

SJVIA Cash Flow Projections

SJVIA-Auditor-Treasurer

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Balance Sheet at 11/30/16

ASSETS

Current assets:

Cash and cash equivalents	\$	1,625,016
Due from other governmental units		200,000
Total current assets		<u>1,825,016</u>

Noncurrent assets:

Restricted cash with fiscal agent		<u>1,250,618</u>
Total noncurrent assets		<u>1,250,618</u>
Total assets		<u>3,075,634</u>

LIABILITIES

Current liabilities:

Accounts payable		2,628,609
Unearned member contributions		1,566,795
Unpaid claims and claims adjustment expenses		2,000,000
Total current liabilities		<u>6,195,404</u>

Noncurrent liabilities:

Due to other governments		884,432
Loans payable		4,000,000
Total noncurrent liabilities		<u>4,884,432</u>
Total liabilities		<u>11,079,836</u>

NET POSITION

Unrestricted		(8,004,202)
Total net deficit	\$	<u>(8,004,202)</u>

Balance Sheet Elements

- Assets: Resources with present service capacity that the government presently controls.
 - Cash: Cash in SJVIA bank accounts
 - Due from other governments: Amounts due to cover current premiums / claims costs
 - Restricted cash with fiscal agent: Advanced claims deposit under the control of Anthem Blue Cross
- Liabilities: Present obligations to sacrifice resources that the government has little or no discretion to avoid.
 - Accounts Payable: Represents 2 County of Fresno vendor premium payments
 - Unpaid claims provision: includes \$1,200,000 US Script invoice, \$450,000 HMO Weekly Minimum Claim, \$350,000 for daily PPO claims (staff estimates)
 - Due to other government: Startup costs from SJVIA inception
 - Loans Payable: \$2million loans from both County of Tulare and County of Fresno

Balance Sheet Elements (continued)

- Net Position: The residual of all other financial statement elements presented in a statement of financial position (i.e. equity)

Balance Sheet Liquidity Analysis

- Current Ratio:
 - Current Assets / Current Liabilities
 - \$1,825,016 / \$6,195,404 or 29.5%
 - Indicates a lack of current assets to liquidate current liabilities – An ideal ratio would be 100% or greater
 - An ideal ratio would be 100% or greater, indicating possession of adequate current assets to liquidate current liabilities

