



Financial Statements

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



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Financial Highlights Review **HARRISHEALTH**

As of May 31, 2026

Operating income for the month ended May 31, 2026 was \$15.4 million compared to budgeted loss of \$4.5 million.

Total net revenue for the month ended May 31, 2026 of \$244.4 million was \$11.0 million or 4.7% more than budget. Net patient revenue was \$7.7 million more than budget while Medicaid Supplement Programs was \$4.6 million more than budget.

As of May 31, 2026, total expenses of \$228.9 million were \$8.9 million or 3.8% less than budget. Total supply and purchased services expenses were \$3.8 million and \$3.4 million, respectively, less than budget while total labor costs were \$1.0 million more than budget. Benefits expense was lower due to a favorable pension expense adjustment required per the recently received actuarial report. 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 in the ACA marketplace is driven primarily by recent rule changes at the federal level.

For the month ended May 31, 2026, total patient days and average daily census both decreased by 1.1% compared to budget. Inpatient case mix index, a measure of patient acuity, was 1.1% higher than budget while length of stay was 2.4% lower than budget. Emergency room visits were 4.2% less than budget. Total clinic visits, including telehealth, were 0.8% lower compared to budget. Births were down 31.7%.

Total cash receipts for the month were \$231.5 million. The System has \$1,988.4 million in unrestricted cash, cash equivalents and investments, representing 291.5 days cash on hand. Days cash on hand continues to be impacted by reimbursement from the Series 2025 bond totaling \$852.3 million as of May 31, 2026, 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 \$167.8 million in net accounts receivable, representing 70.4 days of outstanding patient accounts receivable at May 31, 2026. The May balance sheet reflects a combined net receivable position of \$153.6 million under the various Medicaid Supplemental programs. The current portion of ad valorem taxes receivable is \$23.7 million, which is offset by ad valorem tax collections as received. Accounts payable and accrued liabilities include \$412.0.1 million in deferred ad valorem tax revenues that are released as ad valorem tax revenue is recognized. As of May 31, 2026, \$1,206.3 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 May 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	\$ 74.3	\$ 66.6	11.6%	\$ 579.0	\$ 553.7	4.6%	\$ 509.3	13.7%
Medicaid Supplemental Programs	59.2	54.6	8.5%	454.2	437.0	3.9%	462.7	-1.8%
Other Operating Revenue	2.8	4.2	-33.4%	28.3	34.2	-17.3%	98.6	-71.3%
Total Operating Revenue	\$ 136.3	\$ 125.4	8.7%	\$ 1,061.5	\$ 1,024.8	3.6%	\$ 1,070.6	-0.8%
Net Ad Valorem Taxes	101.3	101.3	0.0%	817.8	810.4	0.9%	684.7	19.4%
Net Tobacco Settlement Revenue	-	-	0.0%	23.0	15.2	51.6%	19.0	21.2%
Capital Gifts & Grants	-	0.8	0.0%	-	6.7	-100.0%	2.0	-100.0%
Interest Income & Other	6.7	5.9	15.0%	51.8	47.0	10.3%	43.2	19.8%
Total Nonoperating Revenue	\$ 108.0	\$ 108.0	0.0%	\$ 892.6	\$ 879.2	1.5%	\$ 748.9	19.2%
Total Net Revenue	\$ 244.4	\$ 233.4	4.7%	\$ 1,954.2	\$ 1,904.0	2.6%	\$ 1,819.5	7.4%
EXPENSE								
Salaries and Wages	\$ 95.2	\$ 93.6	-1.8%	\$ 680.4	\$ 724.7	6.1%	\$ 652.0	-4.4%
Employee Benefits	28.2	28.8	2.2%	215.4	230.4	6.5%	213.0	-1.1%
Total Labor Cost	\$ 123.4	\$ 122.4	-0.8%	\$ 895.8	\$ 955.1	6.2%	\$ 865.0	-3.6%
Supply Expenses	25.5	29.3	13.1%	205.1	233.2	12.1%	214.6	4.5%
Physician Services	40.4	39.4	-2.6%	318.6	315.0	-1.1%	307.0	-3.8%
Purchased Services	25.5	28.9	11.7%	196.8	230.6	14.7%	203.2	3.2%
Depreciation & Interest	14.1	17.8	21.0%	103.6	102.9	-0.6%	75.7	-36.8%
Total Operating Expense	\$ 228.9	\$ 237.9	3.7%	\$ 1,719.8	\$ 1,836.8	6.4%	\$ 1,665.5	-3.3%
Operating Income (Loss)	\$ 15.4	\$ (4.5)		\$ 234.4	\$ 67.2		\$ 154.0	
Total Margin %	6.3%	-1.9%		12.0%	3.5%		8.5%	

Balance Sheet

HARRISHEALTH

May 2026 and 2025 (in \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,988.4	\$ 1,889.6
Net Patient Accounts Receivable	167.8	130.0
Net Ad Valorem Taxes, Current Portion	23.7	14.4
Other Current Assets	247.0	256.8
Total Current Assets	\$ 2,426.8	\$ 2,290.8
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 583.2	\$ 575.4
Construction in Progress	1,171.0	404.9
Right of Use Assets	33.1	35.3
Total Capital Assets	\$ 1,787.3	\$ 1,015.6
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 34.6	\$ 597.1
LPPF Restricted Cash	455.0	431.6
Capital Gift Proceeds	56.3	57.4
Other - Restricted	35.1	1.1
Total Assets Limited As to Use & Restricted Assets	\$ 581.0	\$ 1,087.1
Other Assets	53.6	40.8
Deferred Outflows of Resources	137.5	176.5
Total Assets & Deferred Outflows of Resources	\$ 4,986.2	\$ 4,610.8
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 684.1	\$ 631.5
Employee Compensation & Related Liabilities	185.8	157.0
Deferred Revenue - Ad Valorem	412.0	351.9
Estimated Third-Party Payor Settlements	71.2	31.0
Current Portion Long-Term Debt and Capital Leases	23.7	36.8
Total Current Liabilities	\$ 1,376.9	\$ 1,208.2
Long-Term Debt	1,102.0	1,108.7
Net Pension & Post Employment Benefits Liability	585.7	668.8
Other Long-Term Liabilities	5.4	7.8
Deferred Inflows of Resources	116.3	110.4
Total Liabilities	\$ 3,186.3	\$ 3,103.9
Total Net Assets	\$ 1,799.9	\$ 1,506.9
Total Liabilities & Net Assets	\$ 4,986.2	\$ 4,610.8

Cash Flow Summary

HARRISHEALTH

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

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT	PRIOR	CURRENT	PRIOR
	YEAR	YEAR	YEAR	YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 85.1	\$ 72.5	\$ 629.7	\$ 563.1
Medicaid Supplemental Programs	108.7	70.2	338.0	331.8
Net Ad Valorem Taxes	3.6	6.4	1,206.3	1,024.3
Tobacco Settlement	23.0	19.0	23.0	19.0
Other Revenue	10.9	289.0	518.6	396.9
Total Cash Receipts	\$ 231.5	\$ 457.1	\$ 2,715.6	\$ 2,335.0
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 121.0	\$ 107.9	\$ 975.4	\$ 884.4
Supplies	37.5	35.4	248.0	242.0
Physician Services	39.4	38.8	307.4	292.9
Purchased Services	28.1	28.2	207.0	200.9
Capital Expenditures	68.4	55.8	624.8	273.4
Debt and Interest Payments	0.2	0.2	40.7	19.9
Other Uses	11.1	18.3	(28.2)	(4.5)
Total Cash Disbursements	\$ 305.7	\$ 284.6	\$ 2,375.1	\$ 1,908.9
Net Change	\$ (74.2)	\$ 172.5	\$ 340.6	\$ 426.2

Unrestricted cash, cash equivalents and investments - Beginning of year

Net Change

Unrestricted cash, cash equivalents and investments - End of period

\$ 1,647.8

\$ 340.6

\$ 1,988.4

Performance Ratios

HARRISHEALTH

As of May 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 %	6.3%	-1.9%	12.0%	3.5%	8.5%
Run Rate per Day (In\$ Millions)	\$ 7.1	\$ 7.4	\$ 6.8	\$ 7.3	\$ 6.6
Salary, Wages & Benefit per APD	\$ 2,856	\$ 2,676	\$ 2,555	\$ 2,669	\$ 2,417
Supply Cost per APD	\$ 590	\$ 641	\$ 585	\$ 652	\$ 600
Physician Services per APD	\$ 935	\$ 861	\$ 909	\$ 880	\$ 858
Total Expense per APD	\$ 5,297	\$ 5,200	\$ 4,904	\$ 5,134	\$ 4,655
Overtime as a % of Total Salaries	2.7%	2.6%	2.9%	2.6%	3.4%
Contract as a % of Total Salaries	3.2%	2.8%	3.0%	2.8%	3.2%
Full-time Equivalent Employees	10,430	10,747	10,379	10,720	10,441
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			1.7		1.9
Unrestricted Cash (In \$ Millions)			\$ 1,988.4	\$ 1,955.1	\$ 1,889.6
Days Cash on Hand			291.5	268.1	286.3
Days Revenue in Accounts Receivable			70.4	64.6	62.0
Days in Accounts Payable			38.1		40.1
Capital Expenditures/Depreciation & Amortization			886.0%		429.7%
Average Age of Plant(years)			9.6		10.0

