

Balance Sheet (Assets) – Slide 4

**Current Assets**Cash and Cash Equivalents – \$2.3M compared to \$1.3M December 2021Short-term Investments – Short-term investments were \$439M at month-end, net of restricted investments totaling \$112M.Ad Valorem Taxes Receivable – \$186M balance is composed of:

Gross Tax Receivables	\$ 189M
Taxable Assessed Valuation Adjustment	(1.5)M
Est. Allowance for Doubtful collections	(1.3)M
Total Taxes Receivable	<u>\$ 186M</u>

Other Receivables – Other receivables total \$4.7M and includes intercompany balances:

- Sendero - \$955K
- CUC - \$2.5M
- Community Care Collaborative - \$68K
- Accrued Interest - \$717K
- Miscellaneous Receivables – \$267K
- AR Enterprise Health Claims (self-funding) - \$178K

Prepaid Expenses – \$961K balance composed of:

- Insurance - \$40K
- Tax Collection Fees - \$571K
- Deposits - \$82K
- Software - \$92K
- Memberships/Subscriptions - \$27K
- JTT Equipment - \$149K

**Total Current Assets – \$634M**



**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 - \$23M

Lease Receivables GASB87\* - \$248M

- Lease Receivable Short-Term \$10.7M
- Lease Receivable Long-Term \$238M

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

**Total Assets – \$1.3B**



**Current Liabilities** – Slide 5

Accounts Payable – Major components of the \$18.2M balance are:

- \$16M estimated IBNR for healthcare services.
- \$2.6M invoices payable.

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

Deferred Tax Revenue - \$171M

Other Deferred Revenue - \$189K Episcopal Health Foundation Grant

**Total Current Liabilities – \$208M**

**Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$23M 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	
<b>Totals</b>	<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 – \$99M**

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

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

**Total Noncurrent Liabilities Leases\* – \$283M**
**Total Liabilities – \$590M**
**Net Assets**

Unrestricted Net Assets – \$520M

Restricted Net Assets – \$56M

Investment in Capital Assets – \$103M



**Total Net Assets – \$520M**

**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

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

**Sources – Total \$113M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$110.6M. Net revenue includes \$110.7K current month's collections; \$50K Penalties and Interest; and \$(154)K in adjustments for prior year delinquent taxes.

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

Other Revenue/Expense – \$1.2M which includes:

- Monthly investment income – \$926K
- Grant revenue – \$311K

**Uses of Funds – Total \$11M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$10M for the month and \$51M YTD compared to \$25M FY22 YTD.

Administration Program – \$783K in expense for the month, which includes:

- Personnel costs – \$582K
- Consulting fees - \$9K
- Legal fees – \$124K
- Other general and administrative – \$68K

**Tax Collection Expenses** – \$503K for the month.

**Excess Sources/(Uses)** – \$102M in December. Current YTD is \$66M compared to \$92M FY22 YTD.



**Healthcare Delivery Expense** – Slide 7

**Healthcare Delivery Expense** – Total \$10M current month; \$51M YTD compared to \$25M FY22 YTD.

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

Purchased Healthcare Services – Healthcare delivery providers’ expense for December totaled \$6M, which includes:

- Primary care – \$4M
- Specialty Care including Dental – \$1M
- Specialty Care - Behavioral Health – \$67K
- Pharmacy - \$618K
- All Other - \$319K

Direct Healthcare Services – \$26K

ACA Premium Assist, Education, Enrollment – \$1M in expenses for the month; \$3M YTD compared to \$3M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$211K in expense for the month and \$540K YTD.