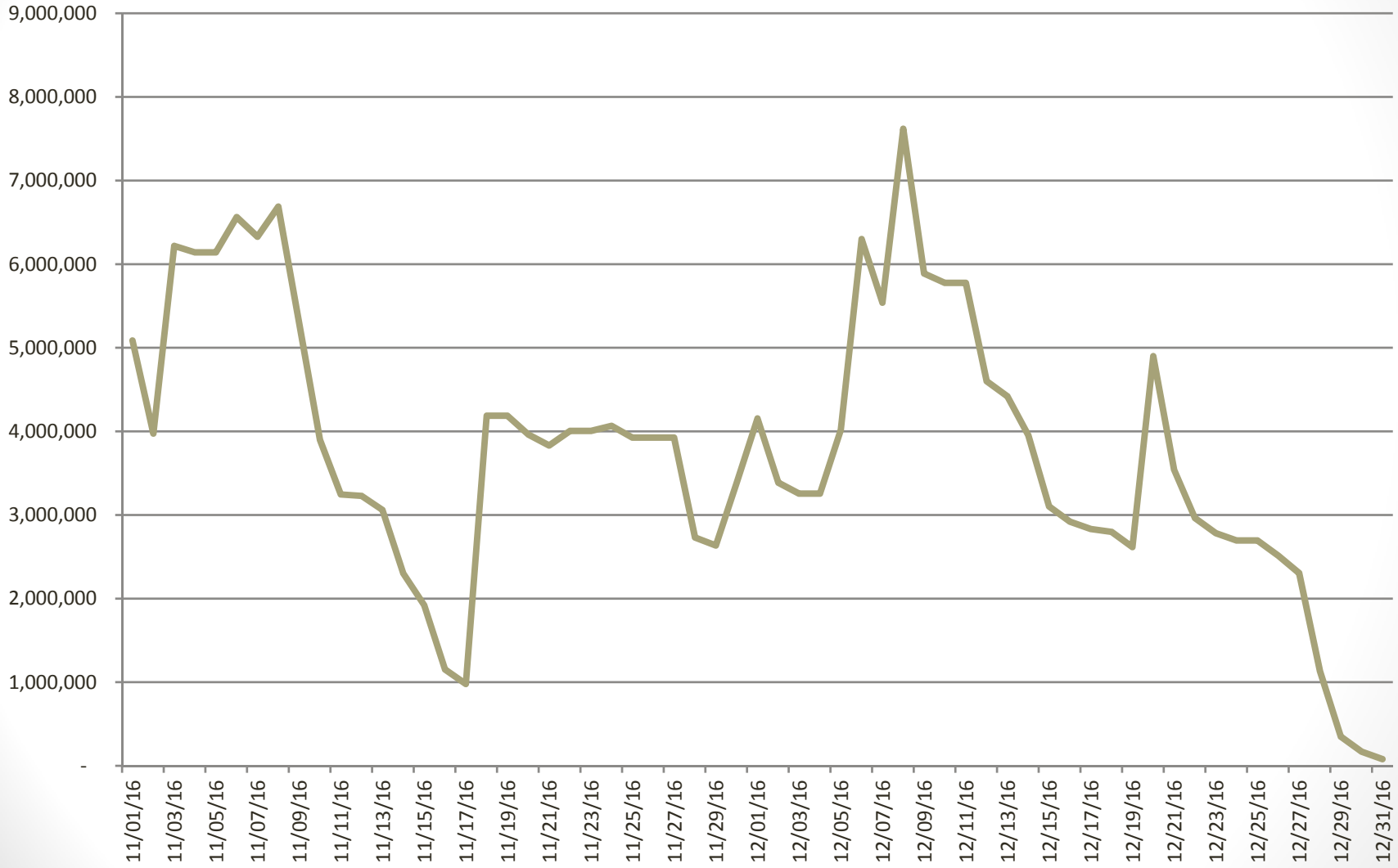
Month End Cash Balances



Month Over Month Analysis

- Average change month over month of (\$193,992) for the period July 1, 2014 through December 31, 2016 (30 months)
 - Amount includes the effect of the \$4,000,000 influx of cash as a result of loans from both the Counties of Tulare and Fresno
- Average change month over month of (\$327,325) for the same period, with the effect of the loans removed
 - Total loss of \$9,819,749 over the period, not including the effect of the loans

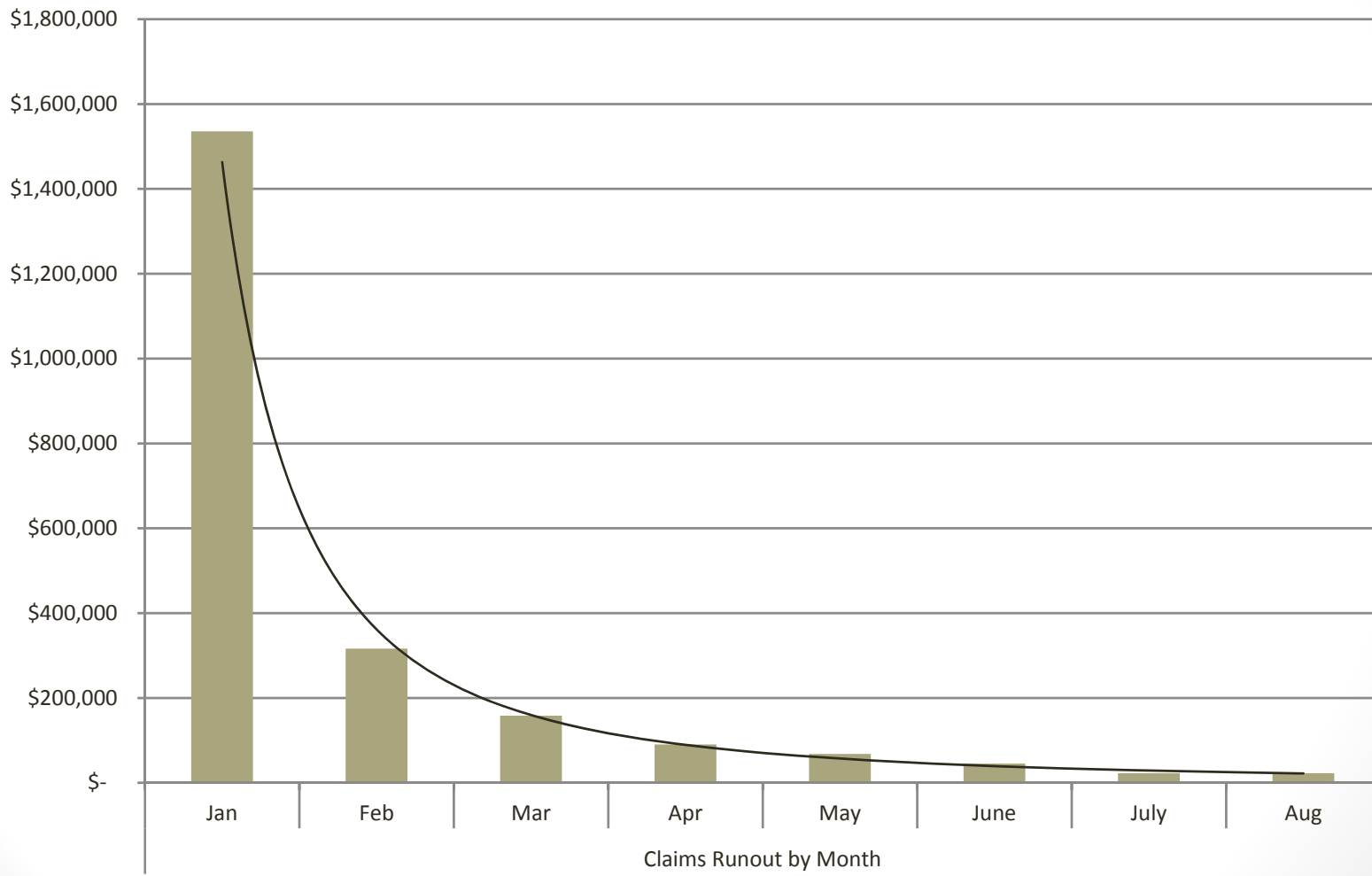
SJVIA Daily Cash Balance



Daily Cash Flow Data & Assumptions

- Used actual transactions for the month of November, 2016
- Used estimates for the months of December 2016 and January 2017
 - Used most recent entity payments and supporting documentation to project premium receipts
 - Used data from the past 5 – 6 months, adjusted for those entities that are departing 12/31/16, to estimate claims amounts

Claims Runout by Month



Claims Runout

- 18 Entities leaving, expected claims runout of \$2,258,179 dollars (See GBS item #11)
 - 68%, or \$1,535,562 in January 2017
 - 14%, or \$316,145 in February 2017
 - Remaining 18%, or \$406,472 March 2017 through August 2017