



Fiscal Year 2016
ECHD Stand-Alone
Budget & Fund Summary

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



El Camino Healthcare District

2500 Grant Road, Mountain View, CA

94040

www.elcaminohealthcaredistrict.org

Table of Contents

Introduction	p 3
District Map	
District Overview	
Management Team	
Board Membership	
Board Meeting Schedule	
Designated Funds	p 7
Operating Fund	
Capital Appropriation Fund	
Capital Replacement Fund	
Community Benefit Fund	
Community Benefit Funding	p 9
Process	
Grants & Sponsorships	
District Use of Tax Dollars	p 11
Maintenance & Operations (M & O) Taxes	
General Obligation (G.O.) Taxes	
Revenues & Expenses Budget	p 13
Budget Commentary	
Income & Expense Statement	
Detailed Budget Explanations	
Estimated Comparative Balance Sheet – FY2016	p 19
Comparative Actual FY15 to Estimated FY16	
Notes to Stand-Alone Balance Sheet	
Capital Budget	p 20

Introduction

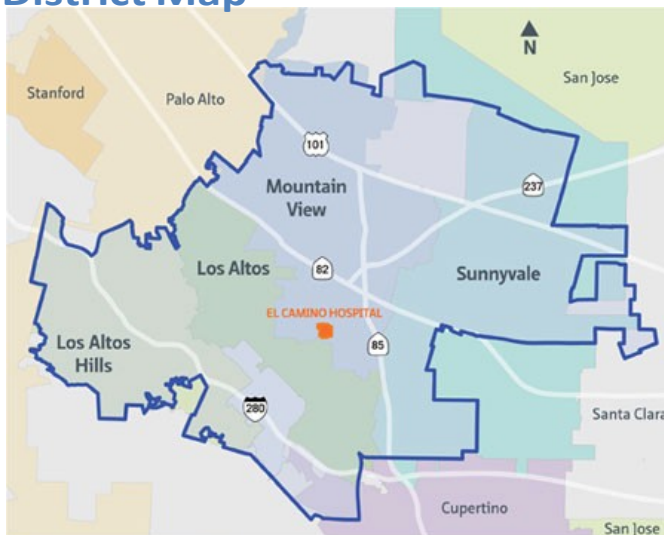
El Camino Healthcare District was established by voter approval in 1956 in accordance with California Local Hospital District Law. The District oversees District operations, including expenditures for the award-winning Community Benefit Plan which provides critical health services to the underserved. All District tax dollar expenditures are reviewed and approved at regular meetings of the District Board.

The District Board of Directors is composed of five publicly elected or appointed representatives. As a group, these representatives oversee the assets of the District. The five District Board members also serve on the governing board of El Camino Hospital, which manages the operations of El Camino Hospital and its affiliates.

The District's consolidated financial statements are independently audited and certified by a third party accounting firm in compliance with standards set by the Auditing Standards Board of the AICPA, and are available to the public. District financial statements are posted on the District web site: <http://www.elcaminohealthcaredistrict.org>.

All District and Hospital Corporation Board meetings are publically noticed, open to the public and video-taped. This information is available for public review on the District web site.

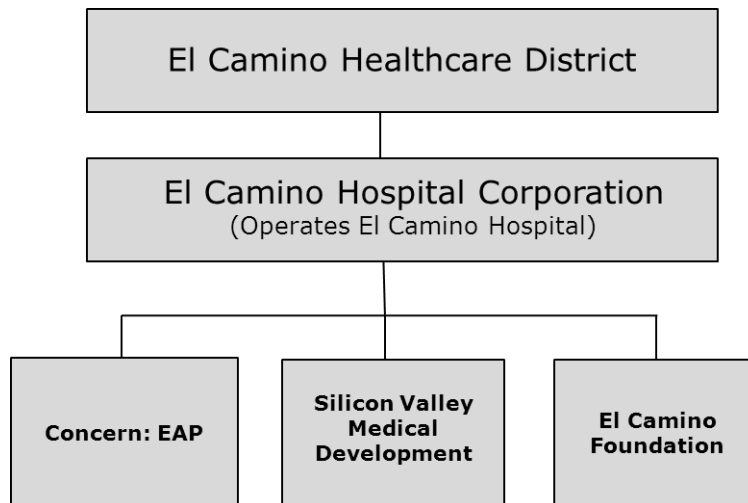
District Map



District legal boundaries consist of Mountain View, Los Altos, Los Altos Hills, and parts of Sunnyvale, Cupertino and Palo Alto

