



Financial Statements

As of the Month Ended July 31, 2026
Subject to Audit



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Financial Highlights Review **HARRISHEALTH**

As of July 31, 2026

Operating income for the month ended July 31, 2026 was \$13.3 million compared to budgeted income of \$1.2 million.

Total net revenue for the month ended July 31, 2026 of \$246.5 million was \$10.6 million or 4.5% more than budget. Net patient revenue was \$3.6 million more than budget while Medicaid Supplement Programs was \$7.7 million more than budget.

As of July 31, 2026, total expenses of \$233.2 million were \$1.2 million or 0.6% less than budget. Total supply and purchased services expenses were \$1.6 million and \$0.5 million, respectively, less than budget while total labor costs were \$7.7 million less than budget. Favorable labor performance was driven in part by ongoing productivity and workforce management initiatives; a positive pension expense adjustment, required per the recently completed actuarial valuation, reduced benefit expense. Lower than expected patient volumes in certain service lines resulted in decreased utilization of planned labor and supply resources. These utilization reductions are currently estimated to continue through the balance of FY2026. Additional reductions in supply and pharmaceutical spend were driven by ongoing cost containment initiatives, including expanded enrollment in the Patient Medical Assistance Program (PMAP), formulary changes resulting in the use of lower cost drug alternatives, and the standardization of supplies and implants. Further favorable variances resulted from timing differences associated with strategic projects, including delays in the onboarding of incremental FTEs and the procurement of supplies and outside services required to meet project demands. Lastly, lower enrollment and lower subsidies for the ACA marketplace are driven primarily by recent rule changes at the federal level.

For the month ended July 31, 2026, total patient days and average daily census both decreased by 0.9% compared to budget. Inpatient case mix index, a measure of patient acuity, was 2.8% lower than budget while length of stay was 4.4% lower than budget. Emergency room visits were 10.0% more than budget. Total clinic visits, including telehealth, were 1.1% lower compared to budget. Births were down 17.6%.

Total cash receipts for the month were \$281.7 million. The System has \$1,983.5 million in unrestricted cash, cash equivalents and investments, representing 288.1 days cash on hand. Days cash on hand continues to be impacted by reimbursement from the Series 2025 and 2026 bond totaling \$852.4 million and \$203.5 million, respectively, as of July 31, 2026, for capital expenditures tied to the Strategic Capital Plan. The remainder of the \$840 million and \$830 million issuances 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 \$158.0 million in net accounts receivable, representing 66.7 days of outstanding patient accounts receivable at July 31, 2026. The July balance sheet reflects a combined net receivable position of \$110.9 million under the various Medicaid Supplemental programs. The current portion of ad valorem taxes receivable is \$15.9 million, which is offset by ad valorem tax collections as received. Accounts payable and accrued liabilities include \$206.0 million in deferred ad valorem tax revenues that are released as ad valorem tax revenue is recognized. As of July 31, 2026, \$1,214.3 million in ad valorem tax collections were received and \$101.3 million in current ad valorem tax revenue was recognized.

Income Statement

HARRISHEALTH

As of July 31, 2026 and 2025 (in \$ Millions)

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 72.4	\$ 68.8	5.3%	\$ 720.7	\$ 689.7	4.5%	\$ 638.8	12.8%
Medicaid Supplemental Programs	62.3	54.6	14.1%	574.3	546.2	5.2%	576.4	-0.4%
Other Operating Revenue	4.0	4.5	-11.1%	34.9	42.9	-18.6%	124.4	-71.9%
Total Operating Revenue	\$ 138.7	\$ 127.9	8.4%	\$ 1,330.0	\$ 1,278.8	4.0%	\$ 1,339.6	-0.7%
Net Ad Valorem Taxes	101.3	101.3	0.0%	1,021.0	1,013.0	0.8%	856.3	19.2%
Net Tobacco Settlement Revenue	-	-	0.0%	23.0	15.2	51.6%	19.0	21.2%
Capital Gifts & Grants	-	0.8	0.0%	-	8.3	-100.0%	4.0	-100.0%
Interest Income & Other	6.5	5.9	11.4%	65.6	58.7	11.7%	58.4	12.3%
Total Nonoperating Revenue	\$ 107.8	\$ 108.0	-0.2%	\$ 1,109.6	\$ 1,095.2	1.3%	\$ 937.6	18.3%
Total Net Revenue	\$ 246.5	\$ 235.9	4.5%	\$ 2,439.6	\$ 2,374.0	2.8%	\$ 2,277.3	7.1%
EXPENSE								
Salaries and Wages	\$ 87.8	\$ 93.4	6.0%	\$ 845.2	\$ 909.3	7.0%	\$ 811.4	-4.2%
Employee Benefits	26.7	28.8	7.2%	263.9	288.0	8.3%	261.4	-1.0%
Total Labor Cost	\$ 114.6	\$ 122.2	6.3%	\$ 1,109.1	\$ 1,197.2	7.4%	\$ 1,072.9	-3.4%
Supply Expenses	30.6	29.0	-5.4%	265.9	291.4	8.8%	271.3	2.0%
Physician Services	42.1	39.4	-6.9%	411.3	405.8	-1.4%	400.8	-2.6%
Purchased Services	29.4	29.0	-1.6%	251.3	288.4	12.9%	255.2	1.6%
Depreciation & Interest	16.6	15.1	-9.7%	139.2	132.9	-4.7%	99.0	-40.6%
Total Operating Expense	\$ 233.2	\$ 234.7	0.6%	\$ 2,176.8	\$ 2,315.7	6.0%	\$ 2,099.2	-3.7%
Operating Income (Loss)	\$ 13.3	\$ 1.2		\$ 262.8	\$ 58.2		\$ 178.1	
Total Margin %	5.4%	0.5%		10.8%	2.5%		7.8%	

Balance Sheet

HARRISHEALTH

July 2026 and 2025 (in \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,983.5	\$ 1,812.2
Net Patient Accounts Receivable	158.0	138.8
Net Ad Valorem Taxes, Current Portion	15.9	6.5
Other Current Assets	261.4	246.7
Total Current Assets	\$ 2,418.8	\$ 2,204.2
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 592.8	\$ 574.2
Construction in Progress	1,266.0	512.1
Right of Use Assets	32.6	33.6
Total Capital Assets	\$ 1,891.4	\$ 1,119.9
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 661.7	\$ 566.5
LPPF Restricted Cash	17.7	19.1
Capital Gift Proceeds	55.8	59.2
Other - Restricted	26.7	1.1
Total Assets Limited As to Use & Restricted Assets	\$ 761.9	\$ 645.9
Other Assets	45.0	43.6
Deferred Outflows of Resources	136.5	164.8
Total Assets & Deferred Outflows of Resources	\$ 5,253.7	\$ 4,178.4
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 319.0	\$ 361.5
Employee Compensation & Related Liabilities	153.7	168.3
Deferred Revenue - Ad Valorem	206.0	176.0
Estimated Third-Party Payor Settlements	91.4	33.5
Current Portion Long-Term Debt and Capital Leases	23.8	36.4
Total Current Liabilities	\$ 794.0	\$ 775.7
Long-Term Debt	1,934.8	1,106.4
Net Pension & Post Employment Benefits Liability	552.3	647.4
Other Long-Term Liabilities	5.3	7.5
Deferred Inflows of Resources	139.0	110.4
Total Liabilities	\$ 3,425.4	\$ 2,647.4
Total Net Assets	\$ 1,828.3	\$ 1,531.0
Total Liabilities & Net Assets	\$ 5,253.7	\$ 4,178.4

Cash Flow Summary

HARRISHEALTH

As of July 31, 2026 and 2025 (in \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 93.7	\$ 66.0	\$ 810.9	\$ 696.1
Medicaid Supplemental Programs	169.3	187.0	490.1	514.4
Net Ad Valorem Taxes	1.7	1.7	1,214.3	1,029.7
Tobacco Settlement	-	-	23.0	19.0
Other Revenue	16.8	48.9	734.0	483.5
Total Cash Receipts	\$ 281.7	\$ 303.6	\$ 3,272.3	\$ 2,742.7
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 167.1	\$ 114.6	\$ 1,254.5	\$ 1,111.3
Supplies	37.1	26.9	319.1	298.9
Physician Services	39.4	39.1	387.8	375.3
Purchased Services	29.5	19.6	268.0	247.1
Capital Expenditures	60.7	50.7	745.1	361.8
Debt and Interest Payments	0.3	0.3	41.2	20.4
Other Uses	(35.3)	(10.0)	(79.0)	(20.8)
Total Cash Disbursements	\$ 298.7	\$ 241.0	\$ 2,936.6	\$ 2,394.0
Net Change	\$ (17.1)	\$ 62.6	\$ 335.7	\$ 348.8

Unrestricted cash, cash equivalents and investments - Beginning of year

Net Change

Unrestricted cash, cash equivalents and investments - End of period

\$ 1,647.8

\$ 335.7

\$ 1,983.5

Performance Ratios

HARRISHEALTH

As of July 31, 2026 and 2025 (in \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	5.4%	0.5%	10.8%	2.5%	7.8%
Run Rate per Day (In\$ Millions)	\$ 7.2	\$ 7.3	\$ 6.9	\$ 7.4	\$ 6.6
Salary, Wages & Benefit per APD	\$ 2,551	\$ 2,713	\$ 2,534	\$ 2,673	\$ 2,403
Supply Cost per APD	\$ 680	\$ 644	\$ 607	\$ 651	\$ 608
Physician Services per APD	\$ 938	\$ 874	\$ 940	\$ 906	\$ 898
Total Expense per APD	\$ 5,194	\$ 5,210	\$ 4,973	\$ 5,170	\$ 4,702
Overtime as a % of Total Salaries	3.0%	2.6%	2.9%	2.6%	3.4%
Contract as a % of Total Salaries	3.9%	2.7%	3.3%	2.8%	3.2%
Full-time Equivalent Employees	10,505	10,768	10,401	10,733	10,425
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			3.0		2.8
Unrestricted Cash (In \$ Millions)			\$ 1,983.5	\$ 1,760.2	\$ 1,812.2
Days Cash on Hand			288.1	239.4	272.2
Days Revenue in Accounts Receivable			66.7	65.9	66.1
Days in Accounts Payable			48.4		57.1
Capital Expenditures/Depreciation & Amortization			830.1%		456.3%
Average Age of Plant(years)			9.5		10.1

