



Balance Sheet (Assets) – Slide 3

Current Assets

Cash and Cash Equivalents – \$1.6 million

Short-term Investments – Short-term investments were \$142.7 million at month-end, which is net of restricted investments of \$6.8 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$40.9 million balance is composed of the 2017 tax levy of \$17.5 million, delinquent prior years' taxes of \$2.5 million, and tax distributions in transit from the Travis County Tax Office of \$24.0 million, partially offset by estimated allowances for doubtful collections and adjustments of \$3.2 million.

Other Receivables – Other receivables total \$5.4 million and consists of intercompany balances of \$5.2 million, interest receivable of \$152K, and lease revenue receivable of \$11K.

Prepaid Expenses – \$184K balance composed of \$76K appraisal and collection fees, \$97K unamortized insurance, and \$11K in deposits.

Total Current Assets – \$190.7 million

Noncurrent Assets

Investments Restricted for Capital Acquisition – \$6.8 million in short-term securities restricted for capital acquisition.

Sendero Paid-in Capital – \$45.0 million (unchanged)

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

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$117.8 million, net of accumulated depreciation.

Total Assets – \$381.4 million



Balance Sheet (Liabilities and Net Assets) – Slide 4

Current Liabilities

Accounts Payable – Major components of the \$2.2 million balance are:

- \$1.1 million in vendor invoices at month-end, and
- \$1.0 million in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$490K balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued leave balances and various fringe benefit amounts withheld and not yet disbursed.

Other Payables – \$5.9 million in other payables is comprised of the amount due to Seton for Charity Care and the distribution of the 2016 tobacco settlement proceeds.

Debt Service Payable, Short-Term – \$1.2 million balance consists of the annual principal payment and accrued interest on the Series 2011 Certificates of Obligation.

Capital Lease Obligation, Short-Term – \$79K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$16.6 million for the uncollected portion of the 2017 tax levy.

Total Current Liabilities – \$26.3 million

Noncurrent Liabilities

Debt Service Payable, Long-Term – \$9.4 million balance of the \$16 million in Series 2011 Certificates of Obligation, reduced by six principal payments made to date. This debt was issued for the North Central clinic and the Southeast Health and Wellness Center.

Capital Lease Obligation, Long-Term – \$164K related to medical equipment leased at Southeast Health and Wellness Center.

Total Noncurrent Liabilities – \$9.5 million

Total Liabilities – \$35.9 million



Net Assets

Unrestricted Net Assets – \$227.7 million

Investment in Capital Assets – \$117.8 million

Total Net Assets – \$345.5 million

Total Liabilities and Net Assets – \$381.4 million

Sources and Uses Report – Slide 5

January financials → Four months, 33.3% of the fiscal year

Sources

Property Tax Revenue – Net property tax revenue for the month of January was \$81.7 million. Net revenue includes \$81.7 million current month's collections, less \$44K in adjustments for prior year delinquent taxes. Current month's collections were 91.6% of the fiscal 2018 budget.

Lease Revenue – \$790K recorded for Seton lease payment.

Other Revenue – \$145K interest income on investments.

Uses of Funds

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$51.0 million for the month.

Administration Program – \$847K in expense for the month, which includes:

- Personnel costs – \$456K
- Legal fees – \$119K
- Consulting services – \$18K
- Other general and administrative – \$255K

Tax Collection Expenses – \$681K

Excess Sources Over (Under) Uses – Net assets increased by \$30.1 million in January. Year-to-date, net assets have increased by \$140.1 million.



Healthcare Delivery Expense – Slide 6

Intergovernmental Transfers (IGTs) – IGT expense for the month of January was \$50.0 million.

Provider Costs – Healthcare delivery providers' expense for January totaled \$516K, which includes:

- Primary care – \$60K
- DSRIP project expense – \$302K
- Medical administration – \$154K

Healthcare Delivery Operating Cost – (\$44K) in net expense for the month, due to the receipt of RHP 7 anchor reimbursement, and includes:

- Personnel costs – \$3K
- Consulting services – (\$173K)
- Legal fees – \$7K
- Other services and purchased goods – \$118K

Other Costs – \$486K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$54K
- ACA Enrollment and Subsidy – \$399K
- Debt Service – \$32K

Total Healthcare Delivery for the month of January was \$51.0 million.

