



September 2021 Preliminary Monthly Financial Statements (unaudited)

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.1M compared to \$888K September 2020

Short-term Investments – Short-term investments were \$338M at month-end and restricted investments were increased to \$26M for capital designated for Colony Park.

Ad Valorem Taxes Receivable – \$1.6M balance is composed of:

Gross Tax Receivables	\$ 4.5M
Taxable Assessed Valuation Adjustment	0M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	<u>\$ 1.6M</u>

Other Receivables – Other receivables total \$5.5M and includes intercompany balances:

- CommUnityCare - \$2.7M
- Sendero - \$2.2M
- Community Care Collaborative - \$119K
- Accrued Interest - \$388K
- Miscellaneous Receivables – \$26K

Prepaid Expenses – \$586K balance composed of:

- TCAD Appraisal Fees - \$239K
- Prepaid Insurance - \$100K
- Software - \$96K
- Memberships - \$69K
- Deposits - \$82K

Total Current Assets – \$346M



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Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$26M 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 - \$37M

Capital Assets – \$86M, net of accumulated depreciation

Total Assets – \$607M



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$12.7M balance are:

- \$9.4M estimated IBNR for healthcare services.
- \$3.3M vendor invoices due.

Other Payables – \$1.3M Contract Liability

Salaries and Benefits Payable – \$1.6M 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 – \$4.4M in Certificates of Obligation Payable for 2011 and 2021 Taxable and non-Taxable Series, interest paid 09/01/21

Deferred Tax Revenue - \$0.0M pending collection

Total Current Liabilities – **\$19.9M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$37M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$4.9M 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. \$75M balance of the \$77M in General Obligation Bonds, Series 2021. Due annually on 3/1.

Total Restricted of Noncurrent Liabilities – \$117M

Total Liabilities – \$137M

Net Assets

Unrestricted Net Assets – \$384M

Investment in Capital Assets – \$86M

Total Net Assets – \$470M

Total Liabilities and Net Assets – \$607M



Sources and Uses Report – Slide 6

September financials → twelve months, 100% of the fiscal year.

Sources – Total \$1.0M for the month

Property Tax Revenue – Net property tax revenue for the month was \$1.6M. Net revenue includes \$1.6M current month's collections; \$54K Penalties and Interest; (\$81K) in adjustments for prior year delinquent taxes.

Lease Revenue – \$884K recorded for Seton lease payment and \$21K for the new Hancock Clinic Lease.

Other Revenue – \$(1.4)M which includes:

- Investments - Unrealized Losses \$(1.4)M
- Monthly investment income – \$78K

Uses of Funds – Total \$14.1M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$13.1M for the month and \$140M YTD compared to \$149M YTD thru September 2020.

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 Fund \$875k, and Hospital and Specialty Services \$59.7M.

Administration Program – \$927K in expense for the month, which includes:

- Personnel costs – \$475K
- Consulting services – \$330K
- Legal fees – \$58K
- Other general and administrative – \$65K

Sources and Uses Report – Slide 6 (continued)**Tax Collection Expenses** – \$80K for the month.**Excess Sources/(Uses)** – (\$13.1M) in September. Current YTD is \$241M compared to prior year FY20 YTD of \$140M.**Healthcare Delivery Expense** – Slide 7**Healthcare Delivery Expense** – Total \$13.1M September; \$140M YTD compared to \$149M September FY20 YTD.**Intergovernmental Transfers (“IGT’s”)** – YTD \$20M for DSRIP IGT compared to \$49.8M YTD last year for DSRIP IGT and DSH.**Healthcare Services** – Healthcare delivery providers’ expense for September totaled \$9.1M, which includes:

- Primary care – \$7.7M
- Specialty Care (including Dental and Behavioral Health) – \$500K
- Pharmacy - \$847K
- All Other Healthcare Services - \$92K

ACA Premium Assist, Education, Enrollment – \$1.9M in expenses for the month; \$12.7M YTD compared to \$9.6M FY20 YTD**Healthcare Facilities and Campus Redevelopment** - \$267K in expense for the month and \$3M YTD.



