



Balance Sheet (Assets) – Slide 3

Current Assets

Cash and Cash Equivalents – \$2.7 million

Short-term Investments – Short-term investments were \$106.1 million at month-end, which is net of restricted investments of \$7.0 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$891K balance is composed of \$2.6 million uncollected 2016 tax levy less \$1.4 million adjustments, delinquent prior years' taxes of \$2.0 million, and tax distributions in transit from the Travis County Tax Office of \$94K, offset by estimated allowances for doubtful collections \$2.4 million.

Other Receivables – Other receivables total \$2.4 million and consists of intercompany balances of \$2.1 million, and interest receivable of \$256K.

Prepaid Expenses – \$37K balance composed of \$25K unamortized insurance, \$1K tax collection fees, and \$11K in deposits.

Total Current Assets – \$112.1 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 – \$119.9 million, net of accumulated depreciation.

Total Assets – \$295.1 million



Balance Sheet (Liabilities and Net Assets) – Slide 4

Current Liabilities

Accounts Payable – Major components of the \$1.7 million balance are:

- \$1.0 million in vendor invoices at month-end, and
- \$708K in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$608K 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 – \$4.1 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 – \$82K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$1.2 million for the uncollected portion of the 2016 tax levy.

Other Deferred Revenue – \$6.2 million, which consists of Seton's August 2017 lease payment of \$151K for base rent received in the current month, as well as \$6.0 million received for Seton's June and July contingent rent.

Total Current Liabilities – \$15.1 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 – \$206K related to medical equipment leased at Southeast Health and Wellness Center.

Total Noncurrent Liabilities – \$9.6 million

Total Liabilities – \$24.6 million



Net Assets

Unrestricted Net Assets – \$150.5 million

Investment in Capital Assets – \$119.9 million

Total Net Assets – \$270.4 million

Total Liabilities and Net Assets – \$295.1 million

Sources and Uses Report – Slide 5

July financials → ten months, 83% of the fiscal year

Sources

Property Tax Revenue – Net property tax revenue for the month of July was \$244K. Current month's collections were 0.12% of the 2016 tax levy. Through the first ten months of fiscal year 2017, \$169.7 million has been collected, or 99.33% of the 2016 adjusted tax levy. At the same time in prior year, \$159.9 million had been collected, or 99.29% of the 2015 adjusted tax levy.

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

Other Revenue – \$123K interest income on investments.

Uses of Funds

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$4.3 million for the month.

Administration Program – \$335K in expense for the month, which includes:

- Personnel costs – \$158K
- Legal fees – \$72K
- Consulting services – \$16K
- Other general and administrative – \$88K

Tax Collection Expenses – \$1K

Excess Sources Over (Under) Uses – Net assets decreased by \$4.2 million in July. Year-to-date, net assets have increased by \$95.7 million.



Healthcare Delivery Expense – Slide 6

Intergovernmental Transfers (IGTs) – IGT expense for the month of July was \$2.9 million.

Provider Costs – Healthcare delivery providers' expense for July totaled \$952K, which includes:

- Primary care – \$50K
- DSRIP project expense – \$394K
- Charity care – \$354K
- Medical administration – \$154K

Healthcare Delivery Operating Cost – \$282K in expense for the month, which includes:

- Personnel costs – \$111K
- Consulting services – \$31K
- Legal fees – \$5K
- Other services and purchased goods – \$135K

Other Costs – \$186K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$81K
- ACA Enrollment and Subsidy – \$73K
- Debt Service – \$32K

Total Healthcare Delivery for the month of July was \$4.3 million.

Recap of FY17 IGT Payments – Slide 7

IGT expense of \$3.2 million, related to DSRIP, was sent on July 3, 2017. The IGT included \$2.6 million for CCC, \$444K for UMCB, and \$138K for St. David's.

During July, Central Health received a refund from the Texas Health and Human Services Commission (HHSC) in the amount of \$261K due to a recalculation of IGT related to DSH.



