



CENTRAL HEALTH

Central Health

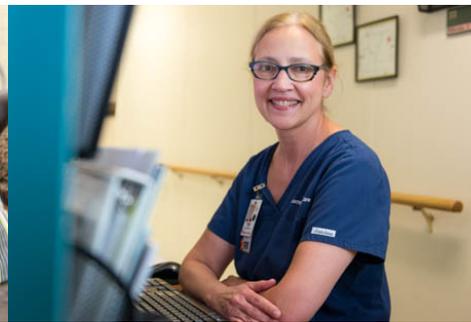
Financial Statement Presentation

FY 2019 – as of September 30, 2019 (Preliminary)

Central Health Board of Managers Meeting

October 30, 2019

Lisa Owens, VP of Financial Operations





September 2019 Financial Highlights

- Year-to-date, collected net property tax revenue is \$198 million compared to \$183 million as of September 2018.
- Tax collected through September 2019 is 99% of the adjusted tax levy compared to 99% as of September 2018.
- The IGT for YTD September 2019 is \$118 million compared to \$113 million as of September 2018. The increase is related to the DSRIP IGT for the CCC.
- Central Health made a Member Payment to the CCC in September for \$11M.
- The TCHD LPPF made it's first IGT payment for Uncompensated Care, Performance Year 8 of \$13M. The TCHD LPPF cash & investment balance after this IGT is \$12.8M and there is a balance due from participants of \$8.7M as of 9/30/2019.

Preliminary



Balance Sheet
As of September 30, 2019
(Page 1 of 2, Assets)

Assets	as of 9/30/2019	Audited as of 9/30/2018
Current Assets		
Cash and cash equivalents	1,005,650	1,595,375
Short-term investments	95,991,491	79,771,440
Ad valorem taxes receivable	1,203,466	1,022,083
Other receivables	4,181,201	3,856,174
Prepaid expenses	328,274	524,288
Total Current Assets	102,710,082	86,769,360
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	5,991,347	6,328,247
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	17,083,000
Restricted TCHD LPPF Cash & Investments	12,813,388	-
Total Restricted Cash and Investments or Noncurrent	130,887,735	98,411,247
Capital Assets		
Land	12,546,211	11,770,184
Buildings and improvements	134,695,330	134,354,256
Equipment and furniture	9,551,257	8,779,252
Construction in progress	1,483,800	196,006
Less accumulated depreciation	(44,384,537)	(39,902,640)
Total Capital Assets	113,892,061	115,197,058
Total Assets	347,489,878	300,377,665

Preliminary



Balance Sheet
As of September 30, 2019
(Page 2 of 2, Liabilities and Net Assets)

Liabilities	as of 9/30/2019	Audited as of 9/30/2018
Current Liabilities		
Accounts payable	3,628,030	1,410,896
Salaries and benefits payable	1,446,079	1,284,601
Other Payables	91,563	81,607
Debt service payable, short-term	1,092,203	1,059,933
Deferred tax revenue	21,793	107,870
Other deferred revenue	6,466	-
Total Current Liabilities	6,286,134	3,944,907
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	12,813,388	
Debt service payable, long-term	7,285,000	8,350,000
Deferred Revenue	1,220,000	
Total Restricted of Noncurrent Liabilities	21,318,388	8,350,000
Total Liabilities	27,604,522	12,294,907
Net Assets		
Unrestricted	205,993,295	172,885,700
Investment in Capital Assets	113,892,061	115,197,058
Total Net Assets	319,885,356	288,082,758
Liabilities and Net Assets	347,489,878	300,377,665

Preliminary



Sources and Uses Report
Fiscal Year-to-Date through September 30, 2019
(Excludes Depreciation Expense)

Sources / Uses	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Sources					
Property Tax Revenue	1,073,823	197,810,630	196,861,527	100%	182,593,771
Lease Revenue	857,841	13,174,119	18,067,937	73%	10,744,091
Other Revenue	490,503	3,083,343	400,000	771%	1,601,956
Tobacco Settlement Revenue	-	3,523,773	2,000,000	176%	3,426,346
Contingency Reserve (Carryforward)	-	52,648,775	41,039,184	128%	51,560,311
Total Sources	2,422,167	270,240,640	258,368,648	105%	249,926,475
Uses of Funds					
Healthcare Delivery	13,754,200	198,190,309	247,343,600	80%	161,342,433
Administrative Program					
Salaries and benefits	340,238	4,198,665	4,690,997	90%	3,612,865
Consulting Fees	28,665	250,959	1,026,500	24%	787,205
Legal Fees	115,722	797,886	1,198,320	67%	726,203
Other Purchase Goods and Services	159,047	1,161,563	2,406,021	48%	1,693,482
Total Administrative Program	643,672	6,409,073	9,321,838	69%	6,819,755
Tax Collection Expenses	19,299	1,577,987	1,703,211	93%	1,541,652
Total Uses	14,417,171	206,177,369	258,368,648	80%	169,703,840
Excess Sources / (Uses)	(11,995,004)	64,063,271	-		80,222,635

