



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

**El Camino Healthcare District  
Fiscal Year 2023 Budget**

Carlos Bohorquez, Chief Financial Officer  
June 14, 2022

# Basis of the El Camino Healthcare District FY 2023 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 May joint finance and board 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 increase in expenses is attributable, in a large part, that in fiscal year 2023 it has a projected budget of \$325,000 for the November 2023 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 Partnerships Staff FY2023	Total Paid FTEs
Community Benefit Program Manager	1.00
Director Community Benefit	1.00
Administrative Assistant	1.00
Sr Community Benefit Spec	1.00
Business Coordinator	-
Total	4.00
Total Salaries, Wages & Benefits	\$ 687,657
Estimated allocation of time at 52%	\$ 357,582

- 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 2006 and 2017 G.O. amortization 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	FY2021 Actual	FY2022 Projected	FY 2023 Budget	Change	% Change
				Favorable / (Unfavorable)	
(A) Other Operating Revenue	101	104	106	2	2.2%
(B) Unrestricted M&O Property Taxes	9,221	9,804	10,601	797	8.1%
(B) Restricted M&O Taxes	11,129	10,500	9,833	(667)	-6.4%
(B) Taxes Levied for Debt Service	11,803	11,505	11,200	(305)	-2.6%
(B) Investment Income (net)	(2,697)	(1,470)	1,034	2,503	-29.7%
(B) Other - Redevelopment Agency	310	254	300	46	18.1%
(B) IGT Medi-Cal Program Expense	(4,460)	(3,047)	(3,000)	47	-1.6%
<b>Total Net Revenue</b>	<b>25,408</b>	<b>27,650</b>	<b>30,074</b>	<b>2,424</b>	<b>8.8%</b>
<b>Expenses</b>					
(A) Community Benefit Support	417	381	358	23	-6.1%
(A) Fees & Purchased Services	368	16	362	(346)	-95.6%
(A) Supplies & Other Expenses	146	189	122	67	54.6%
(A) Depreciation/Amortization/Interest Expense	53	10	4	6	161.3%
(B) G.O. Interest Expense (net)	415	3,091	6,580	(3,489)	-53.0%
(B) Community Benefit Program	7,189	8,772	7,665	1,108	14.5%
<b>Total Expenses</b>	<b>8,588</b>	<b>12,459</b>	<b>15,090</b>	<b>(2,631)</b>	<b>-17.4%</b>
<b>NET INCOME</b>	<b>16,820</b>	<b>15,191</b>	<b>14,984</b>	<b>(207)</b>	<b>-1.4%</b>

## **FY23 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE**

(A) Net Operating Revenues & Expenses	(739)
(B) Net Non-Operating Revenues & Expenses	15,724
<b>NET INCOME</b>	<b>14,984</b>



# El Camino Healthcare District

## Statement of Fund Balance Activity for Budget FY2023

*Information excludes El Camino Hospital & its affiliates*

(in \$000s)

### UNRESTRICTED FUND ACTIVITY BALANCE

Opening Balance at 7/1/2022	\$58,637
Transfer (to) / from ECH: IGT Prime Funding	3,000
Budgeted Net Income for FY2023	14,984
Projected Transfer to ECH for Capital Outlay Projects (MV Campus Completion Project)	(9,706)

<b>FISCAL YEAR 2023 ENDING BALANCE</b>	<b>\$66,915</b>
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# El Camino Healthcare District

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

### Budget FY2023

**Sources of District Taxes**

(1) Maintenance and Operation and Government Obligation Taxes	\$31,634
(2) Redevelopment Agency Taxes	\$300
<b>Total District Tax Receipts</b>	\$31,934

**Uses Required Obligations / Operations**

(3) Government Obligation Bond (Principal & Interest & Surplus)	\$11,200
<b>Total Cash Available for Operations, CB Programs, &amp; Capital Appropriations</b>	20,734
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	10,901
<b>Subtotal</b>	9,833
(5) Operating Expenses (net)	739
<b>Subtotal</b>	9,094
(6) Capital Replacement Fund (Park Pavilion)	5
<b>Funds Available for Community Benefit Program</b>	\$9,089