Harris Health Key Indicators



Statistical Highlights

HARRISHEALTH

As of May 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	43,219	45,745	-5.5%	350,658	357,801	-2.0%	357,812	-2.0%
Outpatient % of Adjusted Volume	59.6%	63.0%	-5.5%	61.2%	62.9%	-2.6%	63.5%	-3.5%
Primary Care Clinic Visits	41,259	43,528	-5.2%	352,452	362,103	-2.7%	365,589	-3.6%
Specialty Clinic Visits	20,312	19,015	6.8%	166,698	165,234	0.9%	167,778	-0.6%
Telehealth Clinic Visits	10,129	9,732	4.1%	82,842	77,702	6.6%	82,438	0.5%
Total Clinic Visits	71,700	72,275	-0.8%	601,992	605,039	-0.5%	615,805	-2.2%
Emergency Room Visits - Outpatient	11,681	12,695	-8.0%	89,503	96,853	-7.6%	94,359	-5.1%
Emergency Room Visits - Admitted	2,045	1,635	25.1%	14,945	14,132	5.8%	13,698	9.1%
Total Emergency Room Visits	13,726	14,330	-4.2%	104,448	110,985	-5.9%	108,057	-3.3%
Surgery Cases - Outpatient	1,013	992	2.1%	8,165	7,619	7.2%	8,292	-1.5%
Surgery Cases - Inpatient	849	877	-3.2%	6,757	7,161	-5.6%	7,080	-4.6%
Total Surgery Cases	1,862	1,869	-0.4%	14,922	14,780	1.0%	15,372	-2.9%
Total Outpatient Visits	127,843	144,644	-11.6%	1,030,054	1,165,260	-11.6%	1,047,329	-1.6%
Inpatient Cases (Discharges)	2,706	2,556	5.9%	20,551	20,761	-1.0%	19,763	4.0%
Outpatient Observation Cases	888	1,088	-18.4%	7,080	7,899	-10.4%	8,492	-16.6%
Total Cases Occupying Patient Beds	3,594	3,644	-1.4%	27,631	28,660	-3.6%	28,255	-2.2%
Births	319	467	-31.7%	2,789	3,683	-24.3%	3,544	-21.3%
Inpatient Days	17,482	16,920	3.3%	135,964	132,834	2.4%	130,693	4.0%
Outpatient Observation Days	2,815	3,612	-22.1%	23,043	27,844	-17.2%	29,773	-22.6%
Total Patient Days	20,297	20,532	-1.1%	159,007	160,678	-1.0%	160,466	-0.9%
Average Daily Census	654.7	662.3	-1.1%	654.3	661.2	-1.0%	660.4	-0.9%
Average Operating Beds	704	704	-0.1%	702	704	-0.2%	702	0.1%
Bed Occupancy %	93.1%	94.1%	-1.1%	93.1%	93.9%	-0.8%	94.1%	-1.0%
Inpatient Average Length of Stay	6.46	6.62	-2.4%	6.62	6.40	3.4%	6.61	0.0%
Inpatient Case Mix Index (CMI)	1.732	1.712	1.1%	1.691	1.712	-1.2%	1.731	-2.3%
Payor Mix (% of Charges)								
Charity & Self Pay	48.0%	45.5%	5.4%	46.8%	45.5%	2.8%	44.9%	4.1%
Medicaid & Medicaid Managed	19.1%	18.8%	1.5%	19.7%	18.8%	4.8%	18.6%	6.0%
Medicare & Medicare Managed	11.7%	10.6%	9.7%	11.2%	10.6%	5.4%	10.9%	3.2%
Commercial & Other	21.3%	25.1%	-15.0%	22.3%	25.1%	-10.9%	25.6%	-12.9%
Total Unduplicated Patients - Rolling 12				236,090			244,489	-3.4%
Total New Patient - Rolling 12				80,798			87,850	-8.0%

Harris Health

Statistical Highlights

May FY 2026

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,594	3,644	3,627

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
27,631	28,660	28,255

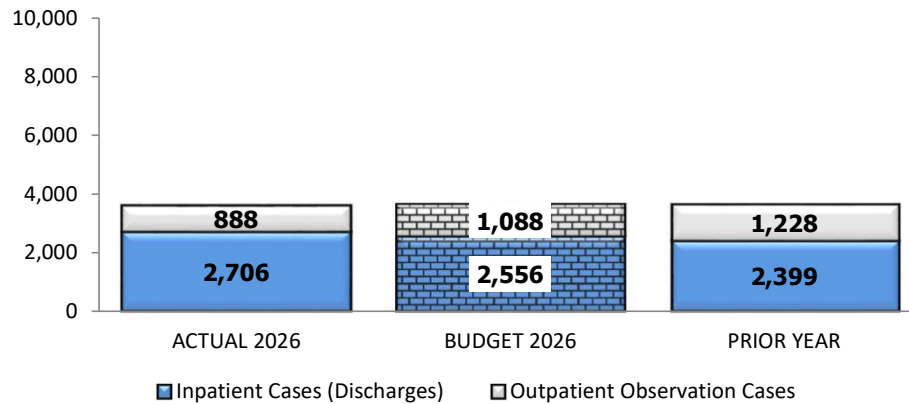
Emergency Visits - CM

Actual	Budget	Prior Year
13,726	14,330	13,763

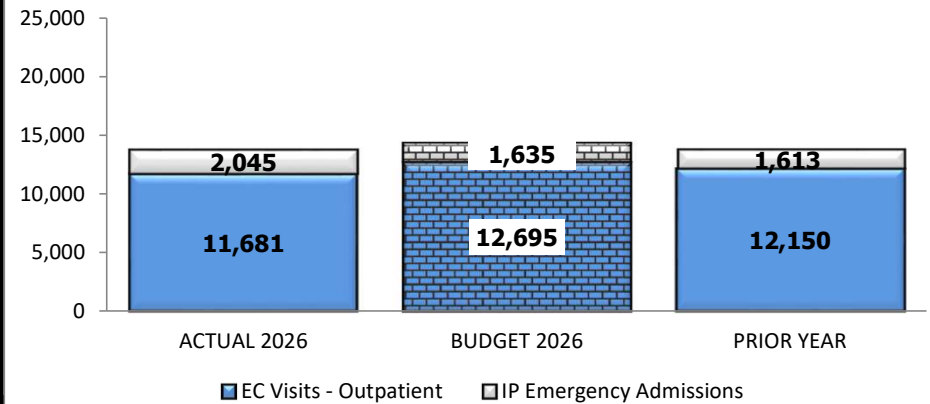
Emergency Visits - YTD

Actual	Budget	Prior Year
104,448	110,985	108,057

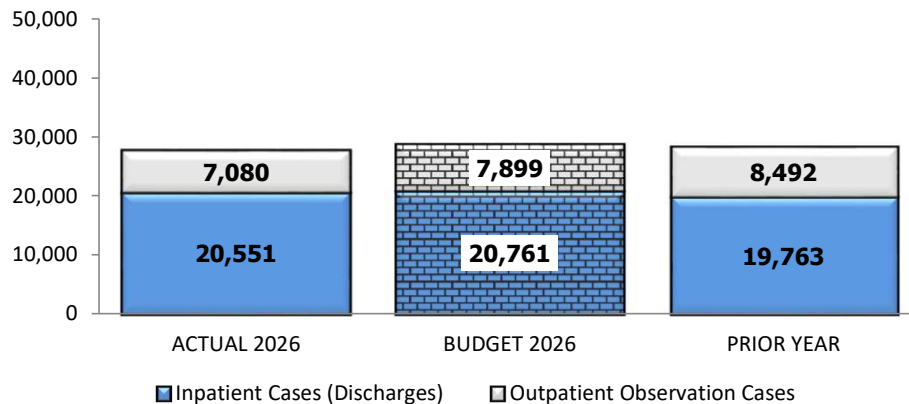
Cases Occupying Beds - Current Month



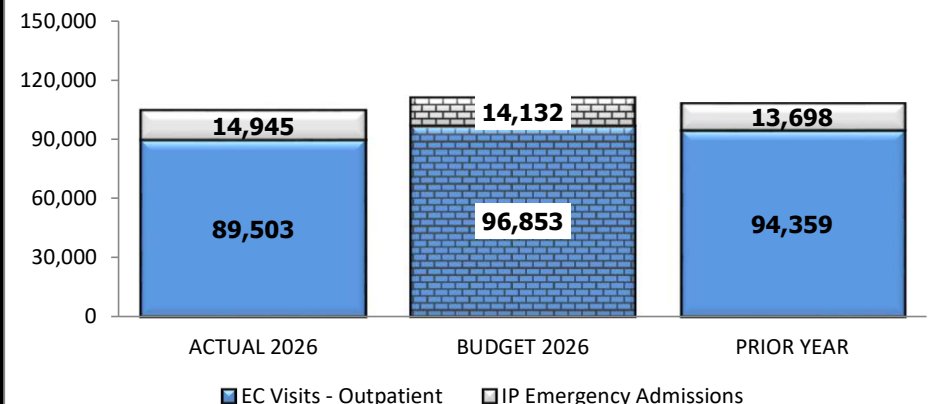
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health

