



Financial Statements

As of the Year Ended September 30, 2025
Subject to Audit



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Financial Highlights Review **HARRISHEALTH**

As of September 30, 2025

Operating income for the year ended September 30, 2025 was \$187.5 million compared to budgeted income of \$53.6 million.

Total net revenue for the year ended September 30, 2025 of \$2,747.0 million was \$76.6 million or 2.9% more than budget. Net patient revenue was \$7.7 million more than budget and tax revenue was \$2.5 million higher than budget. Medicaid Supplemental programs were \$66.6 million more than expected primarily due to over \$40 million in prior years' refunds received from the State.

As of September 30, 2025, total expenses of \$2,599.4 million were \$57.3 million or 2.2% less than budget. Total labor costs were \$47.1 million lower than expected, largely due to delays in the onboarding of incremental FTEs tied to strategic project timing. Benefits expense was lower due to a favorable pension expense adjustment based on the latest actuarial report. Targeted initiatives focused on productivity improvements also contributed to the overall favorable variance in labor costs. Supplies and purchased services were \$37.9 million below budget, also impacted by strategic project timing. Purchased services saw additional savings from Community Health Choice Marketplace plan pricing.

Through the year ended September 30, 2025, total patient days and average daily census increased 0.2% and 0.5%, respectively compared to budget. Inpatient case mix index, a measure of patient acuity, and length of stay were 1.1% and 0.4% higher, respectively, than budget. Emergency room visits were 1.7% lower than planned for the year. Total clinic visits, including telehealth, were 4.8% higher compared to budget. Births were down 3.2%.

The System has \$1,647.8 million in unrestricted cash, cash equivalents and investments, representing 243.4 days cash on hand. Increase in days cash of hand is due to reimbursement from the Series 2025 bond totaling \$389.4 million as of September 30, 2025, for capital expenditures tied to the Strategic Capital Plan. The remainder of the \$840 million issuance is recorded as an asset limited as to use within the balance sheet. The corresponding debt is shown within the long-term debt portion of the balance sheet.

Harris Health has \$145.4 million in net accounts receivable, representing 69.6 days of outstanding patient accounts receivable at September 30, 2025. The September balance sheet reflects a combined net receivable position of \$23.8 million under the various Medicaid Supplemental programs. As of September 30, 2025, \$1,030.6 million in ad valorem tax collections were received and \$1,023.3 million in current ad valorem tax revenue was recognized.

Income Statement

HARRISHEALTH

As of the Year Ended September 30, 2025 and 2024 (in \$ Millions)

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 190.9	\$ 192.7	-0.9%	\$ 762.4	\$ 754.7	1.0%	\$ 748.1	1.9%
Medicaid Supplemental Programs	191.2	161.8	18.2%	713.8	647.2	10.3%	697.7	2.3%
Other Operating Revenue	39.2	36.4	7.7%	149.1	144.8	3.0%	121.5	22.7%
Total Operating Revenue	\$ 421.3	\$ 390.9	7.8%	\$ 1,625.3	\$ 1,546.7	5.1%	\$ 1,567.3	3.7%
Net Ad Valorem Taxes	252.8	255.2	-0.9%	1,023.3	1,020.8	0.2%	874.2	17.1%
Net Tobacco Settlement Revenue	-	-	0.0%	19.0	15.2	24.7%	15.2	24.8%
Capital Gifts & Grants	-	2.5	0.0%	4.0	10.0	-60.0%	-	0.0%
Interest Income & Other	23.8	19.4	22.9%	75.4	77.6	-2.9%	77.8	-3.1%
Total Nonoperating Revenue	\$ 276.7	\$ 277.1	-0.2%	\$ 1,121.6	\$ 1,123.7	-0.2%	\$ 967.1	16.0%
Total Net Revenue	\$ 698.0	\$ 668.0	4.5%	\$ 2,747.0	\$ 2,670.4	2.9%	\$ 2,534.4	8.4%
EXPENSE								
Salaries and Wages	\$ 258.0	\$ 261.9	1.5%	\$ 988.4	\$ 1,022.1	3.3%	\$ 955.1	-3.5%
Employee Benefits	82.0	83.2	1.5%	318.8	332.2	4.0%	291.3	-9.4%
Total Labor Cost	\$ 340.0	\$ 345.1	1.5%	\$ 1,307.1	\$ 1,354.3	3.5%	\$ 1,246.4	-4.9%
Supply Expenses	86.4	89.0	2.9%	328.2	352.3	6.9%	322.3	-1.8%
Physician Services	125.2	116.2	-7.7%	484.8	476.2	-1.8%	443.7	-9.2%
Purchased Services	88.1	80.6	-9.4%	315.8	329.6	4.2%	281.0	-12.4%
Depreciation & Interest	36.2	37.4	3.0%	123.6	104.3	-18.4%	101.4	-21.8%
Total Operating Expense	\$ 676.0	\$ 668.2	-1.2%	\$ 2,559.4	\$ 2,616.8	2.2%	\$ 2,394.9	-6.9%
Operating Income (Loss)	\$ 22.0	\$ (0.2)		\$ 187.5	\$ 53.6		\$ 139.5	
Total Margin %	3.1%	0.0%		6.8%	2.0%		5.5%	

Balance Sheet

HARRISHEALTH

September 2025 and 2024 (in \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,647.8	\$ 1,462.2
Net Patient Accounts Receivable	145.4	157.8
Net Ad Valorem Taxes, Current Portion	-	-
Other Current Assets	83.2	100.4
Total Current Assets	\$ 1,876.4	\$ 1,720.3
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 602.5	\$ 552.9
Construction in Progress	638.7	239.3
Right of Use Assets	36.5	36.6
Total Capital Assets	\$ 1,277.7	\$ 828.9
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 490.0	\$ 35.1
LPPF Restricted Cash	132.5	59.1
Capital Gift Proceeds	57.2	55.0
Other - Restricted	6.1	1.0
Total Assets Limited As to Use & Restricted Assets	\$ 685.8	\$ 150.3
Other Assets	40.7	31.6
Deferred Outflows of Resources	138.8	182.3
Total Assets & Deferred Outflows of Resources	\$ 4,019.4	\$ 2,913.4
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 400.9	\$ 268.3
Employee Compensation & Related Liabilities	161.4	138.4
Deferred Revenue - Ad Valorem	-	-
Estimated Third-Party Payor Settlements	37.3	30.3
Current Portion Long-Term Debt and Capital Leases	36.6	36.6
Total Current Liabilities	\$ 636.1	\$ 473.7
Long-Term Debt	1,108.2	279.7
Net Pension & Post Employment Benefits Liability	646.6	688.5
Other Long-Term Liabilities	5.8	8.3
Deferred Inflows of Resources	82.2	110.4
Total Liabilities	\$ 2,479.0	\$ 1,560.5
Total Net Assets	\$ 1,540.4	\$ 1,352.9
Total Liabilities & Net Assets	\$ 4,019.4	\$ 2,913.4

Cash Flow Summary

HARRISHEALTH

As of the Year Ended September 30, 2025 and 2024 (in \$ Millions)

	QUARTER-TO-QUARTER		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 203.5	\$ 199.1	\$ 833.6	\$ 820.8
Medicaid Supplemental Programs	356.2	381.8	683.6	1,052.1
Net Ad Valorem Taxes	2.7	1.5	1,030.6	878.9
Tobacco Settlement	-	-	19.0	15.2
Other Revenue	181.2	65.7	615.8	258.1
Total Cash Receipts	\$ 743.5	\$ 648.0	\$ 3,182.7	\$ 3,025.0
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 390.9	\$ 372.0	\$ 1,387.6	\$ 1,367.8
Supplies	83.8	86.4	355.9	325.9
Physician Services	128.9	118.8	465.0	434.5
Purchased Services	78.9	73.2	306.4	276.9
Capital Expenditures	171.8	53.4	482.9	180.7
Debt and Interest Payments	13.2	4.9	33.4	11.6
Other Uses	(22.1)	(26.8)	(32.9)	(23.1)
Total Cash Disbursements	\$ 845.3	\$ 681.8	\$ 2,998.3	\$ 2,574.3
Net Change	\$ (101.8)	\$ (33.8)	\$ 184.4	\$ 450.8
Unrestricted cash, cash equivalents and investments - Beginning of year			\$ 1,463.4	
Net Change			\$ 184.4	
Unrestricted cash, cash equivalents and investments - End of period			\$ 1,647.8	

Performance Ratios

HARRISHEALTH

As of the Year Ended September 30, 2025 and 2024 (in \$ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	3.1%	0.0%	6.8%	2.0%	5.5%
Run Rate per Day (In\$ Millions)	\$ 7.1	\$ 7.1	\$ 6.7	\$ 7.0	\$ 6.3
Salary, Wages & Benefit per APD	\$ 2,499	\$ 2,576	\$ 2,438	\$ 2,545	\$ 2,349
Supply Cost per APD	\$ 635	\$ 664	\$ 612	\$ 662	\$ 607
Physician Services per APD	\$ 921	\$ 868	\$ 904	\$ 895	\$ 836
Total Expense per APD	\$ 4,969	\$ 4,987	\$ 4,773	\$ 4,918	\$ 4,513
Overtime as a % of Total Salaries	2.8%	3.0%	3.2%	3.0%	3.5%
Contract as a % of Total Salaries	3.1%	2.7%	3.2%	2.8%	4.2%
Full-time Equivalent Employees	10,344	10,695	10,411	10,651	10,405
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			2.9		3.6
Unrestricted Cash (In \$ Millions)			\$ 1,647.8	\$ 1,357.5	\$ 1,462.2
Days Cash on Hand			243.4	195.3	231.2
Days Revenue in Accounts Receivable			69.6	75.7	77.2
Days in Accounts Payable			60.8		53.0
Capital Expenditures/Depreciation & Amortization			501.7%		205.9%
Average Age of Plant(years)			10.1		10.4