- |                                       |   |
|---------------------------------------|---|
| <b>(1) M&amp;O and G.O. Taxes</b>     | • Cash receipts from the 1% ad valorem property taxes and Measure D taxes   |
| <b>(2) Redevelopment Agency Taxes</b> | • Cash receipts from dissolution of redevelopment agencies  |
| <b>(3) Government Obligation Bond</b> | • Levied for debt service   |
| <b>(4) Capital Appropriation Fund</b> | • Excess amounts over the Gann Limit are restricted for use as capital  |
| <b>(5) Operating Expenses</b>         | • Expenses incurred in carrying out the District’s day-to-day activities  |
| <b>(6) Capital Replacement Fund</b>   | • 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 FY2023 Budget

(in \$000s)

	ECHD	El Camino Hospital	El Camino Hospital Affiliates	Total
<b>REVENUES</b>				
Net Patient Service Revenue	\$0	\$1,315,164	\$42,754	\$1,357,918
Other Operating Revenue	106	24,921	24,815	49,842
Total Net Revenue	106	1,340,084	67,569	1,407,760
<b>EXPENSES</b>				
Salaries & Benefits	0	681,400	33,917	715,317
Supplies & Other Expenses	841	387,571	71,550	459,962
Interest	0	16,678	0	16,678
Depreciation/Amortization	4	69,448	3,304	72,756
<b>TOTAL EXPENSES</b>	<b>845</b>	<b>1,155,097</b>	<b>108,771</b>	<b>1,264,713</b>
<b>OPERATING INCOME</b>	<b>(\$739)</b>	<b>\$184,987</b>	<b>(\$41,202)</b>	<b>\$143,046</b>
Non Operating Income	15,724	31,166	3,739	50,629
<b>NET INCOME</b>	<b>\$14,984</b>	<b>\$216,154</b>	<b>(\$37,461)</b>	<b>\$193,676</b>
<i>Operating EBIDA</i>	<i>(735)</i>	<i>271,114</i>	<i>(37,898)</i>	<i>232,480</i>
<i>EBIDA Margin Percentage</i>	<i>(693.9%)</i>	<i>20.2%</i>	<i>(56.1%)</i>	<i>16.5%</i>
<i>Operating Margin Percentage</i>	<i>(697.6%)</i>	<i>13.8%</i>	<i>(61.0%)</i>	<i>10.2%</i>



# El Camino Healthcare District - CONSOLIDATED

(in \$000s)

	FY2021 Actual	FY2022 Projected	FY2023 Budget	Change Favorable/ (Unfavorable)	% Change
<b>REVENUES</b>					
Net Patient Service Revenue	1,107,911	1,297,478	1,357,918	60,440	4.7%
Other Operating Revenue	48,532	44,072	49,842	5,770	13.1%
Total Net Revenue	1,156,443	1,341,549	1,407,760	66,210	4.9%
<b>EXPENSES</b>					
Salaries & Benefits	588,470	669,929	715,317	(45,388)	(6.8%)
Supplies & Other Expenses	398,113	413,071	459,962	(46,891)	(11.4%)
Interest	16,960	16,908	16,678	230	1.4%
Depreciation/Amortization	66,539	73,494	72,756	738	1.0%
<b>TOTAL EXPENSES</b>	<b>1,070,082</b>	<b>1,173,403</b>	<b>1,264,713</b>	<b>(91,311)</b>	<b>(7.8%)</b>
<b>OPERATING INCOME</b>	<b>86,362</b>	<b>168,147</b>	<b>143,046</b>	<b>(25,100)</b>	<b>(14.9%)</b>
Non Operating Income	258,542	(111,091)	50,629	161,720	(145.6%)
<b>NET INCOME</b>	<b>344,904</b>	<b>57,056</b>	<b>193,676</b>	<b>136,620</b>	<b>239.5%</b>
<i>Operating EBIDA</i>	<i>169,860</i>	<i>258,549</i>	<i>232,480</i>	<i>(26,069)</i>	<i>(10.1%)</i>
<i>EBIDA Margin Percentage</i>	<i>14.7%</i>	<i>19.3%</i>	<i>16.5%</i>		
<i>Operating Margin Percentage</i>	<i>7.5%</i>	<i>12.5%</i>	<i>10.2%</i>		





# Proposed Motion

- To approve and adopt the Fiscal Year 2023 operating budget and allocation of M&O tax funds as recommended by management