Statistical Highlights

May FY 2026

Surgery Cases - CM

Actual	Budget	Prior Year
1,862	1,869	2,023

Surgery Cases - YTD

Actual	Budget	Prior Year
14,922	14,780	15,372

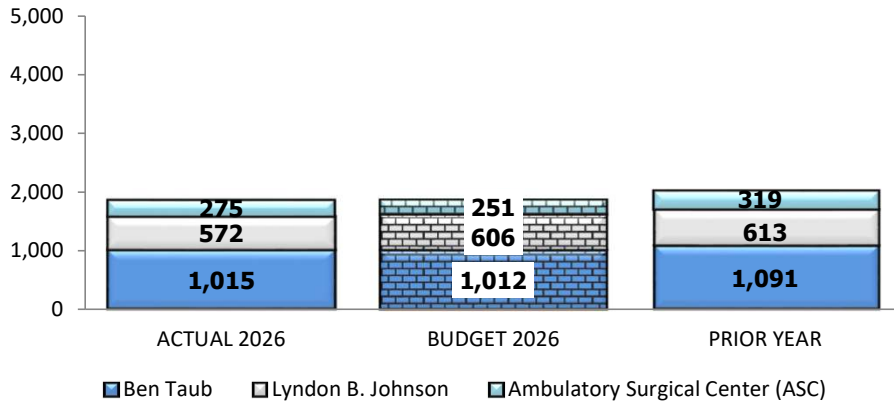
Clinic Visits - CM

Actual	Budget	Prior Year
71,700	72,275	78,305

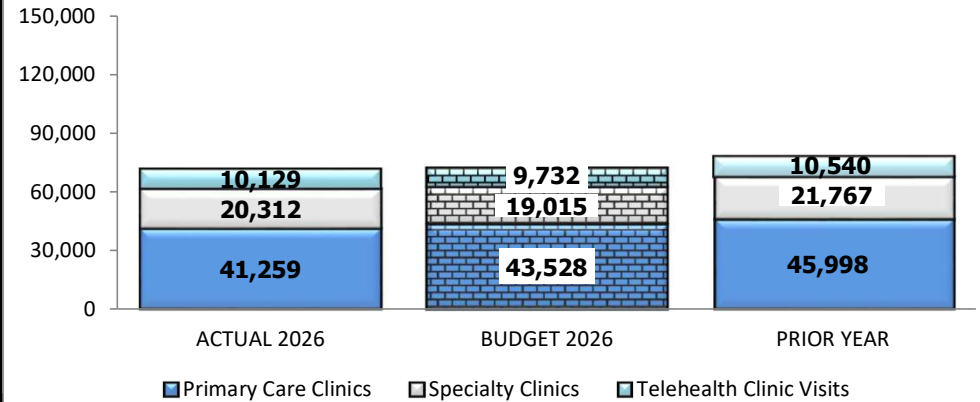
Clinic Visits - YTD

Actual	Budget	Prior Year
601,992	605,039	615,805

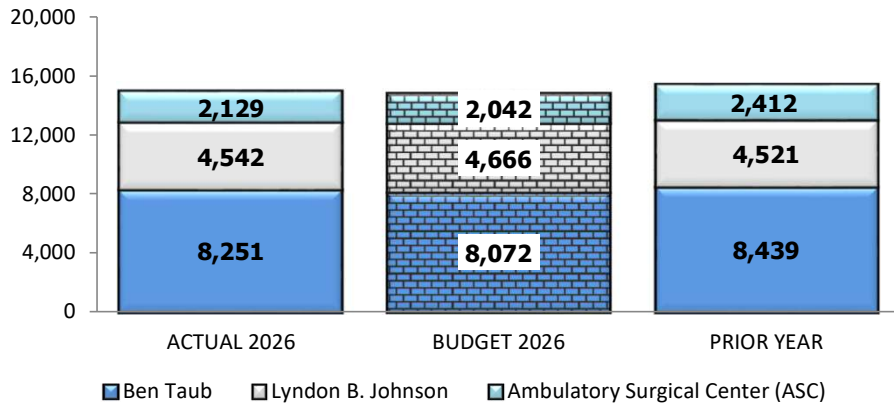
Surgery Cases - Current Month



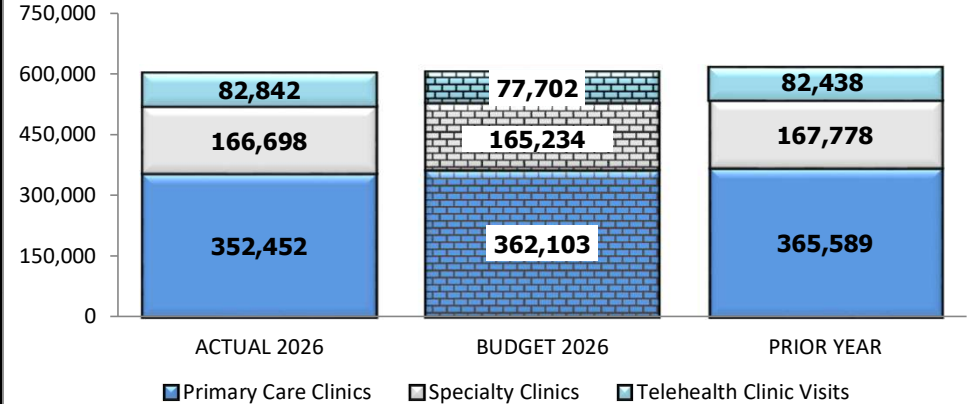
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health

Statistical Highlights

May FY 2026

Adjusted Patient Days - CM

43,219

Adjusted Patient Days - YTD

350,658

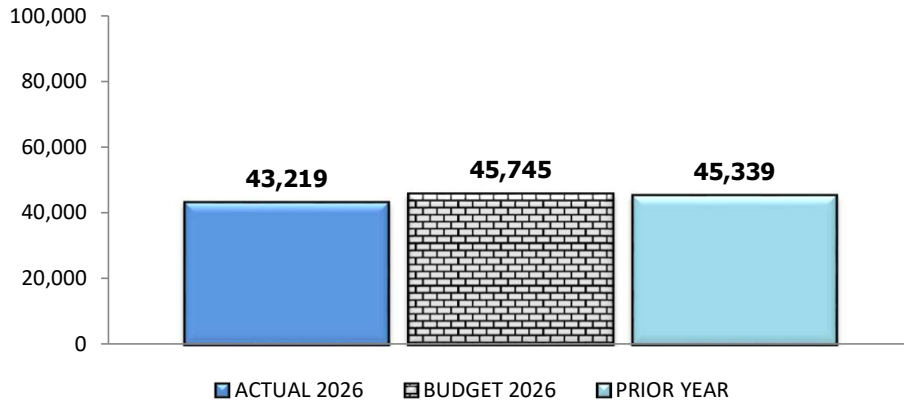
Average Daily Census - CM

654.7

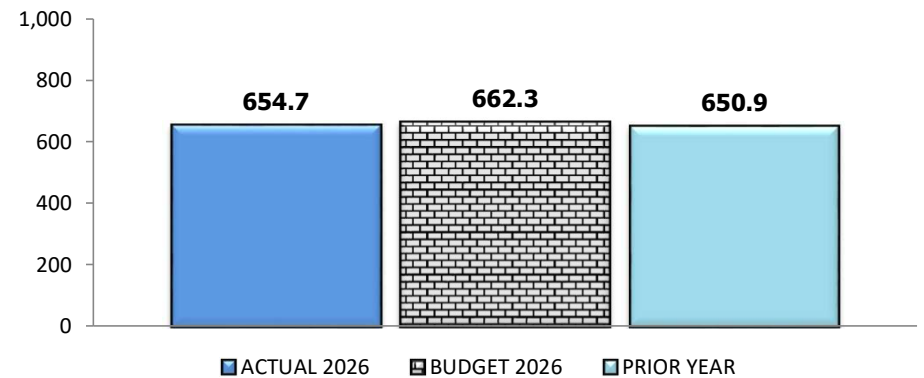
Average Daily Census - YTD

654.3

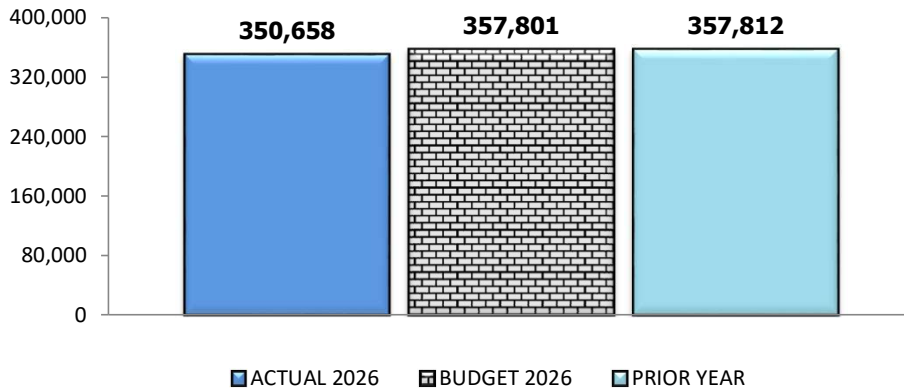
Adjusted Patient Days - Current Month



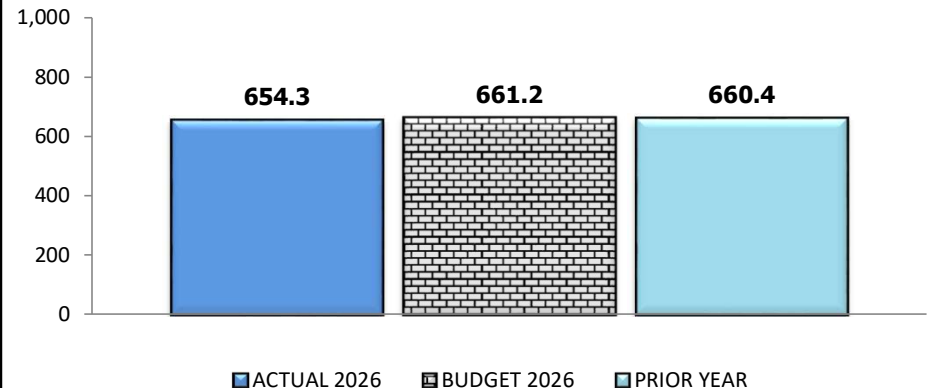
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health