Harris Health Key Indicators



Statistical Highlights

HARRISHEALTH

As of the Year Ended September 30, 2025 and 2024

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT QUARTER	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	136,037	133,608	1.8%	536,239	532,053	0.8%	530,692	1.0%
Outpatient % of Adjusted Volume	63.0%	61.6%	2.3%	63.2%	62.2%	1.5%	62.3%	1.4%
Primary Care Clinic Visits	141,148	134,263	5.1%	547,535	536,541	2.0%	523,759	4.5%
Specialty Clinic Visits	64,576	59,414	8.7%	252,397	243,317	3.7%	244,782	3.1%
Telehealth Clinic Visits	32,475	29,754	9.1%	124,551	118,194	5.4%	113,881	9.4%
Total Clinic Visits	238,199	223,431	6.6%	924,483	898,052	2.9%	882,422	4.8%
Emergency Room Visits - Outpatient	35,490	34,328	3.4%	141,324	138,942	1.7%	144,047	-1.9%
Emergency Room Visits - Admitted	5,752	5,449	5.6%	21,324	22,009	-3.1%	21,479	-0.7%
Total Emergency Room Visits	41,242	39,777	3.7%	162,648	160,951	1.1%	165,526	-1.7%
Surgery Cases - Outpatient	3,093	2,901	6.6%	12,413	11,600	7.0%	11,523	7.7%
Surgery Cases - Inpatient	2,725	2,592	5.1%	10,697	10,114	5.8%	10,499	1.9%
Total Surgery Cases	5,818	5,493	5.9%	23,110	21,714	6.4%	22,022	4.9%
Total Outpatient Visits	390,506	366,987	6.4%	1,576,029	1,480,381	6.5%	1,499,714	5.1%
Inpatient Cases (Discharges)	7,996	7,716	3.6%	30,241	31,872	-5.1%	30,757	-1.7%
Outpatient Observation Cases	2,740	2,928	-6.4%	12,267	11,397	7.6%	11,476	6.9%
Total Cases Occupying Patient Beds	10,736	10,644	0.9%	42,508	43,269	-1.8%	42,233	0.7%
Births	1,248	1,321	-5.5%	5,148	5,376	-4.2%	5,316	-3.2%
Inpatient Days	50,364	51,318	-1.9%	197,482	201,014	-1.8%	200,128	-1.3%
Outpatient Observation Days	9,455	9,631	-1.8%	42,888	36,715	16.8%	39,683	8.1%
Total Patient Days	59,819	60,949	-1.9%	240,370	237,729	1.1%	239,811	0.2%
Average Daily Census	650.2	662.5	-1.9%	658.5	651.3	1.1%	655.2	0.5%
Average Operating Beds	701	700	0.2%	701	700	0.1%	705	-0.6%
Bed Occupancy %	92.7%	94.6%	-2.0%	93.9%	93.0%	1.0%	92.9%	1.1%
Inpatient Average Length of Stay	6.30	6.65	-5.3%	6.53	6.31	3.5%	6.51	0.4%
Inpatient Case Mix Index (CMI)	1.720	1.712	0.5%	1.730	1.712	1.0%	1.712	1.1%
Payor Mix (% of Charges)								
Charity & Self Pay	44.7%	43.4%	3.1%	45.5%	43.4%	5.0%	43.4%	5.0%
Medicaid & Medicaid Managed	20.2%	19.4%	4.2%	18.8%	19.4%	-3.2%	19.4%	-3.2%
Medicare & Medicare Managed	10.6%	11.4%	-7.6%	10.6%	11.4%	-7.1%	11.4%	-7.1%
Commercial & Other	24.5%	25.8%	-5.1%	25.1%	25.8%	-2.8%	25.8%	-2.8%
Total Unduplicated Patients - Rolling 12				243,424			247,174	-1.5%
Total New Patient - Rolling 12				85,782			89,617	-4.3%

Harris Health

Statistical Highlights

As of the Quarter Ended September 30, 2025

Cases Occupying Beds - Q4

Actual	Budget	Prior Year
10,736	10,644	10,661

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
42,508	43,269	42,233

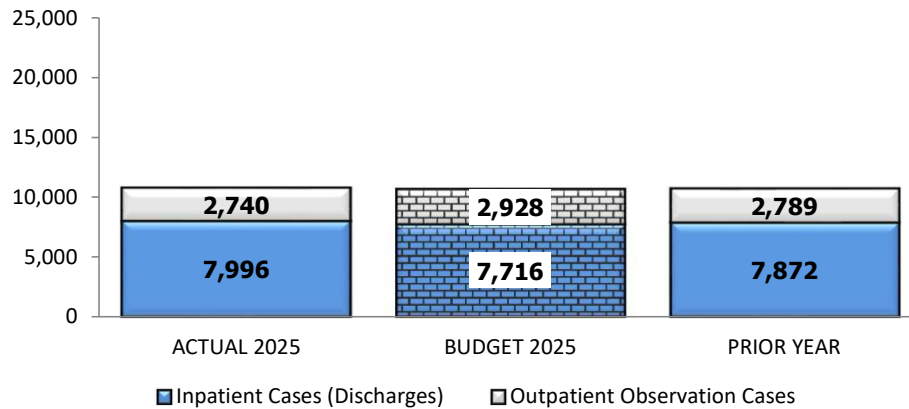
Emergency Visits - Q4

Actual	Budget	Prior Year
41,242	39,777	43,059

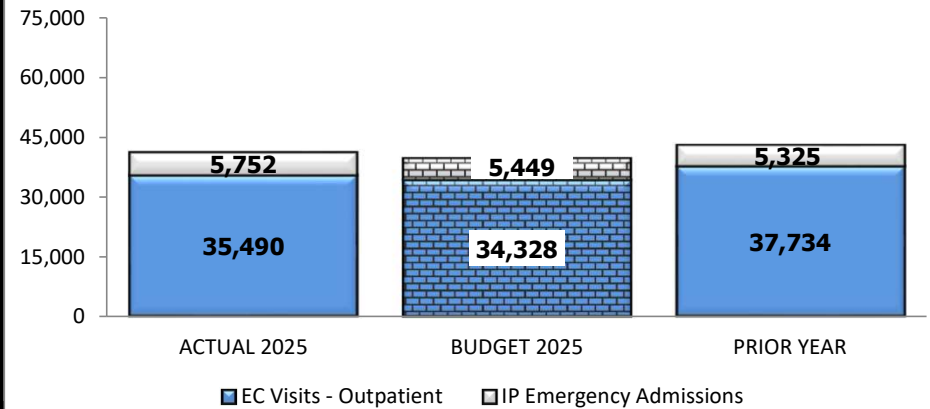
Emergency Visits - YTD

Actual	Budget	Prior Year
162,648	160,951	165,526

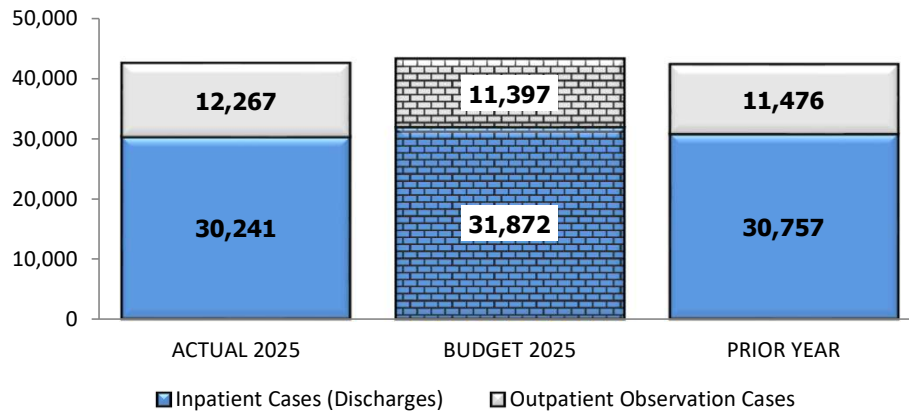
Cases Occupying Beds - Quarter End



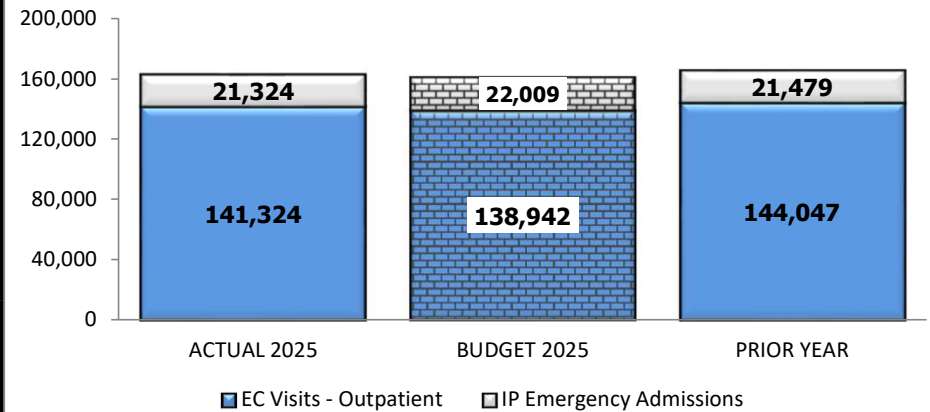
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health

