

Community Care Collaborative

Financial Statement Presentation

FY 2020 – as of July 31, 2020 (Preliminary)

Central Health Board of Managers
Board of Managers Meeting
August 26, 2020

Jeff Knodel, Chief Financial Officer
Lisa Owens, Deputy Chief Financial Officer



a partnership of Central Health and Seton Healthcare Family

Preliminary

Highlights Community Care Collaborative

July 2020



- * Cash is at \$70.3 million compared to \$73.2 million last year.
- * Total Liabilities are at \$46.7 million as of the end of July 2020.
- * Net Assets at the end of July are \$23.9 million mainly due to annual DSRIP cash received totaling \$63.3 million offset by UT Health Affiliation Agreement payable totaling \$35 million.

Preliminary

Balance Sheet Community Care Collaborative

As of July 2020



Community Care Collaborative

	as of 7/31/2020	as of 7/31/2019
Assets		
Cash and Cash Equivalents	70,258,060	73,228,637
Other Receivables	337,161	20,946
Prepaid and Other	57,934	244,543
Total Assets	<u>70,653,155</u>	<u>73,494,126</u>
Liabilities		
AP and Accrued Liabilities	44,441,267	49,657,393
Deferred Revenue	1,961,042	773,780
Other Liabilities	223,901	258,507
Accrued Payroll	118,895	528,064
Total Liabilities	<u>46,745,105</u>	<u>51,217,744</u>
Net Assets	<u>23,908,051</u>	<u>22,276,382</u>
Liabilities and Net Assets	<u>70,653,155</u>	<u>73,494,126</u>

Preliminary

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through July 2020



Sources of Funds	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
DSRIP Revenue	61,168,472	63,290,350	103%	76,552,524
Member Payment - Seton ⁽¹⁾	0	0	0%	21,133,245
Member Payment - Central Health ⁽¹⁾	0	0	0%	24,210,000
Operations Contingency Carryforward	5,362,495	10,731,787	200%	5,088,307
Other Sources	100,000	114,864	115%	527,893
Total Sources of Funds	66,630,967	74,137,001	111%	127,511,968
Uses - Programs				
Healthcare Delivery	19,630,967	13,386,840	68%	66,640,693
UT Services Agreement	35,000,000	35,000,000	100%	35,000,000
DSRIP Project Costs	12,000,000	6,842,111	57%	8,594,877
Total Uses	66,630,967	55,228,950	83%	110,235,571
Net Sources (Uses)	-	18,908,051		17,276,398
Net Assets		23,908,051		22,276,398

⁽¹⁾ 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.

Preliminary

Healthcare Delivery Costs - Summary

Fiscal Year-to-Date through July 2020



	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	534,336	58%	38,207,279
Specialty Care	3,908,000	1,858,656	48%	5,452,081
Specialty Behavioral Health	8,000,000	6,290,559	79%	7,652,722
Specialty Dental Care	0	(8,710)	0%	580,763
Post-Acute Care	2,675,000	2,271,153	85%	1,915,486
Pharmacy	0	0	0%	4,517,995
Medical Management	0	0	0%	1,360,196
Urgent and Convenient Care	475,000	148,477	31%	105,523
Healthcare Delivery - Operations	2,849,742	2,292,368	80%	6,848,650
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	13,386,840	68%	66,640,693

Preliminary

Thank You

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$1.1M compared to \$1.2M July 2019

Short-term Investments – Short-term investments were \$194M at month-end and restricted investments of \$8.0M for capital acquisitions.

