



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

**El Camino Healthcare District  
Fiscal Year 2022 Budget**

Carlos Bohorquez, Chief Financial Officer  
June 29, 2021

# Basis of the El Camino Healthcare District FY 2022 Budget

- *The District budget is first shown in “stand-alone” format, including 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 preliminary budget for El Camino Hospital and its affiliates was reviewed at the April finance committee meeting. 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 – El Camino Healthcare District

## *Excludes El Camino Hospital & its affiliates*

- Other Operating Revenue is based on the existing ground lease agreement.
- The Unrestricted M&O Property Taxes are budgeted based upon the Tax Appropriation Limit (Gann Limit).
- This year the Redevelopment Agency revenues were once again budgeted as they continue to be distributed by the County without any lapse in payments in the past years. The decrease in these expenses is attributable, in a large part, that in fiscal year 2021 it had a projected budget of \$250,000 for the November 2020 District Board election.
- Operating Expenses are based on historical payment information with adjustments made for non-recurring expenses.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2022	Total Paid FTEs
VP Corp Comm Hlth Svcs	0.25
Director Community Benefit	0.75
Administrative Assistant	1.00
Sr Community Benefit Spec	2.00
Business Coordinator	0.20
Total	4.20
Total Salaries, Wages & Benefits	\$ 705,558
Estimated allocation of time at 54% =	\$ 381,001

- Supplies and Other Expenses includes modest increases for Direct Mail material, website development, advertising and postage. The District's budgeted dues are expected to remain a constant of LAFCO at an amount of \$25,000 and \$7,000 for California Special Districts Association.
- Expenses related to the G.O. bonds are based on the 2017 G.O. Refunding outcomes and required payment schedules.
- Investment income is based on the expected return rate provided by our Investment Consultant of on an average cash balance of \$40M.
- Community Benefit expenditures are based on the Community Benefit plan.
- IGT – Medi-Cal (PRIME) program - It is expected that the District/Hospital will participate in the program again this year.



# El Camino Healthcare District

*Information excludes El Camino Hospital & its affiliates*  
(in 000s)

Revenues	FY2020 Actual	FY2021 Actual	FY 2022 Budget	Change Favorable / (Unfavorable)	% Change
(A) Other Operating Revenue	91	100	102	2	2.0%
(B) Unrestricted M&O Property Taxes	8,845	9,221	9,804	583	6.3%
(B) Restricted M&O Taxes	9,706	9,650	8,717	(933)	-9.7%
(B) Taxes Levied for Debt Service	10,493	10,500	10,200	(300)	-2.9%
(B) Investment Income (net)	1,444	250	848	598	-439.2%
(B) Other - Redevelopment Agency	325	333	300	(33)	-9.9%
<b>Total Net Revenue</b>	<b>30,904</b>	<b>30,054</b>	<b>29,971</b>	<b>(83)</b>	<b>-0.3%</b>
<b>Expenses</b>					
(A) Community Benefit Support	397	416	381	35	-8.4%
(A) Fees & Purchased Services	156	437	162	275	169.8%
(A) Supplies & Other Expenses	90	20	32	(12)	-37.5%
(A) Depreciation/Amortization/Interest Expense	57	53	9	44	488.9%
(B) G.O. Interest Expense (net)	2,474	3,135	2,656	479	18.0%
(B) Community Benefit Program	7,544	7,232	7,665	(433)	-5.6%
(B) IGT Medi-Cal Program Expense	4,048	1,531	4,000	(2,469)	-61.7%
<b>Total Expenses</b>	<b>14,766</b>	<b>12,824</b>	<b>14,905</b>	<b>(2,081)</b>	<b>-14.0%</b>
<b>NET INCOME</b>	<b>16,138</b>	<b>17,230</b>	<b>15,066</b>	<b>(2,164)</b>	<b>-12.6%</b>

## FY22 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(482)
(B) Net Non-Operating Revenues & Expenses	15,548
<b>NET INCOME</b>	<b>15,066</b>





# El Camino Healthcare District

## Statement of Fund Balance Activity for Budget FY2022

*Information excludes El Camino Hospital & its affiliates*

(in 000s)

### UNRESTRICTED FUND ACTIVITY BALANCE

Opening Balance at 7/1/2021 (Projected)	\$57,771
Transfer (to)/from ECH: IGT / Prime Funding	4,000
Budgeted Net Income for FY2022	15,066
Projected Transfer to ECH for Capital Outlay Projects (Women's Hospital)	(8,900)

