Due annually on 3/1.

Total Restricted or Noncurrent Liabilities – \$14.7M

Total Liabilities – \$189.9M

Net Assets

Unrestricted Net Assets – \$352M

Investment in Capital Assets – \$112M

Total Net Assets – \$463.7M

Total Liabilities and Net Assets – \$654M



December 2020 Preliminary Monthly Financial Statements (unaudited)

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Sources and Uses Report – Slide 6

December financials → three months, 25% of the fiscal year.

Sources – Total \$88.7M for the month

Property Tax Revenue – Net property tax revenue for the month was \$87.7M. Net revenue includes \$87.8M current month's collections; \$50k Penalties and Interest; (\$192)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$863K recorded for Seton lease payment and the UT ground lease.

Other Revenue – \$56K investment income for the month, \$180K YTD, compared to \$529K YTD last year.

Uses of Funds – Total \$8.5M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$7.4M for the month and \$23M YTD compared to \$33M YTD thru December 2019.

Healthcare Delivery Budget includes funds for service expansion in Post-Acute Care \$5.4M Primary & Specialty Care \$3.8m (Musculoskeletal \$1.7M, Neurology \$100k, and Reserves \$2M), Community Health Care Initiatives \$800k and Hospital and Specialty Services \$59.7M.

Administration Program – \$692K in expense for the month, which includes:

- Personnel costs – \$440K
- Consulting services – \$11K
- Legal fees – \$118K
- Other general and administrative – \$123K

Tax Collection Expenses – \$413K for the month.

Excess Sources/(Uses) – \$80M in December. Current YTD is \$67M compared to prior year FY20 YTD of \$59M.

Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$7.4M December; \$23M YTD compared to \$33M December FY20 YTD.

Intergovernmental Transfers (“IGT’s”) – YTD \$0 compared to \$8.8M YTD last year for DSH.

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

- Primary care – \$3.5M
- Specialty Care (including Dental and Behavioral Health) – \$443K
- Pharmacy - \$955K
- All Other Healthcare Services - \$208K

ACA Premium Assist, Education, Enrollment – \$900K in expenses for the month; \$2.8M YTD compared to \$1.6M December FY20 YTD

Healthcare Facilities and Campus Redevelopment - \$122K in expense for the month and \$453K YTD.

Healthcare Delivery Operating Cost – \$1.3M in expenses for the month and includes:

- Personnel costs – \$973K
- Consulting Services – \$27K
- Legal Fees - \$7K
- Other services and purchased goods – \$267K

Debt, Reserves and Transfer – \$8K in Debt Service expense for the month

Total Healthcare Delivery - for the month of December was \$7.4M.