Harris Health Key Indicators



Statistical Highlights

HARRISHEALTH

As of July 31, 2026 and 2025

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT MONTH	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	44,906	45,045	-0.3%	437,730	447,897	-2.3%	446,463	-2.0%
Outpatient % of Adjusted Volume	60.8%	61.9%	-1.8%	61.0%	62.7%	-2.8%	63.2%	-3.4%
Primary Care Clinic Visits	45,065	47,337	-4.8%	440,349	451,522	-2.5%	453,066	-2.8%
Specialty Clinic Visits	22,075	20,860	5.8%	209,973	205,041	2.4%	209,578	0.2%
Telehealth Clinic Visits	10,859	10,662	1.8%	104,376	98,395	6.1%	103,000	1.3%
Total Clinic Visits	77,999	78,859	-1.1%	754,698	754,958	0.0%	765,644	-1.4%
Emergency Room Visits - Outpatient	13,493	12,617	6.9%	115,466	121,523	-5.0%	117,595	-1.8%
Emergency Room Visits - Admitted	2,423	1,853	30.8%	19,346	17,752	9.0%	17,571	10.1%
Total Emergency Room Visits	15,916	14,470	10.0%	134,812	139,275	-3.2%	135,166	-0.3%
Surgery Cases - Outpatient	1,111	1,010	10.0%	10,327	9,637	7.2%	10,413	-0.8%
Surgery Cases - Inpatient	868	937	-7.4%	8,511	9,072	-6.2%	8,909	-4.5%
Total Surgery Cases	1,979	1,947	1.6%	18,838	18,709	0.7%	19,322	-2.5%
Total Outpatient Visits	136,957	142,070	-3.6%	1,298,770	1,443,959	-10.1%	1,313,372	-1.1%
Inpatient Cases (Discharges)	2,919	2,720	7.3%	25,961	26,065	-0.4%	24,990	3.9%
Outpatient Observation Cases	830	891	-6.8%	8,792	9,752	-9.8%	10,439	-15.8%
Total Cases Occupying Patient Beds	3,749	3,611	3.8%	34,753	35,817	-3.0%	35,429	-1.9%
Births	356	432	-17.6%	3,453	4,495	-23.2%	4,302	-19.7%
Inpatient Days	17,614	17,175	2.6%	170,723	166,889	2.3%	164,447	3.8%
Outpatient Observation Days	2,738	3,355	-18.4%	28,653	34,648	-17.3%	36,806	-22.2%
Total Patient Days	20,352	20,530	-0.9%	199,376	201,537	-1.1%	201,253	-0.9%
Average Daily Census	656.5	662.3	-0.9%	655.8	663.0	-1.1%	662.0	-0.9%
Average Operating Beds	702	704	-0.3%	702	704	-0.2%	701	0.2%
Bed Occupancy %	93.6%	94.1%	-0.5%	93.4%	94.2%	-0.8%	94.4%	-1.1%
Inpatient Average Length of Stay	6.03	6.31	-4.4%	6.58	6.40	2.7%	6.58	-0.1%
Inpatient Case Mix Index (CMI)	1.665	1.712	-2.8%	1.689	1.712	-1.4%	1.730	-2.4%
Payor Mix (% of Charges)								
Charity & Self Pay	50.2%	45.5%	10.3%	47.5%	45.5%	4.2%	45.2%	5.1%
Medicaid & Medicaid Managed	18.4%	18.8%	-2.2%	19.3%	18.8%	2.8%	18.8%	3.0%
Medicare & Medicare Managed	11.3%	10.6%	6.2%	11.3%	10.6%	6.1%	10.7%	5.1%
Commercial & Other	20.1%	25.1%	-19.7%	22.0%	25.1%	-12.4%	25.4%	-13.5%
Total Unduplicated Patients - Rolling 12				237,221			244,106	-2.8%
Total New Patient - Rolling 12				81,490			87,411	-6.8%

Harris Health

Statistical Highlights

July FY 2026

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,749	3,611	3,657

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
34,753	35,817	35,429

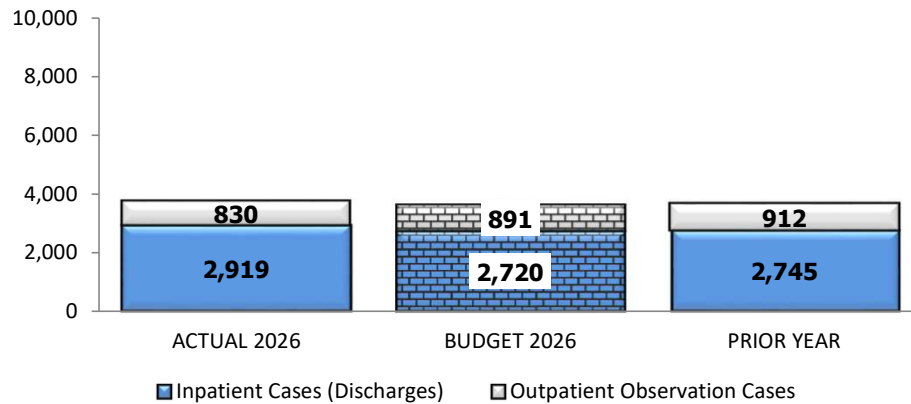
Emergency Visits - CM

Actual	Budget	Prior Year
15,916	14,470	13,760

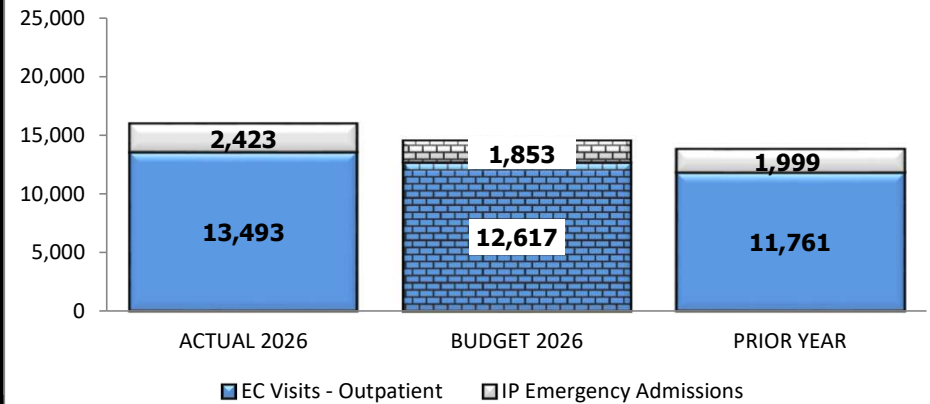
Emergency Visits - YTD

Actual	Budget	Prior Year
134,812	139,275	135,166

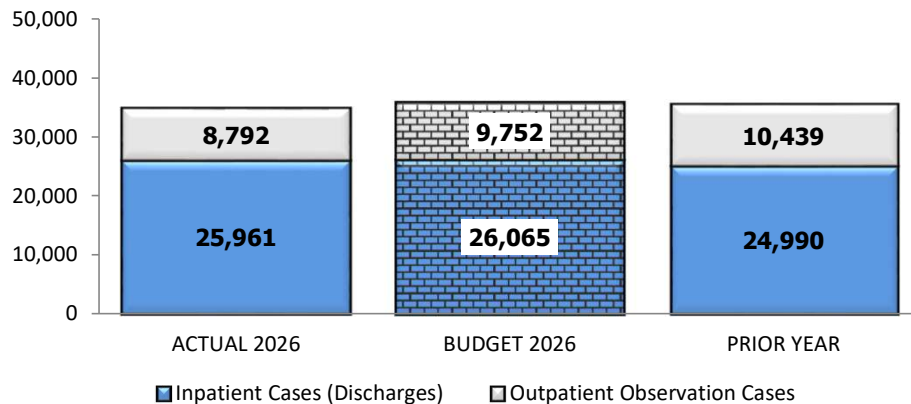
Cases Occupying Beds - Current Month



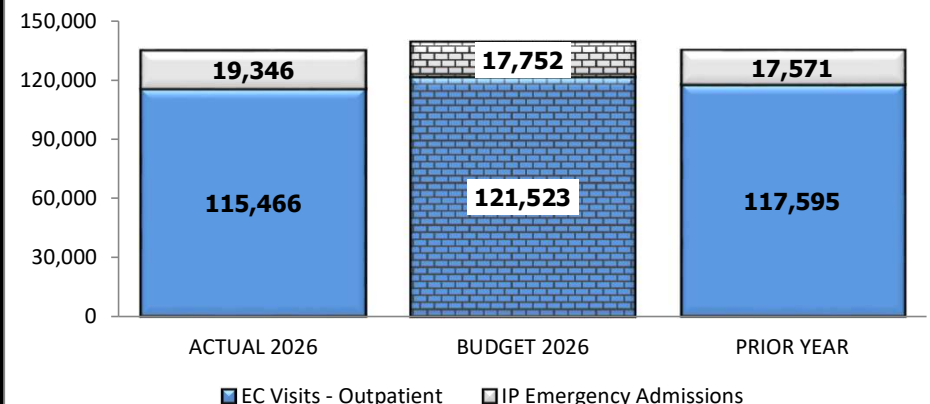
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health

