



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

**El Camino Healthcare District
Fiscal Year 2024 Budget**

Carlos Bohorquez, Chief Financial Officer
June 20, 2023

Basis of the El Camino Healthcare District FY2024 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).
- *The District budget is also shown in consolidated format in this presentation as it is the District’s responsibility to approve the consolidated budget.*



Key Assumptions FY2024 Budget – 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.
- 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 FY2024	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	\$ 662,189
Estimated allocation of time at 54%	\$ 357,582

- 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 2003 and 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

Revenues	FY2022 Actual	FY2023		FY 2024 Budget	Change Favorable / (Unfavorable)	% Change
		Projected				
(A) Other Operating Revenue	104	107		106	(1)	-0.5%
(B) Unrestricted M&O Property Taxes	9,804	10,601		11,048	446	4.2%
(B) Restricted M&O Taxes	11,528	11,800		11,850	50	0.4%
(B) Taxes Levied for Debt Service	12,304	11,941		11,200	(741)	-6.2%
(B) Investment Income (net)	(1,191)	(118)		1,034	1,152	775.2%
(B) Other - Redevelopment Agency	417	324		300	(24)	-7.3%
(B) IGT Medi-Cal Program Expense	(2,613)	(2,914)		(3,000)		
Total Net Revenue	30,353	31,740		32,537	798	2.5%
Expenses						
(A) Community Benefit Support	381	358		358	-	0.0%
(A) Fees & Purchased Services	20	38		37	1	3.1%
(A) Supplies & Other Expenses	411	270		128	142	111.1%
(A) Depreciation/Amortization/Interest Expense	9	5		5	0	0.0%
(B) G.O. Interest Expense (net)	3,068	6,394		6,858	(464)	-6.8%
(B) Community Benefit Program	7,472	7,149		7,950	(801)	-10.1%
Total Expenses	11,362	14,214		15,336	(1,121)	-7.3%
NET INCOME	18,992	17,525		17,202	(323)	-1.8%

FY24 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(422)
(B) Net Non-Operating Revenues & Expenses	17,624
NET INCOME	17,202



El Camino Healthcare District

Statement of Fund Balance Activity FY2024 Budget

Information excludes El Camino Hospital & its affiliates

(in 000s)

UNRESTRICTED FUND ACTIVITY BALANCE

Opening Balance at 7/1/2023	\$63,425
Transfer (to) / from ECH: IGT Prime Funding	3,000
Budgeted Net Income for FY2024	17,202
Projected Transfer to ECH for Capital Outlay Projects (MV Campus Completion Project) FY2021 and FY2022 Reserves	(22,657)

FISCAL YEAR 2024 ENDING BALANCE	\$60,970
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El Camino Healthcare District

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

FY2024 Budget

Sources of District Taxes

(1) Maintenance and Operation and Government Obligation Taxes	\$34,098	
(2) Redevelopment Agency Taxes	\$300	
Total District Tax Receipts	\$34,398	
<u>Uses Required Obligations / Operations</u>		
(3) Government Obligation Bond (Principal & Interest & Surplus)	\$10,601	
Total Cash Available for Operations, CB Programs, & Capital Appropriations		23,797
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	11,850	
Subtotal		11,947
(5) Operating Expenses (net)	417	
Subtotal		11,530
(6) Capital Replacement Fund (Park Pavilion)	5	
Funds Available for Community Benefit Program	\$11,525	

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|---------------------------------------|---|
| (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 (\$000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Total
REVENUES				
Net Patient Service Revenue	\$0	\$1,423,495	\$61,622	\$1,485,117
Other Operating Revenue	106	32,250	32,377	64,733
Total Net Revenue	106	1,455,745	93,999	1,549,850
EXPENSES				
Salaries & Benefits	6	770,215	40,912	811,134
Supplies & Other Expenses	516	409,351	95,681	505,548
Interest	0	16,493	0	16,493
Depreciation/Amortization	5	76,526	3,639	80,170
TOTAL EXPENSES	528	1,272,585	140,232	1,413,344
OPERATING INCOME	(\$422)	\$183,160	(\$46,232)	\$136,506
Non Operating Income	17,624	29,427	3,359	50,410
NET INCOME	\$17,202	\$212,587	(\$42,872)	\$186,916
<i>Operating EBIDA</i>	<i>(416)</i>	<i>276,179</i>	<i>(42,594)</i>	<i>233,169</i>
<i>EBIDA Margin Percentage</i>	<i>(392.9%)</i>	<i>19.0%</i>	<i>(45.3%)</i>	<i>15.0%</i>
<i>Operating Margin Percentage</i>	<i>(397.9%)</i>	<i>12.6%</i>	<i>(49.2%)</i>	<i>8.8%</i>



El Camino Healthcare District – Consolidated (\$000s)

	FY2022 Actual	FY2023 Projected	FY2024 Budget	Change Favorable/ (Unfavorable)	% Change
REVENUES					
Net Patient Service Revenue	1,309,152	1,360,822	1,485,117	124,295	9.1%
Other Operating Revenue	44,472	48,677	64,733	16,056	33.0%
Total Net Revenue	1,353,623	1,409,499	1,549,850	140,351	10.0%
EXPENSES					
Salaries & Benefits	655,926	750,737	811,134	(60,396)	(8.0%)
Supplies & Other Expenses	412,361	432,318	505,548	(73,230)	(16.9%)
Interest	16,887	17,607	16,493	1,115	6.3%
Depreciation/Amortization	74,079	76,978	80,170	(3,191)	(4.1%)
TOTAL EXPENSES	1,159,254	1,277,641	1,413,344	(135,703)	(10.6%)
OPERATING INCOME	194,369	131,858	136,506	4,648	3.5%
Non Operating Income	(131,612)	112,051	50,410	(61,641)	(55.0%)
NET INCOME	62,757	243,909	186,916	(56,993)	(23.4%)
<i>Operating EBIDA</i>	285,336	226,444	233,169	6,725	3.0%
<i>EBIDA Margin Percentage</i>	21.1%	16.1%	15.0%		
<i>Operating Margin Percentage</i>	14.4%	9.4%	8.8%		



Proposed Motion

- To approve and adopt the FY2024 operating budget and allocation of M&O tax funds as recommended by management

