



Balance Sheet (Assets) – Slide 1

Current Assets

Cash and Cash Equivalents – \$2.6 million

Short-Term Investments – Short-term investments were \$123.8 million at month-end, which is net of restricted investments of \$7.0 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$1.2 million balance is composed of \$2.8 million uncollected 2016 tax levy less \$1.3 million adjustments, delinquent prior years' taxes of \$2.0 million, and tax distributions in transit from the Travis County Tax Office of \$64K, offset by estimated allowances for doubtful collections \$2.4 million.

Other Receivables – Other receivables total \$4.7 million and consists of Seton lease receivable of \$3.0 million, intercompany balances of \$1.4 million, and interest receivable of \$267K.

Prepaid Expenses – \$42K balance composed of \$29K unamortized insurance, \$2K tax collection fees and \$11K in deposits.

Total Current Assets – \$132.3 million

Noncurrent Assets

Investments Restricted for Capital Acquisition – \$7.0 million in short-term securities restricted for capital acquisition.

Sendero Paid-in Capital – \$35.0 million (unchanged)

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

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$120.2 million, net of accumulated depreciation.

Total Assets – \$315.7 million



Balance Sheet (Liabilities and Net Assets) – Slide 2

Current Liabilities

Accounts Payable – Major components of the \$20.9 million balance are:

- \$20.0 million for CCC member payment paid in July,
- \$593K in vendor invoices at month-end, and
- \$265K in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$664K 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 – \$3.8 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 – \$1.1 million balance consists of the annual principal payment and accrued interest on the Series 2011 Certificates of Obligation.

Capital Lease Obligation, Short-Term – \$86K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$1.4 million for the uncollected portion of the 2016 tax levy.

Other Deferred Revenue – \$3.2 million, which consists of Seton's July 2017 lease payment of \$151K for base rent received in current month and Seton's June 2017 contingent lease receivable of \$3.0 million.

Total Current Liabilities – \$31.1 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 – \$213K related to medical equipment leased at Southeast Health and Wellness Center.

Total Noncurrent Liabilities – \$9.6 million

Total Liabilities – \$40.7 million



Net Assets

Unrestricted Net Assets – \$154.7 million

Investment in Capital Assets – \$120.2 million

Total Net Assets – \$275.0 million

Total Liabilities and Net Assets – \$315.7 million

Sources and Uses Report – Slide 3

June financials → nine months, 75% of the fiscal year

Sources

Property Tax Revenue – Net property tax revenue for the month of June was \$244K. Current month's collections were 0.13% of the 2016 tax levy. Through the first nine months of fiscal year 2017, \$169.5 million has been collected, or 99.17% of the 2016 adjusted tax levy. At the same time in prior year, \$159.7 million had been collected, or 99.12% of the 2015 adjusted tax levy.

Lease Revenue – \$151K recorded for Seton lease payment.

Other Revenue – \$120K interest income on investments.

Tobacco Settlement Revenue - \$3.5 million recognized.

Uses of Funds

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$34.9 million for the month.

Administration Program – \$535K in expense for the month, which includes:

- Personnel costs – \$353K
- Legal fees – \$43K
- Consulting services – \$10K
- Other general and administrative – \$129K

Tax Collection Expenses – Credit of \$8K

Excess Sources Over (Under) Uses – Net assets decreased by \$31.4 million in June. Year-to-date, net assets have increased by \$100.0 million.



Healthcare Delivery Expense – Slide 4

Intergovernmental Transfers (IGTs) – IGT expense for the month of June was \$13.9 million.

Provider Costs – Healthcare delivery providers' expense for June totaled \$20.4 million and includes \$49K for primary care, \$354K for charity care, and \$20 million for the member payment to CCC.

Healthcare Delivery Operating Costs – \$442K in expense for the month, which includes:

- Personnel costs – \$299K
- Consulting services – \$12K
- Legal fees – \$3K
- Other services and purchased goods – \$128K

Other Costs – \$176K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$42K
- ACA Enrollment and Subsidy – \$102K
- Debt Service – \$32K

Total Healthcare Delivery for the month of June was \$34.9 million.

Recap of FY17 IGT Payments – Slide 5

IGT expense of \$13.9 million, related to Disproportionate Share, was sent on June 5, 2017.

On July 3, 2017, \$3.2 million in IGTs related to DSRIP was sent.