Preliminary



Healthcare Delivery Expense
Fiscal Year-to-Date through September 30, 2019
(Excludes Depreciation Expense)

Healthcare Delivery	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Intergovernmental Transfers (IGTs) ⁽¹⁾					
Private Uncompensated Care	-	15,228,042	24,000,000	63%	15,965,283
DSMC Uncompensated Care	-	14,256,758	24,500,000	58%	12,667,158
DSH - Disproportionate Share	-	33,431,254	35,000,000	96%	33,850,078
DSRIP - CCC	-	32,150,830	27,500,000	117%	24,618,177
DSRIP - DSMC, Dell Children's	-	22,207,318	27,500,000	81%	25,665,759
DSRIP - St. David's	-	684,217	630,000	109%	319,637
Subtotal Intergovernmental Transfers (IGTs)	-	117,958,419	139,130,000	85%	113,086,092
Provider Costs					
Primary Care	514,026	1,127,749	790,344	143%	977,518
DSRIP Project Expense	-	-	-	0%	(37,396)
Charity Care	-	-	-	0%	1,062,933
Member Payment to CCC ⁽²⁾	11,210,000	35,420,000	34,000,000	104%	23,200,000
Medical Administration	51,440	617,275	719,990	86%	617,275
Subtotal Provider Costs	11,775,466	37,165,024	35,510,334	105%	25,820,330
Service Expansion Funds					
Sexual & Reproductive Health	(21,382)	759,100	1,080,000	70%	-
New Initiatives ⁽³⁾	157,500	157,500	1,400,000	0%	-
Other Service Expansion	-	-	2,000,000	0%	-
Subtotal Service Expansion Funds	136,118	916,600	4,480,000	0%	-

Preliminary

⁽¹⁾ Budget includes allocated portion of the contingency reserve appropriation, for IGT timing differences.

⁽²⁾ Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.

⁽³⁾ Funds appropriated for \$300,000 for possible Pay for Success project and \$420,000 for Integral Care school based program, paid as a CCC Member Payment.



Healthcare Delivery Expense (continued)
Fiscal Year-to-Date through September 30, 2019
(Excludes Depreciation Expense)

Healthcare Delivery	This Month	Fiscal Year to Date	Fiscal Year Budget	Percent of Budget Used	Prior Fiscal Year to Date
Healthcare Delivery Operating Costs					
Salaries and benefits	307,220	3,722,106	3,818,591	97%	3,922,773
Consulting Services	58,651	142,008	559,590	25%	264,195
Legal Fees	11,543	119,873	51,200	234%	64,288
Other Services and Purchased Goods	450,356	2,677,294	5,164,895	52%	1,880,914
Subtotal HCD Operating Costs	827,770	6,661,281	9,594,276	69%	6,132,170
UMCB Campus Redevelopment					
Salaries and benefits	33,355	355,821	435,293	82%	320,870
Consulting Services	-	79,067	1,685,750	5%	94,985
Legal Fees	28,947	192,908	485,000	40%	124,638
Other Services and Purchased Goods	491,898	4,294,345	8,519,499	50%	1,953,890
Subtotal UMCB Campus Redevelopment	554,200	4,922,141	11,125,542	44%	2,494,383
Other Costs					
ACA Enrollment and Subsidy	433,443	5,356,755	8,916,000	60%	2,438,930
Debt Service	27,203	1,370,089	1,372,818	100%	1,370,528
Subtotal Other Costs	460,646	6,726,844	10,288,818	65%	3,809,458
Reserves and Transfers					
FY2019 Capital reserve		2,840,000	2,840,000		
FY2019 Emergency reserve	-	1,000,000	1,000,000		
FY2019 Sendero Risk Based Capital	-	20,000,000	20,000,000		10,000,000
FY2019 Contingency reserve appropriation			13,374,630		
Subtotal Reserves, Appropriated Uses & Transfers	-	23,840,000	37,214,630	64%	10,000,000
Total Healthcare Delivery	13,754,200	198,190,309	247,343,600	80%	161,342,433

Preliminary



Questions ? Comments ?