Statistical Highlights

May FY 2026

Inpatient ALOS - CM

6.46

Inpatient ALOS - YTD

6.62

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.732

1.837

Case Mix Index (CMI) - YTD

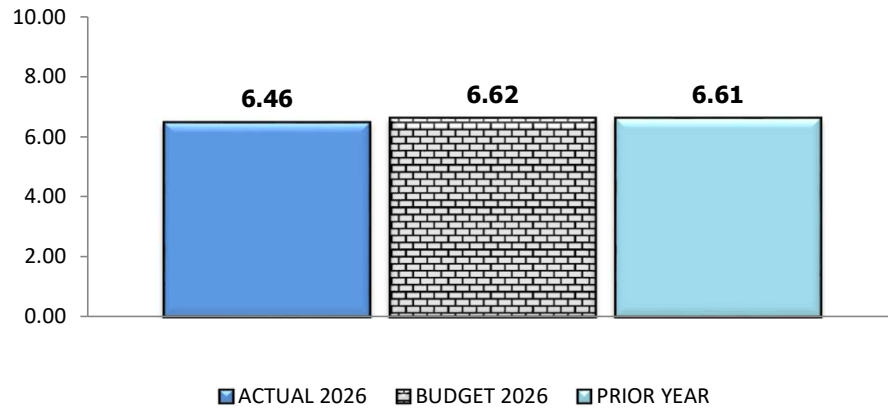
Overall

Excl. Obstetrics

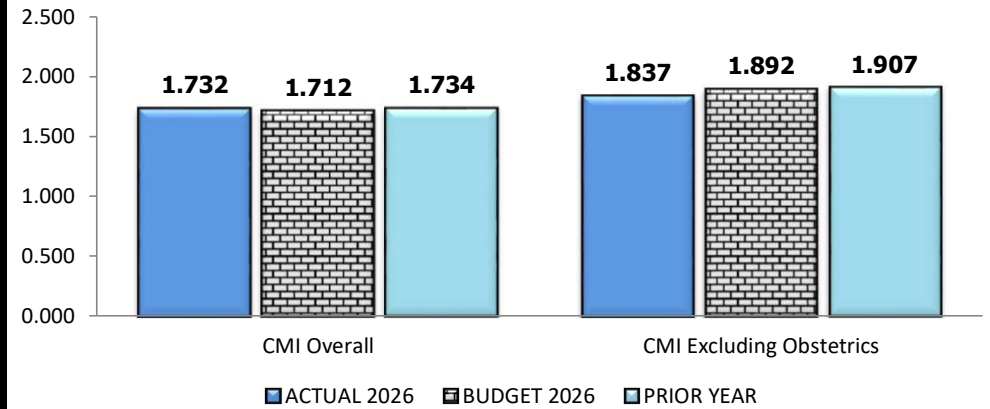
1.691

1.825

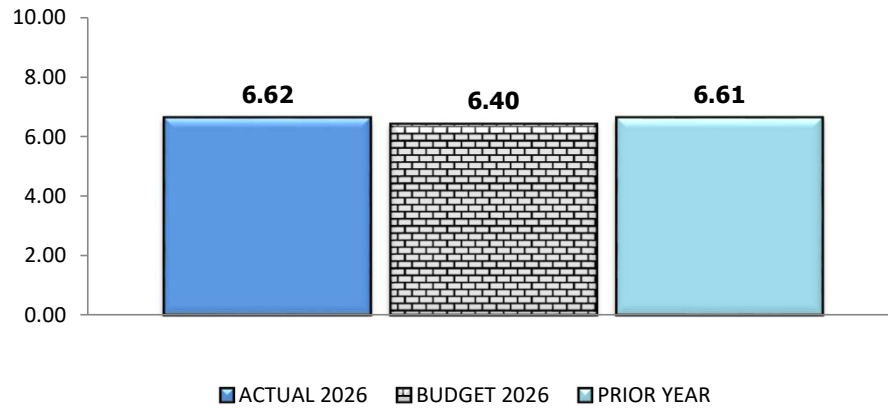
Inpatient ALOS - Current Month



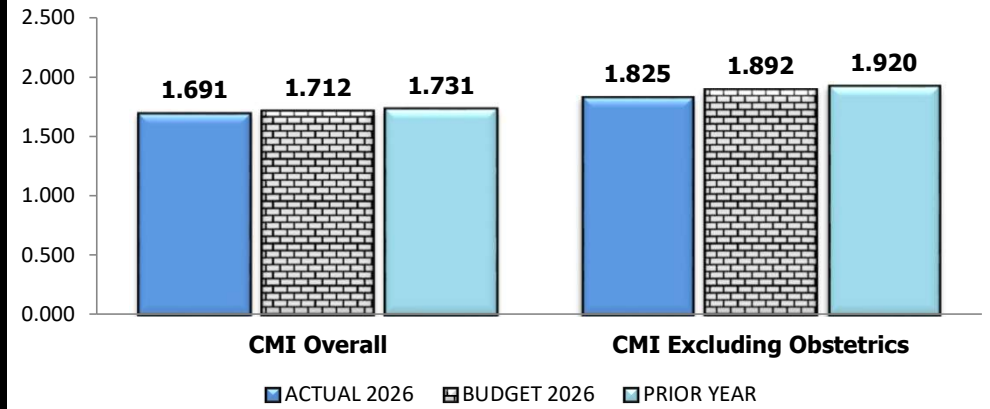
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health

Statistical Highlights - Cases Occupying Beds

May FY 2026

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,995	2,101	2,051

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
15,719	16,809	16,284

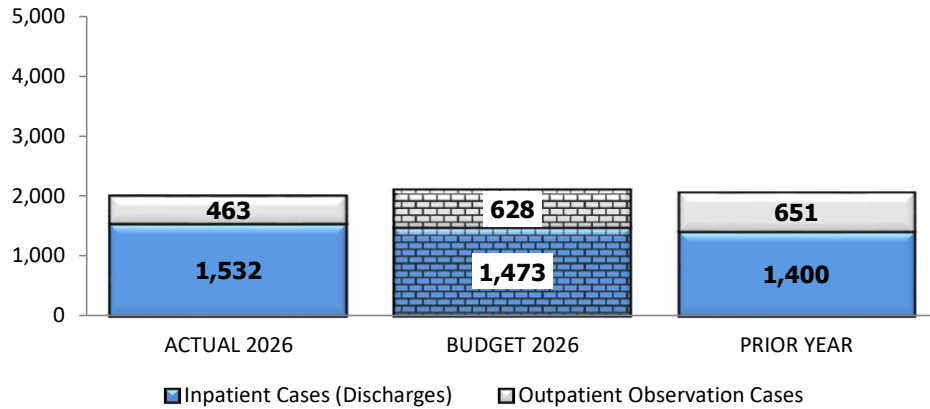
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,566	1,502	1,550

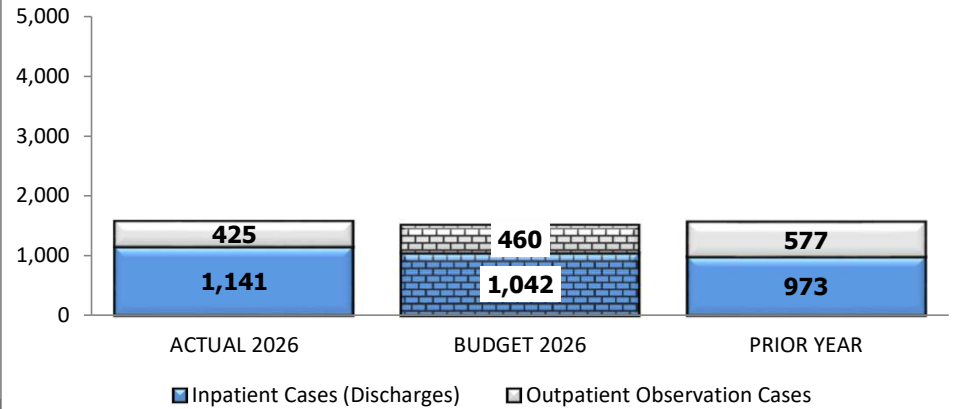
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
11,726	11,531	11,834

