



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

**El Camino Healthcare District  
Fiscal Year 2015 Budget**

Presented by Ned Borgstrom, Interim CFO  
June 18, 2014

## Basis of the El Camino Healthcare District FY 2015 Budget

- The District budget is first shown in “stand-alone” format, including only those transactions which occur at the District level.
  - This presentation will cover the assumptions driving the District’s budget and will provide information on District-level revenues and expenditures.
  - The budget for El Camino Hospital and its affiliates was reviewed at the hospital’s finance committee meeting on May 27<sup>th</sup>, and at the hospital’s Board meeting on June 11<sup>th</sup>. Those meetings were both noticed on the hospital’s website and were open to the public. Additional information on the budget for El Camino Hospital and its affiliates is available on the hospital’s website ([www.elcaminohospital.org](http://www.elcaminohospital.org)).
- The District budget is also shown in consolidated format in this presentation as it is the District’s responsibility to approve the consolidated budget.



# Major Assumptions

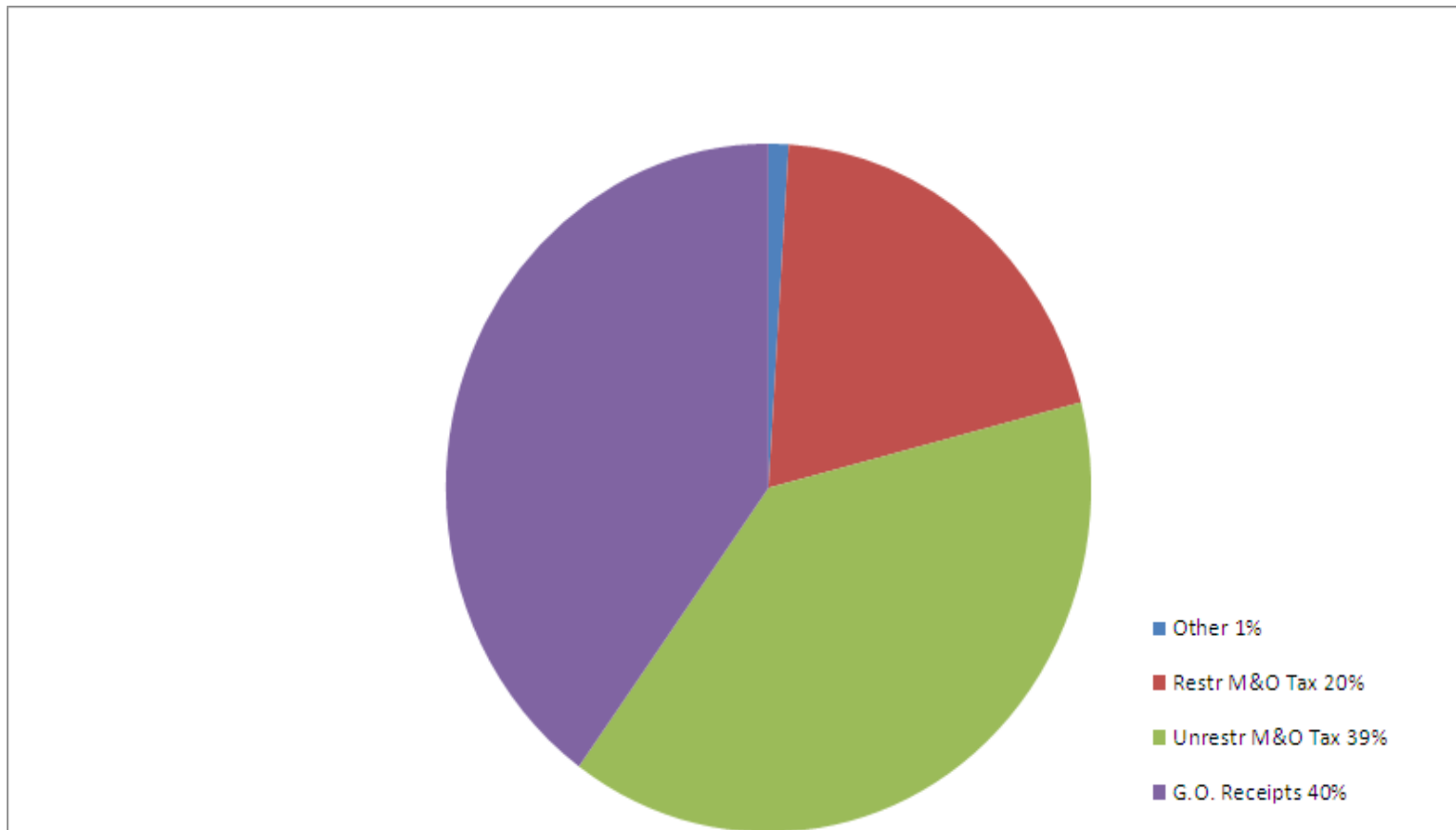
*Information excludes El Camino Hospital and its affiliates*