Statistical Highlights

As of the Quarter Ended September 30, 2025

Surgery Cases - Q4

Actual	Budget	Prior Year
5,818	5,493	5,821

Surgery Cases - YTD

Actual	Budget	Prior Year
23,110	21,714	22,022

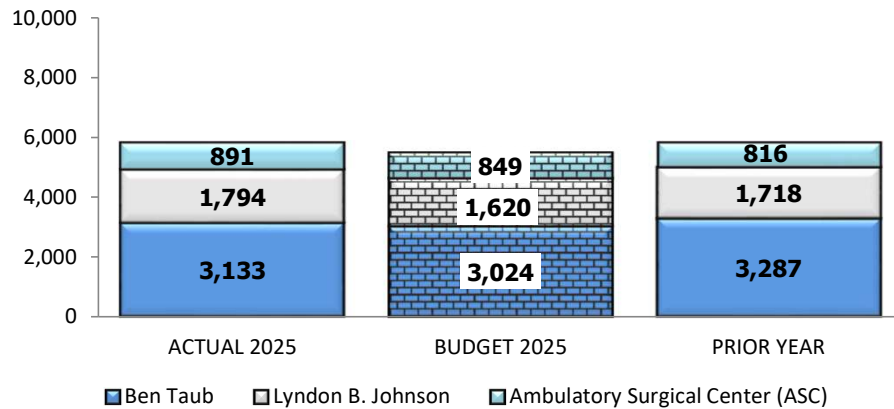
Clinic Visits - Q4

Actual	Budget	Prior Year
238,199	223,431	220,056

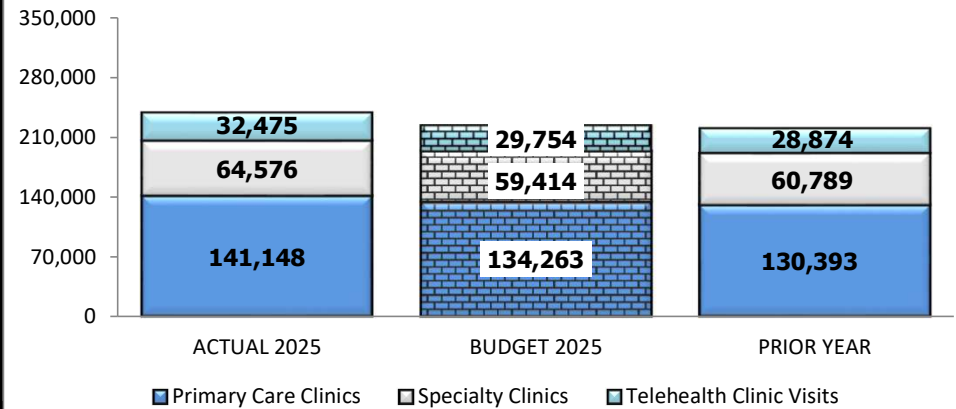
Clinic Visits - YTD

Actual	Budget	Prior Year
924,483	898,052	882,422

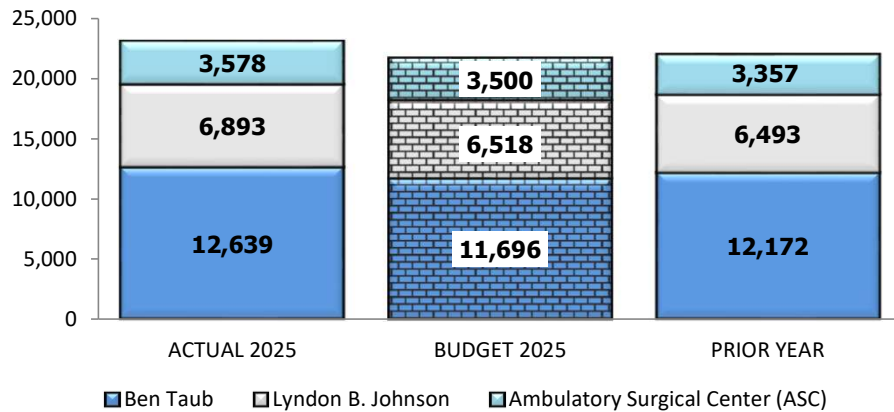
Surgery Cases - Quarter End



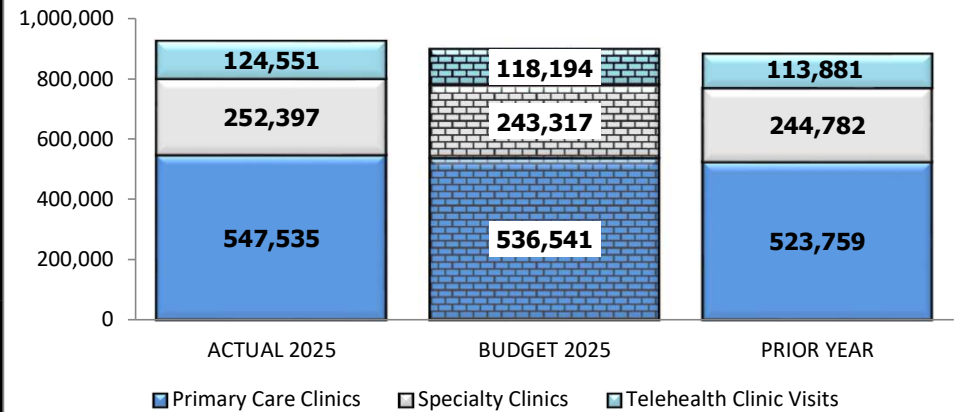
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health

Statistical Highlights

As of the Quarter Ended September 30, 2025

Adjusted Patient Days - Q4

136,037

Adjusted Patient Days - YTD

536,239

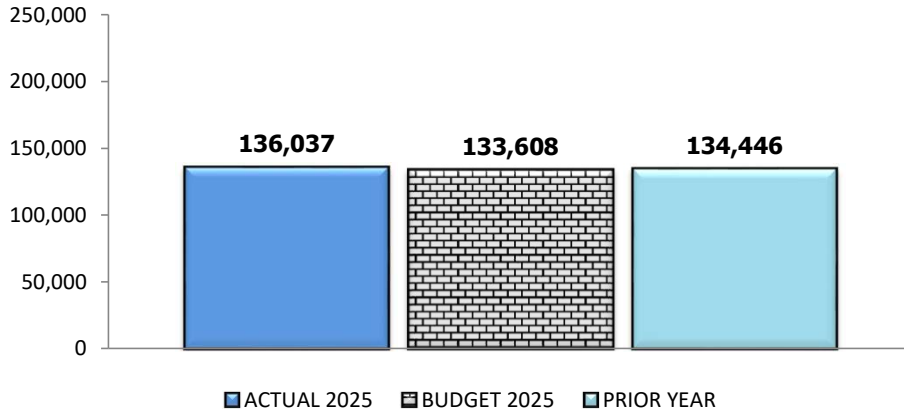
Average Daily Census - Q4

650.2

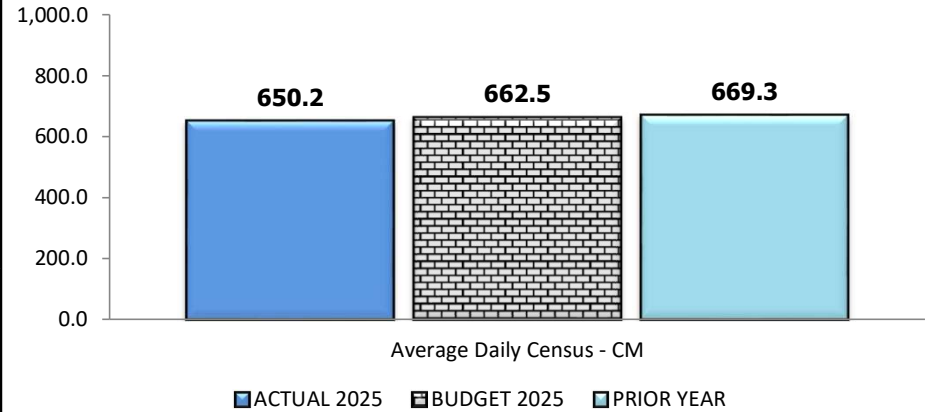
Average Daily Census - YTD

658.5

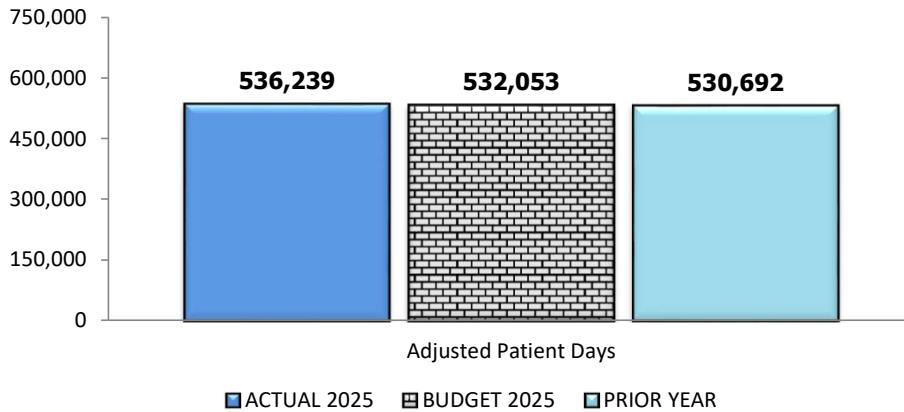
Adjusted Patient Days - Quarter End



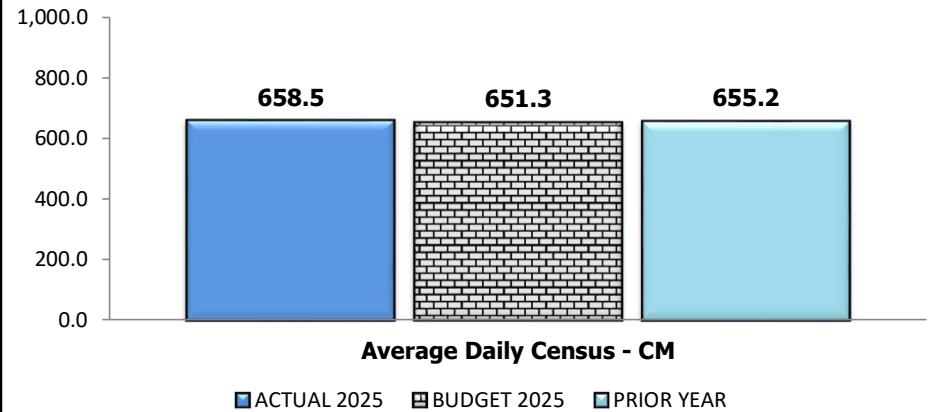
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health