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Healthcare Delivery Expense – Slide 7 (continued)

Healthcare Delivery Operating Cost – \$1.8M in expenses for the month and includes:

- Personnel costs – \$1.0M
- Consulting Services – \$14K
- Legal Fees - \$(1)K
- Other services and purchased goods – \$725K

Debt, Reserves and Transfer – \$6K in Debt Service and Capital Reserve for the month

Total Healthcare Delivery - for the month of September was \$13.1M.



Central Health

Financial Statement Presentation

FY 2021 – as of September 30, 2021
(Preliminary)

Central Health Board of Managers

October 27, 2021

Lisa Owens, Deputy CFO

Patti Bethke, Controller



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Note: HCD = Health Care Delivery



- Year-to-date through September collected net property tax revenue is \$239 million compared to \$215 million as of September 2021 representing 98.4% of the adjusted tax levy compared to 98.2% as of September 2020.
- Healthcare Delivery is \$140 million for the twelve months ending 9/30/2021.
- GAAP reporting Net Assets increased \$70 million year-over-year, this is net of hospital impairment totaling \$51 million due to redevelopment.
- TCHD LPPF total restricted balance of LPPF as of 9/30/2021 is \$37 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 9/30/2021	as of 9/30/2020
Current Assets		
Cash and cash equivalents	1,072,336	887,856
Short-term investments	260,258,910	180,226,613
Ad valorem taxes receivable	1,615,518	1,840,933
Other receivables	27,244,213	1,989,590
Prepaid expenses	586,239	513,876
Total Current Assets	<u>290,777,216</u>	<u>185,458,867</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	102,840,380	6,837,999
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	36,851,079	6,249,368
Total Restricted Cash and Investments or Noncurrent	<u>251,774,459</u>	<u>125,170,367</u>
Capital Assets		
Land	26,302,222	13,425,967
Buildings and improvements	60,184,899	132,674,528
Equipment and furniture	17,692,503	9,976,852
Capital Projects in progress	5,570,098	2,779,287
Less accumulated depreciation	(24,664,337)	(47,458,776)
Total Capital Assets	<u>85,085,385</u>	<u>111,397,858</u>
Total Assets	<u><u>627,637,061</u></u>	<u><u>422,027,092</u></u>



	Preliminary	
	as of	as of
Liabilities	9/30/2021	9/30/2020
Current Liabilities		
Accounts payable	13,663,485	8,259,707
Salaries and benefits payable	1,535,700	1,668,267
Other Payables	22,983,834	21,792
Debt service payable, short-term	4,407,345	1,187,649
Deferred tax revenue	-	-
Other deferred revenue	-	610,000
Total Current Liabilities	42,590,364	11,747,415
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	36,851,079	6,249,368
Debt service payable, long-term	80,264,606	6,105,000
Total Restricted or Noncurrent Liabilities	117,115,685	12,354,368
Total Liabilities	159,706,049	24,101,783
Net Assets		
Unrestricted	326,789,632	286,527,451
Series 2021 Certificate of Obligation	56,055,994	-
Investment in Capital Assets	85,085,385	111,397,858
Total Net Assets	467,931,011	397,925,309
Liabilities and Net Assets	627,637,061	422,027,092