Statistical Highlights

July FY 2026

Surgery Cases - CM

Actual	Budget	Prior Year
1,979	1,947	2,030

Surgery Cases - YTD

Actual	Budget	Prior Year
18,838	18,709	19,322

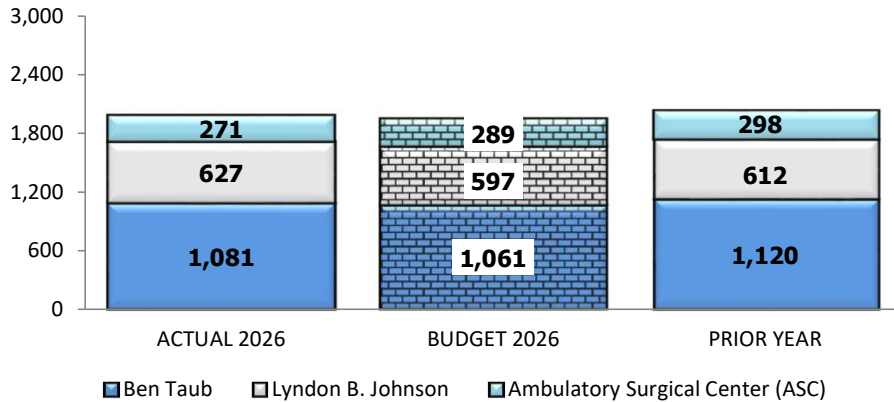
Clinic Visits - CM

Actual	Budget	Prior Year
77,999	78,859	79,360

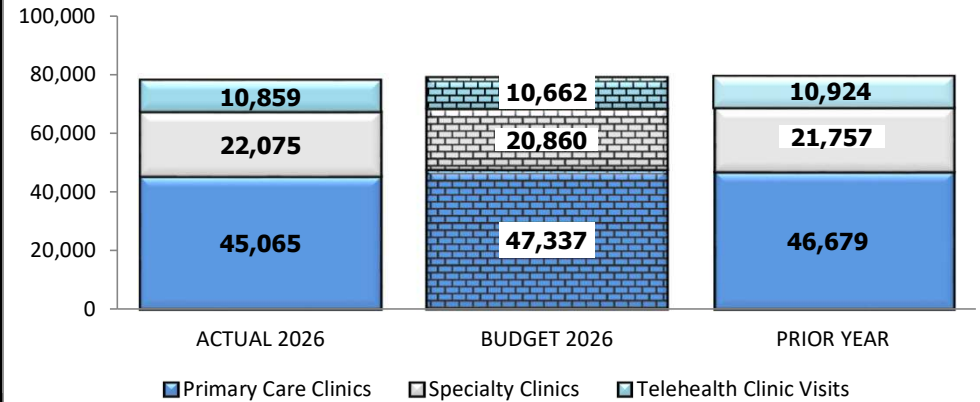
Clinic Visits - YTD

Actual	Budget	Prior Year
754,698	754,958	765,644

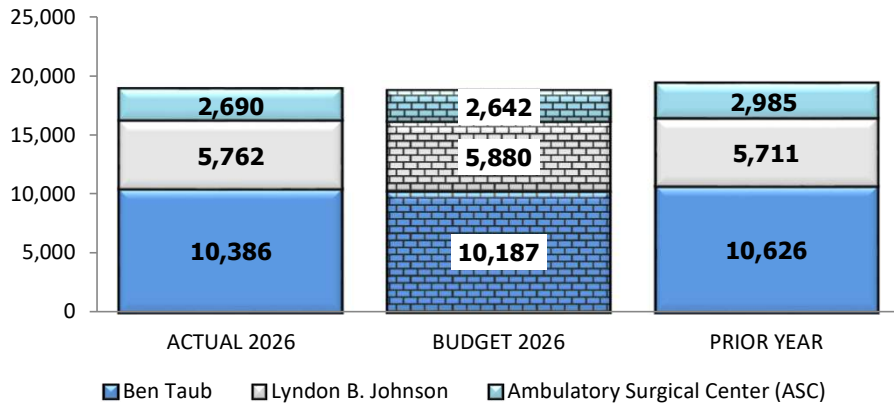
Surgery Cases - Current Month



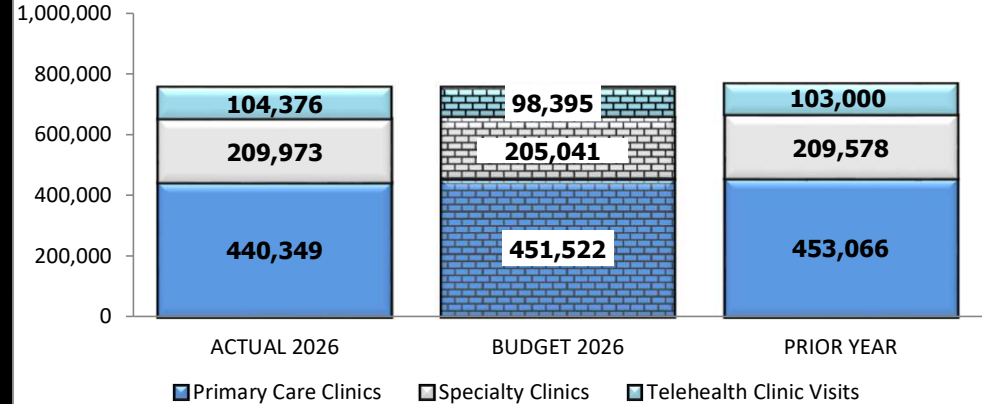
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health

Statistical Highlights

July FY 2026

Adjusted Patient Days - CM

44,906

Adjusted Patient Days - YTD

437,730

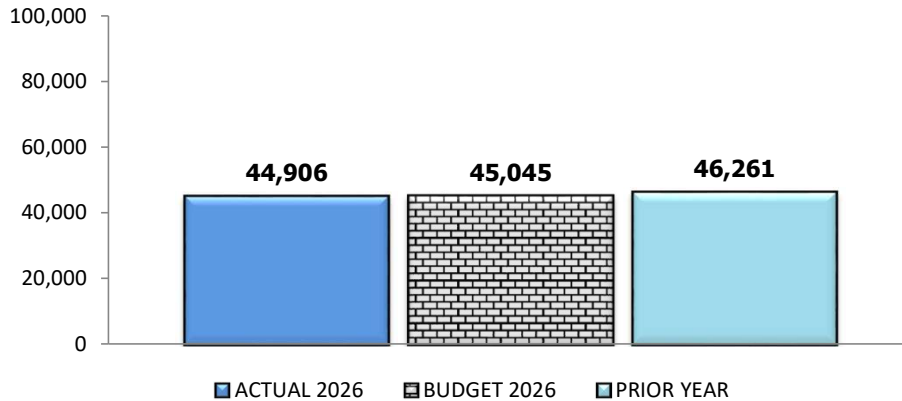
Average Daily Census - CM

656.5

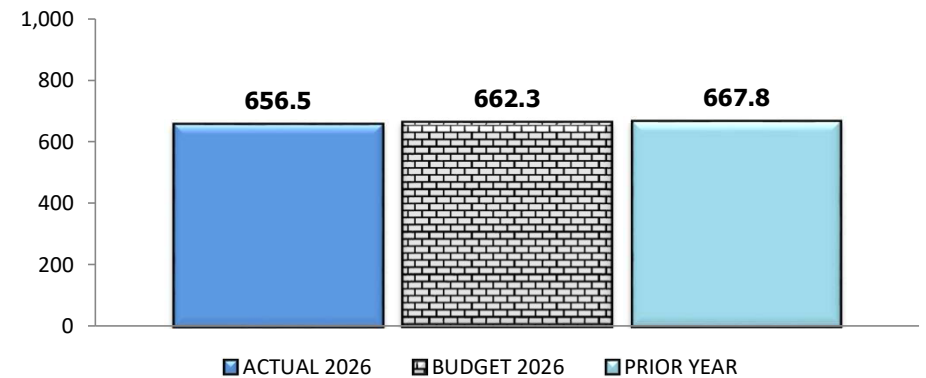
Average Daily Census - YTD

655.8

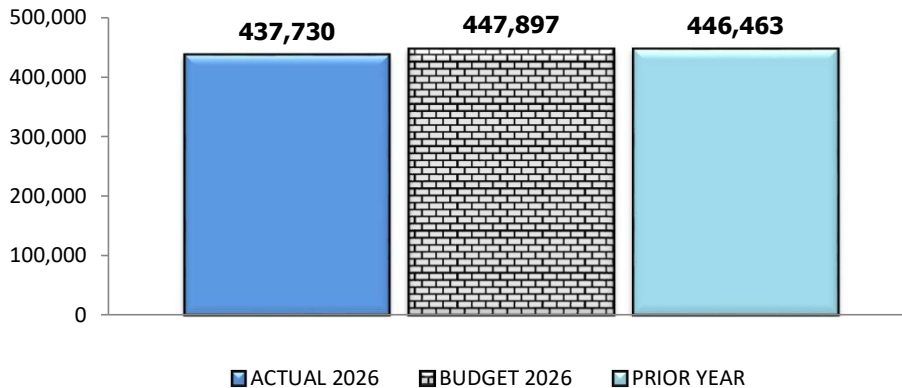
Adjusted Patient Days - Current Month



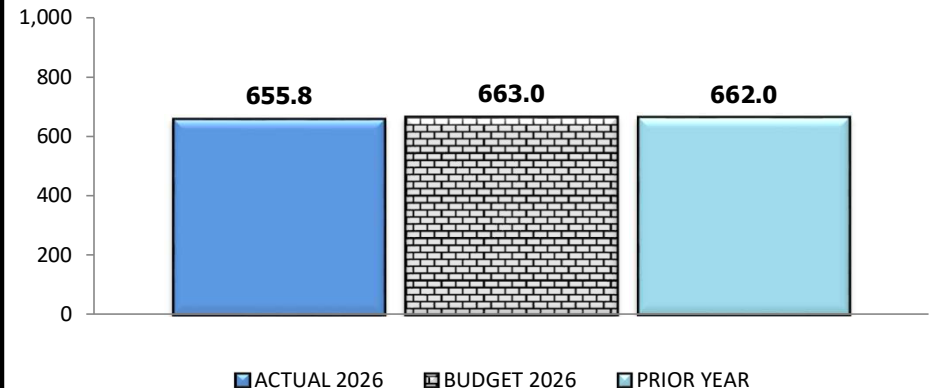
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health