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

- Personnel costs – \$1.5M
- Consulting Services – \$3K
- Legal Fees - \$1K
- Other services and purchased goods – \$1M

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

**Total Healthcare Delivery** - for the month of December was \$10M.



# Central Health

## Financial Statement Presentation

FY 2023 – as of December 31, 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 December collected net property tax revenue is \$115 million compared to \$117 million as of December 2021 representing 40.1% of the adjusted tax levy compared to 43.9% as of December 2021.
- Healthcare Delivery is \$51 million for the year as of 12/31/2022.
- GAAP reporting Net Assets increased \$121 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 12/31/2022 is \$23 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 12/31/2022	as of 12/31/2021
Current Assets		
Cash and cash equivalents	2,280,034	1,256,987
Short-term investments	439,376,291	326,039,881
Ad valorem taxes receivable	186,486,289	203,985,055
Other receivables	4,717,294	7,341,082
Prepaid expenses	961,408	1,112,769
Total Current Assets	<u>633,821,317</u>	<u>539,735,775</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	112,029,101	79,607,133
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	22,871,244	9,432,264
Total Restricted Cash and Investments or Noncurrent	<u>246,983,345</u>	<u>201,122,396</u>
Lease Receivables		
Lease Receivables Short-Term*	10,695,053	-
Lease Receivables Long-Term *	237,596,533	-
Total Lease Receivables	<u>248,291,586</u>	<u>0</u>
Capital Assets		
Land	26,372,222	26,302,222
Buildings and improvements	63,912,031	56,474,825
Equipment and furniture	17,954,906	17,752,642
Capital Projects in progress	11,887,717	10,850,722
Leased Assets*	43,445,561	0
Less accumulated depreciation	<u>(32,548,452)</u>	<u>(26,052,613)</u>
Total Capital Assets	<u>131,023,984</u>	<u>85,327,799</u>
<b>Total Assets</b>	<u><u>1,260,120,232</u></u>	<u><u>826,185,970</u></u>

\* New GASB87 reporting requirement for leases.



<b>Liabilities</b>	<b>Preliminary as of 12/31/2022</b>	<b>as of 12/31/2021</b>
<b>Current Liabilities</b>		
Accounts payable	18,160,243	19,808,511
Salaries and benefits payable	3,373,962	1,966,057
Other Payables	323,477	1,216,226
Debt service payable, short-term	5,066,339	4,843,316
Deferred tax revenue	171,339,244	149,192,293
Other deferred revenue	189,327	828,027
Total Current Liabilities	198,452,592	177,854,431
<b>Restricted or Noncurrent Liabilities</b>		
Funds held for TCHD LPPF	22,871,243	9,432,264
Debt service payable, long-term	75,782,821	80,237,249
Total Restricted of Noncurrent Liabilities	98,654,064	89,669,513
<b>Noncurrent Liabilities Leases*</b>		
Lease Payable Long Term *	43,108,369	0
Deferred Revenue Long Term*	239,755,180	0
Total Noncurrent Liabilities Leases*	282,863,549	-
Total Liabilities	579,970,205	267,523,944
<b>Net Assets</b>		
Unrestricted	520,067,667	417,278,233
Restricted	56,321,194	56,055,994
Investment in Capital Assets	103,761,166	85,327,799
Total Net Assets	680,150,027	558,662,026
<b>Liabilities and Net Assets</b>	1,260,120,232	826,185,970

\* New GASB87 reporting requirement for leases.



Sources / Uses	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Sources</b>					
Property Tax Revenue	110,600,457	114,738,458	281,605,053	41%	116,823,862
Lease Revenue	1,561,076	4,678,215	13,145,328	36%	2,660,584
Other Revenue	1,236,775	2,679,150	1,500,000	179%	258,246
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
<b>Total Sources</b>	<b>113,398,308</b>	<b>122,095,823</b>	<b>300,750,381</b>	<b>41%</b>	<b>119,742,692</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>10,022,780</b>	<b>50,770,599</b>	<b>283,208,878</b>	<b>18%</b>	<b>24,818,470</b>
<b>Administrative Program</b>					
Salaries and benefits	581,569	1,630,274	9,131,752	18%	1,364,309
Consulting Fees	8,700	15,655	1,626,520	1%	57,948
Legal Fees	124,189	469,792	2,756,636	17%	185,967
Other Purchase Goods and Services	68,389	442,163	4,486,802	10%	572,511
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
<b>Total Administrative Program</b>	<b>782,847</b>	<b>4,557,884</b>	<b>20,001,710</b>	<b>23%</b>	<b>2,180,735</b>
<b>Tax Collection Expenses</b>	<b>503,170</b>	<b>691,369</b>	<b>2,147,650</b>	<b>32%</b>	<b>602,060</b>
<b>Total Uses</b>	<b>11,308,797</b>	<b>56,019,852</b>	<b>305,358,238</b>	<b>18%</b>	<b>27,601,265</b>
<b>Excess Sources / (Uses)</b>	<b>102,089,511</b>	<b>66,075,971</b>	<b>(4,607,857)</b>		<b>92,141,427</b>