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Balance Sheet (Assets) – Slide 3**Current Assets**

Cash and Cash Equivalents – \$1.0M compared to \$1.6M September 2018

Short-term Investments – Short-term investments were \$96M at month-end, which is net of restricted investments of \$6.0M for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.2M balance is composed of:

Gross Tax Receivables	\$3.6M
Taxable Assessed Valuation Adjustment	0M
Est. Allowance for Doubtful collections	<u>(1.2)M</u>
Total Taxes Receivable	\$1.2M

Other Receivables – Other receivables total \$4.2M and consists of intercompany balances:

- CommUnityCare - \$1.5M
- Sendero - \$1.2M
- Community Care Collaborative - \$1.3M
- Interest and miscellaneous receivables of \$196K

Prepaid Expenses – \$328K balance composed of:

- Prepaid Insurance - \$85K
- TCAD Fees - \$222K
- Prepaid Memberships/Subscriptions - \$15K
- Deposits - \$6K

Total Current Assets – **\$103M**



Balance Sheet (Assets) – Slide 3 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$6M in short-term securities restricted for capital acquisition.

Sendero Paid-in-Capital – \$71M (unchanged)

Working Capital Advance to CommUnityCare – \$4.0M (unchanged)

Sendero Surplus Debenture – \$37.1M (unchanged) (\$20M paid by CH in December 2018)

Restricted TCHD LPPF Cash & Investments - \$12.8M

Capital Assets – \$114M, net of accumulated depreciation

Total Assets – \$347M

Balance Sheet (Liabilities and Net Assets) – Slide 4

Current Liabilities

Accounts Payable – Major components of the \$3.6M balance are:

- \$2.9M estimated healthcare delivery costs for services incurred but not received.
- \$709K in vendor invoices at month-end.



Balance Sheet (Liabilities and Net Assets) – Slide 4 (continued)

Salaries and Benefits Payable – \$1.45M 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.

Other Payables – \$92K capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center. (unchanged)

Debt Service Payable, Short-Term – \$1.1M balance is comprised of \$1.065M in Certificates of Obligation Payable and \$27K Interest Payable.

Deferred Tax Revenue - \$22K

Other Deferred Revenue - \$6K remains from funds received from the Sendero donation of \$25k.

Total Current Liabilities – \$6.3M

Restricted or Noncurrent Liabilities

Due to TCHD LPPF - \$12.8M Receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$7.3M balance of the \$16M in Series 2011 Certificates of Obligation, reduced by eight payments made to date. This debt was issued for the North Central clinic. Due annually on 3/1.

Deferred Revenue – Long Term - \$1.2M, lease revenue for Block 164 year 2-FY20 and year 3-FY21 from 2033 LLP.

Total Noncurrent Liabilities – \$21M

Total Liabilities – \$28M

Net Assets

Unrestricted Net Assets – \$206M

Investment in Capital Assets – \$114M

Total Net Assets – \$320M

Total Liabilities and Net Assets – \$348M

Sources and Uses Report – Slide 5

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

Sources – Total \$2.4M for the month

Property Tax Revenue – Net property tax revenue for the month was \$1M. Net revenue includes \$95K current month's collections, less \$13K in adjustments for prior year delinquent taxes, plus the annual adjustment of \$991K tax allowance.

Lease Revenue – \$858K recorded for Seton lease payment, UT ground lease.

Other Revenue – \$196K investment income for the month, an additional \$295K year-end adjustment to investments, \$3.1M YTD, compared to \$1.6M YTD last year.

Uses of Funds – Total \$14.4M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$198M YTD compared to \$161M YTD thru September 2018.

Administration Program – \$644K in expense for the month, which includes:

- Personnel costs – \$340K
- Consulting services – \$29K
- Legal fees – \$116K
- Other general and administrative – \$159K

Tax Collection Expenses – \$19K for the month.

Excess Sources/(Uses) – \$(12)M in September. Current YTD is \$64M compared to prior year 2018 YTD of \$80M. September is negative due to an \$11M Member Payment to the CCC and low property tax collections at this time of year.

Healthcare Delivery Expense – Slide 6 & 7

Healthcare Delivery Expense – Total \$14M September, \$198M YTD and \$161M September 2018

Intergovernmental Transfers (“IGT’s”) – YTD \$118M compared to \$113M last year.

Provider Costs – Healthcare delivery providers’ expense for September totaled \$11.8M, which includes:

- Primary care – \$514K
- Member Payment to CCC - \$11.2M
- Medical Administration – \$51K

Service Expansion Funds – Sexual & Reproductive Health \$(21)K for the month. New Initiatives included workforce development program for \$158K for the year.

Healthcare Delivery Operating Cost – \$828K in expenses for the month and includes:

- Personnel costs – \$307K
- Consulting Services – \$59K
- Legal Fees - \$12K
- Other services and purchased goods – \$450K



September 2019 Preliminary Monthly Financial Statements (unaudited)

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UMCB Campus Redevelopment - \$554K in expense for the month and \$4.9M YTD.

Other Costs – \$461K in expense for the month, which includes:

- ACA Enrollment and Subsidy – \$434K
- Debt Service – \$27K

Total Healthcare Delivery - for the month of September was \$14M.

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