Statistical Highlights

July FY 2026

Inpatient ALOS - CM

6.04

Inpatient ALOS - YTD

6.58

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.665

1.767

Case Mix Index (CMI) - YTD

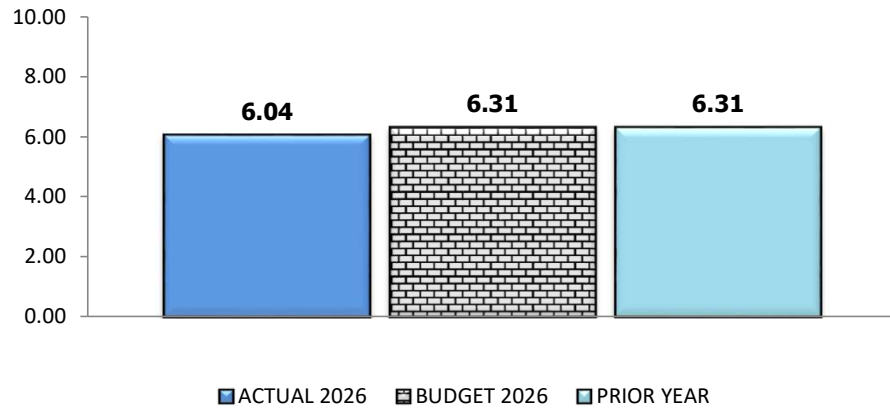
Overall

Excl. Obstetrics

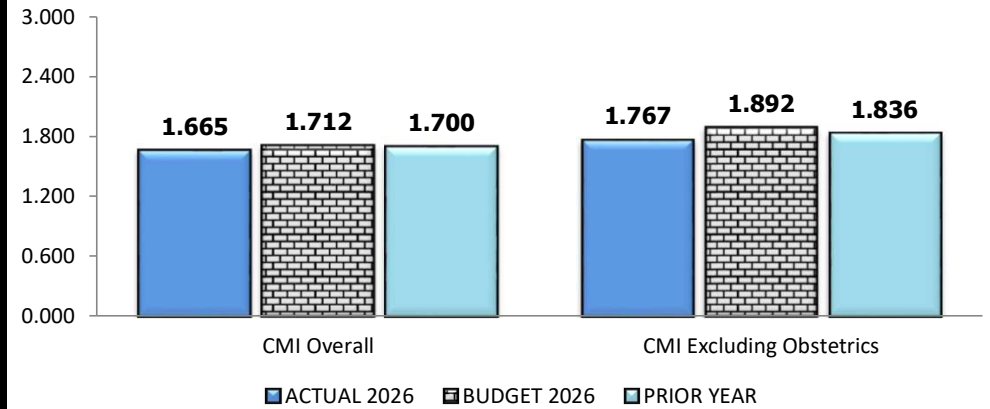
1.689

1.807

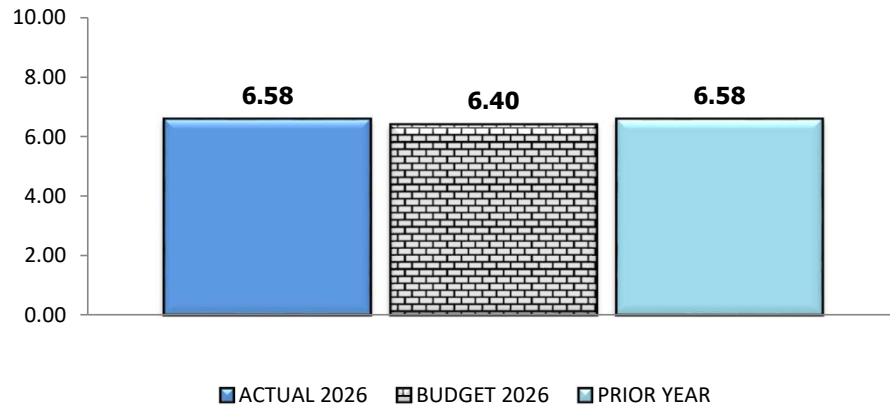
Inpatient ALOS - Current Month



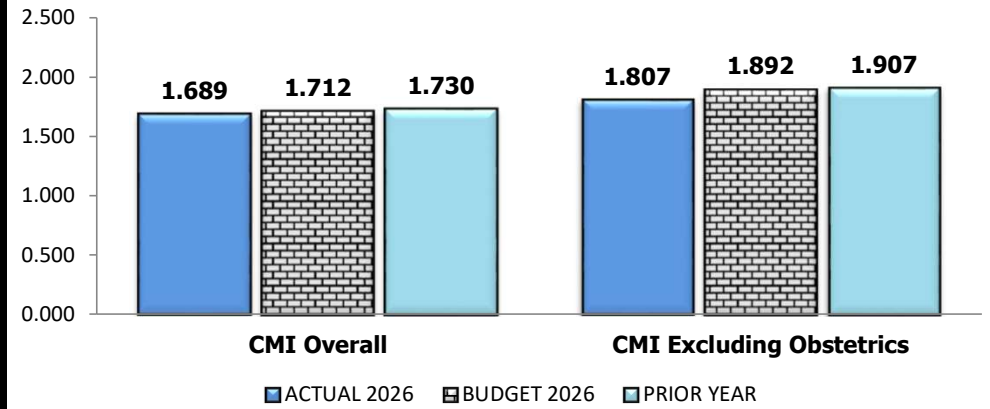
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health

Statistical Highlights - Cases Occupying Beds

July FY 2026

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,075	2,134	2,057

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
19,643	21,026	20,359

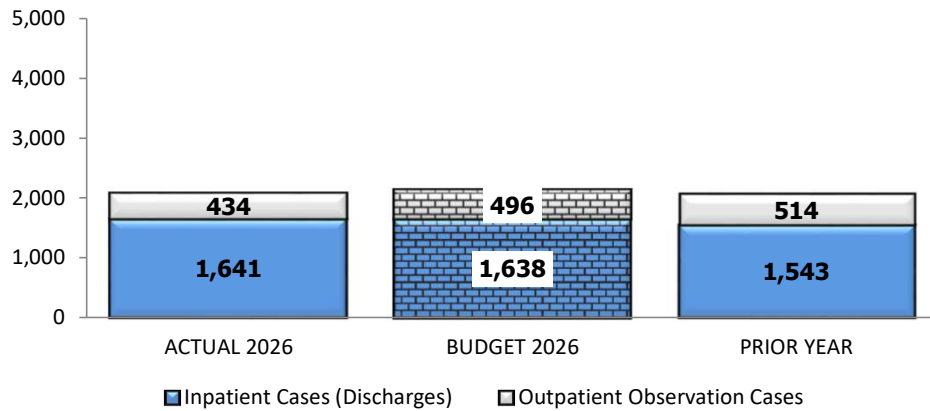
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,632	1,436	1,571

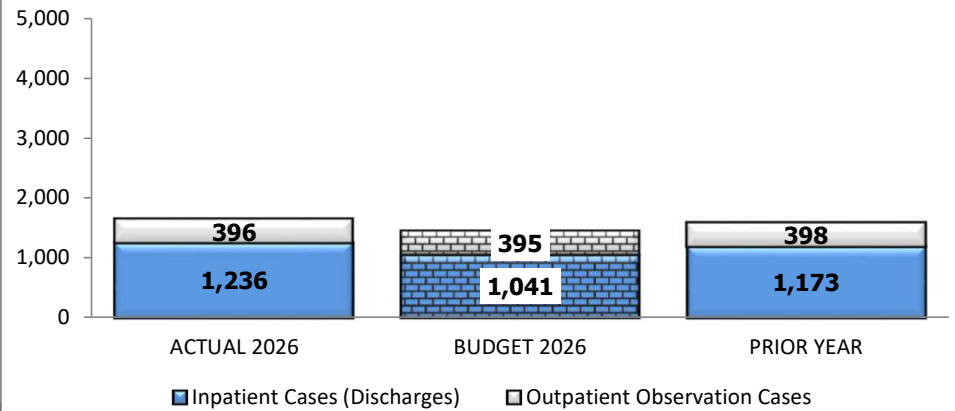
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
14,844	14,391	14,885

