



Balance Sheet (Assets) – Slide 3

Current Assets

Cash and Cash Equivalents – \$1.6 million

Short-term Investments – Short-term investments were \$137.1 million at month-end, which is net of restricted investments of \$6.8 million for capital acquisitions.

Ad Valorem Taxes Receivable – \$111.9 million balance is composed of the 2017 tax levy of \$99.2 million, delinquent prior years' taxes of \$2.6 million, and tax distributions in transit from the Travis County Tax Office of \$13.1 million, partially offset by estimated allowances for doubtful collections and adjustments of \$2.9 million.

Other Receivables – Other receivables total \$4.3 million and consists of intercompany balances of \$4.1 million, interest receivable of \$153K, and lease revenue receivable of \$10K.

Prepaid Expenses – \$444K balance composed of \$426K appraisal and collection fees, \$7K unamortized insurance, and \$11K in deposits.

Total Current Assets – \$255.4 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, increased after \$6.0 million paid-in to Sendero in December

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

Sendero Surplus Debenture – \$17.1 million (unchanged)

Capital Assets – \$118.2 million, net of accumulated depreciation.

Total Assets – \$446.5 million



Balance Sheet (Liabilities and Net Assets) – Slide 4

Current Liabilities

Accounts Payable – Major components of the \$1.2 million balance are:

- \$61K in vendor invoices at month-end, and
- \$1.1 million in estimated healthcare delivery costs for services incurred but not yet billed or paid.

Salaries and Benefits Payable – \$628K 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 – \$19.6 million in other payables is comprised of the amount due to Seton for Charity Care, contingent rent (for the months of June through December), 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 – \$83K related to medical equipment leased at Southeast Health and Wellness Center.

Deferred Tax Revenue – \$98.5 million for the uncollected portion of the 2017 tax levy.

Total Current Liabilities – \$121.2 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 – \$171K related to medical equipment leased at Southeast Health and Wellness Center.

Total Noncurrent Liabilities – \$9.6 million

Total Liabilities – \$130.7 million



Net Assets

Unrestricted Net Assets – \$197.6 million

Investment in Capital Assets – \$118.2 million

Total Net Assets – \$315.8 million

Total Liabilities and Net Assets – \$446.5 million

Sources and Uses Report – Slide 5

December financials → Three months, 25% of the fiscal year

Sources

Property Tax Revenue – Net property tax revenue for the month of December was \$74.9 million. Net revenue includes \$75.1 million current month's collections, less \$201K in adjustments for prior year delinquent taxes. Current month's collections were 46.6% of the fiscal 2018 budget.

Lease Revenue – \$930K recorded for Seton lease payment.

Other Revenue – \$130K interest income on investments.

Uses of Funds

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$1.3 million for the month.

Administration Program – \$494K in expense for the month, which includes:

- Personnel costs – \$256K
- Legal fees – \$25K
- Consulting services – \$85K
- Other general and administrative – \$128K

Tax Collection Expenses – \$610K

Excess Sources Over (Under) Uses – Net assets increased by \$73.5 million in December. Year-to-date, net assets have increased by \$58.4 million.



Healthcare Delivery Expense – Slide 6

Intergovernmental Transfers (IGTs) – No IGTs were processed during December.

Provider Costs – Healthcare delivery providers' expense for December totaled \$641K, which includes:

- Primary care – \$81K
- DSRIP project expense – \$206K
- Charity care – \$354K

Healthcare Delivery Operating Cost – \$447K in expense for the month, which includes:

- Personnel costs – \$287K
- Consulting services – \$77K
- Legal fees – \$3K
- Other services and purchased goods – \$80K

Other Costs – \$256K in expense for the month, which includes:

- UMCB Campus Redevelopment – \$43K
- ACA Enrollment and Subsidy – \$180K
- Debt Service – \$32K

Total Healthcare Delivery for the month of December was \$1.3 million.

Recap of FY18 IGT Payments – Slide 7

No IGTs were processed during December; however, \$50.5 million in IGTs related to DSRIP were paid on January 4, 2018.



CENTRAL HEALTH

Central Health

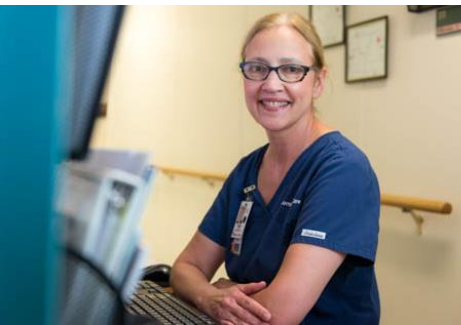
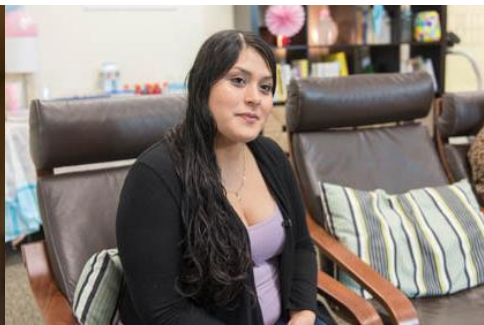
Financial Statement Presentation

FY 2018 – as of December 31, 2017

Central Health Budget and Finance Committee

February 21, 2018

Lisa Owens, Deputy CFO





December 2017 Financial Highlights

- Through first quarter of fiscal year 2018.
- Year-to-date, collected net property tax revenue of \$84.8 million (46.6% of fiscal 2018 budget).



