



Dedicated to improving the health and well being of the people in our community.

**Board Finance Presentation – ECHD Stand-Alone
Fiscal Year 2020
7/1/2019- 6/30/2020**

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El Camino Healthcare District Board of Directors Meeting
October 20, 2020

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NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019		June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019
ASSETS			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$5,443	\$3,679	Accounts payable ⁽⁸⁾	\$79	\$0
Short term investments	5,710	8,523	Current portion of bonds	4,400	3,800
Due fm Retiree Health Plan ⁽¹⁾	30	30	Bond interest payable	1,852	2,403
S.C. M&O Taxes Receivable	0	0	Other Liabilities	1,295	102
Other current assets	268	17			
Total current assets	\$11,451	\$12,249	Total current liabilities	\$7,626	\$6,305
Operational Reserve Fund ⁽²⁾	1,500	1,500			
Capital Appropriation Fund ⁽³⁾	26,495	23,778			
Capital Replacement Fund ⁽⁴⁾	5,741	5,592	Deferred income	50	49
Community Benefit Fund ⁽⁵⁾	2,349	1,822	Bonds payable - long term	116,651	121,392
Total Board designated funds	\$36,085	\$32,693	Total liabilities	\$124,327	\$127,746
Funds held by trustee ⁽⁶⁾	\$27,347	\$24,028	Fund balance		
Capital assets, net ⁽⁷⁾	\$10,710	\$10,766	Unrestricted fund balance	\$56,814	\$55,558
			Restricted fund balance ⁽⁹⁾	(95,548)	(103,567)
			Total fund balance	(\$38,734)	(\$48,009)
TOTAL ASSETS	\$85,593	\$79,736	TOTAL LIAB & FUND BALANCE	\$85,593	\$79,736



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Comparative Year-to-Date June 30, 2020

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	Actual	Current Year Budget	Variance	Prior Full Year Actual
REVENUES				
(A) Ground Lease Revenue ⁽¹⁰⁾	\$ 91	\$ 96	\$ (5)	\$ 96
(B) Redevelopment Taxes ⁽¹¹⁾	325	-	325	268
(B) Unrestricted M&O Property Taxes ⁽¹¹⁾	8,845	8,845	-	8,429
(B) Restricted M&O Property Taxes ⁽¹¹⁾	9,706	7,654	2,052	8,989
(B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾	10,493	10,200	293	9,989
(B) IGT/PRIME Medi-Cal Program ⁽¹²⁾	(4,048)	(3,342)	(706)	(6,829)
(B) Investment Income (net)	1,444	897	547	1,307
(B) Other income	-	-	-	0
TOTAL NET REVENUE	26,856	24,350	2,506	22,249
EXPENSES				
(A) Wages & Benefits ⁽¹³⁾	-	-	-	0
(A) Professional Fees & Purchased Svcs ⁽¹⁴⁾	553	613	60	629
(A) Supplies & Other Expenses ⁽¹⁵⁾	90	116	26	62
(B) G.O. Bond Interest Expense (net) ⁽¹⁶⁾	2,474	3,320	846	2,805
(B) Community Benefit Expenditures ⁽¹⁷⁾	7,544	7,800	256	7,337
(A) Depreciation / Amortization	57	57	-	212
TOTAL EXPENSES	10,718	11,906	1,188	11,045
NET INCOME	\$ 16,138	\$ 12,444	\$ 3,694	\$ 11,204
(A) Operating Revenues & Expenses (B) Non-operating Revenues & Expenses				
RECAP STATEMENT OF REVENUES & EXPENSE				
(A) Net Operating Revenues & Expenses	\$ (609)			
(B) Net Non-Operating Revenues & Expenses	16,747			
NET INCOME	\$ 16,138			



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

Comparative YTD **Stand-Alone** Stmt of Fund Balance Activity (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Fiscal year beginning balance	\$ (48,009)	\$ (59,866)
Net income year-to-date	\$ 16,138	\$ 11,204
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽¹⁸⁾	\$ 360	\$ 6,829
Capital Appropriation projects ⁽¹⁹⁾	\$ (7,223)	(6,176)
Fiscal year ending balance	\$ (38,734)	\$ (48,009)