District Overview

The District is the sole corporate member of El Camino Hospital, a non-profit, 501(c)(3) corporation. El Camino Hospital is the primary member or shareholder for two other non-profit entities, which are Concern: EAP and the El Camino Hospital Foundation. Additionally, El Camino Hospital owns a limited liability company known as Silicon Valley Medical Development.



*ECSC, a subsidiary of El Camino Hospital, is not depicted as it is expected to have no operations in FY2016.

Management Team

The District has no employees, relying upon staff provided under an agreement with El Camino Hospital. Under that agreement, the hospital provides to the District its Chief Executive Officer, Tomi Ryba, and its Chief Financial Officer, Iftikhar Hussain. The hospital also provides any other staff as may be necessary to manage the District's operations.

Board Membership

The El Camino Healthcare District is governed by a five-member Board of Directors, who generally are elected by the residents of the District but who may be appointed by the remaining District Board members in the event of a vacancy. The current Board members have all been elected to their positions. Board members include:

- Dennis Chiu, JD
- Peter Fung, MD
- Julia E. Miller
- David Reeder, MS
- John Zoglin, MBA

District Board Members



Peter Fung, MD, Chair

- Elected in 2014
- Secretary/Treasurer of the El Camino Hospital Board
- Member of the Medical Advisory Council of the Pacific Stroke Association (PSA).



Dennis Chiu, JD, Vice Chair

- Elected in 2012
- Owner of Prodigy Law, a small law firm specializing in corporate law and land use
- Active community leader



Julia E. Miller

- Elected in 2012
- Owner of Miller Enterprises, a consulting firm
- Extensive government experience



David Reeder

- Appointed in 1999, Elected in 2002
- Retired business operations manager for storage product sales at Oracle
- 27 years of participation on community Boards



John Zoglin, MBA

- Appointed in 2007, Elected in 2008
- IBM EMM digital marketing services practice leader
- Legacy of service to District

ECHD Board Meeting Schedule

The publicly elected El Camino Healthcare District Board of Directors holds regular meetings once per quarter, on the third Tuesday of the month. Special meetings are announced on the District's website along with the agenda for all meetings. Meetings are held at El Camino Hospital's Mountain View campus.

Designated Funds

In order to provide further transparency in its operations, the District Board passed resolution 2013-02, which created four designated funds, and delineated how each would be used, all beginning in its Fiscal Year 2014, as follows:

DISTRICT OPERATING FUND

Balance as of June 30, 2016 = \$1,500,000

The purpose of the District Operating Fund is to provide a designated fund from which the routine operating expenses of the District will be paid; into which all District receipts will be transferred; and from which all disbursements of the District will be made except: (1) receipts and expenditures, which by law or by contract must be handled by a third party, such as receipts and expenditures relating to the General Obligation bonds authorized by Measure D, (2) receipts and disbursements related to investment accounts of the District, and (3) receipts and disbursements within the other named funds created by District Resolution 2013-02 or another District resolution. The amount initially placed into the Operating Fund will be \$1.5 million, which approximated the District's fiscal year 2012 operating expenses, plus an additional amount equal to 120 days of these expenses. The District CFO (as noted above, the hospital's CFO who acts as District CFO per an agreement between the entities), is responsible for managing the Operating Fund and to make changes to the amount therein, as deemed prudent and as is appropriate to its purpose.