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

	<u>FY 2018</u>	<u>FY 2017</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,619,796	\$ 2,578,882
Short-Term Investments	137,092,450	107,777,168
Ad Valorem Taxes Receivable	111,937,004	103,003,717
Other Receivables	4,279,473	2,013,988
Prepaid Expenses	444,025	392,130
Total Current Assets	<u>255,372,748</u>	<u>215,765,885</u>
Noncurrent or Restricted Cash and Investments		
Restricted for Capital Acquisition	6,810,539	5,370,006
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>72,893,539</u>	<u>61,453,006</u>
Capital Assets		
Land	11,770,184	11,770,184
Buildings and Improvements	132,392,946	125,080,605
Equipment and Furniture	8,900,240	9,078,151
Construction In Progress	2,205,639	10,388,754
Less Accumulated Depreciation	<u>(37,061,767)</u>	<u>(33,914,676)</u>
Total Capital Assets	<u>118,207,242</u>	<u>122,403,018</u>
Total Assets	<u>\$ 446,473,529</u>	<u>\$ 399,621,909</u>



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

	<u>FY 2018</u>	<u>FY 2017</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 1,151,858	\$ 2,068,476
Salaries and Benefits Payable	627,600	462,546
Other Payables	19,617,836	1,813,850
Debt Service Payable, Short-Term	1,128,798	1,111,403
Capital Lease Obligation, Short-Term	82,886	60,862
Deferred Tax Revenue	98,541,402	93,857,578
Other Deferred Revenue	-	3,024,395
Total Current Liabilities	<u>121,150,380</u>	<u>102,399,110</u>
Noncurrent Liabilities		
Debt Service Payable, Long-Term	9,380,000	10,380,000
Capital Lease Obligation, Long-Term	171,298	274,900
Total Noncurrent Liabilities	<u>9,551,298</u>	<u>10,654,900</u>
Total Liabilities	<u>130,701,678</u>	<u>113,054,010</u>
Net Assets		
Unrestricted	197,564,609	164,164,881
Investment in Capital Assets	<u>118,207,242</u>	<u>122,403,018</u>
Total Net Assets	<u>315,771,851</u>	<u>286,567,899</u>
Liabilities and Net Assets	<u>\$ 446,473,529</u>	<u>\$ 399,621,909</u>



Sources and Uses Report

Fiscal Year-to-Date through December 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	\$ 74,911,886	\$ 84,788,601	\$ 181,839,054	46.6%	\$ 77,688,108
Lease Revenue	930,000	2,790,000	10,303,467	27.1%	9,524,700
Other Revenue	129,844	324,523	400,000	81.1%	87,312
Tobacco Settlement Revenue	-	-	1,800,000	0.0%	-
Contingency Reserve (Appropriated) ⁽¹⁾	-	-	43,482,960	0.0%	-
Total Sources	75,971,730	87,903,124	237,825,481	37.0%	87,300,120
Uses of Funds					
Total Healthcare Delivery Program	1,343,811	27,234,486	227,029,205	12.0%	28,386,681
Administration Program					
Personnel Salary and Benefits	255,508	842,215	4,413,183	19.1%	892,945
Other Purchased Goods and Services					
Legal Fees	25,384	118,260	926,200	12.8%	273,936
Consulting Services	85,382	216,085	1,208,800	17.9%	63,948
Other General and Administrative	127,684	405,371	2,595,333	15.6%	416,564
Subtotal Other Purchased Goods and Services	238,450	739,716	4,730,333	15.6%	754,448
Total Administration Program	493,958	1,581,931	9,143,516	17.3%	1,647,393
Tax Collection Expenses	610,394	684,440	1,652,760	41.4%	661,911
Total Uses	2,448,163	29,500,857	237,825,481	12.4%	30,695,985
Excess Sources Over (Under) Uses	\$ 73,523,567	\$ 58,402,267	\$ -		\$ 56,604,135

(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 December 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⁾	\$ -	\$ 18,278,393	\$ 142,920,000	12.8%	\$ 13,979,098
Provider Costs					
Primary Care	80,980	141,567	1,731,800	8.2%	146,430
DSRIP Project Expense	205,824	228,824	-	#DIV/0!	247,322
Charity Care	354,311	1,062,933	4,251,733	25.0%	1,062,933
New Healthcare Initiatives	-	-	500,000	0.0%	-
Member Payment to CCC ⁽²⁾	-	-	29,245,166	0.0%	-
Medical Administration	-	154,319	666,657	23.1%	154,319
Subtotal Provider Costs	641,115	1,587,643	36,395,356	4.4%	1,611,004
Service Expansion Funds	-	-	2,000,000	0.0%	-
Total IGTs and Provider Costs	641,115	19,866,036	181,315,356	11.0%	15,590,102
Healthcare Delivery Operating Costs					
Personnel Costs	286,930	867,806	3,897,517	22.3%	695,024
Consulting Services	77,173	104,867	389,000	27.0%	59,311
Legal Fees	3,194	5,421	31,200	17.4%	6,452
Other Services and Purchased Goods	79,724	217,241	3,894,184	5.6%	404,433
Subtotal HCD Operating Costs	447,021	1,195,336	8,211,901	14.6%	1,165,220
Other Costs					
UMCB Campus Redevelopment	43,252	138,569	4,360,644	3.2%	162,187
ACA Enrollment and Subsidy	180,223	520,024	2,700,000	19.3%	827,591
Debt Service	32,200	96,599	1,372,795	7.0%	102,302
Subtotal Other Costs	255,675	755,192	8,433,439	9.0%	1,092,080
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	\$ 1,343,811	\$ 27,234,486	\$ 227,029,205	12.0%	\$ 28,386,681

(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 December 31, 2017

<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	-	-	29.3	29.3
DSRIP - UMCB, Dell Children's	-	-	29.0	29.0
DSRIP - St. David's	-	-	0.6	0.6
Total	\$ -	\$ 18.3	\$ 142.9	\$ 124.6



Questions? Comments?