- Other Operating Revenue based on existing ground lease agreement.
- All Operating Expenses based on trending two-year District history, with adjustments made for non-recurring events.
- Budgeted purchased services in Fiscal Year 2015 includes a \$48,000 increase in expense to cover the additional cost of the District's administration of its Community Benefit program and \$208,000 for November's election costs charged by the county.
- Another year's participation in the IGT – Medi-Cal Program is expected early in Fiscal Year 2015.
- Depreciation is based on assets currently in service, as there is no capital spending expected at the District level.
- Tax receipts are based on the current year's experience with a 4% increase.
- Expenses related to the G.O. bonds are based on history and required payment schedules.
- Community Benefit expenditures are based on the draft Community Benefit plan.
- Investment income is based on the expected short-term rate of return for those funds.



## District Income by Source - \$19.7 Million

*Information excludes El Camino Hospital and its affiliates*

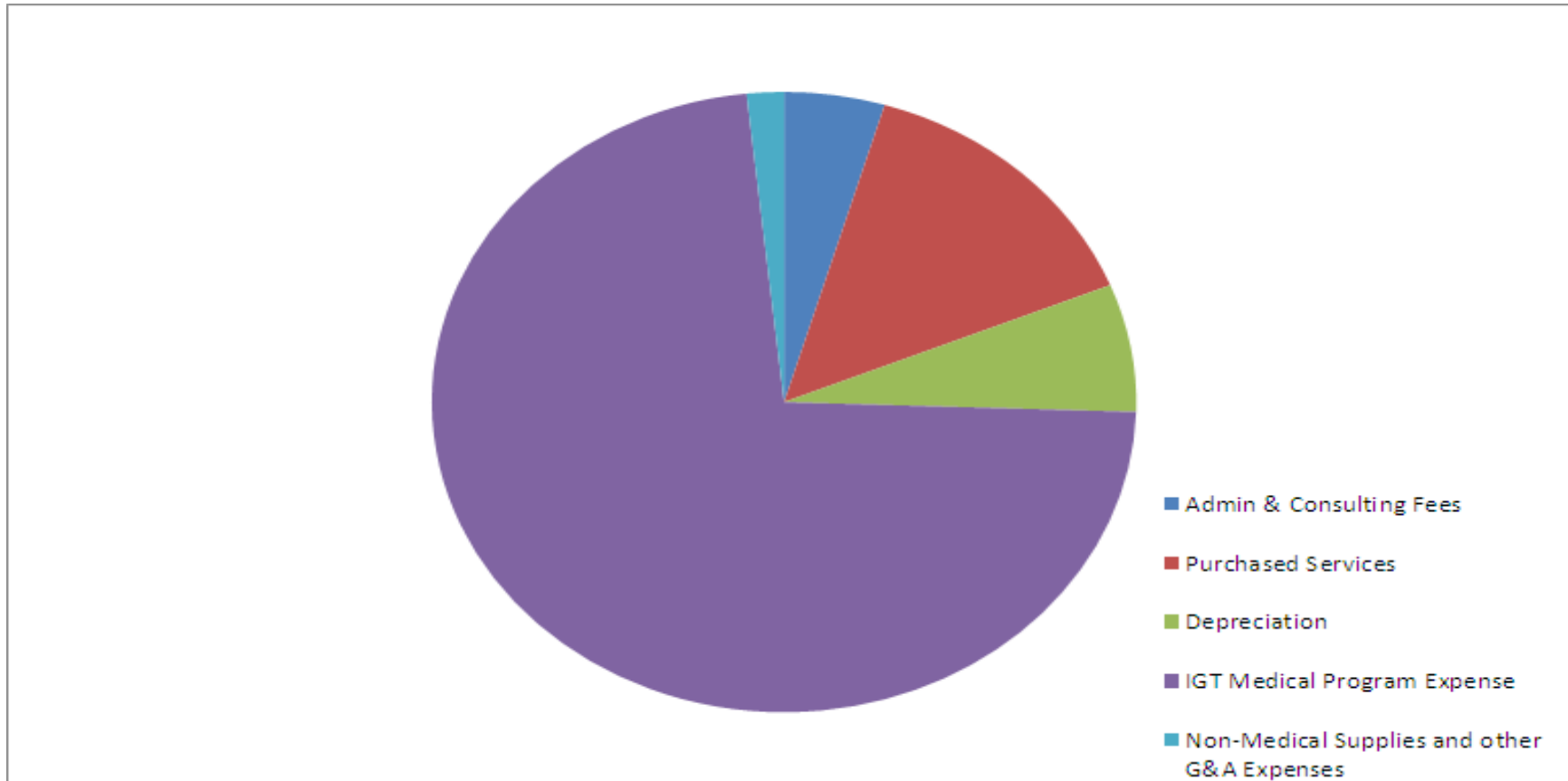


All except Lease Income are classified as “Non-Operating”



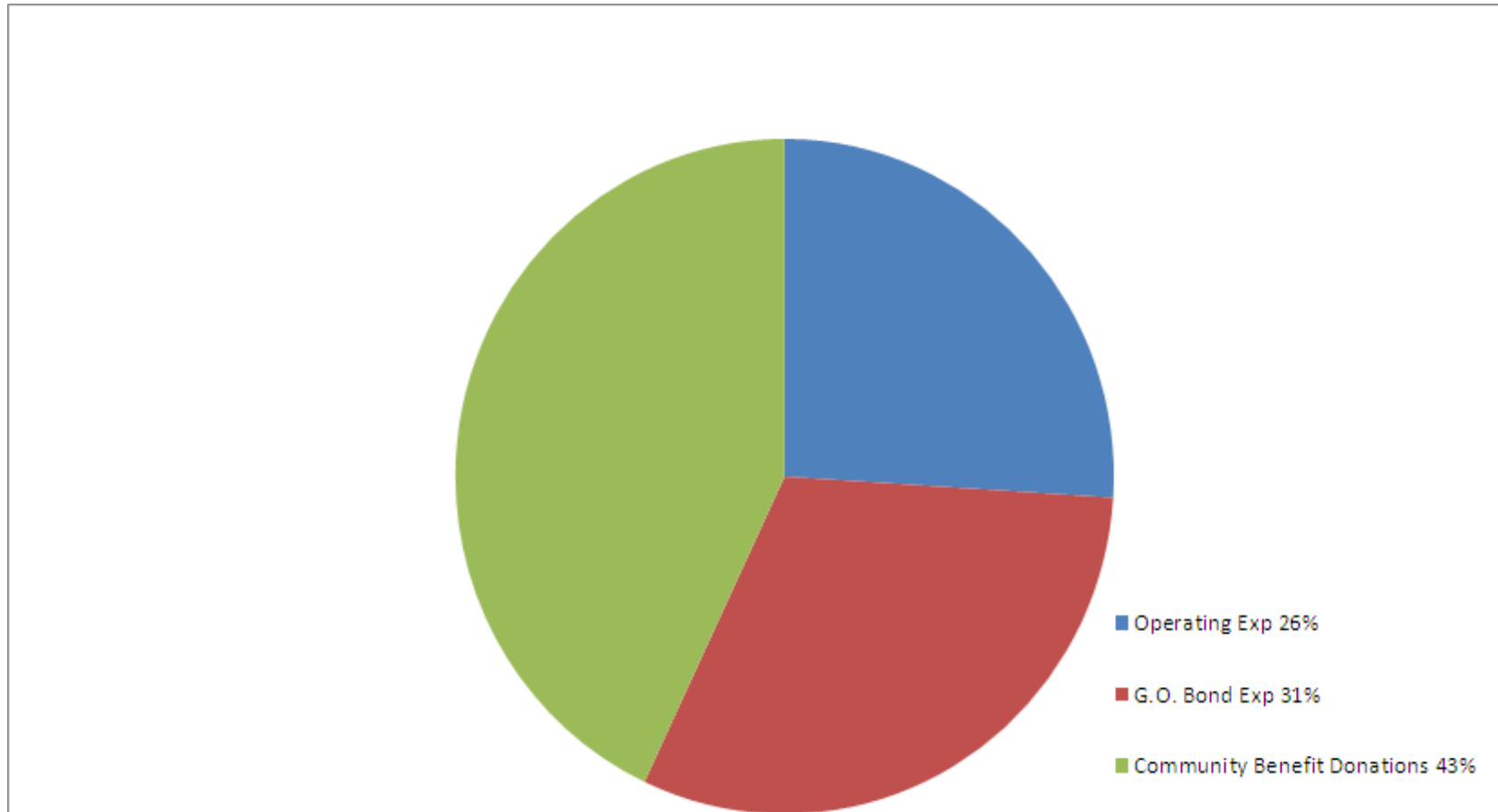
## District **Operating** Expense by Category – **\$3.758 million**