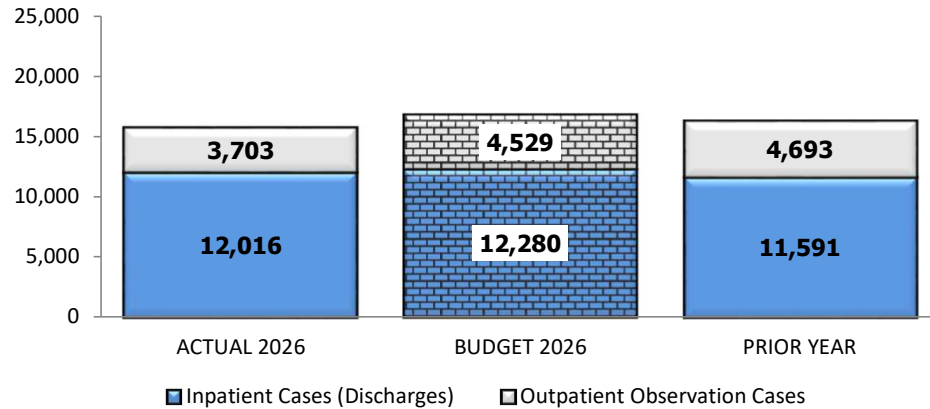
Ben Taub Cases - Current Month



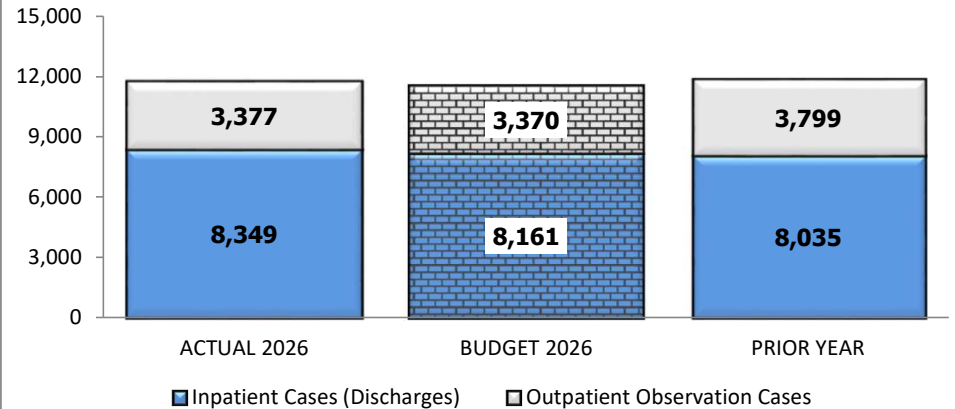
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health

Statistical Highlights - Surgery Cases

May FY 2026

BT Surgery Cases - CM

Actual	Budget	Prior Year
1,015	1,012	1,091

BT Surgery Cases - YTD

Actual	Budget	Prior Year
8,251	8,072	8,439

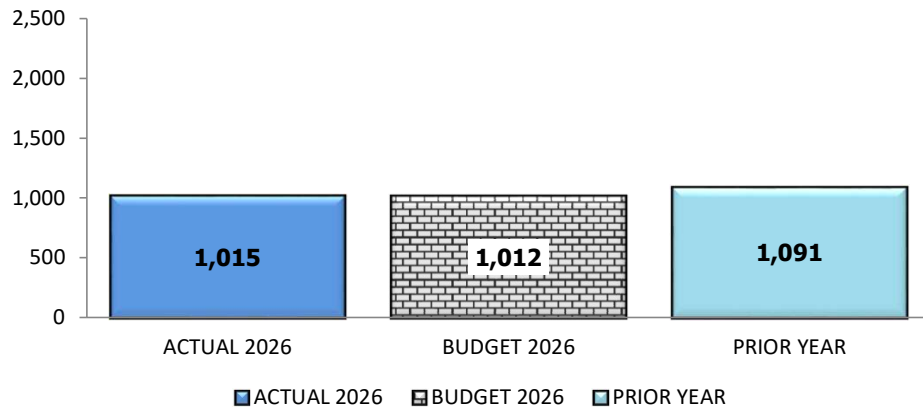
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
847	857	932

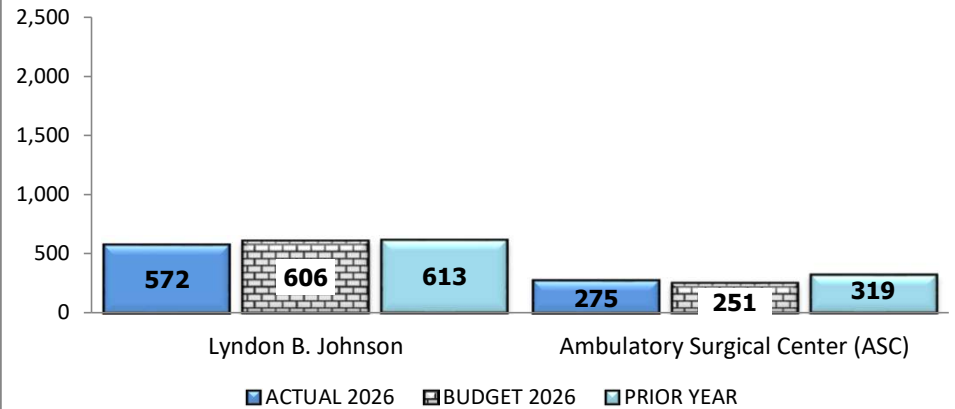
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
6,671	6,708	6,933

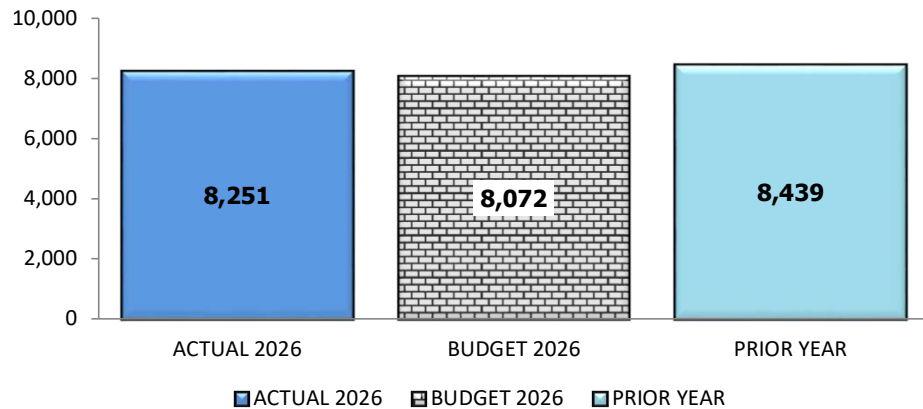
Ben Taub OR Cases - Current Month



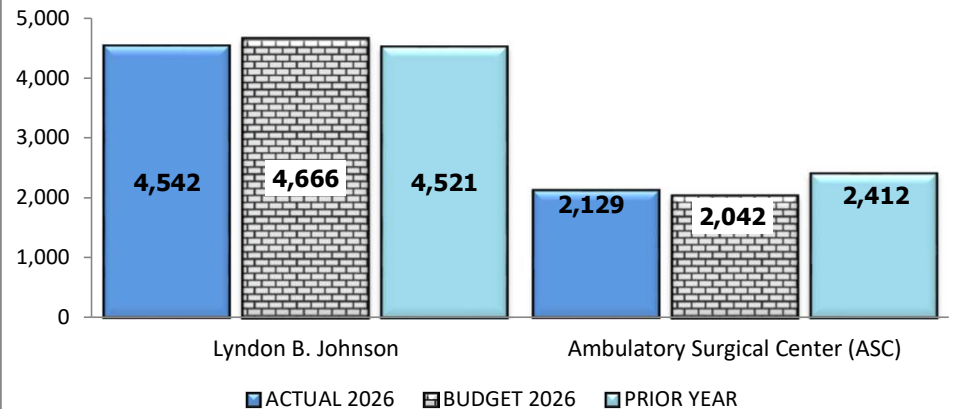
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health

Statistical Highlights - Emergency Room Visits

May FY 2026

BT Emergency Visits - CM

Actual	Budget	Prior Year
7,182	7,115	7,007

BT Emergency Visits - YTD

Actual	Budget	Prior Year
53,369	55,958	55,110

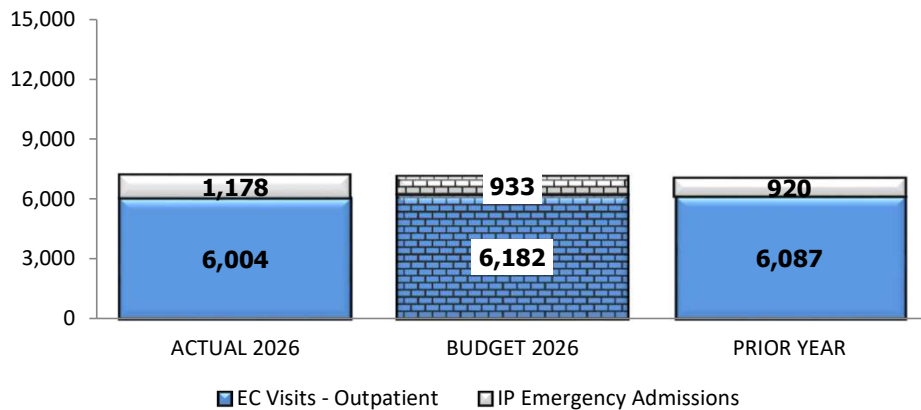
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
6,544	7,215	6,756

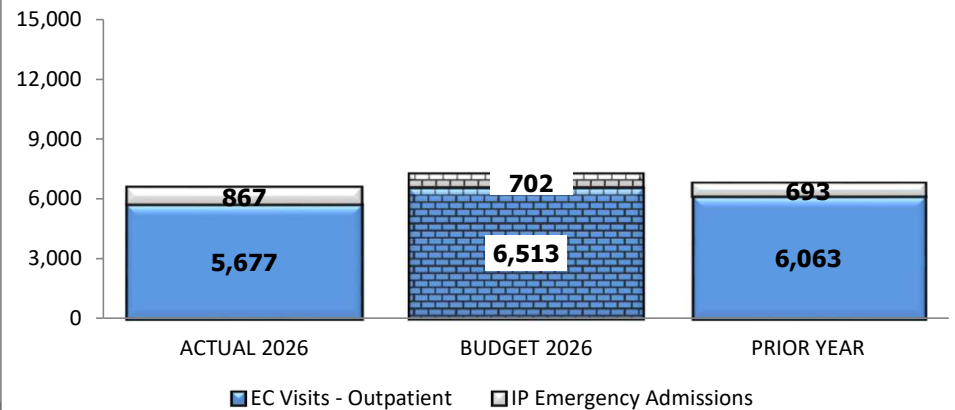
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
51,079	55,027	52,947