DISTRICT CAPITAL APPROPRIATION FUND

Balance as of June 30, 2016 = \$9,298,000

The purpose of the District Capital Appropriation Fund (formerly known as the Capital Outlay Fund) is to isolate each fiscal year's M&O property taxes received in excess each year's calculated Gann Appropriation Limit. These amounts collected over the Gann Limit in a fiscal year become restricted for use of a capital nature (an asset greater than \$100,000 with a service life of 10 years or greater). Since capital acquisitions are rarely needed at the District's level, but most certainly at the Hospital's level at the Mountain View site (it being within the District's boundaries), as capital projects are identified at the Mountain View site they are brought forward to the District Board for funding consideration. It is only with District Board action that capital projects are funded from amounts in the Capital Appropriation Fund. Monies placed in this fund must be appropriated by this Board action within two (2) years of being placed in the Fund. Upon Board approval the identified funds are transferred to Hospital for funding of the capital asset at the Mountain View site.

DISTRICT CAPITAL REPLACEMENT FUND

Balance as of June 30, 2016 = \$4,356,000

The purpose of the District Capital Replacement Fund is to ensure that the District has adequate resources to fund repair and replacement of its capital assets. The District directed that 130% of annual depreciation

Designated Funds

expense be placed into the account. The District CFO was further directed by the District Board to manage the fund and suggest any changes to the amounts placed therein, as deemed prudent and as is appropriate to its purpose.

DISTRICT COMMUNITY BENEFIT FUND

Balance as of June 30, 2016 = \$3,021,000

The purpose of the District Community Benefit Fund is to ensure that the District has adequate resources to fund community benefit expenditures, to help minimize the possibility that community benefit funding would be diminished by unforeseen financial challenges within the District, and to provide a designated fund from which community benefit funding will be made. The District CFO was directed by the District Board to place into this fund an amount determined by subtracting from the total cash funds of the District the amounts deposited in the District Operating Fund, the District Capital Appropriation Fund, and the District Capital Replacement Fund, and the remaining amount shall be placed in the Community Benefit Fund.

The District CFO and the Community Benefit staff providing services to the District are directed by the District Board to work together to balance the amount held in the District Community Benefit Fund in order to meet the objectives of the Fund, generally targeting a balance equal to the prior year's Community Benefit expenditures so that a reserve is held. The primary purpose of maintaining this reserve is to minimize the possibility that Community Benefit recipients, most of whom are long term recipients of funding from the District, would be subject to a disruption of funding in the event the District needed to respond to an unexpected need to provide resources to other purposes. In addition, the reserve balance allows the District to approve its Community Benefit spending plan prior to approving its budget for the year, as the funds are known to be available.

The District Board noted that in any given year, the Community Benefit Advisory Council may not receive appropriate requests for the full amount of funding available from the District, or the District may disapprove some requests, resulting in the disbursement of less than the desired amounts. All amounts not appropriated remain in the Community Benefit Fund unless a transfer to another District fund is approved by the District.

Community Benefit Funding

El Camino Healthcare District is committed to demonstrating its social accountability to the community it serves. Through the District's Community Benefit program, thousands of community members receive a multitude of needed health services. In total, Community Benefit grants and sponsorships are budgeted at \$6.2 million in Fiscal Year 2016.

Process to Select Health Needs and Health Priority Areas

El Camino Healthcare District's Community Benefit team engages in a formal planning process to select health priorities and fund partners that help meet those priorities. The main steps of this planning process are outlined below.

Step 1 — Conduct a Countywide Community Health Needs Assessment. El Camino Hospital Community Benefit staff participated in a community health needs assessment (CHNA) in collaboration with the Santa Clara County Community Benefits Coalition. The Coalition prioritized the health needs based on the vast amount of primary and secondary data that were collected as part of the assessment. The priority needs identified were obesity, poor mental health, poor oral health, cardiovascular and heart disease, stroke, cancer, respiratory conditions, Alzheimer's disease, diabetes, and unintentional injuries (falls).

Step 2 — Engage Stakeholders to Review the Assessment Findings and Select the Health Needs for El Camino Healthcare District. Community Benefit staff conducted a strategic planning session with the District Community Benefit Advisory Council (CBAC), which includes a District Board member, community leaders, and physicians. During the planning session, CBAC members were presented with the countywide community health needs assessment findings and were asked where the District Community Benefit program should invest its resources in light of the assessment findings. The following criteria were applied by CBAC members for the needs prioritization process.

