

Balance Sheet (Assets) – Slide 4

**Current Assets**

Cash and Cash Equivalents – \$4.5M compared to \$1.2M February 2022

Short-term Investments – Short-term investments were \$580M at month-end, net of restricted investments totaling \$112M.

Ad Valorem Taxes Receivable – \$11M balance is composed of:

Gross Tax Receivables	\$ 16M
Taxable Assessed Valuation Adjustment	(2.1)M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	\$ 11M

Other Receivables – Other receivables total \$5.1M and includes intercompany balances:

- Miscellaneous Receivables – \$1.4M for CEC Alternate Utility Project
- CUC - \$2M
- Accrued Interest - \$912K
- Sendero - \$640K
- AR Enterprise Health Claims (self-funding) - \$122K
- Community Care Collaborative - \$6K

Prepaid Expenses – \$763K balance composed of:

- Software - \$300K
- Travis Central Appraisal District – \$102K
- JTT Equipment - \$146K
- Tax Collection Fees - \$17K
- Deposits - \$179K
- Memberships/Subscriptions - \$17K
- Insurance - \$2K



**Total Current Assets – \$601M**

**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 - \$1.9M

Lease Receivables GASB87\* - \$251M

- Lease Receivable Short-Term \$10M
- Lease Receivable Long-Term \$241M

Capital Assets – \$130M, net of accumulated depreciation

**Total Assets – \$1.2B**



**Current Liabilities** – Slide 5

Accounts Payable – Major components of the \$10.5M balance are:

- \$7.9M estimated IBNR for healthcare services.
- \$1.6M invoices payable.
- \$978K lease interest

Salaries and Benefits Payable – \$5.3M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Other Payables – \$242K Contract Liability.

Debt Service Payable, Short-Term – \$1.4M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$8.7M

**Total Current Liabilities – \$26M**

**Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$1.9M 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	<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 – \$77.7M**

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

Deferred Revenue Long-Term GASB87\* - \$243M

**Total Noncurrent Liabilities Leases\* – \$286M**

**Total Liabilities – \$390M**

**Net Assets**

Unrestricted Net Assets – \$662M

Restricted Net Assets – \$55M

Investment in Capital Assets – \$101M



**Total Net Assets – \$818M**

**Total Liabilities and Net Assets – \$1.2B**

\*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

February financials → five months, 41.7% of the fiscal year.

**Sources – Total \$43.7M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$40M. Net revenue includes \$40M current month's collections; \$215K Penalties and Interest; and \$(226)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.9M for Downtown Campus, Hancock Clinic, and land leases

Other Revenue/Expense – \$1.7M which includes:

- Monthly investment income – \$1.6M
- Grant revenue – \$89K

**Uses of Funds – Total \$13M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$12M for the month and \$77M YTD compared to \$41M FY22 YTD.

Administration Program – \$947K in expense for the month, which includes:

- Personnel costs – \$563K
- Consulting fees - \$2K
- Legal fees – \$108K
- Other general and administrative – \$274K

**Tax Collection Expenses** – \$196K for the month.

**Excess Sources/(Uses)** – \$30M in February. Current YTD is \$205M compared to \$217M FY22 YTD.



**Healthcare Delivery Expense** – Slide 7

**Healthcare Delivery Expense** – Total \$12M current month; \$77M YTD compared to \$41M FY22 YTD.

Purchased Healthcare Services – Healthcare delivery providers' expense for February totaled \$8.1M, which includes:

- Primary care – \$6.1M
- Specialty Care including Dental – \$1.4M
- Specialty Care - Behavioral Health – \$679K
- Pharmacy - \$(307K)
- All Other - \$276K

Direct Healthcare Services – \$34K

ACA Premium Assist, Education, Enrollment – \$1.2M in expenses for the month; \$5.5M YTD compared to \$5.3M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$253K in expense for the month and \$1.1M YTD.