Statistical Highlights

As of the Quarter Ended September 30, 2025

Inpatient ALOS - Q4

6.30

Inpatient ALOS - YTD

6.53

Case Mix Index - Q4

Overall

1.720

Excl. Obstetrics

1.875

Case Mix Index (CMI) - YTD

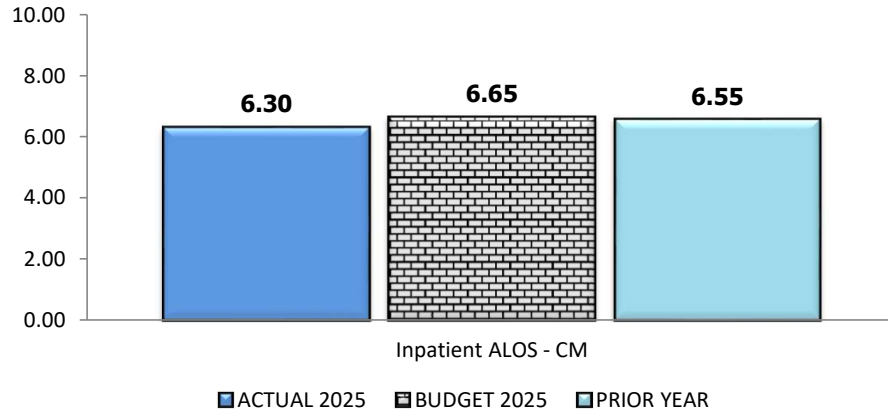
Overall

1.730

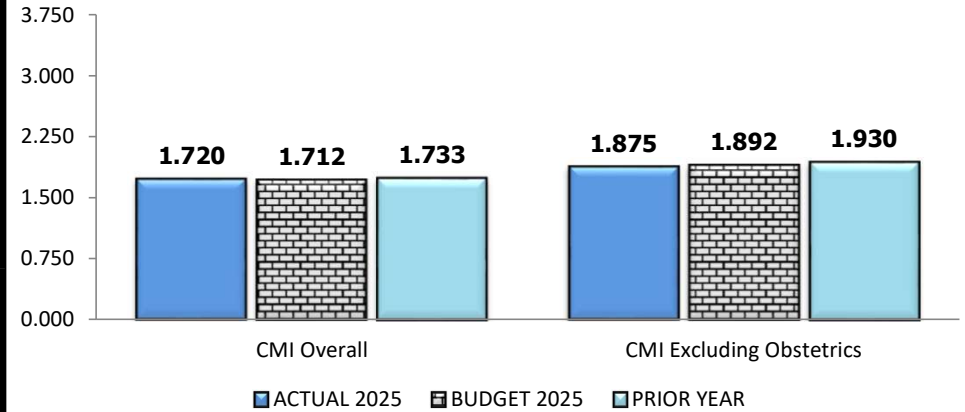
Excl. Obstetrics

1.905

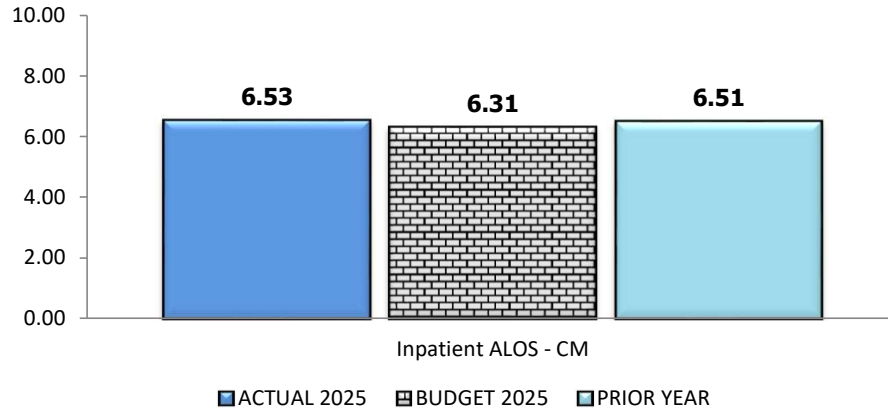
Inpatient ALOS - Quarter End



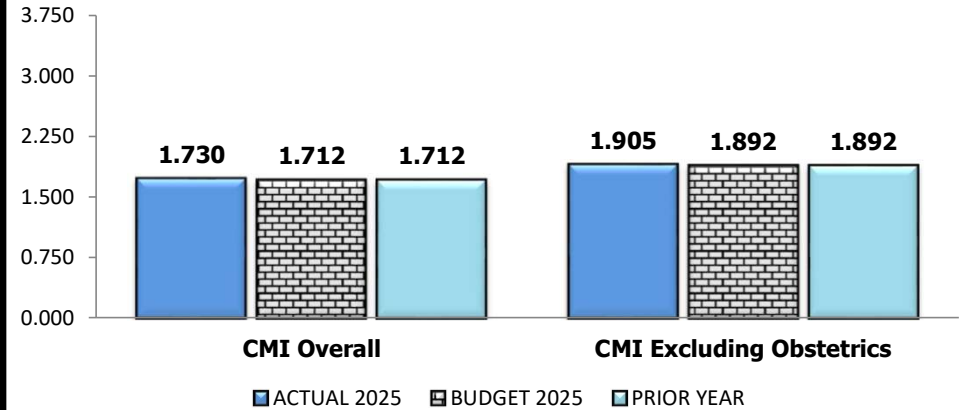
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health

Statistical Highlights - Cases Occupying Beds

As of the Quarter Ended September 30, 2025

BT Cases Occupying Beds - Q4

Actual	Budget	Prior Year
6,198	6,317	6,263

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
24,500	25,887	25,014

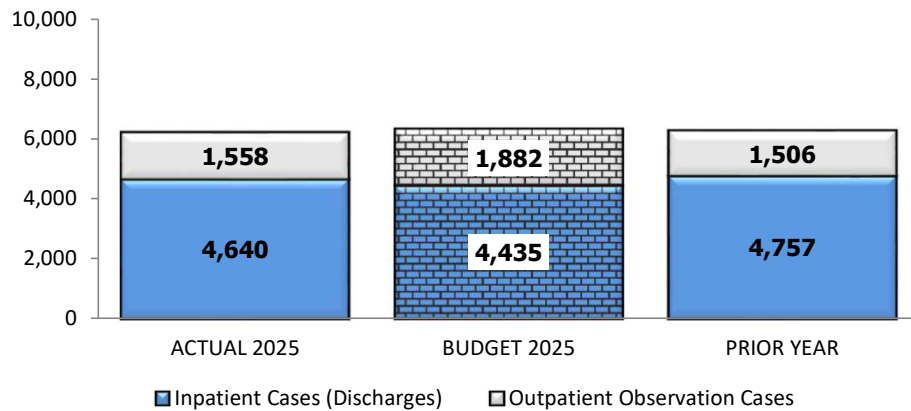
LBJ Cases Occupying Beds - Q4

Actual	Budget	Prior Year
4,459	4,258	4,361

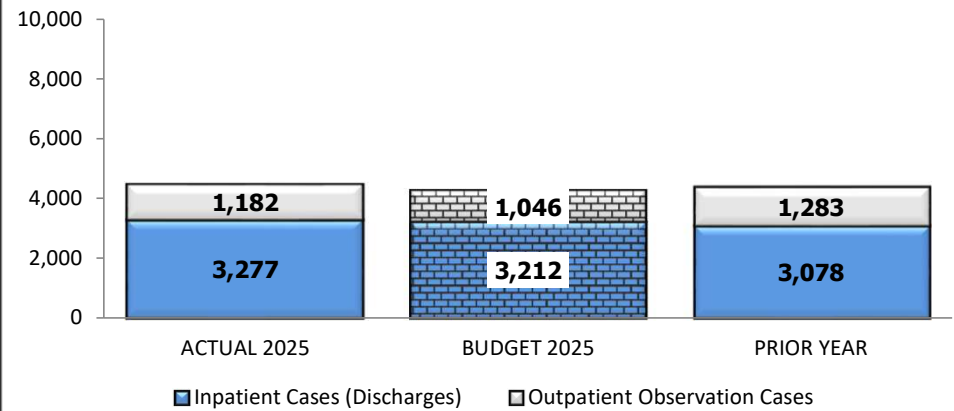
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
17,773	17,150	17,167

