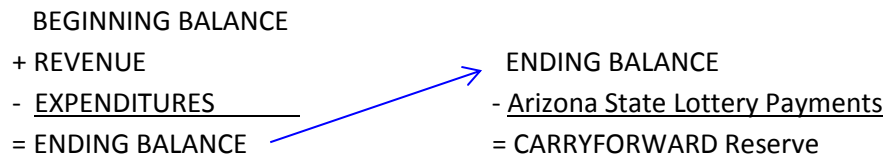


Arizona AHEC Program
FY16: 7/1/2015 – 6/30/2016
Q3 YTD Financial Summary

- The quarterly financial report is organized into seven columns (from left to right):
 - Column 1: Line item titles/names
 - Column 2: Prior year (FY 2015) actuals
 - Column 3: Current year (FY 2016) budget
 - Column 4: Current year (FY 2016) actuals YTD – Federal funding
 - Column 5: Current year (FY 2016) actuals YTD – State funding
 - Column 6: Current year (FY 2016) actuals YTD – Total (Federal and State funding combined)
 - Column 7: Comparison of Total Actual figures and Total Budget figures

- The quarterly financial report contains five general categories of line items that tie together as follows:



- The AHEC cash balance at 3/31/2016 (end Q3) is **\$8,194,060**. If AHEC were to receive no State lottery funds payments during FY 2016 and assuming total annual expenditures occur as budgeted for the fiscal year, the cash balance at 6/30/2016 would be \$5,965,788. This carryforward cash balance roughly equals one year of AHEC expenditures and would be utilized for the AHEC FY 2017 budget. However, any future lottery payments received during FY 2016 are set aside for the FY 2017 budget, which helps to preserve the carryforward reserve. Our goal is to always have at least a one year operating reserve on hand.
- The State of Arizona has yet to distribute any lottery funding to AHEC during FY 2016 (7/1/2015 – 6/30/2016). In recent years, the first lottery payment has typically arrived in the September-October timeframe and continued through the following June at a rate of approximately \$300,000 to \$900,000 per month. The lack of State lottery payments does not impact the current FY 2016 budget. As explained in the bullet immediately above, lottery payments received in the current year are set aside for the following fiscal year budget.
- Model AHEC federal funding is disbursed on a reimbursement basis. The Sponsored Projects Services office at the University monitors the expenses in the designated Model AHEC account in the University’s financial system, draws funds for unreimbursed expenses, receives the funds from the federal government, and applies them to the Model AHEC account. This process

typically takes place 2-3 times per month. The cash balance in the third bullet above includes any pending federal receivables.

- Regional Center subcontract expenses are grouped into two categories: “Current FY Awards” and “Prior FY Awards”. These two categories are included because the AHEC fiscal year runs from July 1 – June 30 while the AHEC regional Center subcontract year runs from September 1 – August 31. The beginning of each AHEC fiscal year includes the last two months of the prior year regional Center subcontracts (July 1 – August 31) and the first ten months of the current regional Center subcontracts (September 1 – June 30).
- AHEC Program Administration and Operations expenses are 21% of the combined total of Program Administration and Operations and regional Center subcontract expenses, which is lower than the 25% target.