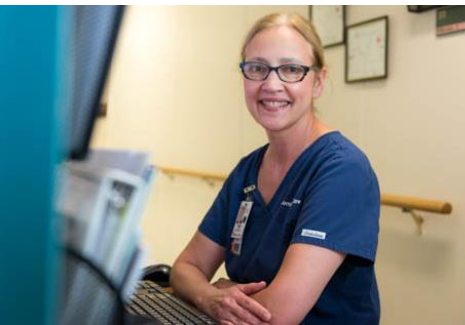
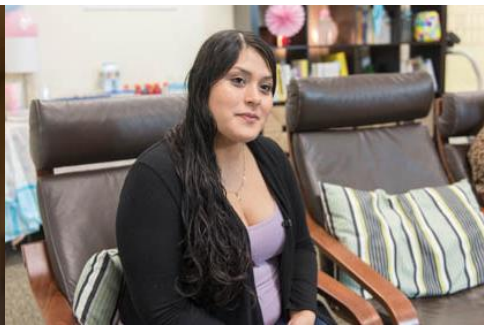
CENTRAL HEALTH

Central Health

Financial Statement Presentation

FY 2017 – as of June 30, 2017

Central Health Budget and Finance Committee
July 19, 2017
Danielle Stanley, Controller





June 2017 Financial Highlights

- Recorded Member Payment Payable Due to CCC, \$20.0 million
- Recognized Tobacco Settlement Revenue, \$3.5 million
- Sent Intergovernmental Transfer Related to Disproportionate Share, \$13.9 million



Balance Sheet
As of June 30, 2017
(Page 1 of 2, Assets)

| | <u>FY 2017</u> | <u>FY 2016</u> |
|---|------------------------------|------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 2,600,959 | \$ 2,666,970 |
| Short-Term Investments | 123,814,993 | 108,714,845 |
| Ad Valorem Taxes Receivable | 1,170,108 | 943,045 |
| Other Receivables | 4,667,218 | 2,266,600 |
| Prepaid Expenses | 41,672 | 77,585 |
| Total Current Assets | <u>132,294,950</u> | <u>114,669,045</u> |
| Noncurrent or Restricted Cash and Investments | | |
| Restricted for Capital Acquisition | 7,049,098 | 6,566,514 |
| Sendero Paid-In Capital | 35,000,000 | 29,000,000 |
| 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>63,132,098</u> | <u>56,649,514</u> |
| Capital Assets | | |
| Land | 11,770,184 | 11,770,184 |
| Buildings and Improvements | 132,398,348 | 117,528,881 |
| Equipment and Furniture | 10,302,221 | 7,542,563 |
| Construction In Progress | 2,003,347 | 18,615,058 |
| Less Accumulated Depreciation | <u>(36,225,203)</u> | <u>(31,332,839)</u> |
| Total Capital Assets | <u>120,248,897</u> | <u>124,123,846</u> |
| Total Assets | <u><u>\$ 315,675,945</u></u> | <u><u>\$ 295,442,405</u></u> |



Balance Sheet
As of June 30, 2017
(Page 2 of 2, Liabilities and Net Assets)

| | <u>FY 2017</u> | <u>FY 2016</u> |
|--------------------------------------|-----------------------|-----------------------|
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | \$ 20,857,625 | \$ 973,318 |
| Salaries and Benefits Payable | 664,269 | 510,021 |
| Other Payables | 3,780,177 | 4,799,292 |
| Debt Service Payable, Short-Term | 1,128,798 | 1,111,403 |
| Capital Lease Obligation, Short-Term | 86,375 | - |
| Deferred Tax Revenue | 1,423,075 | 1,410,612 |
| Other Deferred Revenue | 3,174,900 | 2,864,332 |
| Total Current Liabilities | <u>31,115,219</u> | <u>11,668,978</u> |
| Noncurrent Liabilities | | |
| Debt Service Payable, Long-Term | 9,380,000 | 10,380,000 |
| Capital Lease Obligation, Long-Term | 213,053 | - |
| Total Noncurrent Liabilities | <u>9,593,053</u> | <u>10,380,000</u> |
| Total Liabilities | <u>40,708,272</u> | <u>22,048,978</u> |
| Net Assets | | |
| Unrestricted | 154,718,776 | 149,269,581 |
| Investment in Capital Assets | 120,248,897 | 124,123,846 |
| Total Net Assets | <u>274,967,673</u> | <u>273,393,427</u> |
| Liabilities and Net Assets | <u>\$ 315,675,945</u> | <u>\$ 295,442,405</u> |



Sources and Uses Report

Fiscal Year-to-Date through June 30, 2017

(Excludes Depreciation Expense)

| | This Month | Fiscal Year-To-Date | Fiscal Year Budget | Percent of Budget Used | Prior Year-To-Date |
|--|------------------------|------------------------|-----------------------|---------------------------|-----------------------|
| Sources | | | | | |
| Property Tax Revenue | \$ 244,424 | \$ 169,342,278 | \$ 169,806,722 | 99.7% | \$ 159,513,675 |
| Seton Lease Revenue | 150,505 | 25,549,705 | 31,544,675 | 81.0% | 25,778,988 |
| Other Revenue | 119,912 | 709,221 | 400,000 | 177.3% | 457,695 |
| Tobacco Settlement Revenue | 3,510,614 | 3,510,614 | 1,800,000 | 195.0% | 2,341,521 |
| Contingency Reserve | - | 51,876,745 | 36,600,000 | 141.7% | - |
| Total Sources | 4,025,455 | 250,988,563 | 240,151,397 | 104.5% | 188,091,879 |
| Uses of Funds | | | | | |
| Total Healthcare Delivery Program | 34,905,306 | 144,717,331 | 229,738,205 | 63.0% | 173,401,494 |
| Administration Program | | | | | |
| Personnel Salary and Benefits | 353,396 | 2,845,624 | 4,268,817 | 66.7% | 2,909,575 |
| Other Purchased Goods and Services | | | | | |
| Legal Fees | 42,718 | 731,093 | 1,166,500 | 62.7% | 730,422 |
| Consulting Services | 9,671 | 152,175 | 1,038,000 | 14.7% | 294,216 |
| Other General and Administrative | 129,027 | 1,223,870 | 2,453,284 | 49.9% | 1,192,446 |
| Subtotal Other Purchased Goods and Services | 181,416 | 2,107,138 | 4,657,784 | 45.2% | 2,217,084 |
| Total Administration Program | 534,812 | 4,952,762 | 8,926,601 | 55.5% | 5,126,659 |
| Tax Collection Expenses | (8,474) | 1,443,009 | 1,486,591 | 97.1% | 1,410,967 |
| Total Uses | 35,431,644 | 151,113,102 | 240,151,397 | 62.9% | 179,939,120 |
| Excess Sources Over (Under) Uses | \$ (31,406,189) | \$ 99,875,461 | \$ - | | \$ 8,152,759 |