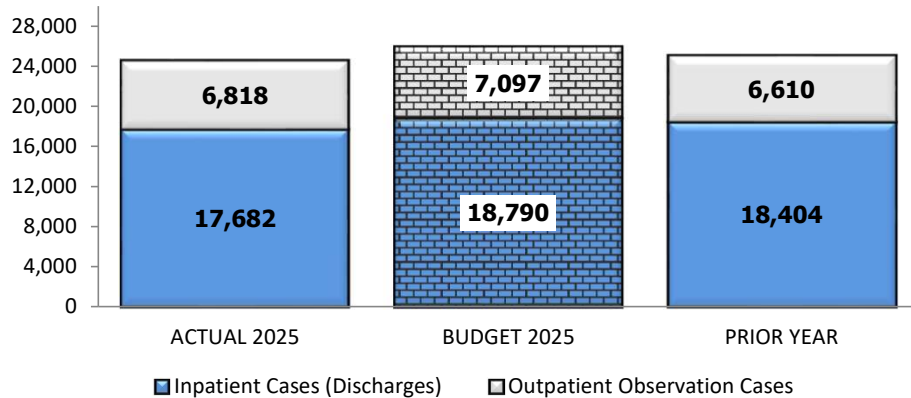
Ben Taub Cases - Quarter End



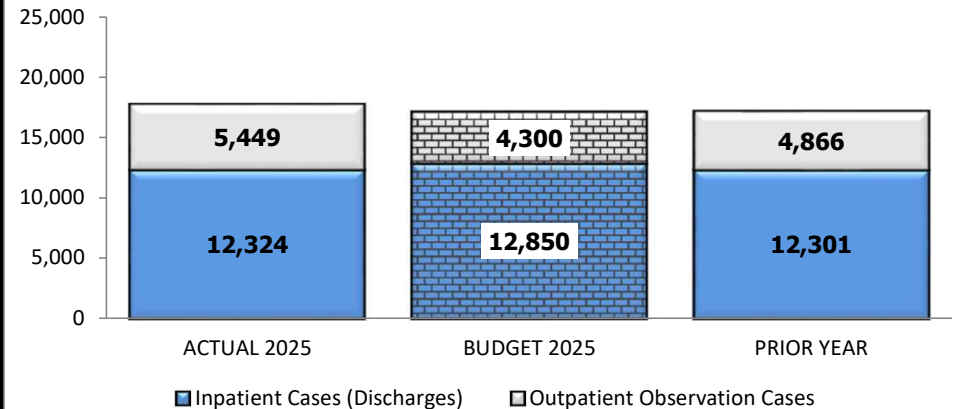
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health

Statistical Highlights - Surgery Cases

As of the Quarter Ended September 30, 2025

BT Surgery Cases - Q4

Actual	Budget	Prior Year
3,133	3,024	3,287

BT Surgery Cases - YTD

Actual	Budget	Prior Year
12,639	11,696	12,172

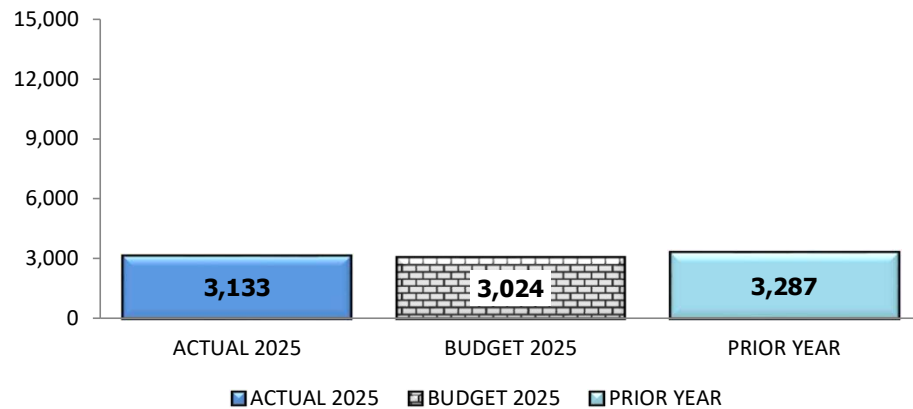
LBJ Surgery Cases - Q4

Actual	Budget	Prior Year
2,685	2,469	2,534

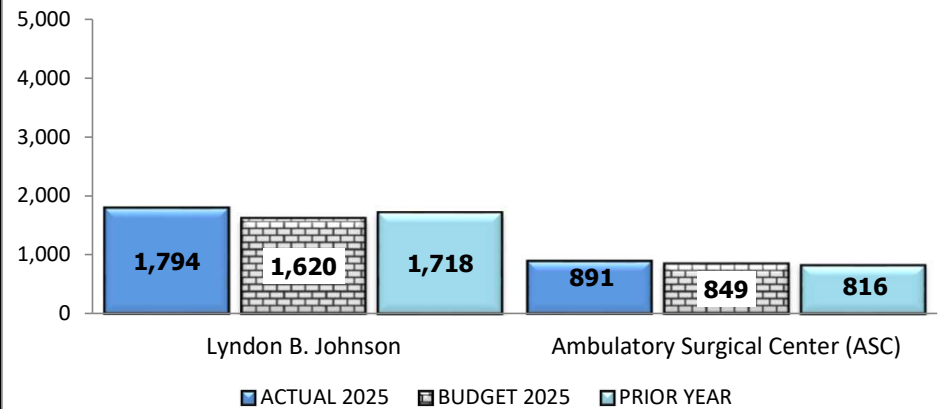
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
10,471	10,018	9,850

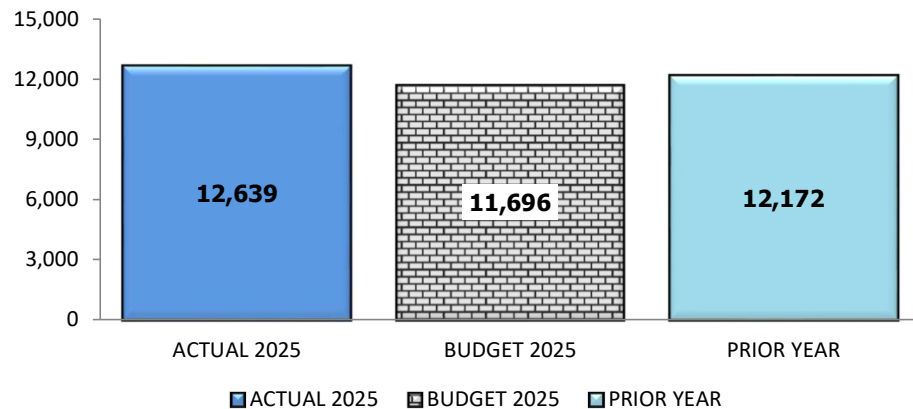
Ben Taub OR Cases - Quarter End



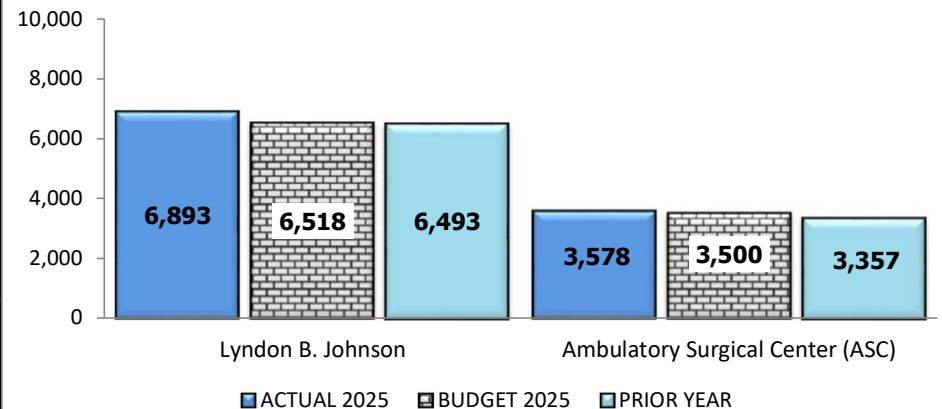
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended September 30, 2025

BT Emergency Visits - Q4

Actual	Budget	Prior Year
21,332	19,936	22,310

BT Emergency Visits - YTD

Actual	Budget	Prior Year
83,178	82,651	84,701

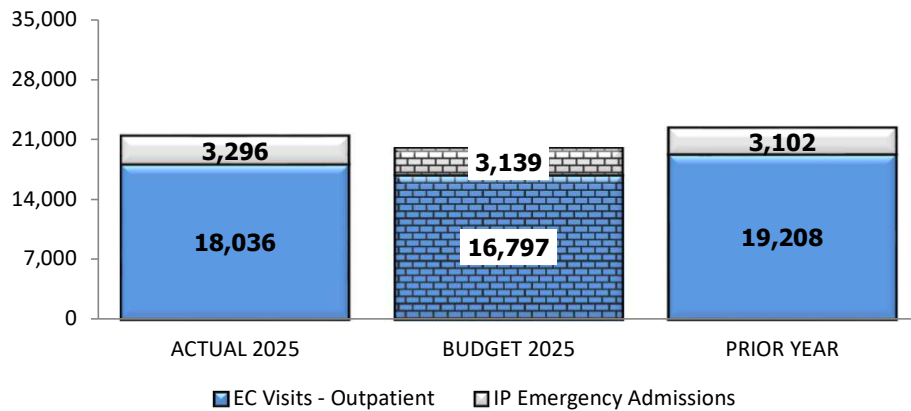
LBJ Emergency Visits - Q4

Actual	Budget	Prior Year
19,910	19,841	20,749

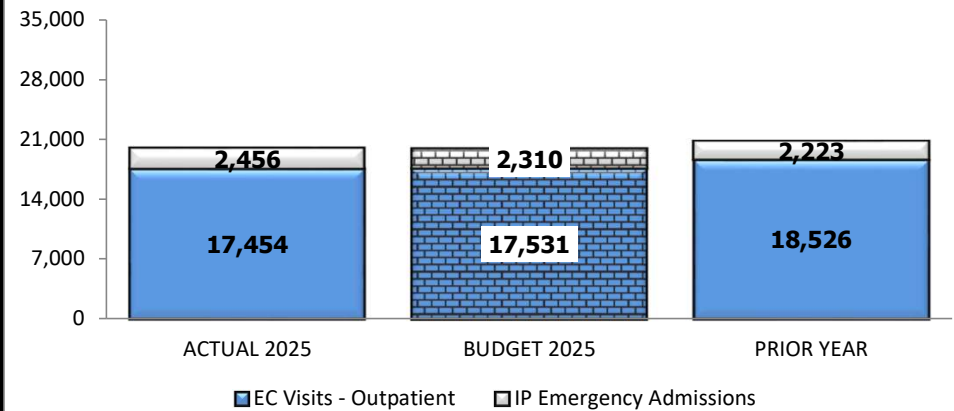
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
79,470	78,300	80,825