Recap of FY18 IGT Payments – Slide 7

IGT expense of \$50.0 million, related to DSRIP, was sent on January 4, 2018. The IGT included \$24.4 million for CCC, \$25.4 million for UMCB and Dell Children's Medical Center, and \$186K for St. David's.

On February 2, 2018, \$24.4 million in IGTs, related to Uncompensated Care for Seton and St. David's, was sent.



CENTRAL HEALTH

Central Health

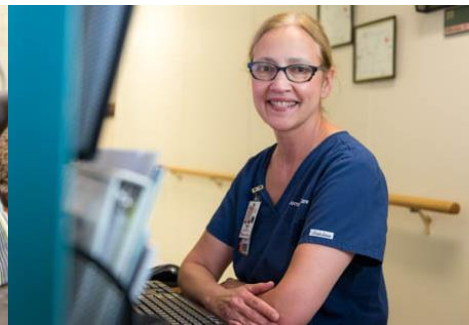
Financial Statement Presentation

FY 2018 – as of January 31, 2018

Central Health Budget and Finance Committee

February 21, 2018

Lisa Owens, Deputy CFO





January 2018 Financial Highlights

- Sent Intergovernmental Transfer of \$50.0 million, related to DSRIP, in January.
- Year-to-date, collected net property tax revenue of \$166.5 million (91.6% of fiscal 2018 budget).



Balance Sheet
As of January 31, 2018
(Page 1 of 2, Assets)

	<u>FY 2018</u>	<u>FY 2017</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,604,987	\$ 2,609,806
Short-Term Investments	142,676,865	126,802,530
Ad Valorem Taxes Receivable	40,881,003	39,898,117
Other Receivables	5,354,802	2,634,799
Prepaid Expenses	183,867	660,897
Total Current Assets	<u>190,701,524</u>	<u>172,606,149</u>
Noncurrent or Restricted Cash and Investments		
Restricted for Capital Acquisition	6,803,360	5,365,995
Sendero Paid-In Capital	45,000,000	35,000,000
Working Capital Advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	17,083,000	17,083,000
Total Noncurrent or Restricted Cash and Investments	<u>72,886,360</u>	<u>61,448,995</u>
Capital Assets		
Land	11,770,184	11,770,184
Buildings and Improvements	132,393,816	125,083,766
Equipment and Furniture	8,909,710	9,078,151
Construction In Progress	2,211,689	10,389,604
Less Accumulated Depreciation	<u>(37,439,085)</u>	<u>(34,299,176)</u>
Total Capital Assets	<u>117,846,314</u>	<u>122,022,529</u>
Total Assets	<u>\$ 381,434,198</u>	<u>\$ 356,077,673</u>



Balance Sheet
As of January 31, 2018
(Page 2 of 2, Liabilities and Net Assets)

	<u>FY 2018</u>	<u>FY 2017</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 2,159,106	\$ 2,580,701
Salaries and Benefits Payable	490,325	458,024
Other Payables	5,906,043	2,168,161
Debt Service Payable, Short-Term	1,160,998	1,145,504
Capital Lease Obligation, Short-Term	78,907	54,120
Deferred Tax Revenue	16,552,193	18,990,973
Other Deferred Revenue	-	3,174,900
Total Current Liabilities	<u>26,347,572</u>	<u>28,572,383</u>
Noncurrent Liabilities		
Debt Service Payable, Long-Term	9,380,000	10,380,000
Capital Lease Obligation, Long-Term	164,298	274,900
Total Noncurrent Liabilities	<u>9,544,298</u>	<u>10,654,900</u>
Total Liabilities	<u>35,891,870</u>	<u>39,227,283</u>
Net Assets		
Unrestricted	227,696,014	194,827,861
Investment in Capital Assets	117,846,314	122,022,529
Total Net Assets	<u>345,542,328</u>	<u>316,850,390</u>
Liabilities and Net Assets	<u>\$ 381,434,198</u>	<u>\$ 356,077,673</u>



Sources and Uses Report

Fiscal Year-to-Date through January 31, 2018

(Excludes Depreciation Expense)