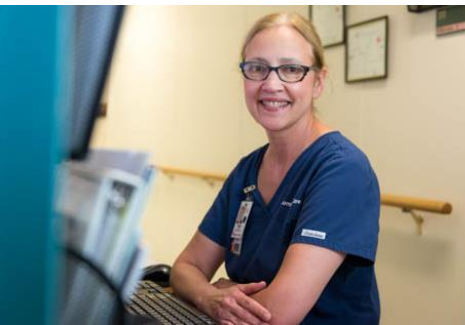
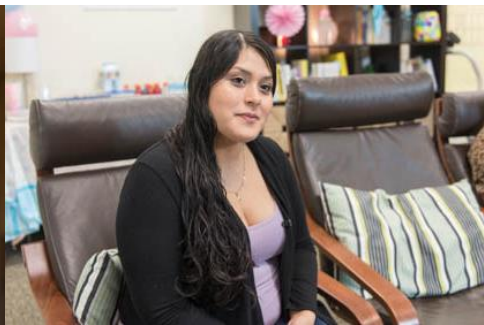
CENTRAL HEALTH

Central Health

Financial Statement Presentation

FY 2017 – as of July 31, 2017

Central Health Budget and Finance Committee
August 16, 2017
Danielle Stanley, Controller





July 2017 Financial Highlights

- Paid CCC for Member Payment, \$20.0 million
- Sent Intergovernmental Transfer Related to DSRIP, \$3.2 million
- Currently renegotiating lease agreement with Seton. Central Health is recognizing, as Seton Lease Revenue (Sources and Uses Report, slide 5), the base rent of \$151k received each month. Until the new lease is finalized, the contingent rent of \$3.0 million received each month is being recorded as Other Deferred Revenue (Balance Sheet, slide 4).



Balance Sheet
As of July 31, 2017
(Page 1 of 2, Assets)

	<u>FY 2017</u>	<u>FY 2016</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,662,721	\$ 2,599,371
Short-Term Investments	106,066,959	102,409,330
Ad Valorem Taxes Receivable	890,647	643,134
Other Receivables	2,394,997	2,861,087
Prepaid Expenses	37,114	203,862
Total Current Assets	<u>112,052,438</u>	<u>108,716,784</u>
Noncurrent or Restricted Cash and Investments		
Restricted for Capital Acquisition	7,022,145	6,409,566
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>63,105,145</u>	<u>56,492,566</u>
Capital Assets		
Land	11,770,184	11,770,184
Buildings and Improvements	132,367,730	117,528,881
Equipment and Furniture	8,886,216	7,542,563
Construction In Progress	2,033,273	18,772,005
Less Accumulated Depreciation	<u>(35,155,076)</u>	<u>(31,680,030)</u>
Total Capital Assets	<u>119,902,327</u>	<u>123,933,602</u>
Total Assets	<u>\$ 295,059,910</u>	<u>\$ 289,142,952</u>



Balance Sheet
As of July 31, 2017
(Page 2 of 2, Liabilities and Net Assets)

	<u>FY 2017</u>	<u>FY 2016</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 1,717,472	\$ 1,311,553
Salaries and Benefits Payable	608,102	420,378
Other Payables	4,134,489	5,507,914
Debt Service Payable, Short-Term	1,160,998	1,145,504
Capital Lease Obligation, Short-Term	82,395	-
Deferred Tax Revenue	1,151,987	1,135,632
Other Deferred Revenue	6,199,295	2,713,827
Total Current Liabilities	<u>15,054,738</u>	<u>12,234,808</u>
Noncurrent Liabilities		
Debt Service Payable, Long-Term	9,380,000	10,380,000
Capital Lease Obligation, Long-Term	206,123	-
Total Noncurrent Liabilities	<u>9,586,123</u>	<u>10,380,000</u>
Total Liabilities	<u>24,640,861</u>	<u>22,614,808</u>
Net Assets		
Unrestricted	150,516,722	142,594,542
Investment in Capital Assets	119,902,327	123,933,602
Total Net Assets	<u>270,419,049</u>	<u>266,528,144</u>
Liabilities and Net Assets	<u>\$ 295,059,910</u>	<u>\$ 289,142,952</u>