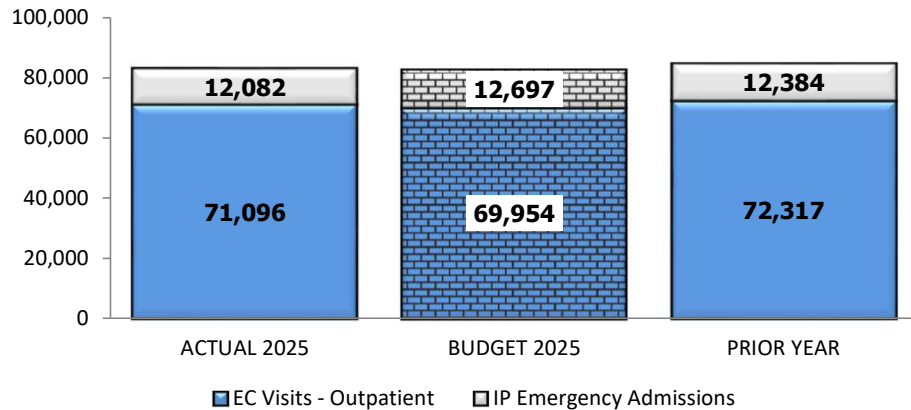
Ben Taub EC Visits - Quarter End



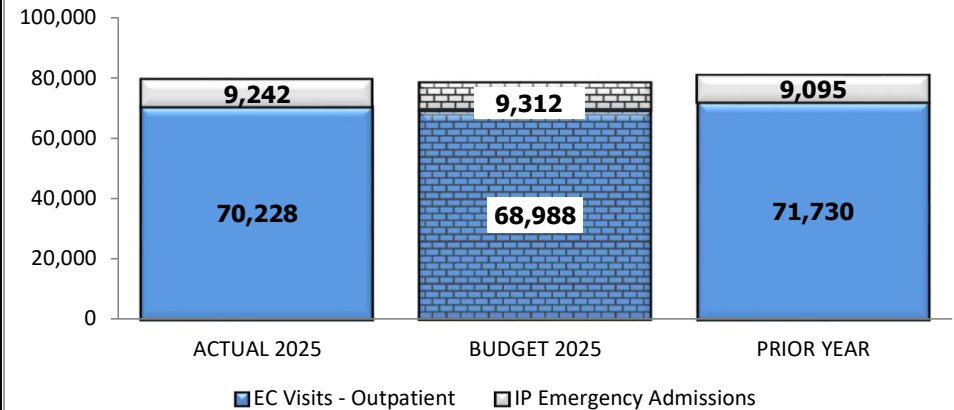
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health