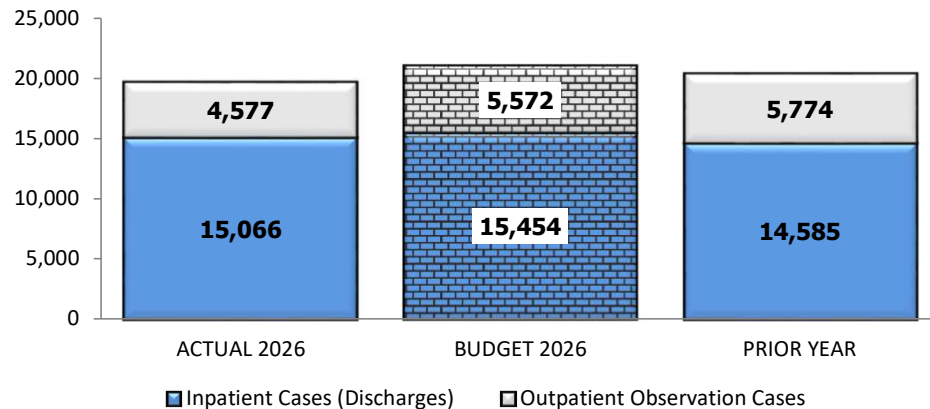
Ben Taub Cases - Current Month



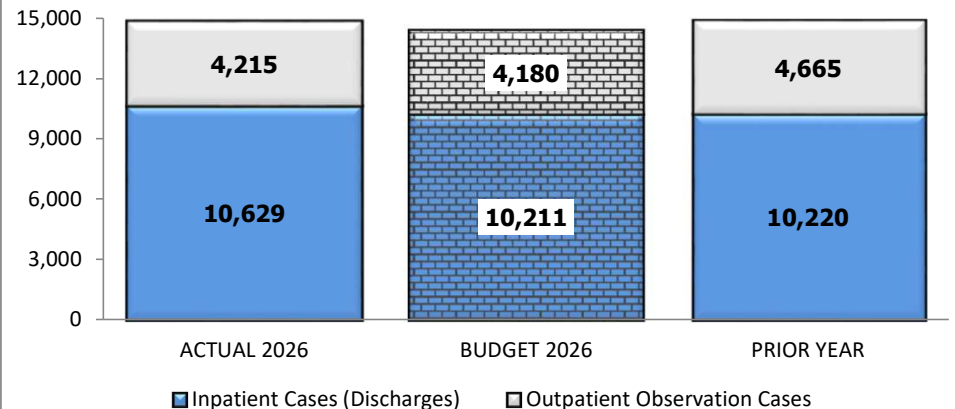
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health

Statistical Highlights - Surgery Cases

July FY 2026

BT Surgery Cases - CM

Actual	Budget	Prior Year
1,081	1,061	1,120

BT Surgery Cases - YTD

Actual	Budget	Prior Year
10,386	10,187	10,626

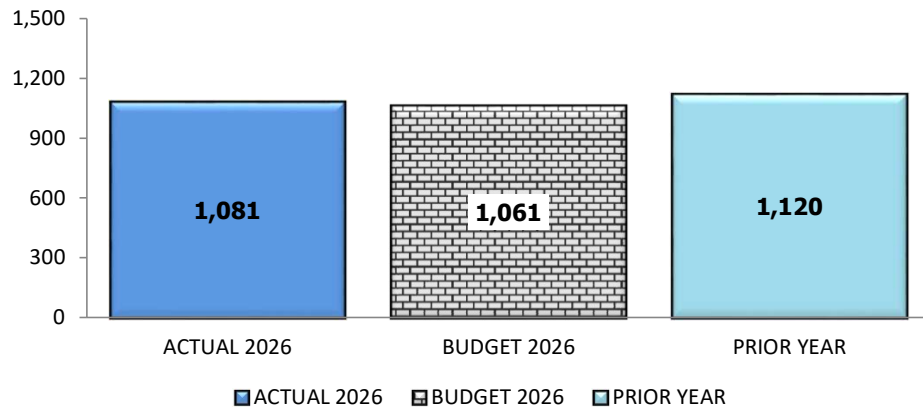
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
898	886	910

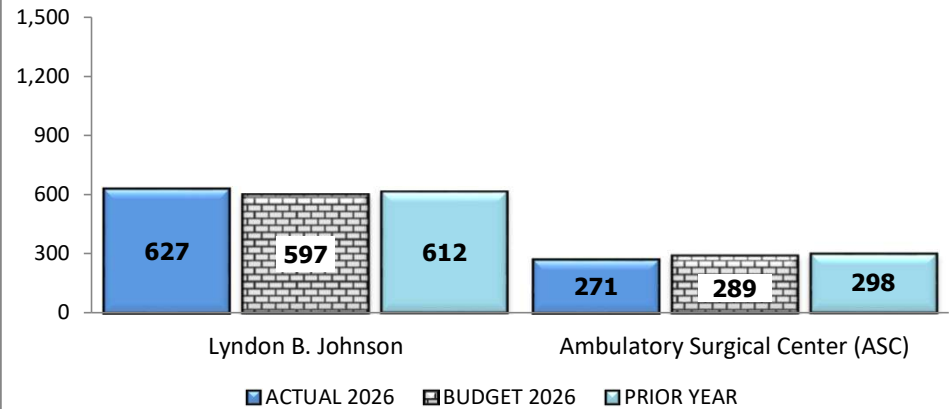
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
8,452	8,522	8,696

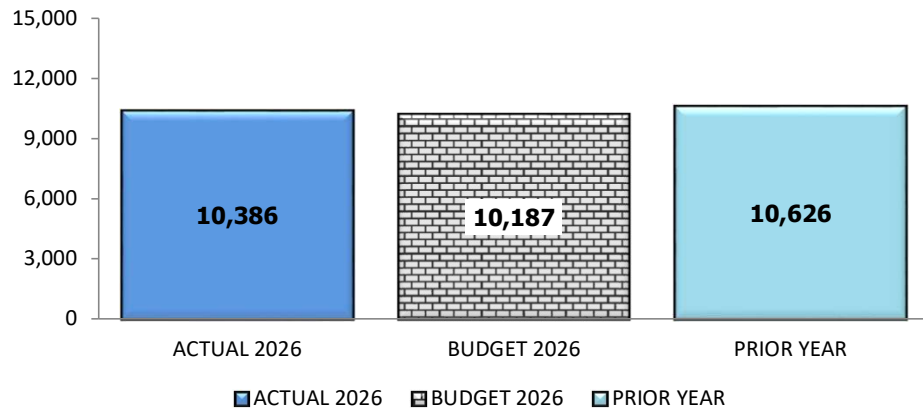
Ben Taub OR Cases - Current Month



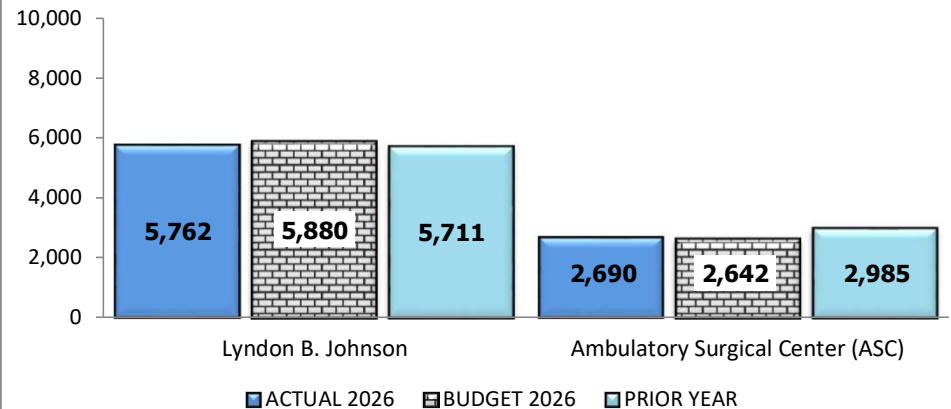
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health

Statistical Highlights - Emergency Room Visits

July FY 2026

BT Emergency Visits - CM

Actual	Budget	Prior Year
7,633	7,258	7,150

BT Emergency Visits - YTD

Actual	Budget	Prior Year
68,153	70,053	68,996

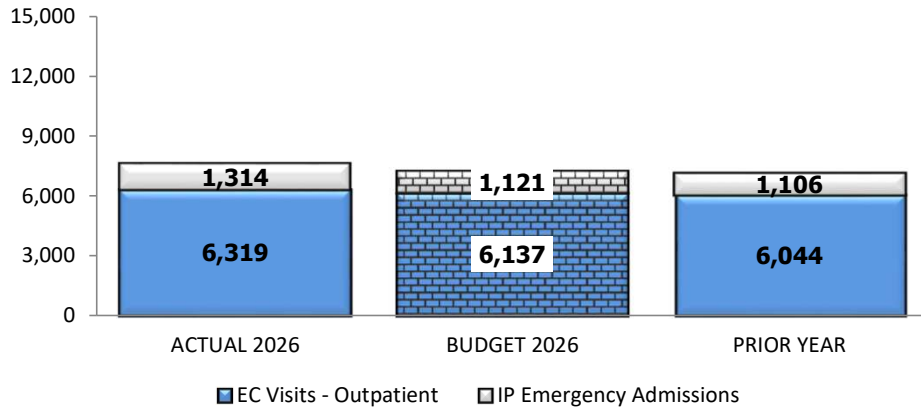
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
8,283	7,212	6,610