Criteria for Selecting Health Needs

1. The issue is significant and important to a diverse group of community stakeholders.
2. The issue affects a relatively large number of individuals.
3. The issue has serious impact at the individual, family or community level.
4. If left unaddressed, the issue is very likely to become more serious.
5. The issue offers potential for program intervention that can result in measurable impact.
6. El Camino Healthcare District has the required expertise and/or human and financial resources to make an impact.

Community Benefit Funding

Based on the outcome of the strategic planning session, the District Community Benefit team identified nine health needs as shown under Step 1 above, to guide the program's investment. The needs were mapped to four health priority areas of Healthcare Access, Mental Health, Obesity Reduction, and Health Literacy.

Grants and Sponsorships

El Camino Healthcare District's Community Benefit plan includes funding of grants totaling \$5.9 million, an additional \$220,000 in sponsorships, and \$200,000 held for contingencies during the year.

Health Priority 1	
Healthcare Access -	\$3,630,454
Health Priority 2	
Mental Health Priority-	\$ 738,700
Health Priority 3	
Healthy Eating, Physical Activity, and Obesity Reduction -	\$ 476,150
Health Priority 4	
Community Health Education and Health Literacy -	\$ 933,691
General Support Grants	\$ 93,368
El Camino Healthcare District Grant Total	\$5,872,363
Sponsorships	\$ 200,000
Contingencies	\$ 200,000
Total	<u>\$6,272,363</u>

District Use of Tax Dollars

The El Camino Healthcare District has two sources of tax revenues; Maintenance & Operations property tax revenues and General Obligation property tax revenues.

Maintenance & Operations (“M&O”) Taxes

The M&O property tax revenues received by the District have roots dating back prior to Proposition XIII, also known as the Jarvis/Gann Initiative of 1978, whereby California voters passed to limit property tax increases homeowners were experiencing. Established districts, mostly school districts, fire departments, and healthcare districts, were provided an allocation of property taxes to assist in maintaining and operating their respective district assets. The El Camino Healthcare District Board designated that these tax receipts would only be used for acquisition of land or construction of new, needed hospital buildings, major renovations, and/or equipment; these monies were not used in support of daily operations.

As Proposition XIII was implemented, so was a Tax Appropriation Limit – Article XIII B – which put in place a calculation to be completed each budget year. This calculation determined how the original amount of these M&O taxes being received in 1978-1979 (approximately \$1.3M for the District) could grow. The calculation is based upon two values provided by the State: an inflation value and the population increase value. This amount was determined to be unrestricted in its use by districts. Any M&O receipts beyond this amount were to be considered restricted so that only certain types of expenditures could be made with these funds. It was thus decided by the District board to establish a “Capital Appropriation Fund” (formerly known as the “Capital Outlay Fund”) in which these restricted amounts would be recognized. The parameters that the State placed on these funds were the expenditure must be for a “hard capital asset” with a value of \$100,000 or greater and an expected life of at least ten years.

Under the most recent fiscal year end of 2015, the total M&O taxes received from the County’s allocation approximates \$12.0M. The Tax Appropriation Limit calculation results in approximately \$7.0M (includes Redevelopment and Agency taxes) being available for unrestricted uses and \$5.2M being restricted in its use.

In May 2013, the District Board passed resolutions 2013-01 and 2013-02, which established four specific funds and designated specific uses for both unrestricted and for restricted M&O taxes. The fiscal year 2016 budget reflects those resolutions, which state that once funding has been provided for the necessary ongoing operations of the District – paying its operating expenses for the year and providing adequate funding for replacement of its capital assets – all remaining annual unrestricted tax receipts are to be placed into the District’s Community Benefit Fund, and used as described on pages 8 through 10.

District Use of Tax Dollars

The restricted portion of the M&O taxes flow into the District's Capital Appropriation Fund and will be used only for funding capital assets with a value of \$100,000 or greater and a life of 10 years or greater. At the end of each fiscal year, as the amount of the Capital Appropriations Fund is determined, it then must be allocated for a specific capital need with two years of that fiscal year end.