Sources and Uses Report
Fiscal Year-to-Date through July 31, 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	\$ 244,170	\$ 169,586,448	\$ 169,806,722	99.9%	\$ 159,726,400
Seton Lease Revenue	150,505	25,700,210	31,544,675	81.5%	28,643,320
Other Revenue	123,302	832,523	400,000	208.1%	511,203
Tobacco Settlement Revenue	-	3,510,614	1,800,000	195.0%	2,341,521
Contingency Reserve	-	51,876,745	36,600,000	141.7%	-
Total Sources	517,977	251,506,540	240,151,397	104.7%	191,222,444
Uses of Funds					
Total Healthcare Delivery Program	4,349,680	149,067,011	229,738,205	64.9%	182,651,534
Administration Program					
Personnel Salary and Benefits	157,750	3,003,375	4,268,817	70.4%	3,156,416
Other Purchased Goods and Services					
Legal Fees	72,484	803,577	1,166,500	68.9%	757,913
Consulting Services	16,359	168,534	1,038,000	16.2%	334,739
Other General and Administrative	88,416	1,312,286	2,453,284	53.5%	1,273,393
Subtotal Other Purchased Goods and Services	177,259	2,284,397	4,657,784	49.0%	2,366,045
Total Administration Program	335,009	5,287,772	8,926,601	59.2%	5,522,461
Tax Collection Expenses	912	1,443,921	1,486,591	97.1%	1,413,782
Total Uses	4,685,601	155,798,704	240,151,397	64.9%	189,587,777
Excess Sources Over (Under) Uses	\$ (4,167,624)	\$ 95,707,836	\$ -		\$ 1,634,667



Healthcare Delivery Expense
Fiscal Year-to-Date through July 31, 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⁾	\$ 2,929,355	\$ 106,745,176	\$ 141,570,000	75.4%	\$ 162,075,714
Provider Costs					
Primary Care	49,630	488,380	585,000	83.5%	590,928
Mental Health	-	-	-	N/A	(44,868)
DSRIP Project Expense	393,790	1,295,606	-	N/A	791,240
Charity Care	354,311	3,543,111	4,251,733	83.3%	3,543,111
Member Payment to CCC ⁽²⁾	-	20,000,000	26,245,166	76.2%	-
Medical Administration	154,319	617,275	617,275	100.0%	617,275
Subtotal Provider Costs	952,050	25,944,372	31,699,174	81.8%	5,497,686
Service Expansion Funds	-	-	2,000,000	0.0%	-
Total IGTs and Provider Costs	3,881,405	132,689,548	175,269,174	75.7%	167,573,400
Healthcare Delivery Operating Costs					
Personnel Costs	111,074	2,586,087	3,871,685	66.8%	2,150,730
Consulting Services	31,210	157,592	334,000	47.2%	98,477
Legal Fees	5,058	42,281	25,000	169.1%	70,464
Other Services and Purchased Goods	134,729	1,397,502	3,222,215	43.4%	908,133
Subtotal HCD Operating Costs	282,071	4,183,461	7,452,900	56.1%	3,227,804
Other Costs					
UMCB Campus Redevelopment	80,704	861,445	2,047,675	42.1%	-
ACA Enrollment and Subsidy	73,300	1,146,055	2,745,000	41.8%	962,047
Debt Service	32,200	1,306,502	1,372,803	95.2%	349,004
Subtotal Other Costs	186,204	3,314,002	6,165,478	53.8%	1,311,051
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	\$ 4,349,680	\$ 149,067,011	\$ 229,738,205	64.9%	\$ 182,651,534

(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 July 31, 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	(0.3)	34.6	32.5	(2.1)
DSRIP - CCC	2.6	27.5	29.3	1.8
DSRIP - UMCB	0.5	17.0	21.8	4.8
DSRIP - Dell Children's	-	2.7	4.5	1.8
DSRIP - St. David's	0.1	0.7	0.6	(0.1)
Total	\$ 2.9	\$ 106.7	\$ 141.6	\$ 34.9



Questions? Comments?