



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

**El Camino Healthcare District  
Fiscal Year 2025 Budget**

Carlos Bohorquez, Chief Financial Officer  
June 18, 2024

# Basis of the El Camino Healthcare District FY2025 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.
- Operating Expenses are based on historical payment information with adjustments made for non-recurring expenses.
- This year we budgeted for \$335,000 for District Election expense.
- Community Benefit Support fee based on the cost of services as follows:

Community Partnerships Staff FY2025	Total Paid FTEs
Exec Director Govt Relations & CP	1.00
Director Community Partnership	1.00
Administrative Coordinator	1.00
Sr Community Benefit Specialist	2.00
Community Benefit Specialist	1.00
<b>Total</b>	<b>6.00</b>
<b>Total Salaries, Wages &amp; Benefits</b>	<b>\$ 1,005,800</b>
Estimated allocation of time at 42%	\$ 425,000
FY 2024 allocation	\$ 357,582
FY 2023 allocation	\$ 357,582
FY 2022 allocation	\$ 381,000

- District’s budgeted dues are expected to remain a constant of LAFCO at an amount of \$18,000 and \$9,000 for California Special Districts Association.
- Expenses related to the G.O. bonds are based on the 2006 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*

	FY2023	FY2024	FY 2025	Change	
Revenues	Actual	Projection	Budget	Favorable / (Unfavorable)	% Change
(A) Other Operating Revenue	108	112	112	0	0.4%
(B) Unrestricted M&O Property Taxes	10,601	13,080	13,150	70	0.5%
(B) Restricted M&O Taxes	13,045	11,850	11,850	-	0.0%
(B) Taxes Levied for Debt Service	12,574	6,400	6,400	-	0.0%
(B) Investment Income (net)	904	3,680	3,618	(63)	-198.3%
(B) Other - Redevelopment Agency	528	369	300	(69)	-18.8%
<b>Total Net Revenue</b>	<b>37,760</b>	<b>35,492</b>	<b>35,430</b>	<b>(62)</b>	<b>-0.2%</b>
<b>Expenses</b>					
(A) Community Benefit Support	358	358	425	(67)	18.9%
(A) Fees & Purchased Services	38	95	435	(340)	-78.1%
(A) Supplies & Other Expenses	267	76	113	(37)	-32.6%
(A) Depreciation/Amortization/Interest Expense	5	5	5	-	0.0%
(B) G.O. Interest Expense (net)	6,371	6,781	7,215	(433)	-6.0%
(B) Community Benefit Program	7,346	7,950	8,050	(100)	-1.2%
(B) IGT Medi-Cal Program Expense	2,178	4,867	3,000	1,867	62.2%
<b>Total Expenses</b>	<b>16,563</b>	<b>20,133</b>	<b>19,244</b>	<b>889</b>	<b>4.6%</b>
<b>NET INCOME</b>	<b>21,197</b>	<b>15,359</b>	<b>16,186</b>	<b>827</b>	<b>5.4%</b>

## **FY25 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE**

(A) Net Operating Revenues & Expenses	(867)
(B) Net Non-Operating Revenues & Expenses	17,053
<b>NET INCOME</b>	<b>16,186</b>



# El Camino Healthcare District

## Statement of Fund Balance Activity for Budget FY2025

*Information excludes El Camino Hospital & its affiliates*

(in 000s)

<b>UNRESTRICTED FUND ACTIVITY BALANCE</b>	
Projected Opening Balance at 7/1/2024	\$65,577
Budgeted Net Income for FY2025	16,186
Hospital Refunds for IGT / Prime Expenditures in FY25	3,000
Projected Transfer to ECH for Capital Outlay Project	<span style="color: red;">(11,528)</span>
<b>PROJECTED ENDING BALANCE @ 6/30/2025</b>	<b>\$73,235</b>



# El Camino Healthcare District

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

### Budget for 2025

#### Sources of District Taxes

(1) Maintenance and Operation and Government Obligation Taxes	\$31,400
(2) Redevelopment Agency Taxes	\$300
<b>Total District Tax Receipts</b>	<b>\$31,700</b>