Ad Valorem Taxes Receivable – \$2.5M balance is composed of:

Gross Tax Receivables	\$ 7.1M
Taxable Assessed Valuation Adjustment	(2.2)M
Est. Allowance for Doubtful collections	(2.4)M
Total Taxes Receivable	\$ 2.5M

Other Receivables – Other receivables total \$6.0M and consists of intercompany balances:

- CommUnityCare - \$3.8M
- Sendero - \$597K
- Community Care Collaborative - \$1.1M
- Accrued Interest and Misc Receivables \$514K

Prepaid Expenses – \$515K balance composed of:

- Prepaid Insurance - \$131K
- Tax Assessor Collection Fees - \$1K
- TCAD Appraisal Fees - \$157K
- ICC - \$103K
- Software - \$99K
- Prepaid Memberships/Subscriptions - \$18K
- Deposits - \$6K

Total Current Assets – \$204M



Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$8.0M 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 - \$12M

Capital Assets – \$110M, net of accumulated depreciation

Total Assets – **\$446M**



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$5.6M balance are:

- \$4.6M estimated IBNR for healthcare services.
- \$986K estimated healthcare delivery costs.
- \$(8)K in month-end vendor invoices due.

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.

Other Payables – \$44K includes capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center.

Debt Service Payable, Short-Term – \$1.2M in Certificates of Obligation Payable and \$22K Interest Payable.

Deferred Tax Revenue - \$2.2M

Other Deferred Revenue - \$610K consists of the lease revenue \$610K for Block 164 Yr3 (FY21) from 2033 LLP

Total Current Liabilities – **\$11.3M**



Restricted or Noncurrent Liabilities – Slide 5 (continued)

Funds held for TCHD LPPF - \$12M receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$6.1M balance of the \$7.285M in General Obligation Bonds, Series 2020. This debt was originally issued in 2011 for the North Central clinic. Due annually on 3/1.

Deferred Revenue – Long Term - \$0.

Total Restricted or Noncurrent Liabilities – \$18M

Total Liabilities – \$29M

Net Assets

Unrestricted Net Assets – \$306M

Investment in Capital Assets – \$110M

Total Net Assets – \$416M

Total Liabilities and Net Assets – \$446M

Sources and Uses Report – Slide 6

July financials → ten months of the fiscal year, 83% of the fiscal year.

Sources – Total \$934K for the month

Property Tax Revenue – Net property tax revenue for the month was \$(65)K. Net revenue includes \$64K current month's collections, less \$129K in adjustments for prior year delinquent taxes.

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

Other Revenue – \$141K investment income for the month, \$2.2M YTD, compared to \$2.2M YTD last year. And \$511 in miscellaneous income (lot rent).

Uses of Funds – Total \$28.8M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$28M for the month and \$130M YTD compared to \$181M YTD thru July 2019.

Administration Program – \$572K in expense for the month, which includes:

- Personnel costs – \$411K
- Consulting services – \$13K
- Legal fees – \$80K
- Other general and administrative – \$68K

Tax Collection Expenses – \$80K for the month.

Excess Sources/(Uses) – \$(28)M in July. Current YTD is \$157M compared to prior year 2019 YTD of \$77M.

Healthcare Delivery Expense – Slide 7**Healthcare Delivery Expense** – Total \$28M July; \$130M YTD compared to \$181M July 2019.Intergovernmental Transfers (“IGT’s”) – YTD \$21M compared to \$117M last year.Healthcare Services – Healthcare delivery providers’ expense for July totaled \$4.5M, which includes:

- Primary care – \$3.1M
- Specialty Care (including Dental and Behavioral Health) – \$497K
- Pharmacy - \$837K
- All Other Healthcare Services - \$67K

ACA Premium Assist, Education, Enrollment – \$848K in expenses for the month.Healthcare Facilities and Campus Redevelopment - \$566K in expense for the month and \$3.4M YTD.Healthcare Delivery Operating Cost – \$1.3M in expenses for the month and includes:

- Personnel costs – \$828K
- Consulting Services – \$(1)K
- Legal Fees - \$1.7K
- Other services and purchased goods – \$523K

Debt, Reserves and Transfer – \$7.6K in Debt Service expense for the month**Total Healthcare Delivery** - for the month of July was \$28M.