*Information excludes El Camino Hospital and its affiliates*



# District Total Expense by Category – \$14.4 Million

*Information excludes El Camino Hospital and its affiliates*



Blue “slice” represents entire pie from previous page



# El Camino Healthcare District

## Statement of Fund Balance Activity for Budget 2015

(In Thousands)

*Information excludes El Camino Hospital and its affiliates*

### UNRESTRICTED FUND ACTIVITY BALANCE

Projected Opening Balance @ 7/01/2014	\$ 38,498
Budgeted Net Income for FY 2015	5,274
IGT Medi-Cal Payment Fund	2,736
Transfer to ECH for Capital Outlay project (BHS)	(8,093)
PROJECTED ENDING BALANCE @ 6/30/2015	<u>\$ 38,415</u>



# El Camino Healthcare District

*Information excludes El Camino Hospital and its affiliates*

	2013	Estimated 2014	Budget 2015	Fav (Unfav) Amount	% Change
<u>REVENUES</u>					
Other Operating Revenue	84	85	86	0	0.6%
Total Net Revenue	84	85	86	0	0.6%
<u>EXPENSES</u>					
Salaries	0	0	0	0	N/A
Employee Benefits	0	0	0	0	N/A
Supplies & Other Expenses	972	2,775	3,508	(733)	-26.4%
Interest	0	0	0	0	N/A
Depreciation/Amoritization	250	250	250	0	0.0%
TOTAL EXPENSES	1,223	3,025	3,758	(733)	-24.2%
Operating Income	(1,139)	(2,940)	(3,673)	(733)	24.9%
Non Operating Income	13,559	10,990	8,947	(2,043)	-18.6%
Total Net Income	12,420	8,050	5,274	(2,776)	-34.5%
Operating EBIDA	(889)	(2,690)	(3,422)	(733)	27.2%
Operating Margin Percentage	-1356.1%	-3449.6%	-4284.5%		

All dollar amounts in thousands. Totals may not agree due to rounding.