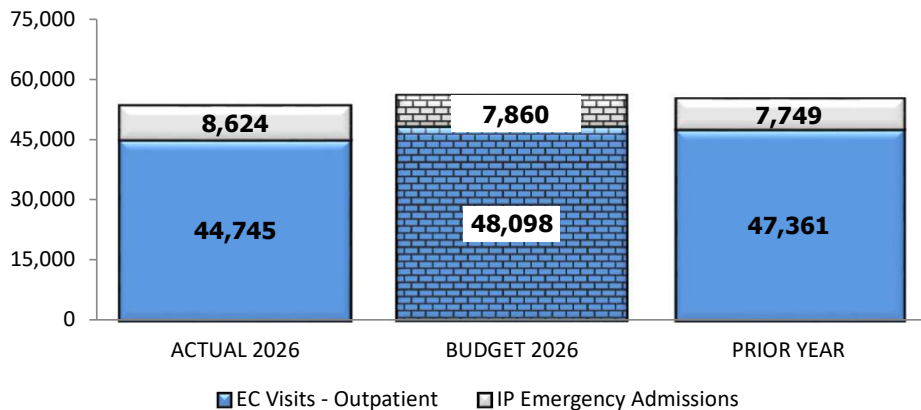
Ben Taub EC Visits - Current Month



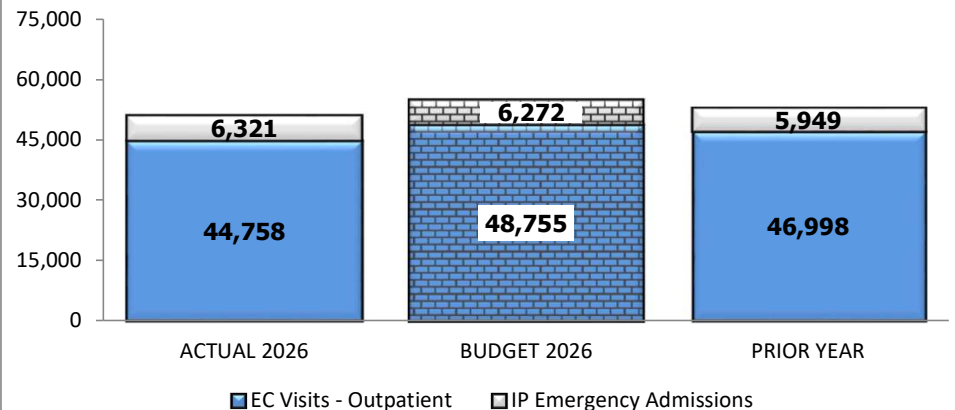
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health

Statistical Highlights - Births

May FY 2026

BT Births - CM

Actual	Budget	Prior Year
173	252	241

BT Births - YTD

Actual	Budget	Prior Year
1,568	2,104	2,016

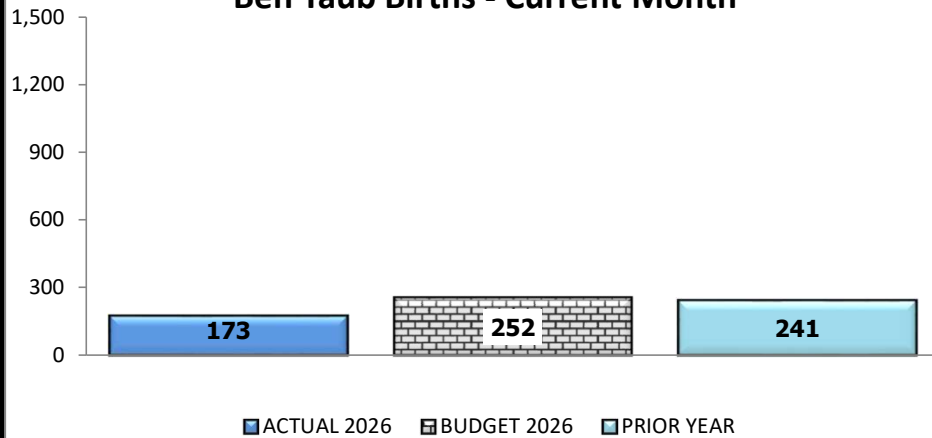
LBJ Births - CM

Actual	Budget	Prior Year
146	215	170

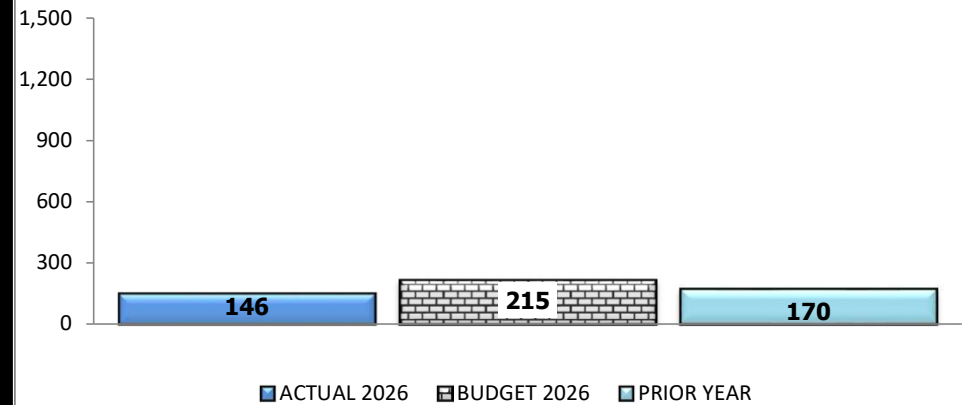
LBJ Births - YTD

Actual	Budget	Prior Year
1,221	1,579	1,528

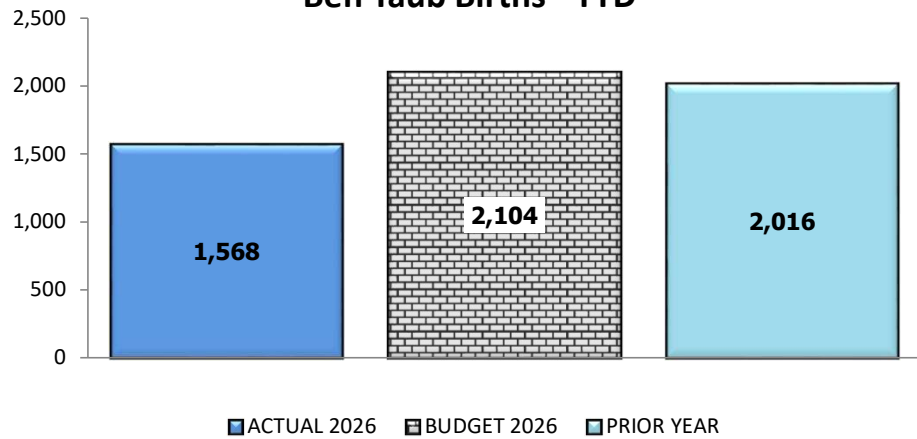
Ben Taub Births - Current Month



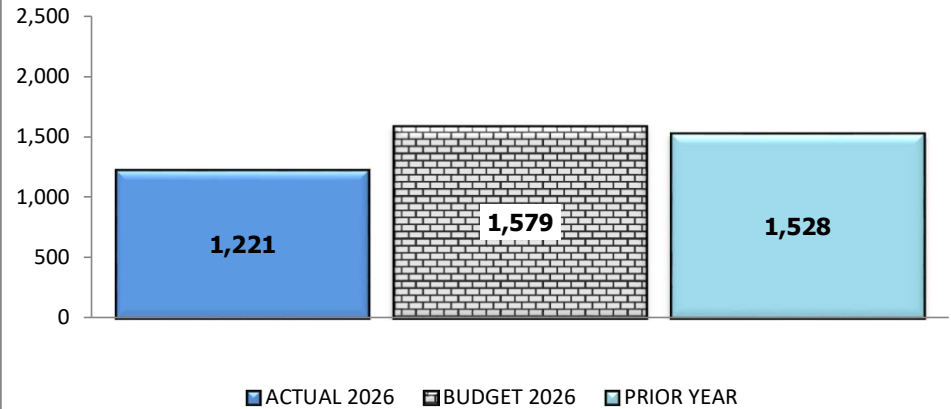
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health