Healthcare Delivery Expense
Fiscal Year-to-Date through June 30, 2017
(Excludes Depreciation Expense)

| | This Month | Fiscal Year-To-Date | Fiscal Year Budget | Percent of Budget Used | Prior Year-To-Date |
|---|----------------------|------------------------|-----------------------|---------------------------|-----------------------|
| Intergovernmental Transfers (IGTs) ⁽¹⁾ | \$ 13,884,143 | \$ 103,815,820 | \$ 141,570,000 | 73.3% | \$ 154,326,464 |
| Provider Costs | | | | | |
| Primary Care | 48,750 | 438,750 | 585,000 | 75.0% | 489,254 |
| Mental Health | - | - | - | N/A | (44,868) |
| DSRIP Project Expense | - | 901,816 | - | N/A | 638,191 |
| Charity Care | 354,311 | 3,188,800 | 4,251,733 | 75.0% | 2,834,489 |
| Member Payment to CCC ⁽²⁾ | 20,000,000 | 20,000,000 | 26,245,166 | 76.2% | - |
| Medical Administration | - | 462,956 | 617,275 | 75.0% | 462,956 |
| Subtotal Provider Costs | 20,403,061 | 24,992,322 | 31,699,174 | 78.8% | 4,380,022 |
| Service Expansion Funds | - | - | 2,000,000 | 0.0% | - |
| Total IGTs and Provider Costs | 34,287,204 | 128,808,142 | 175,269,174 | 73.5% | 158,706,486 |
| Healthcare Delivery Operating Costs | | | | | |
| Personnel Costs | 298,572 | 2,475,014 | 3,871,685 | 63.9% | 1,927,036 |
| Consulting Services | 12,160 | 126,382 | 334,000 | 37.8% | 124,828 |
| Legal Fees | 3,413 | 37,223 | 25,000 | 148.9% | 13,915 |
| Other Services and Purchased Goods | 127,801 | 1,262,773 | 3,222,215 | 39.2% | 849,039 |
| Subtotal HCD Operating Costs | 441,945 | 3,901,391 | 7,452,900 | 52.3% | 2,914,818 |
| Other Costs | | | | | |
| UMCB Campus Redevelopment | 41,739 | 780,741 | 2,047,675 | 38.1% | - |
| ACA Enrollment and Subsidy | 102,218 | 1,072,755 | 2,745,000 | 39.1% | 926,008 |
| Debt Service | 32,200 | 1,274,302 | 1,372,803 | 92.8% | 314,903 |
| Subtotal Other Costs | 176,157 | 3,127,798 | 6,165,478 | 50.7% | 1,240,911 |
| Reserves, Appropriated Uses and Transfers | | | | | |
| Subtotal Reserves, Appropriated Uses and Transfers | - | 8,880,000 | 40,850,653 | 21.7% | 10,539,279 |
| Total Healthcare Delivery | \$ 34,905,306 | \$ 144,717,331 | \$ 229,738,205 | 63.0% | \$ 173,401,494 |

(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 FY17 IGT Payments Actuals Through June 30, 2017

| <i>\$ in millions</i> | This Month | Fiscal Year-To-Date | Fiscal Year Budget | Under (Over) Budget |
|-------------------------|-------------------|--------------------------------|-------------------------------|--------------------------------|
| Private UC | \$ - | \$ 13.5 | \$ 27.9 | \$ 14.4 |
| UMCB UC | - | 10.7 | 25.0 | 14.3 |
| DSH | 13.9 | 34.9 | 32.5 | (2.4) |
| DSRIP - CCC | - | 24.9 | 29.3 | 4.4 |
| DSRIP - UMCB | - | 16.6 | 21.8 | 5.2 |
| DSRIP - Dell Children's | - | 2.7 | 4.5 | 1.8 |
| DSRIP - St. David's | - | 0.5 | 0.6 | 0.1 |
| Total | \$ 13.9 | \$ 103.8 | \$ 141.6 | \$ 37.8 |



Questions? Comments?