# El Camino Healthcare District - CONSOLIDATED

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Consolidated
<b>REVENUES</b>				
Inpatient Revenue	\$0	\$ 1,509,789	\$0	<b>\$ 1,509,789</b>
Outpatient Revenue	0	1,026,343	0	<b>1,026,343</b>
Gross Patient Service Revenue	0	2,536,132	0	<b>2,536,132</b>
Deductions from Revenue	0	(1,806,491)	0	<b>(1,806,491)</b>
Net Patient Service Revenue	0	729,641	0	<b>729,641</b>
Other Operating Revenue	86	21,448	13,711	<b>35,245</b>
Total Net Revenue	86	751,088	13,711	<b>764,885.36</b>
<b>EXPENSES</b>				
Salaries	0	273,353	5,199	<b>278,552</b>
Employee Benefits	0	140,171	3,167	<b>143,338</b>
Supplies & Other Expenses	3,508	230,540	9,219	<b>243,267</b>
Interest	0	7,375	0	<b>7,375.37</b>
Depreciation/Amoritzation	250	46,629	80	<b>46,959.20</b>
Total Expenses	3,758	698,068	17,665	<b>719,492</b>
Operating Income	\$ (3,673)	\$ 53,020	\$ (3,954)	<b>\$ 45,393</b>
Non Operating Income	8,947	14,758		<b>30,216</b>
Total Net Income	\$5,274	\$67,778	(\$3,954)	<b>\$75,609</b>
<i>Operating EBIDA</i>	\$ (3,422)	\$ 107,024	\$ (3,874)	<b>\$ 99,728</b>
<i>Operating Margin Percentage</i>	-4284.5%	7.1%	-28.8%	<b>5.9%</b>

All dollar amounts in thousands. Totals may not agree due to rounding.



# El Camino Healthcare District - CONSOLIDATED

	2013	Estimated 2014	Budget 2015	Fav/ (Unfav) Amount	Change Percent
<b>Revenues</b>					
Inpatient Revenue	\$ 1,198	\$ 1,460	\$ 1,510	\$ 50	3.4%
Outpatient Revenue	812	1,031	1,026	(5)	-0.5%
Gross Patient Service Revenue	2,010	2,491	2,536	45	1.8%
Deductions from Revenue	1,453	0	(1,806)	(1,806)	
Net Patient Service Revenue	686	709	730	21	2.9%
Other Operating Revenue	15	31	35	4	12.1%
Total Net Revenue	702	740	765	24	3.3%
<b>Expenses</b>					
Salaries	245	264	279	(14)	-5.3%
Employee Benefits	128	139	143	(4)	-2.9%
Supplies & Other Expenses	219	226	243	(17)	-7.6%
Interest	8	7	7	0	1.2%
Depreciation/Amoritzation	48	48	47	1	2.8%
Total Expense	649	686	719	(34)	-4.9%
<b>Operating Income</b>	<b>\$ 53</b>	<b>\$ 55</b>	<b>\$ 45</b>	<b>\$ (9)</b>	<b>-17.0%</b>
Non Operating Income	38	41	30	(11)	-26.5%
<b>Total Net Income</b>	<b>\$ 90</b>	<b>\$ 96</b>	<b>\$ 76</b>	<b>\$ (20)</b>	<b>-21.1%</b>
<i>Operating EBIDA</i>	109	111	100	(11)	-9.7%
<i>Operating Margin Percentage</i>	7.5%	7.4%	5.9%		

All dollar amounts in millions. Totals may not agree due to rounding.