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (1) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operational Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – The net increase of \$2.8 million is a combination of the transfer to the Hospital in support of the Women's Hospital upcoming renovation (\$6.1M) and this year's property taxes in excess of the Gann Limit (\$8.9M) that is restricted for the Capital Appropriation Fund.
- (4) **Capital Replacement Fund** – Formerly known as the Plant Facilities Fund (AKA - Funded Depreciation) which reserves monies for the major renovation or replacement of the portion of the YMCA (Park Pavilion) owned by the District.
- (5) **Community Benefit Fund** – This fund retains the unrestricted property M&O taxes to pay for its operations and to support its Community Benefit Programs. As the year ended there is approximately \$8.5 million to be transferred into this fund to be used in fiscal year 2021.
- (6) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, property at the end of South Drive (currently for the Road Runners operations), and a vacant lot located at El Camino Real and Phyllis.
- (8) **Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (9) **Fund Balance** – The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued ; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 17 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

(10) Other Operating Revenue – Lease income from El Camino Hospital for its ground lease with the District.

(11) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period. Note amount for the G.O. Taxed Levied for Debt will come in less than prior year mostly due to the March 2017 G.O. Refunding that the District did that reduced the previously \$12.90 of assessed property valuation per \$100,000 to a current \$10.00 per \$100,000.

(12) IGT/PRIME Expense – A payment in support of the PRIME program, will provide a return at two (2) times this amount.

(13) Wages & Benefits – The District employs no employees. Employees are based at the Hospital, CONCERN, or SVMMD entities. The District does contract with the Hospital and outside professional and general services organizations (see item 14).

(14) Professional Fees & Services – Detailed below:

• Community Benefit Support from ECH	\$ 397
• Consulting	61
• Legal	63
• Videotaping of Board Meeting	4
• Website	24
• Other	<u>4</u>
	<u><u>\$ 553</u></u>

(15) Supplies & Other Expenses – Detailed below:

• Marketing	\$ 27
• Dues (LAFCO & CSDA)	23
• Postage (Fall newsletter no other support)	18
• Digital Website Development	15
• Board Education / Travel	4
• Board Meeting Stipends	<u>3</u>
	<u><u>\$ 90</u></u>



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- 16) **G.O. Bond Interest Expense** – It is to be noted that on March 22, 2017 the District refunded \$99M of its remaining \$132M 2006 G.O. bond issue. Refunding of the 2006 G.O. debt, given current interest rates, caused a net present value savings of \$7M.
- 17) **Community Benefit Expenditures** – Starting in FY 2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year . Note the major payments to recipients are made in August and February of the fiscal year.
- 18) **IGT/PRIME Funding** – Transfers from ECH for participation in the PRIME program thus far in FY 2020.
- 19) **Capital Appropriation Projects Transfer** – This amount for FY2020 was the approved amount at the Board's June 2019 meeting to be transferred to the Hospital during FY2020 for the future renovation of the Women's Hospital after the IMOB is completed in the early 2020.

Note The \$1.2M FY2020 funding for the Community Testing Program will be recorded in October 2020.



El Camino Healthcare District

Sources & Uses of Tax Receipts (\$Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

<u>Sources of District Taxes</u>	<u>6/30/2020</u>
(1) Maintenance and Operation and Government Obligation Taxes	\$29,044
(2) Redevelopment Agency Taxes	325
Total District Tax Receipts	\$29,369
 <u>Uses Required Obligations / Operations</u>	
(3) Government Obligation Bond	10,493
Total Cash Available for Operations, CB Programs, & Capital Appropriations	18,876
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	9,706
Subtotal	9,170
(5) Operating Expenses	643
Subtotal	8,527
(6) Capital Replacement Fund (Park Pavilion)	74
Funds Available for Community Benefit Programs	\$8,453

*Gann Limit Calculation for FY2020 \$8,845

(1) M&O and G.O. Taxes	• Cash receipts from the 1% ad valorem property taxes and Measure D taxes
(2) Redevelopment Agency Taxes	• Cash receipts from dissolution of redevelopment agencies
(3) Government Obligation Bond	• Levied for debt service
(4) Capital Appropriation Fund	• Excess amounts over the Gann Limit are restricted for use as capital
(5) Operating Expenses	• Expenses incurred in carrying out the District's day-to-day activities
(6) Capital Replacement Fund	• Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion)