ARIZONA AHEC PROGRAM
 FY16: 7/1/2015 - 6/30/2016
 YEAR TO DATE FINANCIAL REPORT
 FOR Q3 ENDING MAR 31, 2016

	FY 2015	FY 2016				
	(PRIOR YEAR)	Actuals Year to Date				Actual vs. Budget
	Actuals	Approved Budget ¹	Federal	State	Total	
BEGINNING BALANCE (cash and cash equivalents)	\$ 11,400,028	\$ 11,746,752		\$ 11,746,752	\$ 11,746,752	\$ -
REVENUE:						
Federal Model AHEC (received periodically on a reimbursement basis)	520,912	589,402 ²	413,986 ⁸		413,986	(175,417)
Arizona State Lottery Payments (reserved for next Fiscal Year budget)	4,746,883	4,500,000 ³		-	-	(4,500,000)
TOTAL REVENUE	\$ 5,267,795	\$ 5,089,402	\$ 413,986	\$ -	\$ 413,986	\$ (4,675,417)
EXPENDITURES:						
Program Administration	680,558	716,644	90,372	397,035	487,407	(229,237)
Program Operations	55,599	80,000	-	43,732	43,732	(36,268)
AHEC Core Center Subcontracts -- Current FY Awards:						
EAHEC	382,128	422,125	38,126	215,149	253,275	(168,850)
GVAHEC	357,163	422,125	31,042	180,286	211,328	(210,797)
NAHEC	336,448	422,125	40,119	217,382	257,501	(164,624)
SEAHEC	232,634	422,125	55,623	167,365	222,988	(199,137)
WAHEC	364,944	422,125	21,898	246,365	268,263	(153,862)
Sub-Total Current FY Year AHEC Core Center Subcontracts	1,673,316	2,110,625 ⁴	186,809	1,026,546	1,213,356 ⁵	(897,269)
AHEC Core Center Subcontracts -- Prior FY Awards:						
EAHEC	128,573	124,422	18,928	105,494	124,422	-
GVAHEC	154,753	143,759	19,068	124,690	143,759	-
NAHEC	129,291	154,778	40,638	114,140	154,778	-
SEAHEC	306,511	273,063	26,571	247,345	273,916	853
WAHEC	146,088	141,606	31,599	110,007	141,606	-
Sub-Total Prior FY Year AHEC Core Center Subcontracts	865,216	837,628 ⁴	136,805	701,676	838,481 ⁵	853
Interprofessional Initiatives:						
FY16 Activity:		2,218,795 ⁶	-	1,152,309	1,152,309	(1,066,485)
FY15 Activity:	1,380,791	406,675 ⁶	-	240,318	240,318	(166,356)
FY14 Activity:	274,658		-	(5,982)	(5,982)	(5,982)
FY13 Activity:	5,000		-	(2,944)	(2,944)	(2,944)
FY12 Activity:	(14,068)		-	-	-	-
Sub-Total Interprofessional Initiatives	1,646,382	2,625,469	-	1,383,701	1,383,701	(1,241,768)
TOTAL EXPENDITURES	\$ 4,921,071	\$ 6,370,366	\$ 413,986	\$ 3,552,691	\$ 3,966,677	\$ (2,403,689)
ENDING BALANCE (cash and cash equivalents)	\$ 11,746,752	\$ 10,465,788	\$ -	\$ 8,194,060	\$ 8,194,060	\$ (2,271,728)
Less: Arizona State Lottery Payments (reserved for next Fiscal Year budget)	\$ (4,746,883)	\$ (4,500,000)			\$ -	
CARRYFORWARD	\$ 6,999,869 ⁹	\$ 5,965,788 ⁹			\$ 8,194,060 ⁹	\$ 2,228,272

	Federal	State	Total	% of Total
Program Administration and Operations	\$ 90,372	\$ 440,767	\$ 531,139	21%
Core Center Subcontract Expenses	\$ 323,614	\$ 1,728,223	\$ 2,051,837 ⁵	79%
TOTAL	\$ 413,986	\$ 2,168,990	\$ 2,582,976	100%
Target for Program Administration and Operations as % of Total			\$ 645,744	25% ⁷

¹ Proposed budget approved by UofA SVPHS on behalf of ABOR.
² Federal Model AHEC funding has a support year of Sep 1 - Aug 31. Two months from the prior support year fall at the beginning of the AHEC fiscal year, which runs from Jul 1 - June 30. The first 10 months of the current support year overlap with current AHEC fiscal year, which runs from Jul 1 - June 30. The current FY16 HRSA award amount is \$517,750.
³ Payment of the State Lottery funds is contingent on lottery performance.
⁴ Subcontract period is Sep 1 - Aug 31. As such, 10 months of each subcontract fall into the current fiscal year and 2 months fall into the following fiscal year.
⁵ Core Center Subcontract Expenses are based on actual invoices received and paid.
⁶ Interprofessional Initiatives are ongoing. Once a project has been awarded, the full amount of awarded monies are transferred out of the AHEC fund. Support external to the UofA is issued via purchase order and paid via invoicing.
⁷ Interprofessional Initiatives are not included in calculating the no more than 25% target for Program Administration and Operations.
⁸ Includes any pending amount to be drawn from HRSA at report cut off date.
⁹ AHEC maintains a balance sufficient to support 1-year of operations.