Statistical Highlights - Adjusted Patient Days

May FY 2026

BT Adjusted Patient Days - CM

22,213

BT Adjusted Patient Days - YTD

174,694

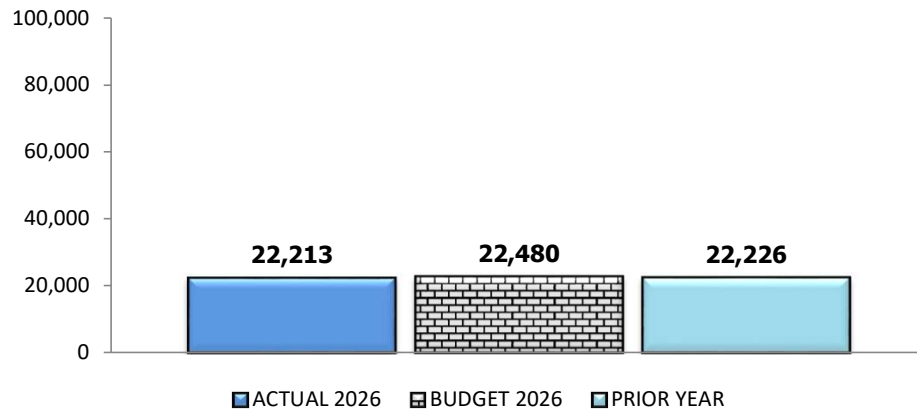
LBJ Adjusted Patient Days - CM

12,712

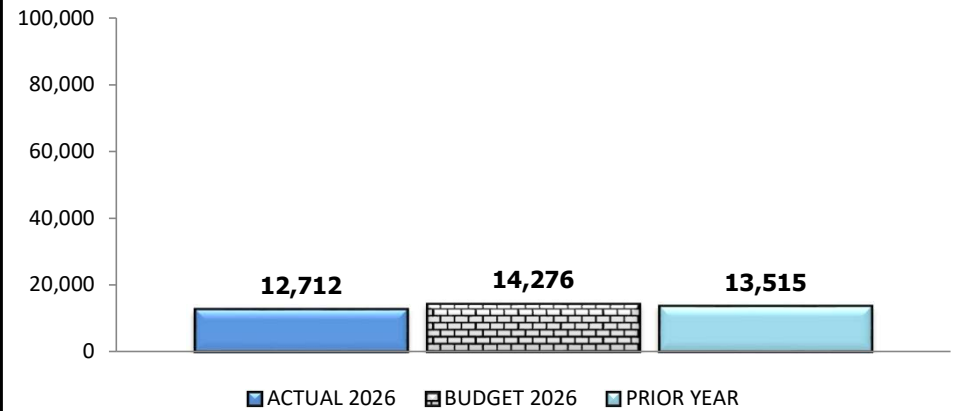
LBJ Adjusted Patient Days - YTD

106,070

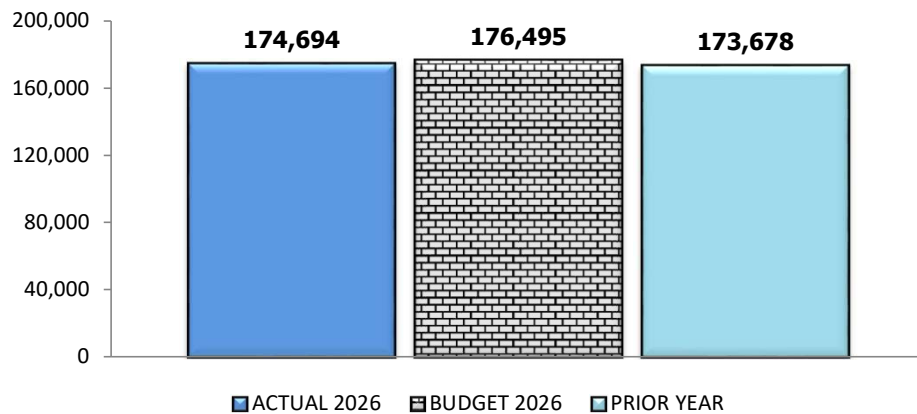
Ben Taub APD - Current Month



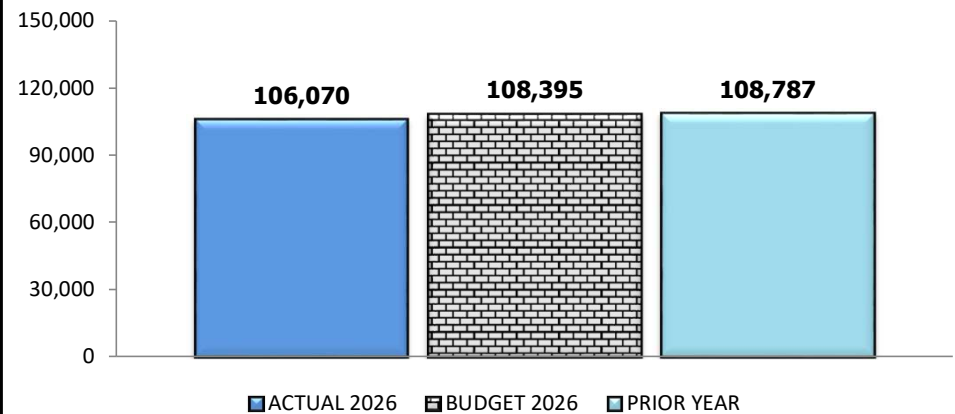
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health

Statistical Highlights - Average Daily Census (ADC)

May FY 2026

BT Average Daily Census - CM

437.2

BT Average Daily Census - YTD

427.2

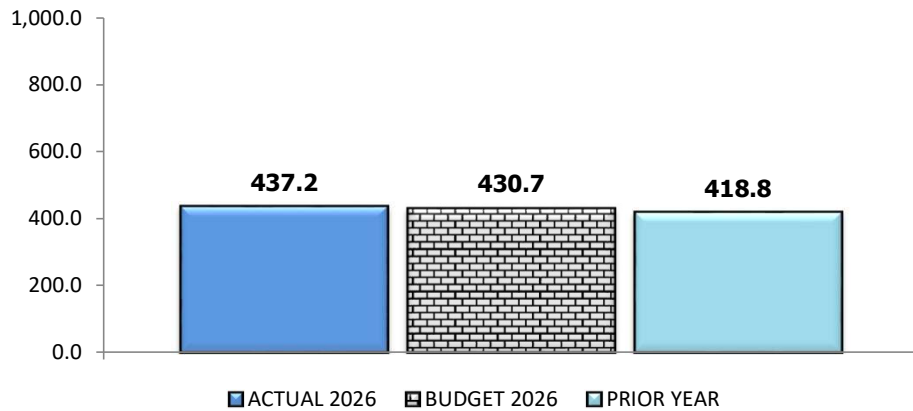
LBJ Average Daily Census - CM

213.5

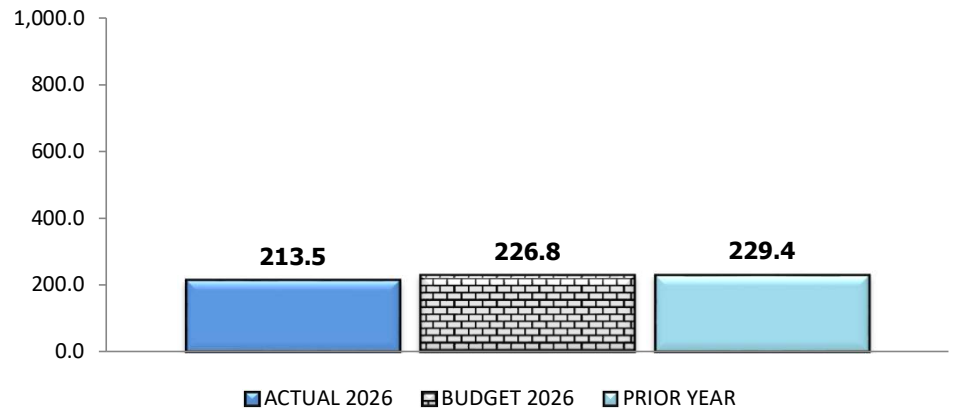
LBJ Average Daily Census - YTD

224.2

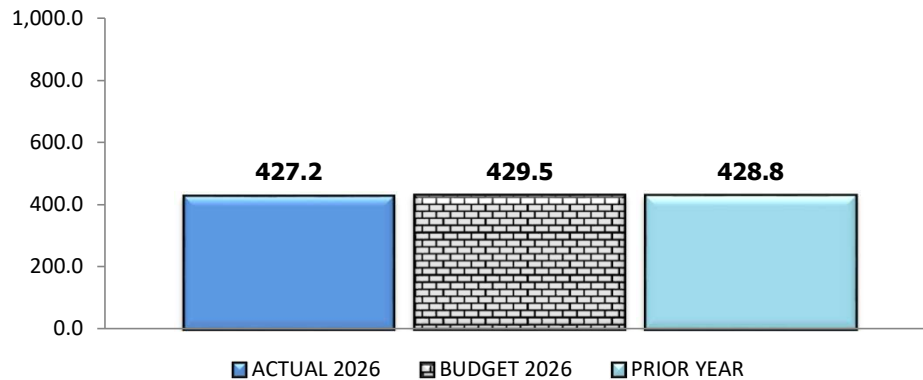
Ben Taub ADC - Current Month



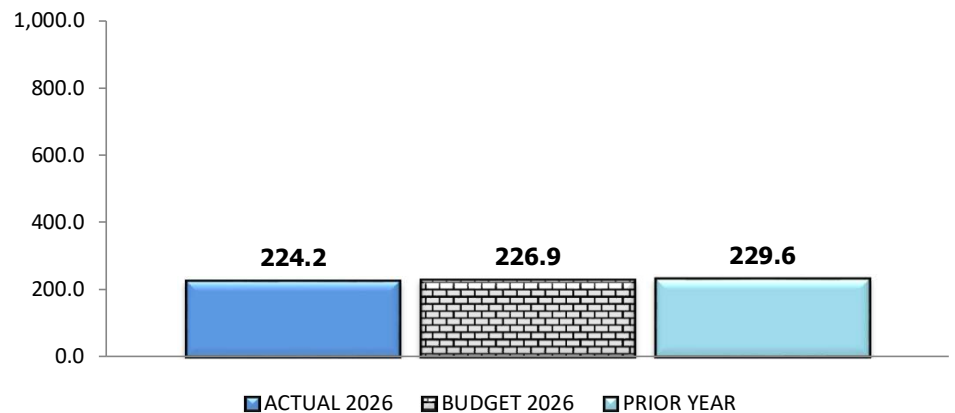
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