General Obligation ("G.O.") Taxes

In 1994, following the Southern California Northridge earthquake, California passed into law SB 1953 which required that hospitals become seismically safe by 2008, a date that subsequent legislation extended. In early 2000, El Camino Hospital investigated its available options and the board elected to replace the then current, 50-year old facility.

In November of 2003, residents of what was then known as the El Camino Hospital District passed Measure D, with 70.2% of residents voting to support issuing debt to support construction of the new seismically safe replacement hospital and central utility plant at the Mountain View campus. In 2006, \$148 million in bond proceeds were provided to El Camino Hospital pursuant to Measure D, and these proceeds were combined with hospital funds – both cash on hand and funds borrowed by the hospital – to construct the replacement hospital, at a total cost of \$480 million. Construction of the Hospital Replacement Project had begun in June 2006, funded in the early months from cash reserves of the Hospital and subsequent tax exempt financing. The new Mountain View hospital campus opened in November 2009, on time and on budget.

By passing Measure D, District residents placed a tax on their property of \$12.90 per \$100 thousand of assessed value. This tax is specifically dedicated to retire the principal and interest resulting from the \$148 million of debt, over a 35 year period. Each year, property valuations are reviewed by a third party to ensure the tax rate is sufficient to cover the debt service. To date, the tax rates have proved sufficient.

Under the most recent fiscal year end of 2015, the total G.O. taxes received were \$8.8 million. As required by Generally Accepted Accounting Principles, the District's financial statements reflect this flow of funds, even though the County sends these receipts directly to the bond trustee.

Wells Fargo Bank is the Trustee for the collection and disbursement of the funds for the required bond interest and principal payments. The G.O. taxes collected by the County go directly to the Trustee and can be only used for bond payments. The District cannot access these funds. The Trustee makes these payments to the bondholders each February and August. As of June 30, 2016, the funds held by the Trustee are approximately \$12.4 million. At the termination of the bond payments, which is scheduled to occur in 2041, any remaining funds would be returned to the County.

Revenues & Expenses Budget Commentary

Under standards set by the Auditing Standards Board of the American Institute of Certified Public Accountants (the AICPA), the El Camino Healthcare District's audit must include the operations of El Camino Hospital and its affiliates. As such, the District's official financial statements also include these entities. However, for management purposes and to provide additional transparency to the public, the District also prepares financial statements that reflect only the operations of the District. That is, these internal financial statements exclude El Camino Hospital and its affiliates. The information in this section is presented on that basis.

The District's various Revenues include its: (1) Ground Lease income from El Camino Hospital for the land owned by the Healthcare District to operate its facilities at the Mountain View site; (2) property tax receipts of Maintenance & Operations and levied for Debt Services; and (3) net investment income from its cash being invested per its Investment Policy.

The District's various Expenses include its: (1) G.O. Bond Debt expense; (2) Expenditures in support of Community Benefit Programs within the District; (3) IGT Medi-Cal Program; Supplies and Purchased Services used in supporting general operations of the Healthcare District; and (4) Depreciation Expense on its portion of the YMCA building used to support the local RotaCare Program, meeting rooms, and PT/OT services of El Camino Hospital.

On pages 15-17 are detailed amounts and explanations of the District's Revenues and Expenses.

El Camino Healthcare District

Information excludes El Camino Hospital & its affiliates

(In 000s)

	2014	Actual 2015	Budget 2016	
REVENUES				
Ground Lease Revenue	85	86	89	(1)
Unrestricted M&O Property Taxes	6,953	7,100	7,104	(2)
Restricted M&O Property Taxes	3,642	5,152	5,050	(3)
G.O Taxes Levied for Debt Service	8,558	8,845	9,200	(4)
Investment Income (net)	370	(107)	105	(5)
Other	0	0	28	(6)
TOTAL REVENUE	19,608	21,076	21,576	
EXPENSES				
Salaries & Benefits	0	0	0	
IGT Medi-Cal Program	2,391	6,759	0	(7)
Community Benefit Support	248	296	312	(8)
Supplies & Other Expenses	92	403	509	(9)
G.O. Bond Interest Expense (net)	4,673	4,604	4,523	(10)
Community Benefit Programs	5,673	5,626	6,272	(11)
Depreciation/Amortization	250	250	250	(12)
TOTAL EXPENSES	13,327	17,938	11,866	(13)
NET INCOME	6,282	3,138	9,709	(14)