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
Sources					
Property Tax Revenue	\$ 81,719,483	\$ 166,508,084	\$ 181,839,054	91.6%	\$ 152,474,152
Lease Revenue	790,207	3,580,207	10,303,467	34.7%	12,699,600
Other Revenue	144,869	469,392	400,000	117.3%	144,518
Tobacco Settlement Revenue	-	-	1,800,000	0.0%	-
Contingency Reserve (Appropriated) ⁽¹⁾	-	51,560,311	43,482,960	118.6%	-
Total Sources	82,654,559	222,117,994	237,825,481	93.4%	165,318,270
Uses of Funds					
Total Healthcare Delivery Program	50,978,390	78,212,877	227,029,205	34.5%	74,411,427
Administration Program					
Personnel Salary and Benefits	456,379	1,298,594	4,413,183	29.4%	1,197,018
Other Purchased Goods and Services					
Legal Fees	118,709	236,969	926,200	25.6%	452,098
Consulting Services	17,522	233,606	1,208,800	19.3%	91,959
Other General and Administrative	254,698	660,070	2,595,333	25.4%	588,985
Subtotal Other Purchased Goods and Services	390,929	1,130,645	4,730,333	23.9%	1,133,042
Total Administration Program	847,308	2,429,239	9,143,516	26.6%	2,330,060
Tax Collection Expenses	681,066	1,365,506	1,652,760	82.6%	1,305,657
Total Uses	52,506,764	82,007,622	237,825,481	34.5%	78,047,144
Excess Sources Over (Under) Uses	\$ 30,147,795	\$ 140,110,372	\$ -		\$ 87,271,126

⁽¹⁾ Emergency reserve (not included within the Contingency Reserve) is \$29,895,000 at fiscal year-end 2017.



Healthcare Delivery Expense
Fiscal Year-to-Date through January 31, 2018
(Excludes Depreciation Expense)

	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Percent of Budget Used	Prior Year-To-Date
Intergovernmental Transfers (IGTs) ⁽¹⁾	\$ 50,021,161	\$ 68,299,554	\$ 142,920,000	47.8%	\$ 58,655,067
Provider Costs					
Primary Care	59,584	201,151	1,731,800	11.6%	195,180
DSRIP Project Expense	301,984	530,808	-	#DIV/0!	247,322
Charity Care	-	1,062,933	4,251,733	25.0%	1,417,244
New Healthcare Initiatives	-	-	500,000	0.0%	-
Member Payment to CCC ⁽²⁾	-	-	29,245,166	0.0%	-
Medical Administration	154,319	308,638	666,657	46.3%	308,638
Subtotal Provider Costs	515,887	2,103,530	36,395,356	5.8%	2,168,384
Service Expansion Funds	-	-	2,000,000	0.0%	-
Total IGTs and Provider Costs	50,537,048	70,403,084	181,315,356	38.8%	60,823,451
Healthcare Delivery Operating Costs					
Personnel Costs	3,325	871,132	3,897,517	22.4%	956,153
Consulting Services	(172,638)	(67,771)	389,000	-17.4%	70,076
Legal Fees	7,083	12,504	31,200	40.1%	13,281
Other Services and Purchased Goods	117,965	335,209	3,894,184	8.6%	533,757
Subtotal HCD Operating Costs	(44,264)	1,151,073	8,211,901	14.0%	1,573,266
Other Costs					
UMCB Campus Redevelopment	54,094	192,664	4,360,644	4.4%	249,086
ACA Enrollment and Subsidy	399,312	919,336	2,700,000	34.0%	1,089,942
Debt Service	32,200	128,798	1,372,795	9.4%	136,403
Subtotal Other Costs	485,606	1,240,798	8,433,439	14.7%	1,475,431
Reserves, Appropriated Uses and Transfers					
Subtotal Reserves, Appropriated Uses and Transfers	-	5,417,922	29,068,509	18.6%	10,539,279
Total Healthcare Delivery	\$ 50,978,390	\$ 78,212,877	\$ 227,029,205	34.5%	\$ 74,411,427

⁽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.



**Recap of FY18 IGT Payments
Actuals Through January 31, 2018**

<i>\$ in millions</i>	This Month	Fiscal Year-To-Date	Fiscal Year Budget	Under (Over) Budget
Private UC	\$ -	\$ 2.2	\$ 24.0	\$ 21.8
UMCB UC	-	2.0	25.0	23.0
DSH	-	14.1	35.0	20.9
DSRIP - CCC	24.4	24.4	29.3	4.9
DSRIP - UMCB, Dell Children's	25.4	25.4	29.0	3.6
DSRIP - St. David's	0.2	0.2	0.6	0.4
Total	\$ 50.0	\$ 68.3	\$ 142.9	\$ 74.6



Questions? Comments?