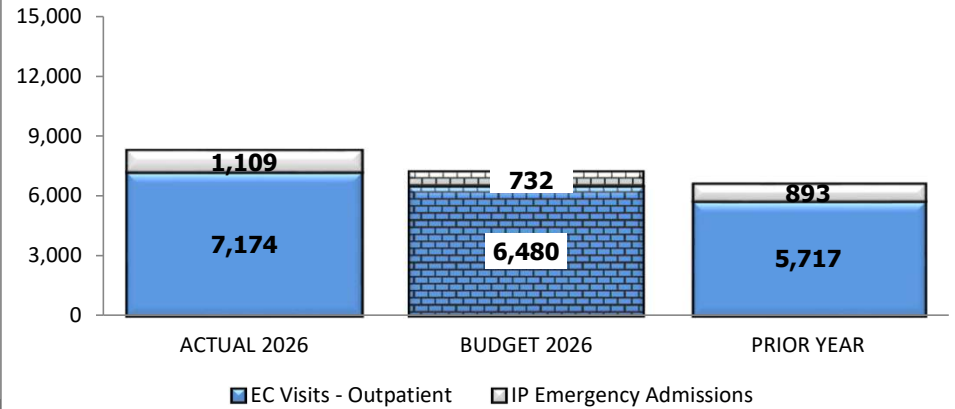
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
66,659	69,222	66,170

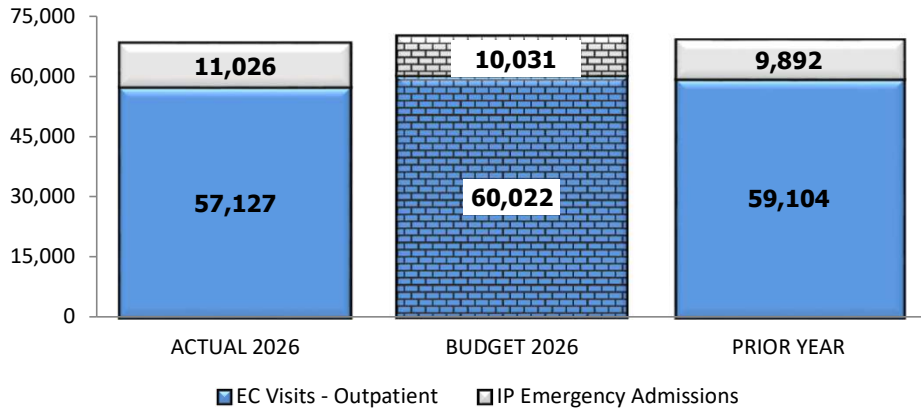
Ben Taub EC Visits - Current Month



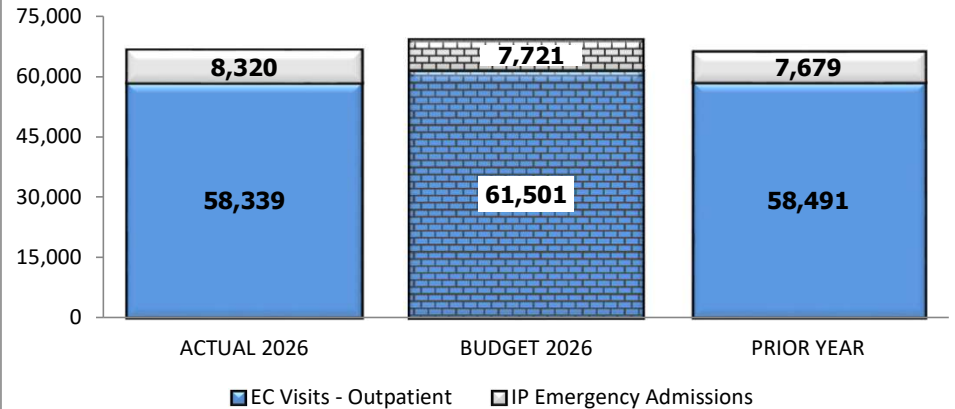
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health

Statistical Highlights - Births

July FY 2026

BT Births - CM

Actual	Budget	Prior Year
188	225	216

BT Births - YTD

Actual	Budget	Prior Year
1,919	2,525	2,420

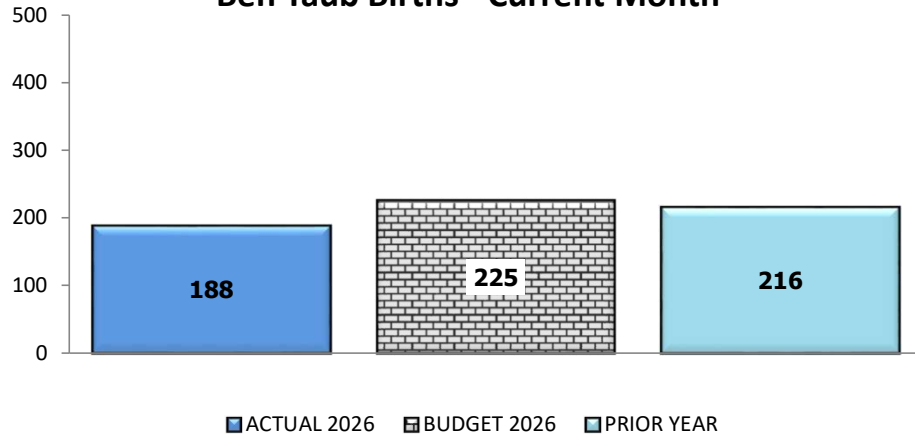
LBJ Births - CM

Actual	Budget	Prior Year
168	207	186

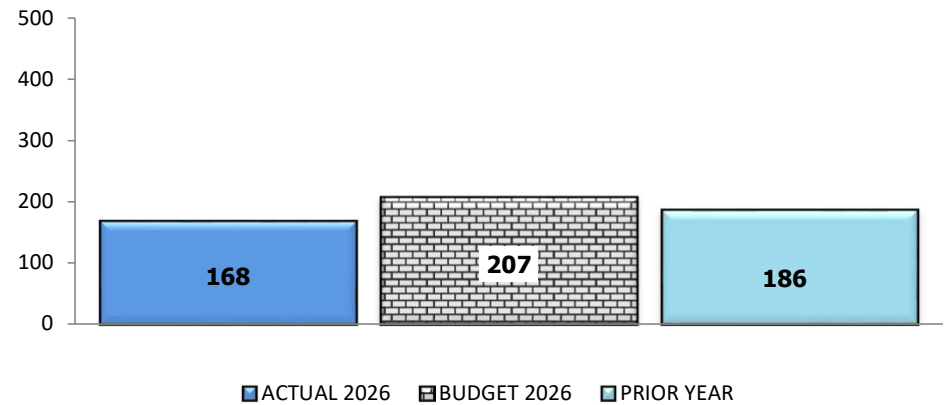
LBJ Births - YTD

Actual	Budget	Prior Year
1,534	1,970	1,882

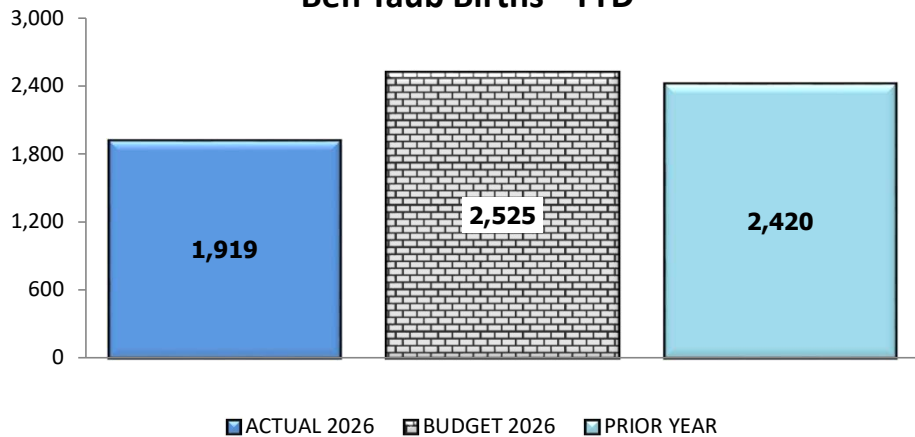
Ben Taub Births - Current Month



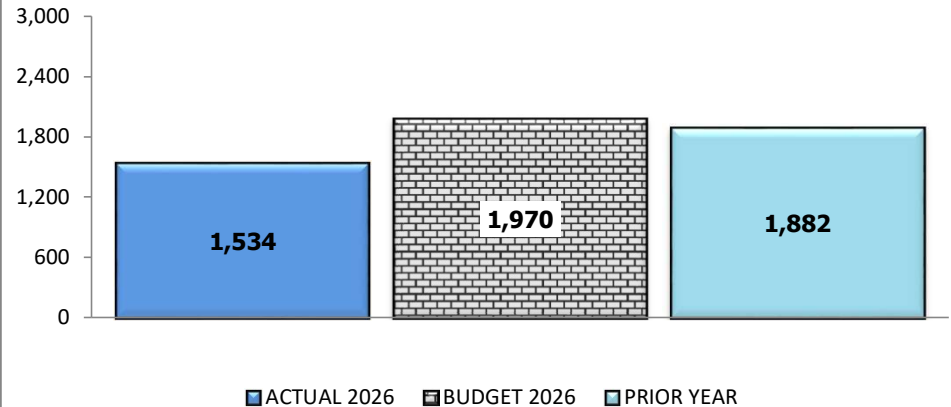
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health