May FY 2026

BT Inpatient ALOS - CM

7.77

BT Inpatient ALOS - YTD

7.52

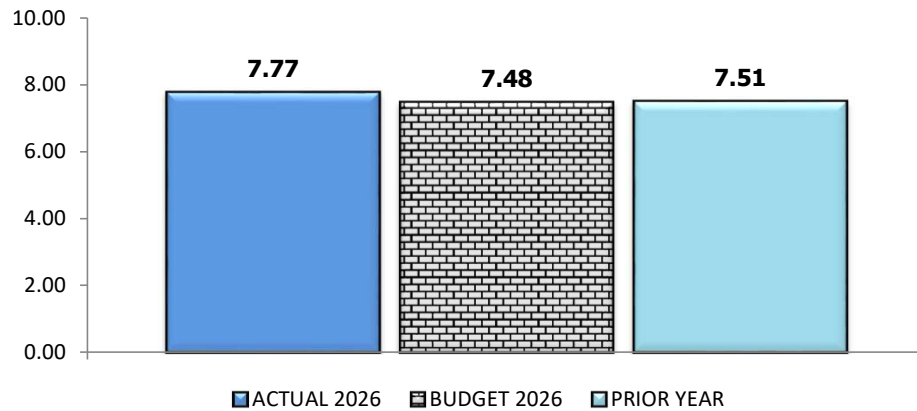
LBJ Inpatient ALOS - CM

4.78

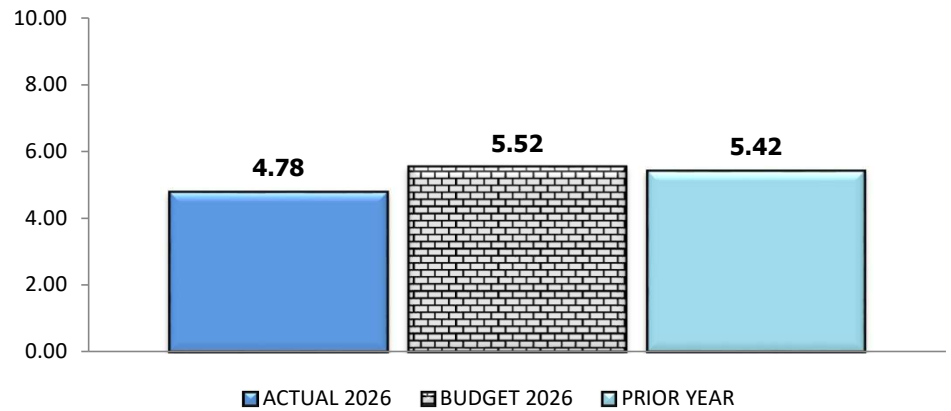
LBJ Inpatient ALOS - YTD

5.37

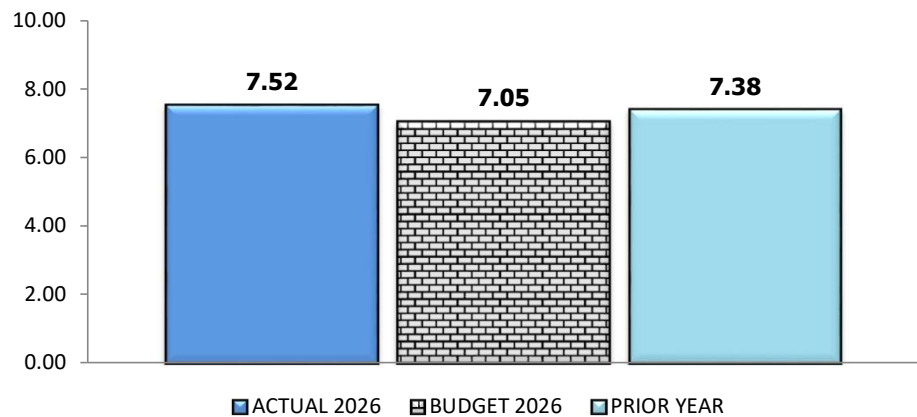
Ben Taub ALOS - Current Month



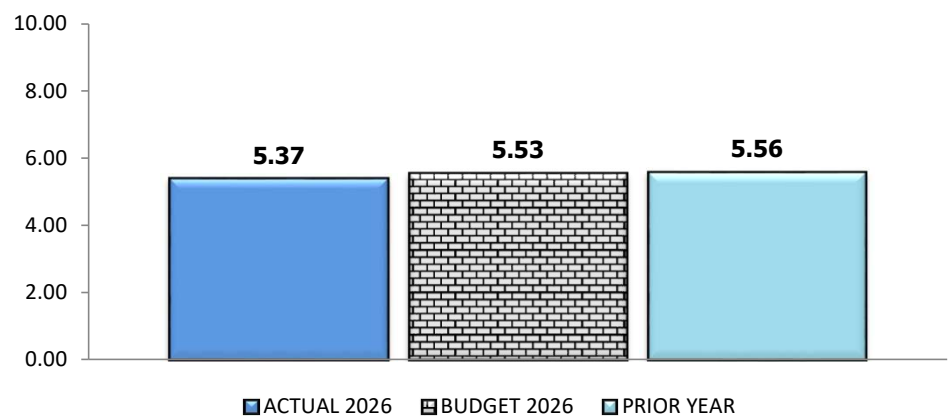
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health

Statistical Highlights - Case Mix Index (CMI)

May FY 2026

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.846	1.958

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.809	1.947

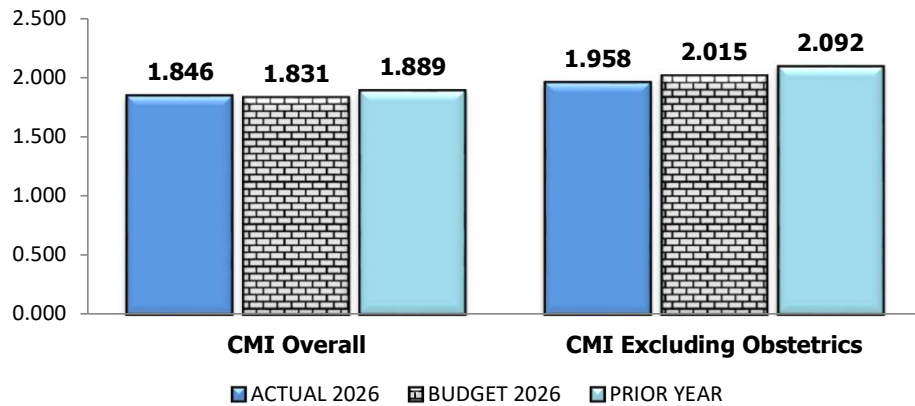
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.592	1.691

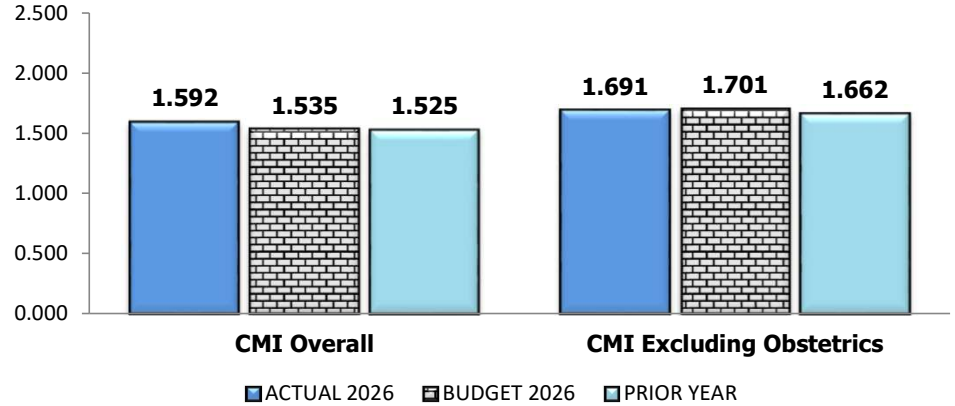
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.535	1.662

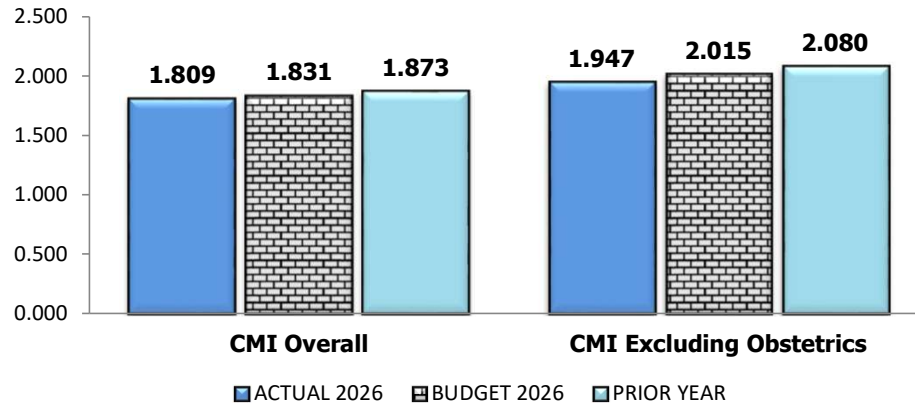
Ben Taub CMI - Current Month



Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

