

## Balance Sheet

### Current Assets

Cash and Cash Equivalents – \$5.8M compared to \$3.3M August 2022

Short-term Investments – Short-term investments were \$482M at month-end, net of restricted investments totaling \$232M.

Ad Valorem Taxes Receivable – \$3M balance is composed of:

Gross Tax Receivables	\$ 11.5M
Taxable Assessed Valuation Adjustment	(5.6)M
Est. Allowance for Doubtful collections	(2.9)M
Total Taxes Receivable	<u>\$ 3.0M</u>

Other Receivables – Other receivables total \$6M and includes intercompany balances:

- Accrued Interest - \$2.2M
- CUC – \$1.6M
- Prepaid Expenses – \$878K
- Miscellaneous Receivables – \$796K
- Sendero - \$796k
- AR Enterprise Health Claims (self-funding) - \$(267)K

### Total Current Assets – \$729M

### Long Term Assets

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 - \$27.7M

Lease Receivables GASB87\* - \$250M

- Lease Receivable Short-Term \$12M
- Lease Receivable Long-Term \$238M

Capital Assets – \$152M, net of accumulated depreciation, include purchase of Cameron Road Buildings

**Total Assets – \$1.2B**



### **Current Liabilities**

Accounts Payable – Major components of the \$17M balance are:

- \$9.4M estimated IBNR for healthcare services.
- \$7.7M invoices payable

Salaries and Benefits Payable – \$5.8M 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 – \$4.7M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$2.7M

**Total Current Liabilities – \$30M**

### **Restricted or Noncurrent Liabilities**

Funds held for TCHD LPPF - \$27.7M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$171.5M balance (changed):

	Series 2020	Series 2021	Series 2023	
	General Obligation Bonds	Certificates of Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	2.5 M	12.4 M	9.1 M	
Taxable LT		54.7 M	90.6 M	
Premium		2.0 M		
<b>Totals</b>	<b>2.5 M</b>	<b>69.1 M</b>	<b>99.7M</b>	<b>171M</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. \$99.7M was issued in 2023 for two clinics. Annual payments are due on 3/1 for all Series.

**Total Restricted or Noncurrent Liabilities – \$199M**
Lease Payable GASB87\* - \$47.6M

- Lease Payable Short-Term \$1.2M
- Lease Payable Long-Term \$45.1M
- Interest Payable Lease 1.3M

Deferred Revenue Long-Term GASB87\* - \$238M

**Total Noncurrent Liabilities Leases\* – \$286M**
**Total Liabilities – \$515M**
**Net Assets**
Unrestricted Net Assets – \$461M



Restricted Net Assets – \$150M

Investment in Capital Assets – \$118M

**Total Net Assets – \$729M**

**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**

August financials → eleven months, 92% of the fiscal year.

#### **Sources – Total \$4M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$40K. Net revenue includes \$109K current month's collections; \$75K Penalties and Interest; and \$(144)K in adjustments for prior year delinquent taxes.

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

Other Revenue/Expense – \$2.4M primarily for investment income

#### **Uses of Funds – Total \$17M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$16M for the month and \$166M YTD compared to \$134M FY22 YTD.

UT Affiliation Agreement - \$22.4M

Administration Program – \$1.2M in expense for the month, which includes:

- Salaries and Benefits – \$754K
- Other Goods and Services - \$469K

**Excess Sources/(Uses)** – \$(13)M current month. Current YTD is \$115M compared to \$135M FY22 YTD.



CENTRAL HEALTH

# Central Health

Financial Statement Presentation

FY 2023 – as of August 31, 2023 (Preliminary)