Statistical Highlights - Births

As of the Quarter Ended September 30, 2025

BT Births - Q4

Actual	Budget	Prior Year
669	666	826

BT Births - YTD

Actual	Budget	Prior Year
2,873	2,998	2,932

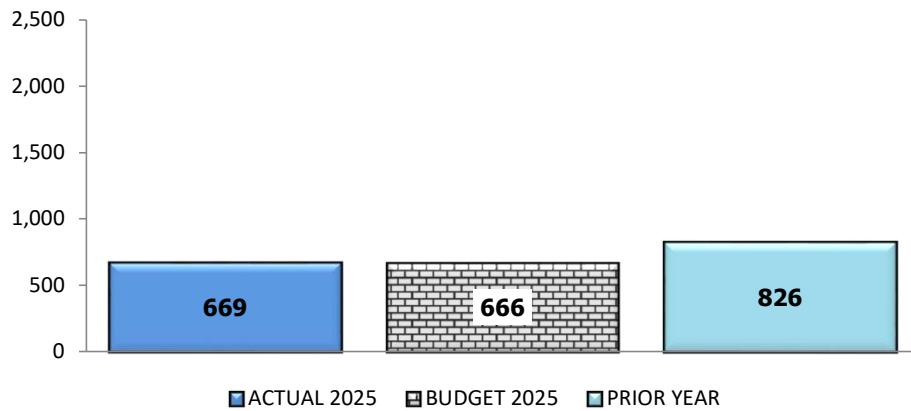
LBJ Births - Q4

Actual	Budget	Prior Year
579	655	643

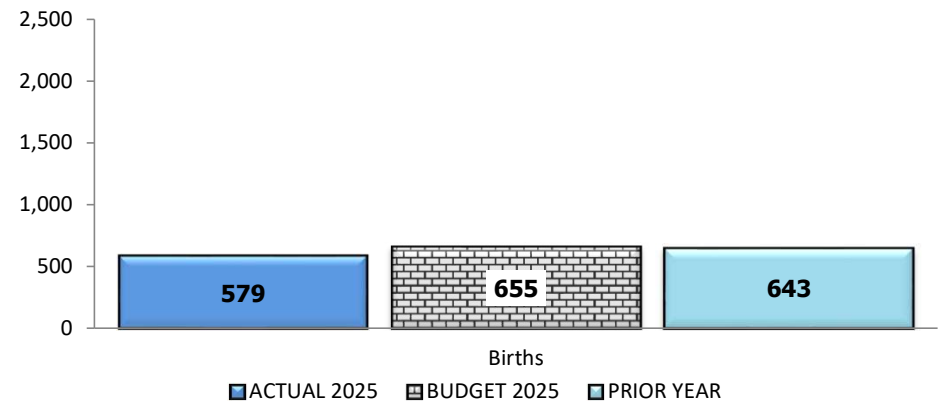
LBJ Births - YTD

Actual	Budget	Prior Year
2,275	2,378	2,384

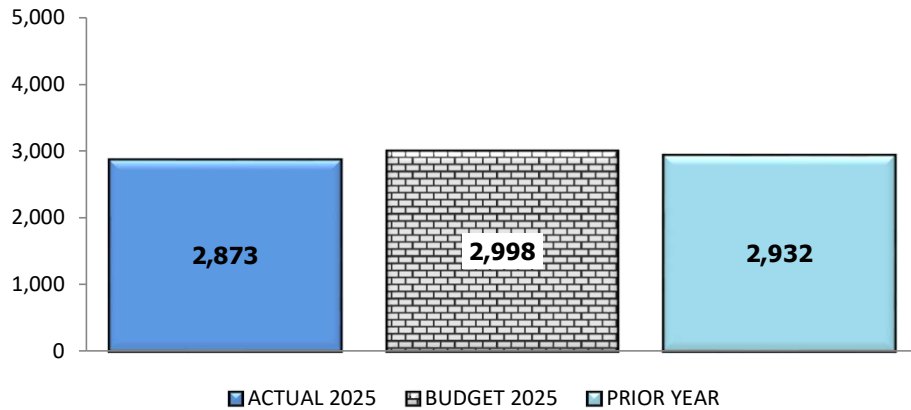
Ben Taub Births - Quarter End



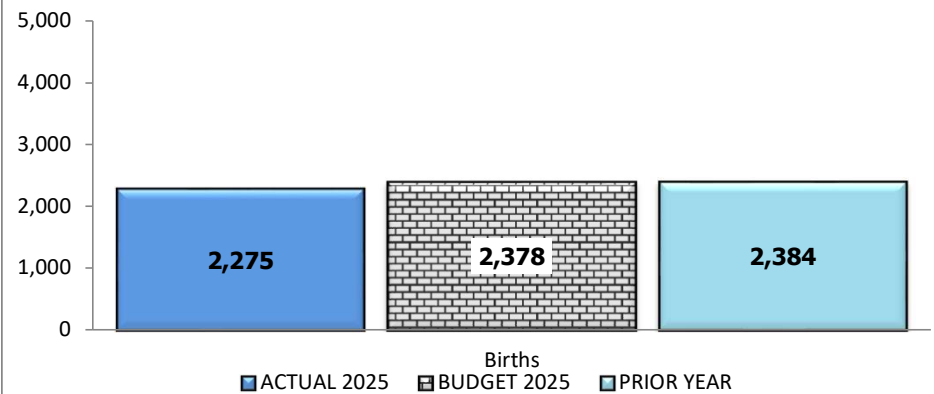
Lyndon B. Johnson Births - Quarter End



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health

Statistical Highlights - Adjusted Patient Days

As of the Quarter Ended September 30, 2025

BT Adjusted Patient Days - Q4

65,706

BT Adjusted Patient Days - YTD

259,784

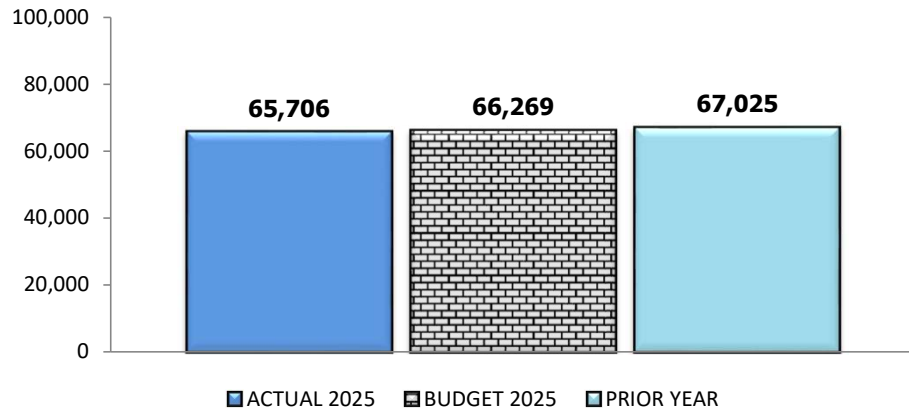
LBJ Adjusted Patient Days - Q4

41,078

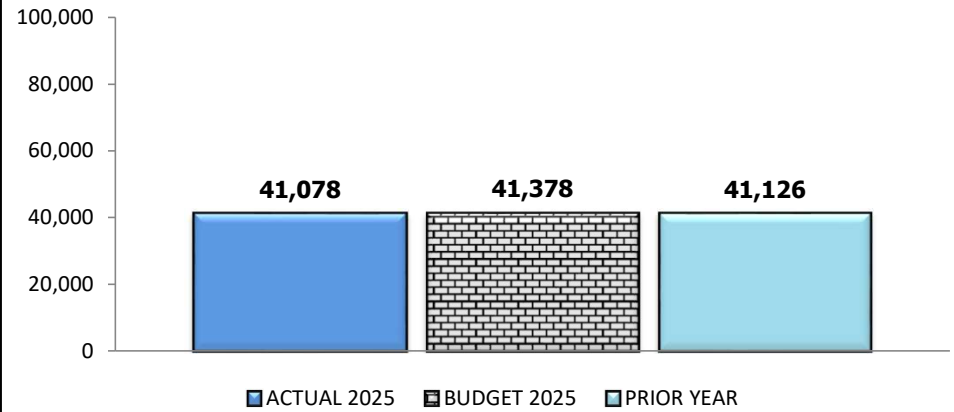
LBJ Adjusted Patient Days - YTD

163,455

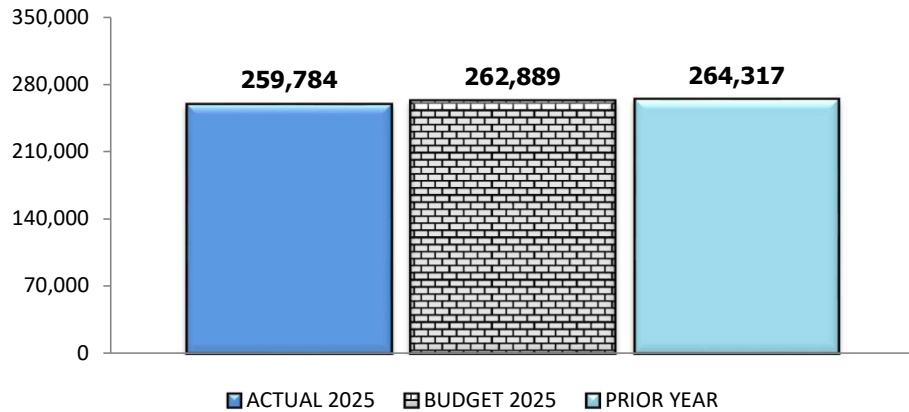
Ben Taub APD - Quarter End



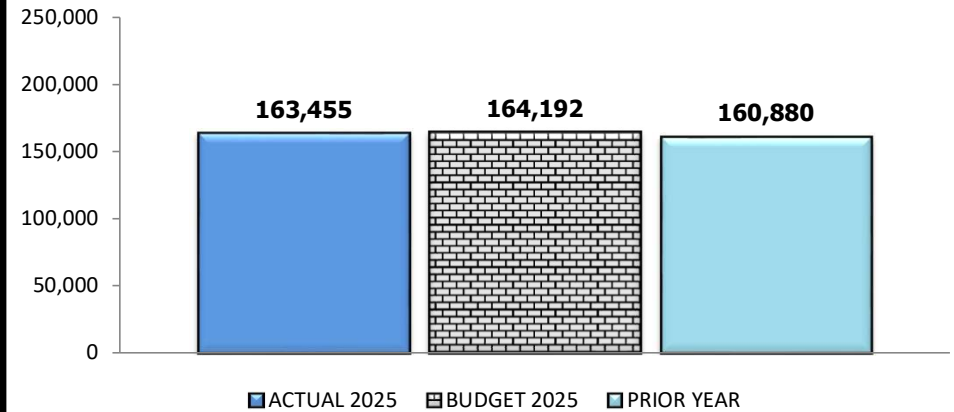
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health

Statistical Highlights - Average Daily Census (ADC)

As of the Quarter Ended September 30, 2025

BT Average Daily Census - Q4

417.7

BT Average Daily Census - YTD

426.2

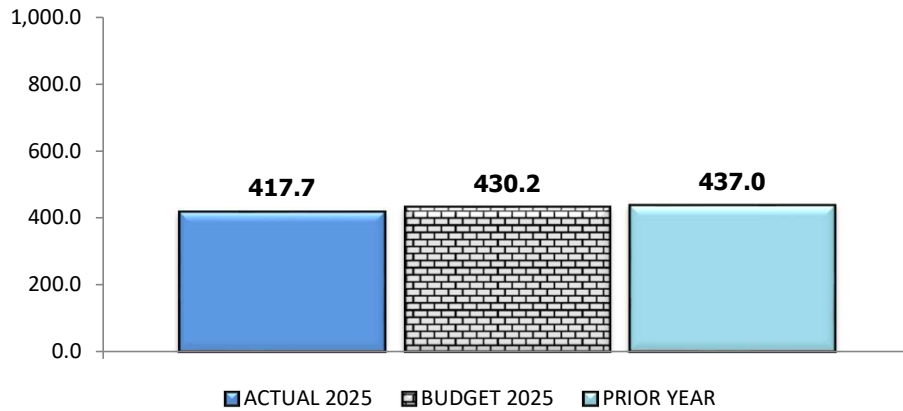
LBJ Average Daily Census - YTD

229.2

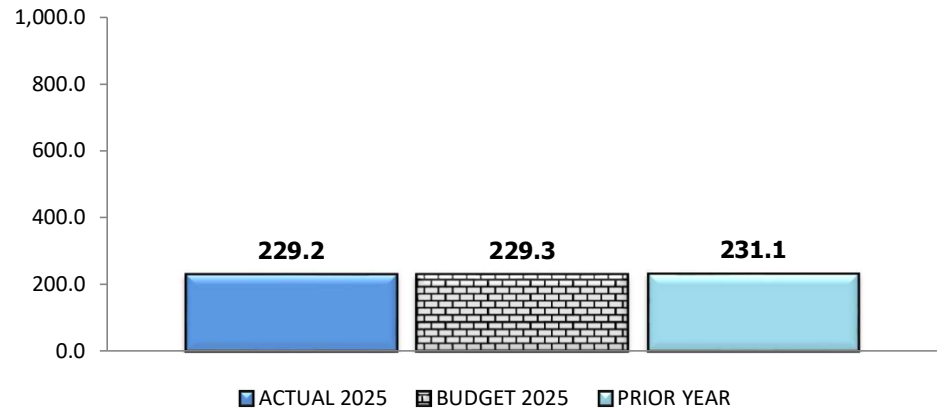
LBJ Average Daily Census - YTD

230.0

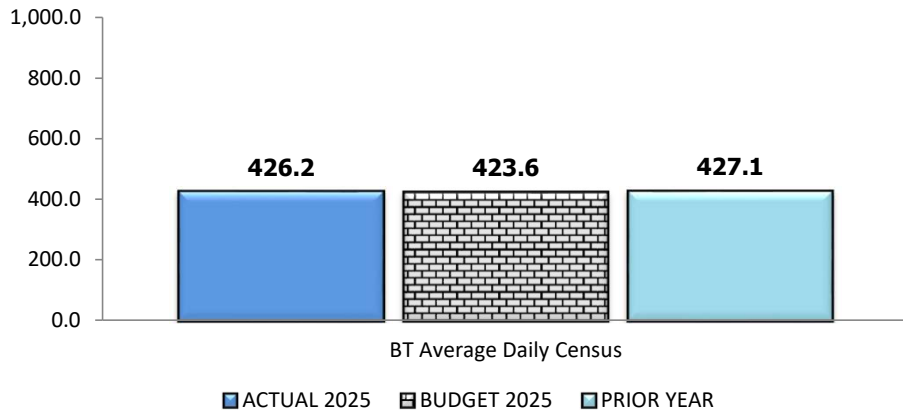
Ben Taub ADC - Quarter End



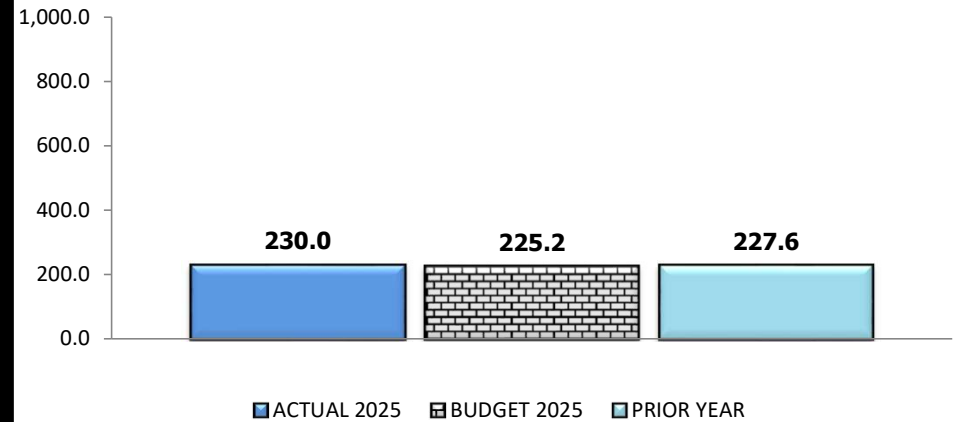
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