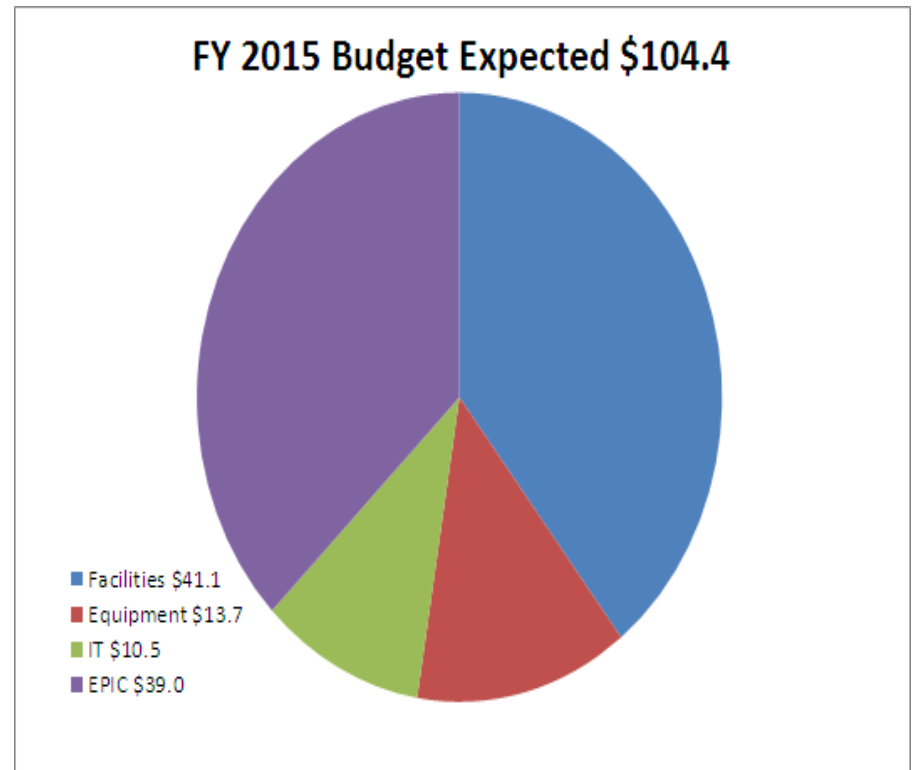
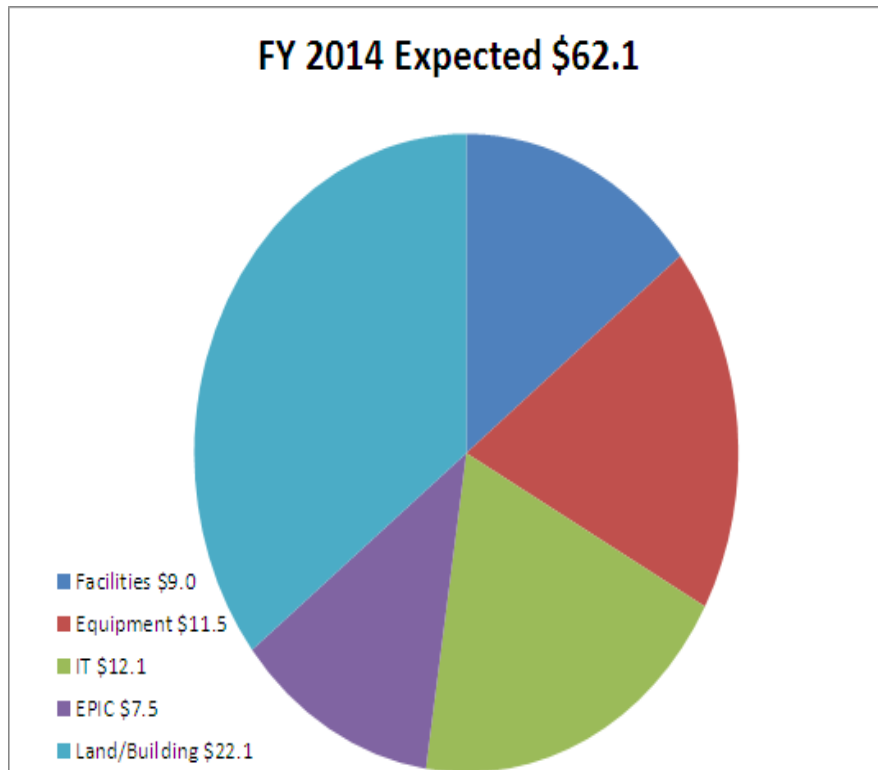
## El Camino Healthcare District Consolidated Capital Budget

NOTE: There are no plans to expend capital at the District level in Fiscal Year 2015. All capital spending is budgeted to occur at El Camino Hospital and its affiliates.