Central Health Board of Managers

September 27, 2023

Jeff Knodel 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 August collected net property tax revenue is \$278 million compared to \$260 million as of August 2022 representing 97.6% of the adjusted tax levy compared to 98.4% as of August 2022.
- Healthcare Delivery is \$188 million for the year as of 8/31/2023.
- GAAP reporting Net Assets increased \$113 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 8/31/2023 is \$27.7 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	
	08/31/2023	as of 8/31/2022
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	5,813,804	3,323,345
SHORT TERM INVESTMENTS	482,585,029	409,711,888
RESTRICTED INVESTMENTS	231,987,621	100,176,302
ACCOUNTS RECEIVABLE TAX	3,020,303	2,137,545
OTHER RECEIVABLES	6,046,247	3,818,633
TOTAL CURRENT ASSETS	729,453,004	519,167,714
LONG TERM ASSETS		
LEASE RECEIVABLE		
LEASE RECEIVABLE SHORT TERM*	12,395,734	-
LEASE RECEIVABLE LONG TERM*	238,320,034	-
TOTAL LEASE RECEIVABLES	250,715,768	-
CAPITAL ASSETS	188,752,225	115,823,955
ACCUMULATED DEPRECIATION	(36,484,964)	(29,742,488)
TOTAL CAPITAL ASSETS	152,267,260	86,081,467
<b>TOTAL ASSETS</b>	<b>1,244,519,032</b>	<b>717,332,181</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	17,085,209	6,529,005
SALARIES & BENEFITS PAYABLE	5,752,952	3,166,514
DEBT SERVICE SHORT TERM	4,689,282	1,660,000
DEFERRED TAX REVENUE	2,688,049	2,026,815
TOTAL CURRENT LIABILITIES	30,215,492	13,382,335
RESTRICTED OR NONCURRENT LIABILITIES		
FUNDS HELD FOR TCHD LPPF	27,707,119	8,318,912
DEBT SERVICE PAYABLE LONG TERM	171,511,704	79,389,603
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	199,218,823	87,708,515
NONCURRENT LIABILITIES		
LEASE LIABILITIES*	47,642,146	-
DEFERRED REVENUE*	238,060,095	-
TOTAL NONCURRENT LIABILITIES AND LEASES	285,702,240	-
<b>TOTAL LIABILITIES</b>	<b>515,136,555</b>	<b>101,090,850</b>
<b>NET ASSETS</b>		
INVESTMENT IN CAPITAL ASSETS		
RESTRICTED	118,037,390	60,685,018
UNRESTRICTED	150,545,529	56,055,994
TOTAL NET ASSETS	460,799,559	499,500,319
<b>TOTAL NET ASSETS</b>	<b>729,382,477</b>	<b>616,241,331</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>1,244,519,032</b>	<b>717,332,181</b>

\* New GASB87 reporting requirement for leases.



# CENTRAL HEALTH

<b>SOURCES / USES</b>	<b>AUG 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	40,339	278,156,735	281,605,053	99%	259,750,634
LEASE REVENUE	1,572,827	17,553,135	13,145,328	134%	11,367,276
OTHER REVENUE	2,395,330	19,894,033	1,500,000	1326%	3,434,778
TOBACCO SETTLEMENT REVENUE	0	4,828,924	4,500,000	107%	4,676,730
	<b>4,008,496</b>	<b>320,432,828</b>	<b>300,750,381</b>	<b>107%</b>	<b>279,229,418</b>
<b>USES OF FUNDS</b>					
<b>HEALTHCARE DELIVERY PROGRAM</b> (SEE NEXT PAGE)	<b>16,239,269</b>	<b>165,590,479</b>	<b>261,208,877</b>	<b>63.39%</b>	<b>133,922,173</b>
<b>UT AFFILIATION AGREEMENT</b>	-	22,430,000	22,000,000	102%	-
<b>ADMINISTRATIVE PROGRAM</b>					
SALARIES AND BENEFITS	753,589	7,041,072	9,641,743	73%	5,282,756
OTHER GOODS AND SERVICES	468,235	10,028,504	12,507,617	80%	4,605,120
TOTAL ADMINISTRATIVE PROGRAM	1,221,824	17,069,576	22,149,360	77%	9,887,876
<b>TOTAL USES</b>	<b>17,461,093</b>	<b>205,090,055</b>	<b>305,358,237</b>	<b>67.16%</b>	<b>143,810,049</b>
<b>EXCESS SOURCES / (USES)</b>	<b>(13,452,598)</b>	<b>115,342,773</b>	<b>(4,607,856)</b>		<b>135,419,368</b>