Healthcare Delivery Operating Cost – \$2.5M in expenses for the month and includes:

- Personnel costs – \$1.6M
- Consulting Services – \$3K
- Legal Fees - \$6K
- Other services and purchased goods – \$908K

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

**Total Healthcare Delivery** - for the month of February was \$12M.



# Central Health

## Financial Statement Presentation FY 2023 – as of February 28, 2023 (Preliminary)

Central Health Board of Managers

April 26, 2023

Lisa Owens, Deputy CFO

Patti Bethke, Controller





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Note: HCD = Health Care Delivery



- Year-to-date through February collected net property tax revenue is \$276 million compared to \$257 million as of February 2022 representing 96.3% of the adjusted tax levy compared to 97.0% as of February 2022.
- Healthcare Delivery is \$77 million for the year as of 2/28/2023.
- GAAP reporting Net Assets increased \$136 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 2/28/2023 is \$2 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.



Assets	Preliminary as	
	of 2/28/2023	as of 2/28/2022
<b>Current Assets</b>		
Cash and cash equivalents	4,464,810	1,216,889
Short-term investments	579,744,554	491,945,892
Ad valorem taxes receivable	10,767,959	9,831,383
Other receivables	5,093,176	3,710,406
Prepaid expenses	763,297	516,815
<b>Total Current Assets</b>	<b>600,833,797</b>	<b>507,221,384</b>
<b>Restricted Cash and Investments or Noncurrent</b>		
Restricted for capital acquisition	111,999,025	78,868,248
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	1,889,199	1,015,250
<b>Total Restricted Cash and Investments or Noncurrent</b>	<b>225,971,224</b>	<b>191,966,498</b>
<b>Lease Receivables</b>		
Lease Receivables Short-Term*	10,033,224	-
Lease Receivables Long-Term *	241,375,130	-
<b>Total Lease Receivables</b>	<b>251,408,353</b>	<b>0</b>
<b>Capital Assets</b>		
Land	26,372,222	26,372,222
Buildings and improvements	61,959,062	56,594,949
Equipment and furniture	17,961,372	17,761,345
Capital Projects in progress	13,494,938	12,032,672
Leased Assets*	43,445,561	0
Less accumulated depreciation	(33,348,712)	(26,989,535)
<b>Total Capital Assets</b>	<b>129,884,443</b>	<b>85,771,652</b>
<b>Total Assets</b>	<b>1,208,097,817</b>	<b>784,959,534</b>

\* New GASB87 reporting requirement for leases.



<b>Liabilities</b>	<b>Preliminary as of 2/28/2023</b>	<b>as of 2/28/2022</b>
<b>Current Liabilities</b>		
Accounts payable	10,529,866	10,153,535
Salaries and benefits payable	5,339,284	2,101,847
Other Payables	242,318	1,216,226
Debt service payable, short-term	1,393,014	0
Deferred tax revenue	8,682,057	7,970,011
Other deferred revenue	-	-
<b>Total Current Liabilities</b>	<b>26,186,539</b>	<b>21,441,618</b>
<b>Restricted or Noncurrent Liabilities</b>		
Funds held for TCHD LPPF	1,889,197	1,015,250
Debt service payable, long-term	75,764,583	80,219,011
<b>Total Restricted or Noncurrent Liabilities</b>	<b>77,653,781</b>	<b>81,234,261</b>
<b>Noncurrent Liabilities Leases*</b>		
Lease Payable Long Term *	43,087,558	0
Deferred Revenue Long Term*	242,837,912	0
<b>Total Noncurrent Liabilities Leases*</b>	<b>285,925,469</b>	<b>-</b>
<b>Total Liabilities</b>	<b>389,765,789</b>	<b>102,675,879</b>
<b>Net Assets</b>		
Unrestricted	662,351,035	540,456,009
Restricted	54,764,013	56,055,994
Investment in Capital Assets	101,216,981	85,771,652
<b>Total Net Assets</b>	<b>818,332,029</b>	<b>682,283,655</b>
<b>Liabilities and Net Assets</b>	<b>1,208,097,817</b>	<b>784,959,534</b>

\* New GASB87 reporting requirement for leases.