<b>FISCAL YEAR 2022 ENDING BALANCE</b>	<b>\$67,937</b>
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# El Camino Healthcare District

## Sources & Uses of Tax Receipts (in 000s)

### Budget for 2022

#### Sources of District Taxes

(1) Maintenance and Operation and Government Obligation Taxes

\$28,721

(2) Redevelopment Agency Taxes

\$300

#### **Total District Tax Receipts**

\$29,021

#### Uses Required Obligations / Operations

(3) Government Obligation Bond (Principal & Interest & Surplus)

\$10,200

#### **Total Cash Available for Operations, CB Programs, & Capital Appropriations**

18,821

(4) Capital Appropriation Fund – Excess Gann Initiative Restricted\*

9,017

#### **Subtotal**

9,804

(5) Operating Expenses (net)

482

#### **Subtotal**

9,322

(6) Capital Replacement Fund (Park Pavilion)

12

#### **Funds Available for Community Benefit Program**

\$9,310

#### **(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 at 130% of original cost)



# El Camino Healthcare District - CONSOLIDATED

(\$ in 000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Total
<b>REVENUES</b>				
Net Patient Service Revenue	\$0	\$1,113,066	\$35,105	\$1,148,171
Other Operating Revenue	102	23,680	20,410	44,191
Total Net Revenue	102	1,136,745	55,515	1,192,362
<b>EXPENSES</b>				
Salaries & Benefits	0	603,838	25,130	628,968
Supplies & Other Expenses	575	336,441	64,110	401,126
Interest	0	16,852	0	16,852
Depreciation/Amortization	9	64,004	3,058	67,071
TOTAL EXPENSES	585	1,021,135	92,297	1,114,017
<b>OPERATING INCOME</b>	<b>(\$483)</b>	<b>\$115,610</b>	<b>(\$36,782)</b>	<b>\$78,346</b>
Non Operating Income	15,549	89,199	3,512	108,260
<b>NET INCOME</b>	<b>\$15,066</b>	<b>\$204,809</b>	<b>(\$33,270)</b>	<b>\$186,606</b>
<i>Operating EBIDA</i>	<i>(473.7)</i>	<i>196,467</i>	<i>(33,725)</i>	<i>162,269</i>
<i>EBIDA Margin Percentage</i>	<i>(465.5%)</i>	<i>17.3%</i>	<i>(60.7%)</i>	<i>13.6%</i>
<i>Operating Margin Percentage</i>	<i>(474.6%)</i>	<i>10.2%</i>	<i>(66.3%)</i>	<i>6.6%</i>



# El Camino Healthcare District - CONSOLIDATED

(\$ in 000s)

	FY2020 Actual	FY2021 Actual	FY2022 Budget	Change Favorable/ (Unfavorable)	% Change
<b>REVENUES</b>					
Net Patient Service Revenue	982,696	1,073,638	1,148,171	74,534	6.9%
Other Operating Revenue	55,884	46,297	44,191	(2,107)	(4.5%)
Total Net Revenue	1,038,580	1,119,935	1,192,362	72,427	6.5%
<b>EXPENSES</b>					
Salaries & Benefits	542,418	588,821	628,968	(40,147)	(6.4%)
Supplies & Other Expenses	376,266	384,674	401,126	(16,453)	(4.1%)
Interest	9,449	17,055	16,852	203	1.2%
Depreciation/Amortization	54,038	67,162	67,071	91	0.1%
TOTAL EXPENSES	982,171	1,057,712	1,114,017	(56,306)	(5.1%)
<b>OPERATING INCOME</b>	<b>56,409</b>	<b>62,223</b>	<b>78,346</b>	<b>16,122</b>	<b>(20.6%)</b>
Non Operating Income	69,004	252,016	108,260	(143,756)	(57.0%)
<b>NET INCOME</b>	<b>125,413</b>	<b>314,239</b>	<b>186,606</b>	<b>(127,634)</b>	<b>(40.6%)</b>
Operating EBIDA	119,896	146,441	162,269	15,829	10.8%
EBIDA Margin Percentage	11.5%	13.1%	13.6%		
Operating Margin Percentage	5.4%	5.6%	6.6%		



## Proposed Motion

- To approve and adopt the Fiscal Year 2022 operating budget and allocation of M&O tax funds as recommended by management