Totals may not agree due to rounding

DETAILED BUDGET EXPLANATIONS

REVENUES

• **Ground Lease Revenue**

-599991 – Ground Lease Revenue - ECH \$ 89,000

This reflects the Ground Lease income from El Camino Hospital (the “Hospital”) for the land owned by the Healthcare District to operate its Mountain View site. Originally this Ground Lease was put in place in 1993 when the not-for-profit Hospital was formed. Annual base lease started at \$50,000 per year and has increased over the years by the annual CPI in the Bay Area per the Ground Lease Agreement.

Total **\$ 89,000** ⁽¹⁾

• **Unrestricted Property Taxes**

-803996 – County Taxes – Unrestricted \$7,104,000

Calculated Prop XIII B taxes that can be used for unrestricted purposes – primary for Community Benefit programs of the District

Total **\$7,104,000** ⁽²⁾

• **Restricted Property Taxes**

-803997 – County Taxes – Restricted \$5,050,000

Taxes received over the Prop XIII B limit – currently subject to the Gann Initiative – set aside for capital expenditures.

Total **\$5,050,000** ⁽³⁾

• **Taxes Levied for Debt Service**

-803998 – G.O. Tax Revenues \$ 9,200,000

Property taxes collected from District residents for the passage of 2003 Measure M \$148M bond in support of the hospital replacement project in Mountain View that was completed November 2009.

Total **\$ 9,200,000** ⁽⁴⁾

Budget – Fiscal Year 2016

- **Investment Income/Unrealized Gains/Losses**

-802997 – Investment Income	\$ 105,000
Investment interest earned on unrestricted surplus cash, net of money manager fee	
Total	<u>\$ 105,000</u> ⁽⁵⁾

- **Other**

Income from vacant leased property to BMW	
Total	<u>\$ 28,000</u> ⁽⁶⁾

Total Net Revenue **\$21,576,00**

EXPENSES

- **IGT Medi-Cal Program Expense** \$ 0 ⁽⁷⁾

IGT (“Non-Designated Public Hospital Inter-Governmental Transfer Program – NDPH-IGT”) is a program which allows the State to receive increased Medicaid (Medi-Cal) dollars for inter-governmental transfers to the State.

Participation in the program requires management to transfer funds from the Hospital to the District, as bona fide donations, in amounts adequate to fully offset the amounts the District will need to transfer to the State in order for El Camino Hospital to participate in the NDPH-IGT. The program allows the State to receive additional federal funding for Medi-Cal, which is then provided to the Hospital.

The hospital does not expect to participate in this program during the 2016 fiscal year.

- **Community Benefit Support From Hospital** \$ 312,000 ⁽⁸⁾

- **Supplies & Other Expenses**

-707591 – Printing/Forms Supplies	\$ 6,000
Stationary, business cards, printing	
-714220 – Consulting	\$163,000
Communication consulting, identity development, website enhancement and research on web redesign	

Budget – Fiscal Year 2016

-714230 – Legal	\$ 10,000
General corporate legal. These costs are budgeted at a significantly reduced amount this year due to permanent in-house general counsel being in place and less expected activity.	
-716640 – Management Fee	\$ 10,000
Management services agreement with El Camino Hospital for services of CEO, CFO, etc. Agreement established in 1993.	
-716660 – Purchased Services	\$272,500
Advertorials, website maintenance, and recording of board meetings.	
-750870 – Board Education/Board Seminars	\$ 12,500
Board education expenses	
-750872 – Board Meeting Stipends	\$ 6,000
Meeting stipends for board members (12 meetings/year/member)	
-760860 – Dues and Subscriptions	\$ 10,000
Annual Association of California Healthcare Districts dues	
-760862 – Marketing Expense	\$ 19,000
Data gathering/market research	
Total	<u>\$509,000</u> ⁽⁹⁾
• <u>G.O. Bond Interest Expense (net)</u>	
Interest expense on bonds, bond compliance oversight & filings, interest on bond funds held by Trustee, bonds were issued at \$1.9M premium, which is amortized over the life of the bonds	
Total	<u>\$4,523,000</u> ⁽¹⁰⁾
• <u>Donations to Outside Parties</u>	
-807990 – Donations to Outside Parties	\$6,272,000
Expenditures for grants and sponsorships of the District’s community benefits program during the fiscal year.	
Total	<u>\$6,272,000</u> ⁽¹¹⁾