Healthcare Delivery Summary	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Purchased Healthcare Services</b>					
Primary Care - (see detail on Slide 10)	3,969,060	11,911,311	66,236,822	18%	11,578,841
Specialty Care, incld Dental - (see detail on Slide 11)	1,108,688	2,392,705	27,163,000	9%	1,581,121
Specialty Behavioral Health and Substance Use	67,268	135,484	12,040,000	1%	225,000
Pharmacy	618,119	1,643,991	17,000,000	10%	2,227,256
Post Acute Care	309,928	368,804	5,650,000	7%	-
Community Healthcare Initiatives Fund	9,360	9,360	1,750,000	1%	-
<b>Subtotal Purchased Healthcare Services</b>	<b>6,082,423</b>	<b>16,461,655</b>	<b>129,839,822</b>	<b>13%</b>	<b>15,612,218</b>
<b>Direct Healthcare Services</b>	<b>25,707</b>	<b>25,707</b>	<b>5,673,261</b>	<b>0%</b>	<b>-</b>
<b>Map Eligibility - Increase in period</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>0%</b>	<b>-</b>
<b>Subtotal Healthcare Services</b>	<b>6,108,130</b>	<b>16,487,362</b>	<b>137,513,083</b>	<b>12%</b>	<b>15,612,218</b>
<b>ACA Premium Assist, Education, Enrollment</b>	<b>1,023,786</b>	<b>3,148,522</b>	<b>15,236,261</b>	<b>21%</b>	<b>2,930,126</b>
<b>Healthcare Facilities and Campus Redevelopment</b>	<b>210,826</b>	<b>539,901</b>	<b>4,721,027</b>	<b>11%</b>	<b>509,687</b>
<b>Healthcare Delivery Operating Costs</b>	<b>2,547,693</b>	<b>7,197,780</b>	<b>48,241,763</b>	<b>15%</b>	<b>5,357,825</b>
<b>SubTotal</b>	<b>9,890,435</b>	<b>27,373,565</b>	<b>205,712,134</b>	<b>13%</b>	<b>24,409,856</b>
<b>Debt, Reserves and Transfers</b>	<b>132,344</b>	<b>23,397,033</b>	<b>55,496,744</b>	<b>42%</b>	<b>408,614</b>
<b>UT Affiliation Agreement</b>	<b>-</b>	<b>-</b>	<b>22,000,000</b>	<b>0%</b>	<b>-</b>
<b>Total Healthcare Delivery</b>	<b>10,022,780</b>	<b>50,770,599</b>	<b>283,208,878</b>	<b>18%</b>	<b>24,818,470</b>



Details for Health Care Delivery on the following slides.