#### Uses Required Obligations / Operations

(3) Government Obligation Bond (Principal & Interest & Surplus)	\$10,542
<b>Total Cash Available for Operations, CB Programs, &amp; Capital Appropriations</b>	<b>21,158</b>
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	9,708
<b>Subtotal</b>	<b>11,450</b>
(5) Operating Expenses (net)	973
<b>Subtotal</b>	<b>10,477</b>
(6) Capital Replacement Fund (Park Pavilion)	5
<b>Funds Available for Community Benefit Program</b>	<b>\$10,472</b>

- |                                       |   |
|---------------------------------------|---|
| <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

(\$ in 000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Total
<b>REVENUES</b>				
Net Patient Service Revenue	\$0	\$1,507,700	\$76,634	\$1,584,333
Other Operating Revenue	112	38,432	29,006	67,550
Total Net Revenue	112	1,546,132	105,640	1,651,883
<b>EXPENSES</b>				
Salaries & Benefits	21	829,288	43,556	872,865
Supplies & Other Expenses	952	439,311	106,771	547,035
Interest	0	16,257	0	16,257
Depreciation/Amortization	5	81,393	2,795	84,193
TOTAL EXPENSES	979	1,366,249	153,122	1,520,350
<b>OPERATING INCOME</b>	<b>(\$867)</b>	<b>\$179,882</b>	<b>(\$47,483)</b>	<b>\$131,533</b>
Non Operating Income	17,053	58,399	3,376	78,828
<b>NET INCOME</b>	<b>\$16,186</b>	<b>\$238,281</b>	<b>(\$44,106)</b>	<b>\$210,361</b>
<i>Operating EBIDA</i>	<i>(861)</i>	<i>277,533</i>	<i>(44,688)</i>	<i>231,983</i>
<i>EBIDA Margin Percentage</i>	<i>(769.2%)</i>	<i>18.0%</i>	<i>(42.3%)</i>	<i>14.0%</i>
<i>Operating Margin Percentage</i>	<i>(774.0%)</i>	<i>11.6%</i>	<i>(44.9%)</i>	<i>8.0%</i>



# El Camino Healthcare District - CONSOLIDATED

(\$ in 000s)

	FY2023 Actual	FY2024 Projected	FY2025 Budget	Change Favorable/ (Unfavorable)	% Change
<b>REVENUES</b>					
Net Patient Service Revenue	1,378,049	1,467,620	1,584,333	116,713	8.0%
Other Operating Revenue	61,409	75,063	67,550	(7,512)	(10.0%)
Total Net Revenue	1,439,459	1,542,683	1,651,883	109,201	7.1%
<b>EXPENSES</b>					
Salaries & Benefits	732,849	786,065	872,865	(86,800)	(11.0%)
Supplies & Other Expenses	454,186	685,816	547,035	138,781	20.2%
Interest	17,626	17,727	16,257	1,470	8.3%
Depreciation/Amortization	78,279	82,523	84,193	(1,671)	(2.0%)
TOTAL EXPENSES	1,282,939	1,396,367	1,520,350	51,780	3.7%
<b>OPERATING INCOME</b>	<b>156,519</b>	<b>146,316</b>	<b>131,533</b>	<b>(14,783)</b>	<b>(10.1%)</b>
Non Operating Income	147,497	145,716	78,828	(66,888)	(45.9%)
<b>NET INCOME</b>	<b>304,017</b>	<b>292,032</b>	<b>210,361</b>	<b>(81,671)</b>	<b>(28.0%)</b>
<i>Operating EBIDA</i>	<i>252,424</i>	<i>246,565</i>	<i>231,983</i>	<i>(14,583)</i>	<i>(5.9%)</i>
<i>EBIDA Margin Percentage</i>	<i>17.5%</i>	<i>16.0%</i>	<i>14.0%</i>		
<i>Operating Margin Percentage</i>	<i>10.9%</i>	<i>9.5%</i>	<i>8.0%</i>		





## Proposed Motion

- To approve and adopt the Fiscal Year 2025 operating budget and allocation of M&O tax funds as recommended by management