Budget – Fiscal Year 2016

- **Depreciation**

-770710/720 – Building & Improvement Depreciation \$250,000

Depreciation expense on portion of the YMCA building that is owned by the District (areas for RotaCare, meeting rooms, and PT/OT)

Note this expense is reserved (funded) at 130% of the expense for future replacement cost (refer to page 7 for more discussion)

Total **\$250,000**⁽¹²⁾

Total Expenses **\$11,866,000**⁽¹³⁾

TOTAL NET INCOME **\$9,709,000**⁽¹⁴⁾

Net income is used primarily for debt service and capital projects selected by the district board

Budget – Fiscal Year 2016

El Camino Healthcare District - Standalone

Estimated Comparative Balance Sheet for Fiscal Year 2016

(\$ Thousands)

	<u>June 30, 2015</u>	<u>Estimated 2016</u>		<u>June 30, 2015</u>	<u>Estimated 2016</u>
ASSETS			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$2,300	\$1,600	Accounts payable ⁽⁸⁾	\$171	\$150
Short term investments	4,402	4,325	Current portion of bonds	2,065	2,485
Due fm Retiree Health Plan ⁽¹⁾	0	30	Bond interest payable	2,559	2,345
Other accounts receivable	3	0	Other Liabilities	0	0
Total Current Assets	\$6,725	\$5,955	Total Current Liabilities	\$4,795	\$4,980
Operational Reserve Fund ⁽²⁾	\$1,500	\$1,500			
Capital Appropriation Fund ⁽³⁾	9,298	5,050			
Capital Replacement Fund ⁽⁴⁾	4,366	4,691	Deferred income	\$44	\$45
Community Benefit Fund ⁽⁵⁾	3,021	3,590	Bonds payable - long term	136,460	133,975
Total Board designated funds	\$18,185	\$14,831		\$136,504	\$134,020
Funds held by trustee ⁽⁶⁾	\$12,405	\$11,690	Fund balance		
Capital assets, net ⁽⁷⁾	\$11,701	\$11,377	Unrestricted fund balance	\$36,396	\$35,016
			Restricted fund balance ⁽⁹⁾	(128,679)	(126,194)
			Total Fund Balance	(\$92,283)	(\$96,647)
TOTAL ASSETS	\$49,016	\$42,353	TOTAL LIAB & FUND BALANCE	\$49,016	\$42,353

NOTES TO STAND-ALONE BALANCE SHEET

- (1) Due from Retiree Health Plan** – The monies due from Trustee for District’s Retiree Healthcare Plan.
- (2) Operating Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) Capital Appropriation Fund** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal year end of 2016.
- (4) Capital Replacement Fund** – Formerly known as the Plant Facilities Fund (AKA - Funded Depreciation) which reserves monies for the major renovation or replacement of the portion of the YMCA owned by the District.
- (5) Community Benefit Fund** – Newly established fund at the District in FY 2014, as the District retains its unrestricted M&O property taxes to operate its Community Benefit Program, whereas the District in prior years transferred these amounts to the Hospital for it to operate the program on behalf of the District. The District now issues payments to grant and sponsorship recipients directly.
- (6) Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, and a vacant lot located at El Camino Real and Phyllis.
- (8) Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (9) Fund Balance** – The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 21 years.

Capital Budget

Funds for Capital projects are retained in the Capital Appropriation Fund (discussed in more detail on page 7).

Currently it is anticipated that there will be subsequent funding of this new Behavior Health Services facility in fiscal year 2016 that is projected to have a cost of approximately \$50 million and a completion date in 2017. Currently structural design work is in progress on the replacement facility.