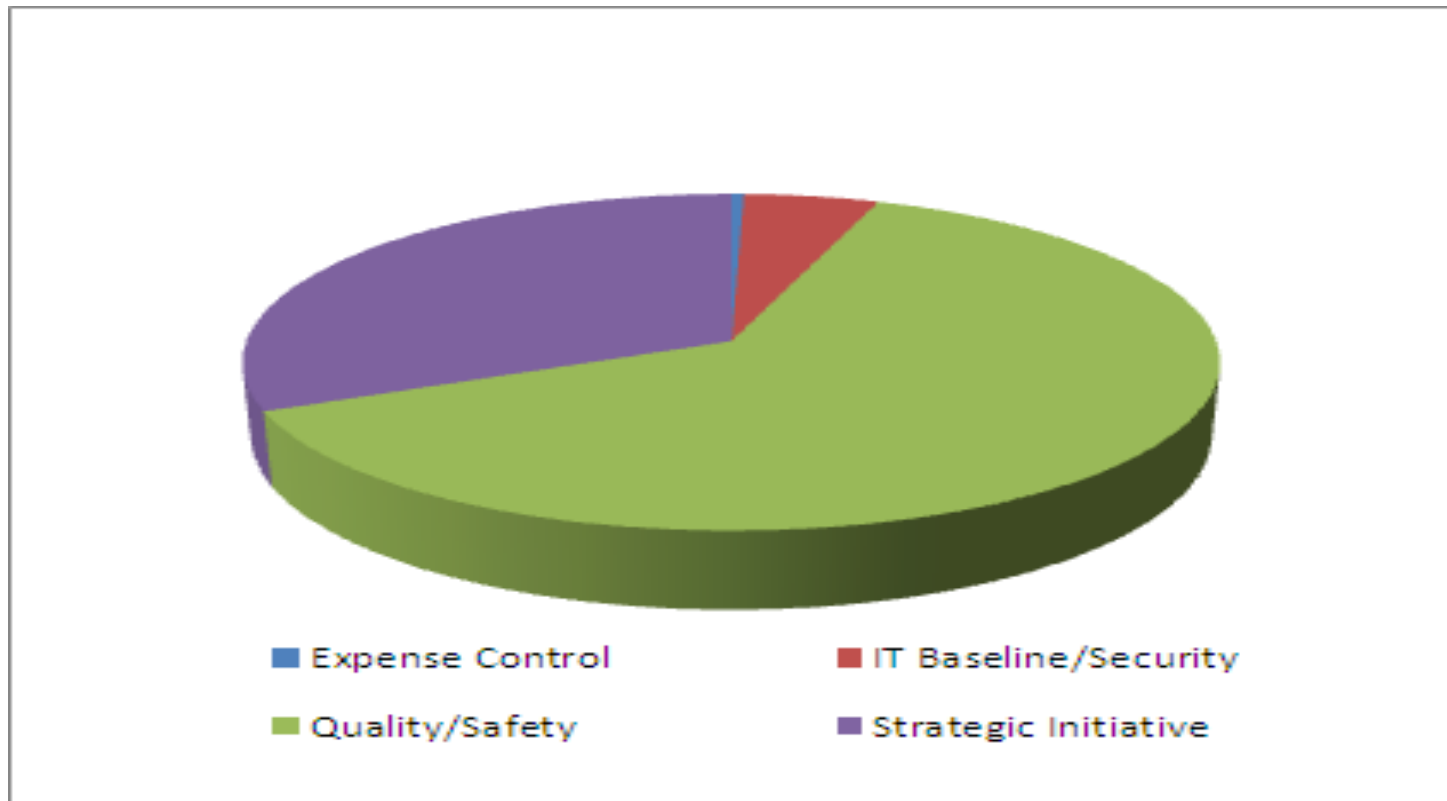
# Consolidated Capital Spending

Fiscal 2014 Compared to Fiscal 2015 Budget (\$ Millions)