Sources / Uses	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Sources					
Property Tax Revenue	1,564,388	238,919,147	234,057,519	102%	215,109,261
Lease Revenue	883,546	11,957,434	12,909,866	93%	11,887,787
Other Revenue	(2,704,926)	(1,170,041)	1,720,000	-68%	2,816,104
Tobacco Settlement Revenue	-	3,872,274	2,800,000	138%	3,819,376
Contingency Reserve (Carryforward)	-	136,179,266	115,856,728	118%	64,898,396
Total Sources	(256,992)	389,758,080	367,344,113	106%	298,530,924
Uses of Funds					
Healthcare Delivery	13,572,223	140,408,741	353,858,894	40%	149,143,017
Administrative Program					
Salaries and benefits	465,757	4,986,919	5,561,651	90%	4,743,886
Consulting Fees	605,346	855,175	1,259,570	68%	640,101
Legal Fees	118,557	597,817	1,497,136	40%	1,121,413
Other Purchase Goods and Services	59,142	1,846,493	3,081,046	60%	1,207,203
Total Administrative Program	1,248,802	8,286,404	11,399,403	73%	7,712,603
Tax Collection Expenses	80,013	1,804,635	2,085,816	87%	1,764,790
Total Uses	14,901,038	150,499,780	367,344,113	41%	158,620,410
Excess Sources / (Uses)	(15,158,030)	239,258,300			139,910,514



Healthcare Delivery Summary	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Inter-Governmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	49,769,893
Healthcare Services					
Primary Care - (see detail on Slide 11)	7,850,776	46,702,688	56,935,000	82%	45,370,376
Specialty Care, incld Dental & Behavioral Health	689,131	6,295,427	14,448,856	44%	5,665,415
Pharmacy	911,590	9,409,904	13,250,000	71%	8,774,829
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	124,710	1,128,243	4,469,990	25%	1,078,223
Community Healthcare Initiatives Fund	-	-	875,000	0%	-
Hospital and Specialty Services & Incentives	-	-	59,700,000	0%	-
Subtotal Healthcare Services	9,576,207	63,536,262	155,078,846	41%	60,888,843
ACA Premium Assist, Education, Enrollment	1,940,779	12,707,953	12,160,674	105%	9,564,506
Healthcare Facilities and Campus Redevelopment	267,331	2,983,181	6,097,472	49%	3,783,843
Healthcare Delivery Operating Costs	1,730,561	17,239,954	29,473,028	58%	14,489,015
Debt, Reserves and Transfers	57,345	23,957,639	127,520,299	19%	10,646,917
Total Healthcare Delivery	13,572,223	140,408,741	353,858,894	40%	149,143,017



Details for Health Care Delivery on the following slides.



Healthcare Delivery - Detail	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Intergovernmental Transfers (IGTs)					
DSH - Disproportionate Share	-	-	-	0%	28,941,040
DSRIP - CCC	-	19,983,752	23,528,575	85%	20,828,853
Subtotal Intergovernmental Transfers (IGTs)	-	19,983,752	23,528,575	85%	49,769,893
Healthcare Services					
Primary Care - (see detail on Slide 11)	7,850,776	46,702,688	56,935,000	82%	45,370,376
Specialty Care, incld Dental - (see detail on Slide 12)	597,618	5,546,063	12,565,000	44%	5,119,074
Specialty Care, Behavioral Health	91,513	749,364	1,883,856	40%	546,341
Pharmacy	911,590	9,409,904	13,250,000	71%	8,774,829
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	67,457	441,208	1,150,000	38%	408,448
Healthcare services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	57,253	687,035	719,990	95%	617,275
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	9,576,207	63,536,262	155,078,846	41%	60,888,843
Service Expansion Funds					