As of the Quarter Ended September 30, 2025

BT Inpatient ALOS - Q4

7.00

BT Inpatient ALOS - YTD

7.28

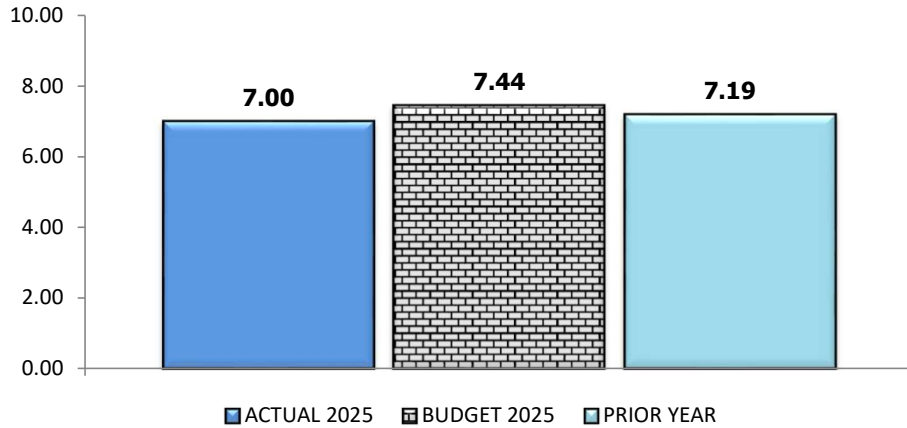
LBJ Inpatient ALOS - Q4

5.36

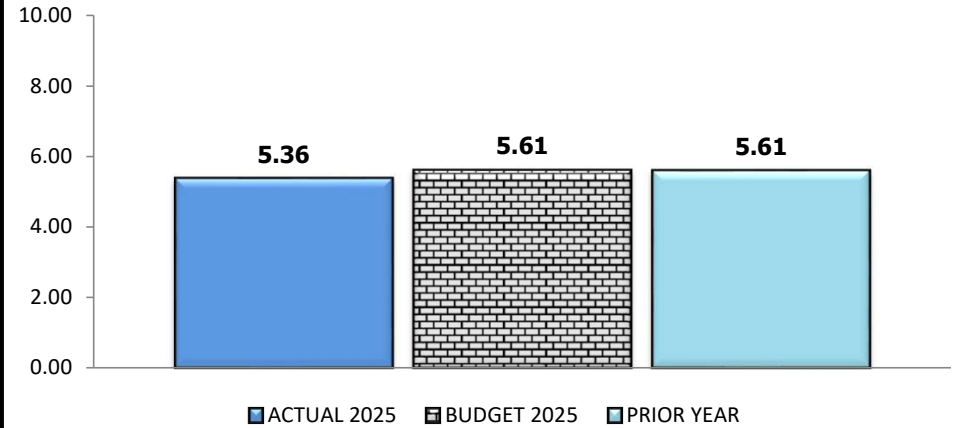
LBJ Inpatient ALOS - YTD

5.52

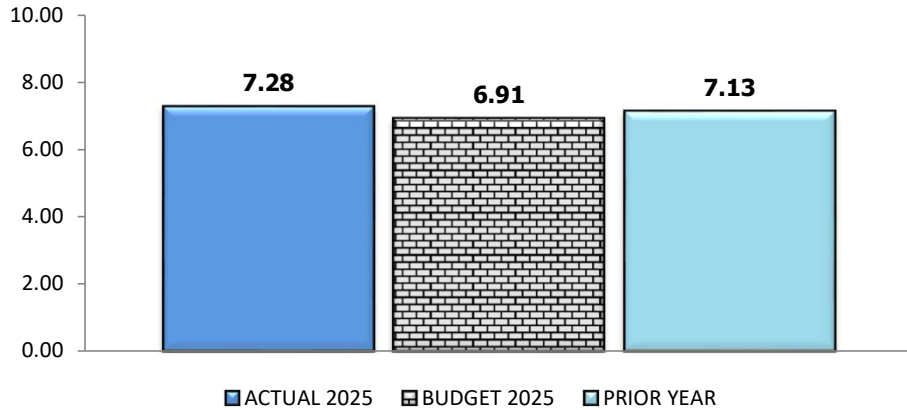
Ben Taub ALOS - Quarter End



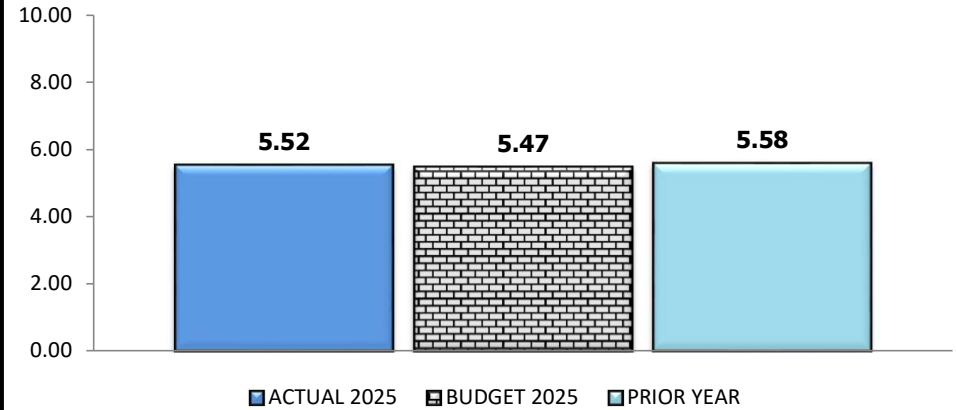
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health

Statistical Highlights - Case Mix Index (CMI)

As of the Quarter Ended September 30, 2025

BT Case Mix Index (CMI) - Q4

Overall	Excl. Obstetrics
1.862	2.022

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.875	2.065

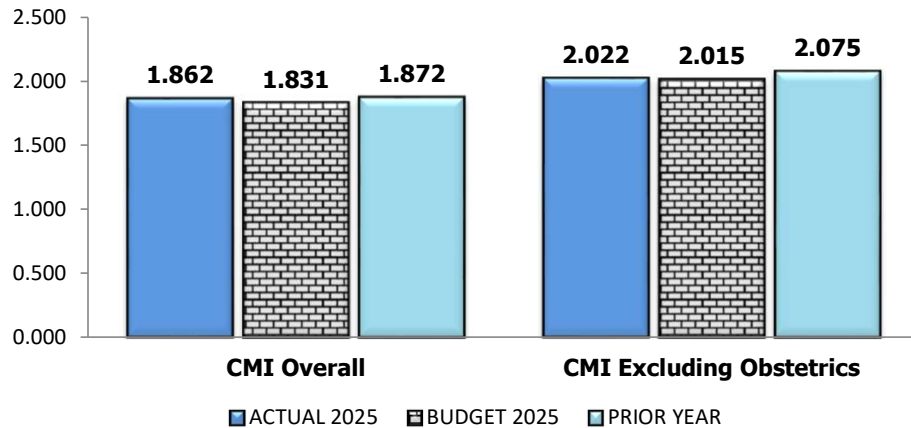
LBJ Case Mix Index (CMI) - Q4

Overall	Excl. Obstetrics
1.535	1.680

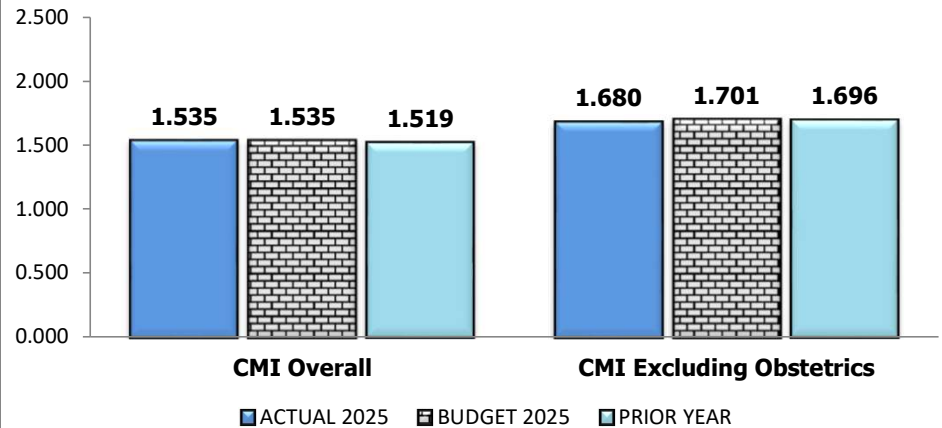
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.533	1.687

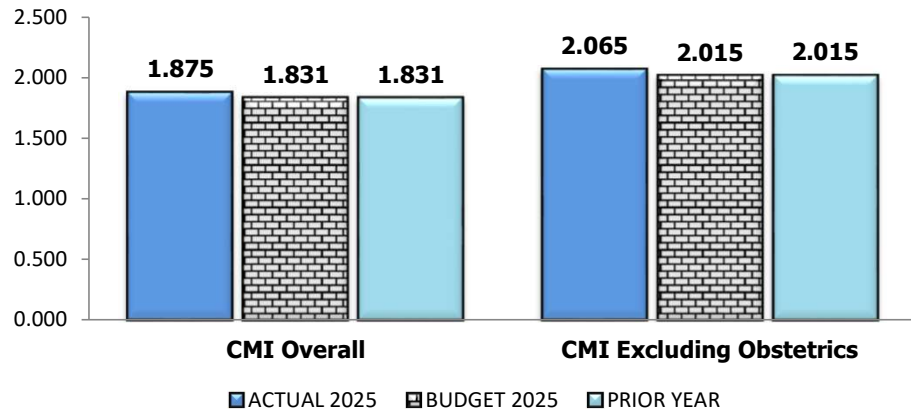
Ben Taub CMI - Quarter End



Lyndon B. Johnson CMI - Quarter End



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