Sources / Uses	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Sources</b>					
Property Tax Revenue	40,121,693	276,435,238	281,605,053	98%	257,127,145
Lease Revenue	1,889,899	8,124,048	13,145,328	62%	4,416,828
Other Revenue	1,724,582	5,876,957	1,500,000	392%	477,615
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
<b>Total Sources</b>	<b>43,736,174</b>	<b>290,436,243</b>	<b>300,750,381</b>	<b>97%</b>	<b>262,021,588</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>12,303,293</b>	<b>77,449,843</b>	<b>283,208,878</b>	<b>27%</b>	<b>40,951,462</b>
<b>Administrative Program</b>					
Salaries and benefits	563,051	2,718,652	9,131,752	30%	2,271,121
Consulting Fees	1,600	18,005	1,626,520	1%	140,225
Legal Fees	108,141	728,655	2,756,636	26%	229,250
Other Purchase Goods and Services	274,088	1,013,628	4,486,802	23%	451,938
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
<b>Total Administrative Program</b>	<b>946,880</b>	<b>6,478,940</b>	<b>20,001,710</b>	<b>32%</b>	<b>3,092,534</b>
<b>Tax Collection Expenses</b>	<b>196,335</b>	<b>1,449,224</b>	<b>2,147,650</b>	<b>67%</b>	<b>1,277,005</b>
<b>Total Uses</b>	<b>13,446,508</b>	<b>85,378,007</b>	<b>305,358,238</b>	<b>28%</b>	<b>45,321,001</b>
<b>Excess Sources / (Uses)</b>	<b>30,289,666</b>	<b>205,058,236</b>	<b>(4,607,857)</b>		<b>216,700,587</b>



Healthcare Delivery Summary	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
<b>Purchased Healthcare Services</b>					
Primary Care - (see detail on Slide 10)	6,147,812	22,941,975	66,236,822	35%	18,543,604
Specialty Care, incld Dental - (see detail on Slide 11)	1,379,603	4,948,284	27,163,000	18%	2,406,396
Specialty Behavioral Health and Substance Use	678,543	1,186,262	12,040,000	10%	300,663
Pharmacy	(307,165)	4,282,700	17,000,000	25%	4,079,359
Post Acute Care	219,093	1,313,841	5,650,000	23%	12,635
Community Healthcare Initiatives Fund	56,747	66,107	1,750,000	4%	-
<b>Subtotal Purchased Healthcare Services</b>	<b>8,174,633</b>	<b>34,739,169</b>	<b>129,839,822</b>	<b>27%</b>	<b>25,342,657</b>
<b>Direct Healthcare Services</b>	<b>34,248</b>	<b>91,433</b>	<b>5,673,261</b>	<b>2%</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>8,208,881</b>	<b>34,830,602</b>	<b>137,513,083</b>	<b>25%</b>	<b>25,342,657</b>
<b>ACA Premium Assist, Education, Enrollment</b>	<b>1,214,914</b>	<b>5,517,720</b>	<b>15,236,261</b>	<b>36%</b>	<b>5,334,109</b>
<b>Healthcare Facilities and Campus Redevelopment</b>	<b>253,113</b>	<b>1,082,900</b>	<b>4,721,027</b>	<b>23%</b>	<b>1,534,131</b>
<b>Healthcare Delivery Operating Costs</b>	<b>2,494,041</b>	<b>12,356,899</b>	<b>48,241,763</b>	<b>26%</b>	<b>8,043,874</b>
<b>SubTotal</b>	<b>12,170,949</b>	<b>53,788,121</b>	<b>205,712,134</b>	<b>26%</b>	<b>40,254,771</b>
<b>Debt, Reserves and Transfers</b>	<b>132,344</b>	<b>23,661,722</b>	<b>55,496,744</b>	<b>43%</b>	<b>696,691</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>12,303,293</b>	<b>77,449,843</b>	<b>283,208,878</b>	<b>27%</b>	<b>40,951,462</b>



Details for Health Care Delivery on the following slides.