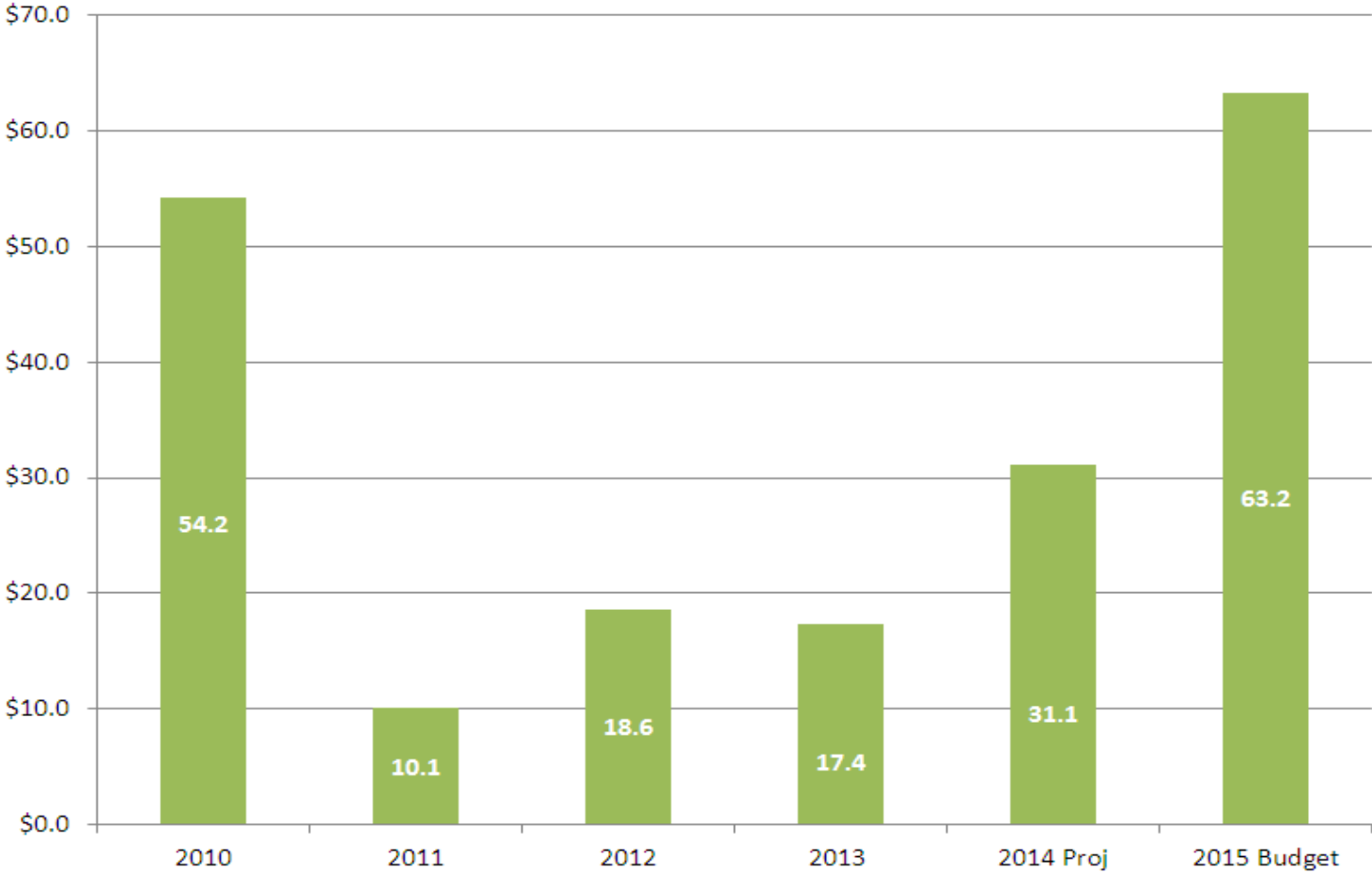


# Consolidated Capital Budget

Fiscal 2015 Budget on items over \$250K by Capital Purchase Goal



# Capital Equipment Spending Trend (\$ in Millions)



Excludes land improvements and building additions