Healthcare Delivery Detail	DEC 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	1,011,280	3,135,477	14,648,261	21%	2,679,009
ACA Education and Enrollment Services	12,506	13,045	588,000	2%	251,117
<b>Subtotal ACA &amp; Premium Assist Program</b>	<b>1,023,786</b>	<b>3,148,522</b>	<b>15,236,261</b>	<b>21%</b>	<b>2,930,126</b>
<b>Real Estate and Campus Redevelopment</b>					
Salaries and benefits	49,154	148,814	892,250	17%	83,420
Consulting Services	7,500	10,813	200,000	5%	5,096
Legal Fees	6,088	6,088	175,000	3%	7,567
Other Goods & Svc incl. UT Ground Lease	148,085	374,187	3,453,777	11%	413,604
<b>Subtotal Healthcare Facilities and Campus</b>	<b>210,826</b>	<b>539,901</b>	<b>4,721,027</b>	<b>11%</b>	<b>509,687</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	1,510,289	4,694,582	25,545,451	18%	3,370,856
Consulting Services	2,948	10,976	1,740,000	1%	133,929
Legal Fees	870	884	433,000	0%	3,481
Other Services and Purchased Goods	1,033,586	2,491,338	20,523,312	12%	1,849,559
<b>Subtotal HCD Operating Cost</b>	<b>2,547,693</b>	<b>7,197,780</b>	<b>48,241,763</b>	<b>15%</b>	<b>5,357,825</b>
<b>Debt Service, Reserves and Transfers</b>					
Debt Service	132,344	397,033	5,996,744	7%	408,614
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>23,397,033</b>	<b>55,496,744</b>	<b>42%</b>	<b>408,614</b>
UT Affiliation Agreement	-	-	22,000,000		
<b>Total Healthcare Delivery</b>	<b>10,022,780</b>	<b>50,770,599</b>	<b>283,208,878</b>	<b>18%</b>	<b>24,818,470</b>





Healthcare Delivery - Primary Care	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Primary Care</b>					
CommUnity Care	3,349,841	10,036,756	49,835,000	20%	9,767,200
Lone Star Circle of Care	378,326	1,307,681	6,955,000	19%	1,269,580
People's Community Clinic	162,643	488,624	3,100,000	16%	502,570
Other Primary Care	78,250	78,250	6,346,822	1%	39,491
<b>Subtotal Primary Care Services</b>	<b>3,969,060</b>	<b>11,911,311</b>	<b>66,236,822</b>	<b>18%</b>	<b>11,578,841</b>

(continued on next page)



Healthcare Delivery - Specialty Care	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services & DME	80,236	85,951	2,408,000	4%	31,200	175%	
Cardiology	28,171	83,401	1,215,000	7%	44,400	88%	
Dental Specialty	103,411	270,623	1,500,000	18%	258,797	5%	
Dermatology	64,825	172,935	1,125,000	15%	100,146	73%	
Dialysis	62,480	112,262	2,600,000	4%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	5,459	27,271	500,000	5%	57,914	-53%	Provider Vacancy
Endocrinology	69,909	182,110	925,000	20%	99,650	83%	Service Expansion
Gastroenterology	15,889	208,823	2,100,000	10%	209,234	0%	Service Expansion
General Surgery	25,373	43,934	200,000	22%	8,700	405%	
Gynecology	42,380	42,380	1,050,000	4%	0	0%	
Musculoskeletal	209,644	209,644	1,700,000	12%	0	0%	
Nephrology	4,557	13,667	350,000	4%	6,600	107%	
Neurology	1,150	3,450	300,000	1%	0	0%	New CUC Service
Oncology	28,784	67,082	1,800,000	4%	102,349	-34%	
Ophthalmology	172,285	354,077	3,300,000	11%	316,634	12%	
Palliative Care	5,326	10,148	0	0%	0	0%	
Physical Med & Rehab	35,850	72,810	350,000	21%	0	0%	
Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
Podiatry	76,189	180,028	1,350,000	13%	94,500	91%	
Pulmonology	27,667	83,000	475,000	17%	60,600	37%	
Referral Services	23,077	69,231	875,000	8%	75,000	-8%	
Reproductive and Sexual Health	11,751	57,053	2,110,000	3%	88,397	-35%	
Rheumatology	14,275	42,825	350,000	12%	27,000	59%	
Urology	0	0	250,000	0%	0	0%	
<b>Total Specialty Care</b>	<b>1,108,688</b>	<b>2,392,705</b>	<b>27,163,000</b>	<b>9%</b>	<b>1,581,121</b>	<b>51%</b>	

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



# Questions ? Comments ?