Statistical Highlights - Adjusted Patient Days

July FY 2026

BT Adjusted Patient Days - CM

22,324

BT Adjusted Patient Days - YTD

218,498

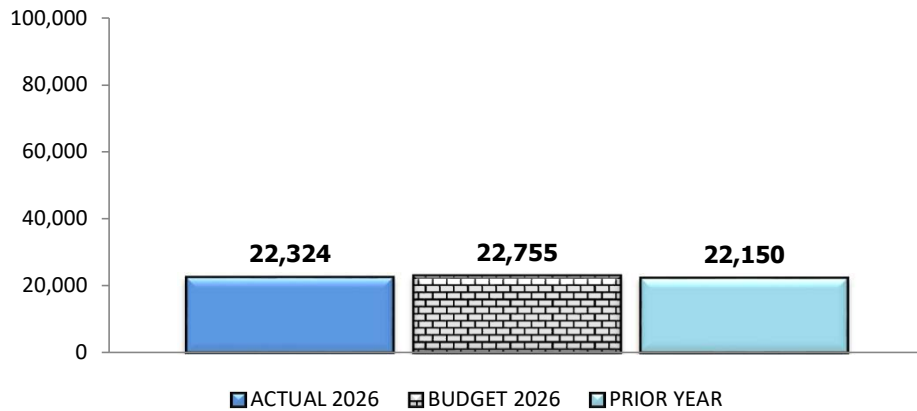
LBJ Adjusted Patient Days - CM

13,843

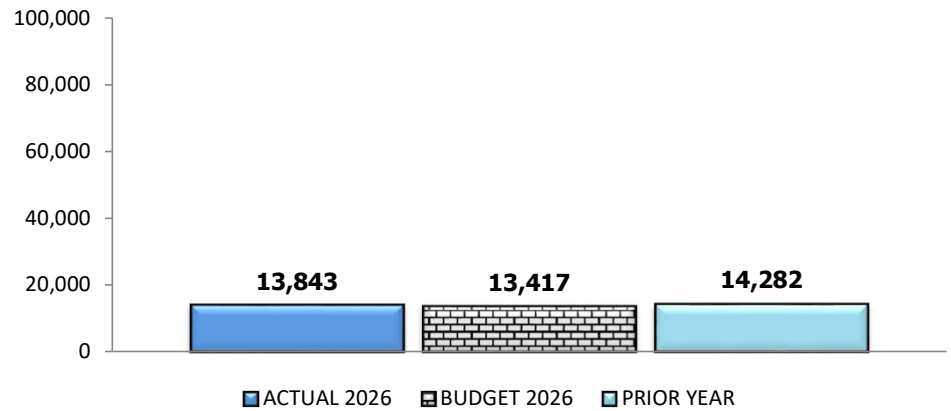
LBJ Adjusted Patient Days - YTD

132,436

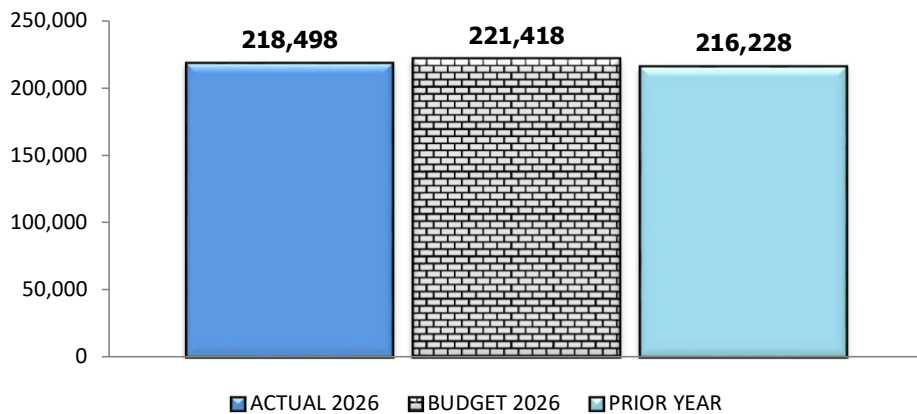
Ben Taub APD - Current Month



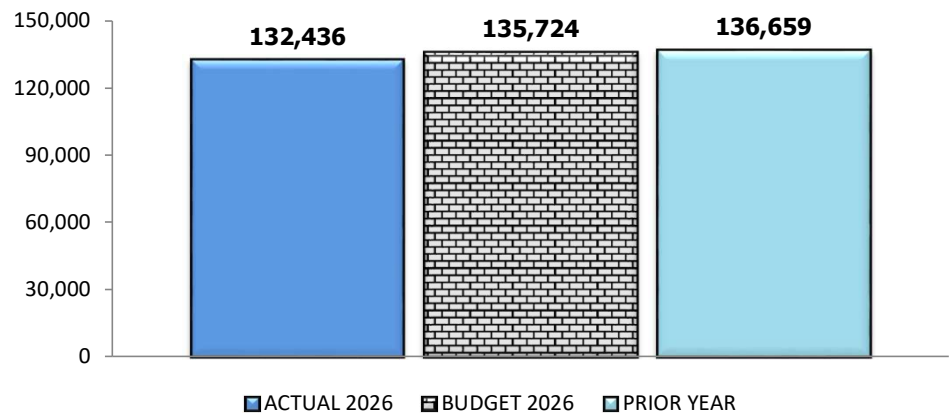
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health

Statistical Highlights - Average Daily Census (ADC)

July FY 2026

BT Average Daily Census - CM

419.3

BT Average Daily Census - YTD

427.4

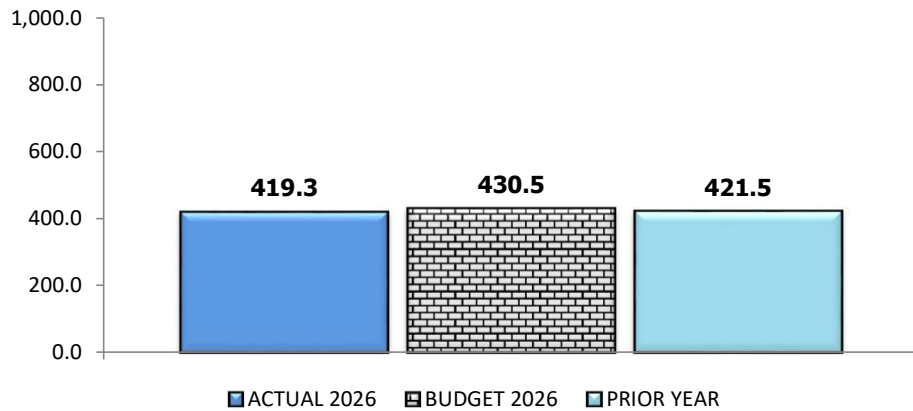
LBJ Average Daily Census - CM

232.3

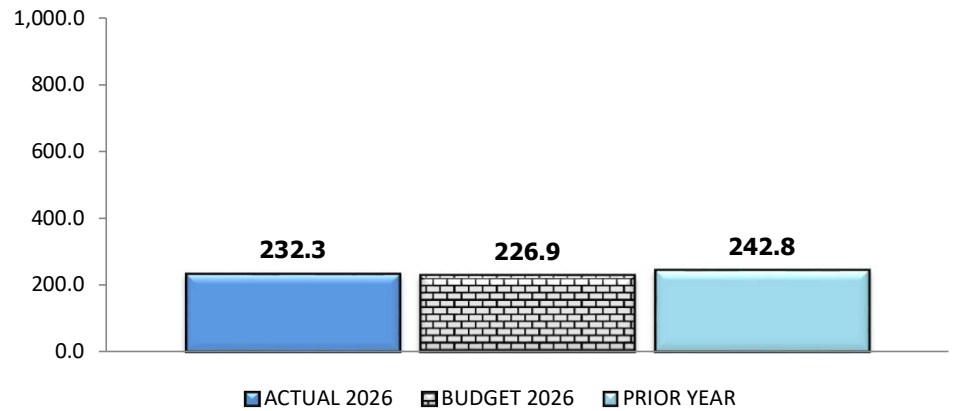
LBJ Average Daily Census - YTD

225.1

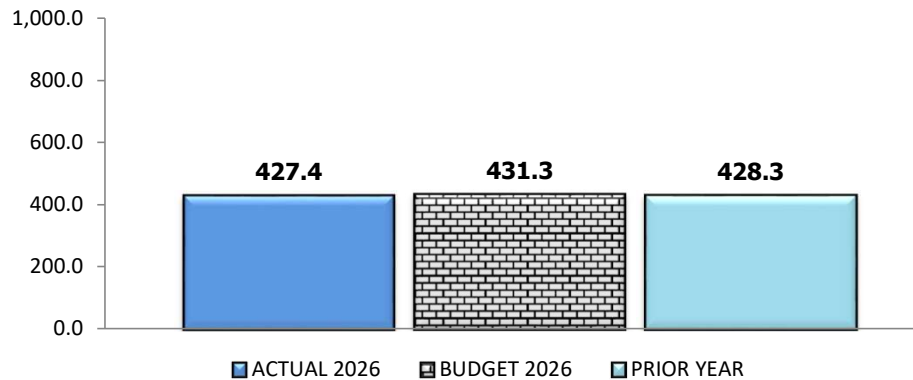
Ben Taub ADC - Current Month



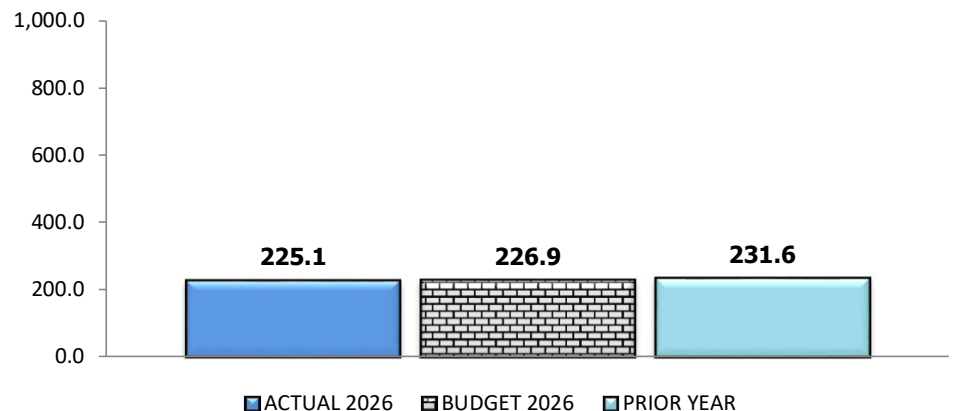
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