Healthcare Delivery Detail	FEB 2023	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	1,155,284	5,445,044	14,648,261	37%	4,832,397
ACA Education and Enrollment Services	59,630	72,676	588,000	12%	501,712
<b>Subtotal ACA &amp; Premium Assist Program</b>	<b>1,214,914</b>	<b>5,517,720</b>	<b>15,236,261</b>	<b>36%</b>	<b>5,334,109</b>
<b>Real Estate and Campus Redevelopment</b>					
Salaries and benefits	55,273	257,239	892,250	29%	136,726
Consulting Services	89	13,108	200,000	7%	5,096
Legal Fees	20,925	30,796	175,000	18%	19,274
Other Goods & Svc incl. UT Ground Lease	176,825	781,758	3,453,777	23%	1,373,035
<b>Subtotal Healthcare Facilities and Campus</b>	<b>253,113</b>	<b>1,082,900</b>	<b>4,721,027</b>	<b>23%</b>	<b>1,534,131</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	1,576,394	8,042,767	25,545,451	31%	5,617,456
Consulting Services	3,030	17,523	1,740,000	1%	277,812
Legal Fees	6,507	7,391	433,000	2%	12,623
Other Services and Purchased Goods	908,110	4,289,218	20,523,312	21%	2,135,983
<b>Subtotal HCD Operating Cost</b>	<b>2,494,041</b>	<b>12,356,899</b>	<b>48,241,763</b>	<b>26%</b>	<b>8,043,874</b>
<b>Debt Service, Reserves and Transfers</b>					
Debt Service	132,344	661,722	5,996,744	11%	696,691
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>23,661,722</b>	<b>55,496,744</b>	<b>43%</b>	<b>696,691</b>
UT Affiliation Agreement	-	-	22,000,000		
<b>Total Healthcare Delivery</b>	<b>12,303,293</b>	<b>77,449,843</b>	<b>283,208,878</b>	<b>27%</b>	<b>40,951,462</b>





<b>Healthcare Delivery - Primary Care</b>	<b>FEB 2023</b>	<b>FY23 YTD</b>	<b>FY23 Budget</b>	<b>Percent of Budget Used</b>	<b>FY22 YTD</b>
<b>Primary Care</b>					
CommUnity Care	4,823,023	19,013,078	49,835,000	38%	15,590,712
Lone Star Circle of Care	341,981	2,170,029	6,955,000	31%	2,091,951
People's Community Clinic	479,582	1,069,583	3,100,000	35%	806,431
Other Primary Care	503,226	689,285	6,346,822	11%	54,510
<b>Subtotal Primary Care Services</b>	<b>6,147,812</b>	<b>22,941,975</b>	<b>66,236,822</b>	<b>35%</b>	<b>18,543,604</b>

(continued on next page)



Healthcare Delivery - Specialty Care	FEB 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services	(28,671)	201,864	2,408,000	8%	41,844	382%	Includes additional services: Anesthesia, Mammography, DME
Cardiology	62,002	149,273	1,215,000	12%	96,066	55%	
Dental Specialty	84,104	396,607	1,500,000	26%	373,685	6%	
Dermatology	35,225	291,158	1,125,000	26%	202,564	44%	
Dialysis	108,918	479,507	2,600,000	18%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	(20,648)	66,791	500,000	13%	80,613	-17%	Provider Vacancy
Endocrinology	26,608	225,292	925,000	24%	164,789	37%	Service Expansion
Gastroenterology	120,317	550,140	2,100,000	26%	318,064	73%	Service Expansion
General Surgery	26,543	101,602	200,000	51%	23,990	324%	
Gynecology	233,181	332,981	1,050,000	32%	0	0%	Transition from CCC
Musculoskeletal	413,669	762,619	1,700,000	45%	0	0%	Transition from CCC
Nephrology	24,104	24,104	350,000	7%	14,230	69%	
Neurology	1,875	17,875	300,000	6%	0	0%	New CUC Service
Oncology	75,180	154,743	1,800,000	9%	126,577	22%	
Ophthalmology	30,741	496,473	3,300,000	15%	422,481	18%	
Pain Management	0	0	350,000	0%	0	0%	New Services FY23
Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
Podiatry	48,205	249,202	1,350,000	18%	160,445	55%	
Pulmonology	49,250	159,250	475,000	34%	88,290	80%	
Referral Services	1,678	83,170	875,000	10%	125,000	-33%	
Reproductive and Sexual Health	45,864	128,175	2,110,000	6%	107,154	20%	
Rheumatology	41,458	77,458	350,000	22%	60,604	28%	
Urology	0	0	250,000	0%	0	0%	
<b>Total Specialty Care</b>	<b>1,379,603</b>	<b>4,948,284</b>	<b>27,163,000</b>	<b>18%</b>	<b>2,406,396</b>	<b>106%</b>	

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



# Questions ? Comments ?