# CENTRAL HEALTH

<b>HEALTHCARE DELIVERY SUMMARY</b>	<b>AUG 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	5,822,571	54,797,839	66,236,822	83%	45,296,904
SPECIALTY CARE, INCLD DENTAL	1,591,447	13,206,477	27,163,000	49%	7,042,454
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	2,011,105	8,664,495	12,040,000	72%	562,875
PHARMACY	1,080,889	9,805,512	17,000,000	58%	9,796,779
POST ACUTE CARE	(62,820)	3,185,871	5,650,000	56%	181,686
COMMUNITY HEALTHCARE INITIATIVES FUND	121,695	256,802	1,750,000	15%	-
ALL OTHER HEALTHCARE SERVICES	-	-	687,035		629,782
SUBTOTAL PURCHASED HEALTHCARE SERVICES	10,564,887	89,916,997	130,526,857	69%	63,510,481
DIRECT HEALTHCARE SERVICES	191,113	624,670	5,673,261	11%	81,058
MAP ELIGIBILITY - INCREASE IN PERIOD	-	-	2,000,000		-
SUBTOTAL HEALTHCARE SERVICES	10,756,000	90,541,667	138,200,118	66%	63,591,538
ACA PREMIUM ASSIST	1,131,119	12,170,020	14,648,261	83%	12,471,561
HEALTHCARE FACILITIES AND CAMPUS REDEVELOPMENT	365,957	3,064,484	4,754,027	64%	3,581,271
HEALTHCARE DELIVERY OPERATION COSTS	3,541,269	30,739,121	48,109,728	64%	34,711,507
DEBT, RESERVES AND TRANSFERS	444,924	29,075,187	55,496,744	52%	19,566,296
<b>TOTAL HEALTHCARE DELIVERY</b>	<b>16,239,269</b>	<b>165,590,479</b>	<b>261,208,877</b>	<b>63%</b>	<b>133,922,173</b>



# CENTRAL HEALTH

HEALTHCARE DELIVERY - SPECIALTY CARE	AUG 2023	FY23 YTD	FY2023 BUDGET	Percent of Budget Used	FY2022 YTD	YOY Percent Change	Comments
HCD-Ancillary Services	117,106	600,762	2,408,000	25%	191,787	213%	Includes additional services: Anesthesia, Mammography, DME
HCD-Cardiology	32,618	379,971	1,215,000	31%	320,430	19%	
HCD-Dental	198,798	1,534,438	1,500,000	102%	911,113	68%	
HCD-Dermatology	83,822	848,590	1,125,000	75%	721,330	18%	
HCD-Dialysis	111,897	748,993	2,600,000	29%	0	0%	New Service late FY22
HCD-Endocrinology	66,272	607,404	925,000	66%	673,226	-10%	
HCD-Ear, Nose & Throat ENT	13,112	143,475	500,000	29%	107,785	33%	Provider Vacancy
HCD-Gastroenterology	171,752	1,221,582	2,100,000	58%	1,077,691	13%	Service Expansion
HCD-General Surgery	34,932	335,759	200,000	168%	74,564	350%	
HCD-Gynecology	149,908	1,225,192	1,050,000	117%	0	0%	Transition from CCC
HCD-Musculoskeletal	137,809	1,567,990	1,700,000	92%	32,680	4698%	Transition from CCC
HCD-Nephrology	8,491	101,075	350,000	29%	41,600	143%	
HCD-Neurology	1,485	41,744	300,000	14%	7,150	484%	New CUC Service
HCD-Oncology	55,670	571,939	1,800,000	32%	298,577	92%	
HCD-Ophthalmology	135,889	1,224,289	3,300,000	37%	1,100,891	11%	
HCD-Pain Management	0	0	350,000	0%	0	0%	New Services FY23
HCD-Podiatry	87,712	782,393	1,350,000	58%	517,232	51%	
HCD-Project Access	0	0	330,000	0%	0	0%	
HCD-Pulmonology	38,644	364,253	475,000	77%	319,004	14%	
HCD-Referral Management	30,130	172,220	875,000	20%	275,000	-37%	
HCD-Rheumatology	26,930	260,036	350,000	74%	154,570	68%	
HCD-Sexual & Reproductive Svc	88,470	474,372	2,110,000	22%	217,823	118%	
HCD-Urology	0	0	250,000	0%	0	0%	New agreement for vasectomies
<b>Total Healthcare Delivery - Specialty Care</b>	<b>1,591,447</b>	<b>13,206,477</b>	<b>27,163,000</b>	<b>49%</b>	<b>7,042,454</b>	<b>88%</b>	



# Questions ? Comments ?