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Healthcare Delivery Detail (continued)	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
High Risk Premium Programs	698,588	8,443,077	8,600,000	98%	6,820,914
CHAP Program	1,233,152	3,686,894	2,959,354	125%	2,159,543
ACA Enrollment and Education Services	9,039	577,982	601,320	96%	584,049
Subtotal ACA & Premium Assist Program	1,940,779	12,707,953	12,160,674	105%	9,564,506
Healthcare Facilities and Campus					
Salaries and benefits	25,163	124,825	368,579	34%	330,453
Consulting Services	(4,611)	322,088	1,730,000	19%	77,281
Legal Fees	13,556	183,930	174,500	105%	
Other Goods & Svc incl. UT Ground Lease	233,223	2,352,338	3,824,393	62%	3,376,109
Subtotal Healthcare Facilities and Campus	267,331	2,983,181	6,097,472	49%	3,783,843
Healthcare Delivery Operating Costs					
Salaries and benefits	1,041,228	11,783,893	15,021,176	78%	9,671,668
Consulting Services	13,759	74,992	1,085,500	7%	78,899
Legal Fees	(1,235)	82,586	332,000	25%	107,841
Other Services and Purchased Goods	676,809	5,298,483	13,034,352	41%	4,630,607
Subtotal HCD Operating Cost	1,730,561	17,239,954	29,473,028	58%	14,489,015
Debt Service, Reserves and Transfers					
Debt Service	57,345	1,314,053	1,264,357	104%	1,290,627
Healthcare Capital Line of Credit	-	-	1,091,773		-
FY2021 Capital reserve	-	22,643,586	34,100,000	66%	2,950,000
FY2021 Hospital Services Reserve	-	-	4,000,000		6,406,290
FY2021 Contingency reserve appropriation	-	-	87,064,169		-
Subtotal Debt, Reserves and Transfers	57,345	23,957,639	127,520,299	19%	10,646,917
Total Healthcare Delivery	13,572,223	140,408,741	353,858,894	40%	149,143,017



Healthcare Delivery - Primary Care	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD
Primary Care					
CommUnity Care	6,973,332	39,164,245	44,885,000	87%	38,578,555
Lone Star Circle of Care	583,918	5,150,109	6,555,000	79%	5,205,452
People's Community Clinic	240,874	2,180,573	2,600,000	84%	1,952,035
Other Primary Care	52,652	207,762	2,895,000	7%	(365,666)
Subtotal Primary Care Services	7,850,776	46,702,689	56,935,000	82%	45,370,376

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Healthcare Delivery - Specialty Care	Sep 2021	FY21 YTD	FY21 Budget	Percent of Budget Used	FY20 YTD	YOY Percent Change	Comments
Specialty Care							
Ancillary Services	(9,572)	41,589	610,000	7%	20,133	107%	
Cardiology	54,039	141,087	265,000	53%	136,425	3%	
Consultation Services	0	300,000	500,000	60%	0	0%	Addition of services with CUC
Dental Specialty	1,745	704,431	1,000,000	70%	801,437	-12%	
Dermatology	14,267	443,498	550,000	81%	492,909	-10%	Lower volume
Durable Medical Equipmen	372	22,619	115,000	20%	17,992	26%	
Ear, Nose & Throat ENT	43,976	276,444	350,000	79%	354,389	-22%	Lower volume
Endocrinology	97,927	390,681	575,000	68%	286,782	36%	Increased utilization of e-consults
Gastroenterology	54,783	823,516	2,100,000	39%	837,066	-2%	
General Surgery	15,250	48,492	300,000	16%	137,443	-65%	Lower volume
Gynecology IPU	0	0	600,000	0%	19,251	-100%	Services currently contracted in CCC
Nephrology	3,774	19,361	200,000	10%	1,308	1380%	New service in FY21 with lower volume
Oncology	41,134	347,025	700,000	50%	402,643	-14%	Lower volume
Ophthalmology	120,703	1,174,155	1,575,000	75%	885,646	33%	Increased volume
Orthotics & Prosthetics	24,762	144,641	200,000	72%	136,912	6%	
Podiatry	51,597	259,957	350,000	74%	73,627	253%	New service in FY20
Pulmonology	59,588	212,581	375,000	57%	325,665	-35%	Lower volume
Rheumatology	14,921	136,805	250,000	55%	159,386	-14%	
Musculoskeletal	0	0	1,700,000	0%	0	0%	Services currently contracted in CCC
Neurology	0	0	100,000	0%	0	0%	
Wound Care	8,349	59,180	150,000	39%	30,060	97%	
Total Specialty Care	597,615	5,546,062	12,565,000	44%	5,119,074	8%	



Questions ? Comments ?