July FY 2026

BT Inpatient ALOS - CM

6.95

BT Inpatient ALOS - YTD

7.52

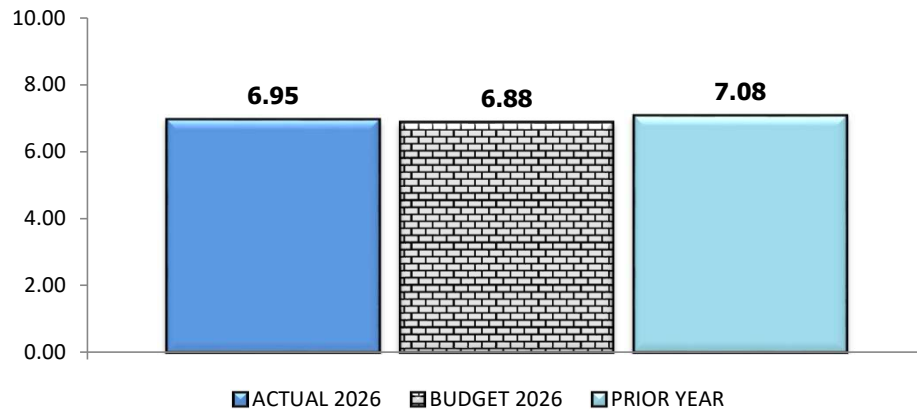
LBJ Inpatient ALOS - CM

4.91

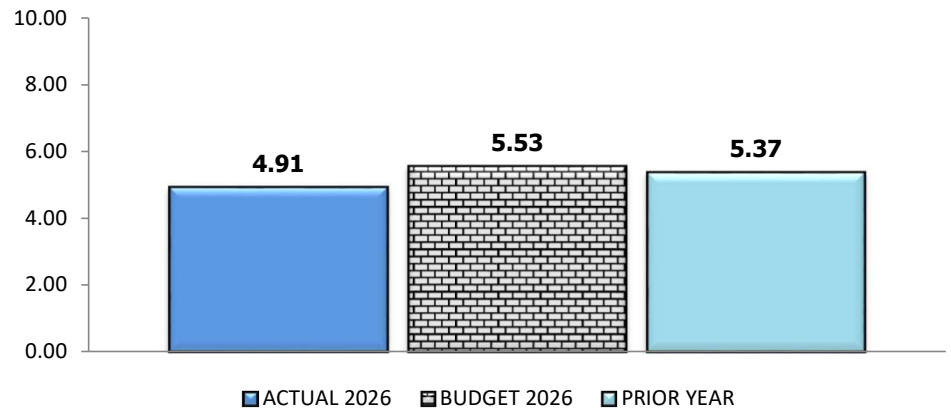
LBJ Inpatient ALOS - YTD

5.31

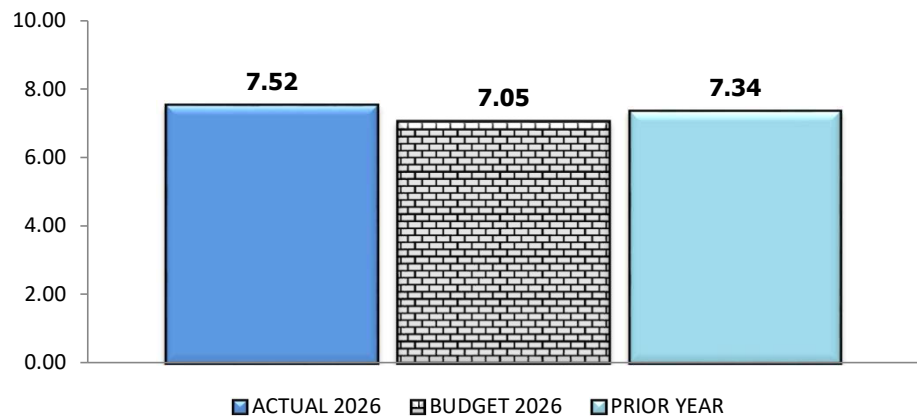
Ben Taub ALOS - Current Month



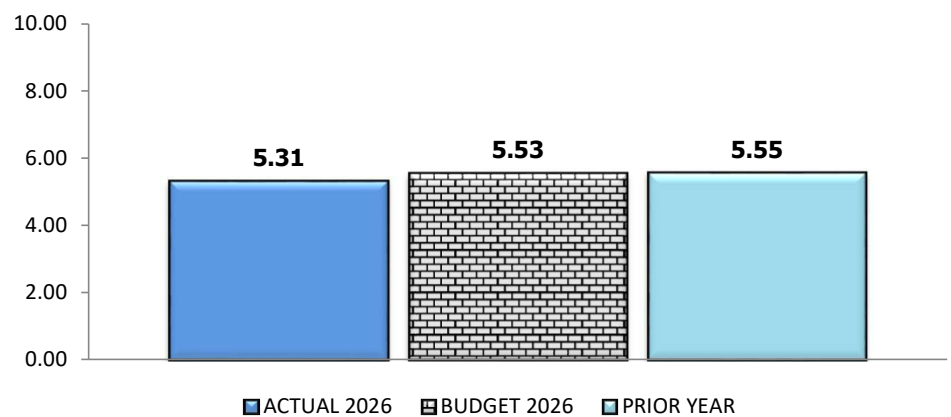
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health

Statistical Highlights - Case Mix Index (CMI)

July FY 2026

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.798	1.907

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.811	1.936

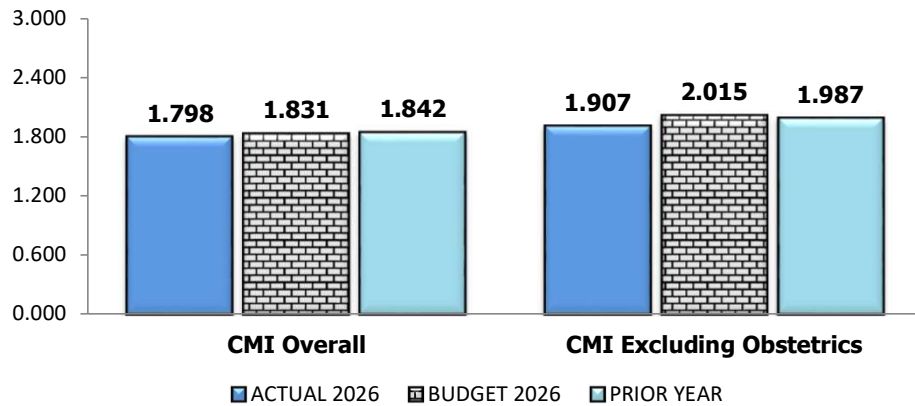
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.506	1.601

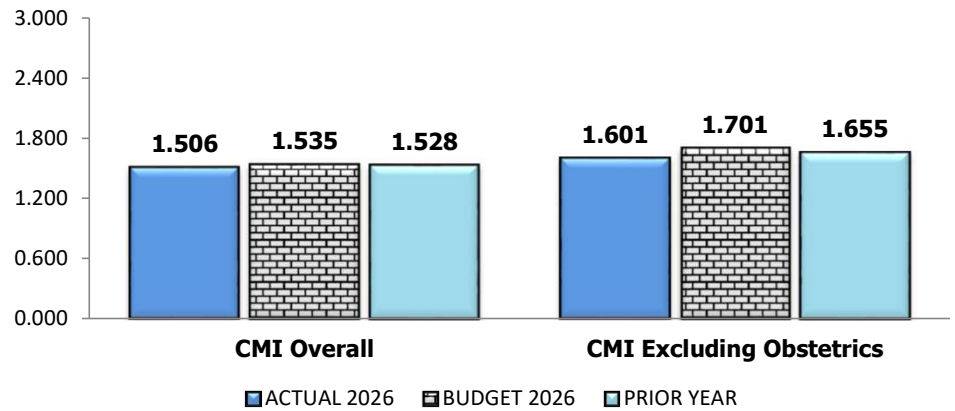
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.530	1.639

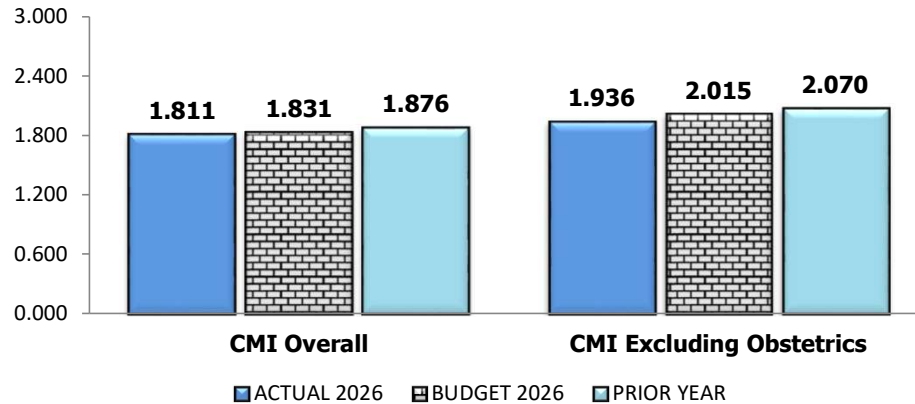
Ben Taub CMI - Current Month



Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

