



AGENDA REGULAR MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

Tuesday, October 20, 2020 – 5:30pm

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, THE EL CAMINO HEALTHCARE DISTRICT **WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 369-007-4917#. No participant code. Just press #.

To watch the meeting livestream, please visit: <http://www.elcaminohealthcaredistrict.org/meetingstream>

Please note that the livestream is for **meeting viewing only** and there is a slight delay; to provide public comment, please use the phone number listed above.

PURPOSE: The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District's Bylaws and the Local Health District Law.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Gary Kalbach, Board Chair		5:30 – 5:31pm
2. SALUTE TO THE FLAG	Gary Kalbach, Board Chair		5:31 – 5:33pm
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Gary Kalbach, Board Chair		5:33 – 5:34
4. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Gary Kalbach, Board Chair		information 5:34 – 5:37
5. CONSENT CALENDAR <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the District Board Meeting (9/10/2020) b. FY20 Year-End Consolidated Financials c. FY21 Pacing Plan d. ECHD Conflict of Interest Code e. FY20 Year-End Community Benefit Report Information f. Sponsorships (July – September 2020)	Gary Kalbach, Board Chair	<i>public comment</i>	motion required 5:37 – 5:39
6. FY20 YEAR END ECHD STANDALONE FINANCIALS ATTACHMENT 6	Carlos Bohorquez, CFO	<i>public comment</i>	possible motion 5:39 – 5:54
7. FY20 FINANCIAL AUDIT ATTACHMENT 7	Joelle Pulver, Moss Adams		discussion 5:54 – 6:04

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
8. ECHD FY21 YTD FINANCIALS (PERIOD 2) ATTACHMENT 8	Carlos Bohorquez, CFO	<i>public comment</i>	possible motion 6:04 – 6:14
9. REPORT ON COVID-19 COMMUNITY TESTING PROGRAM ATTACHMENT 9	Omar Chughtai, VP of Operations; Deb Muro, CIO		information 6:14 – 6:24
10. FY21 EL CAMINO HOSPITAL BOARD MEMBER ELECTION AD HOC COMMITTEE CHAIR APPOINTMENT ATTACHMENT 10	Gary Kalbach, Board Chair		information 6:24 – 6:29
11. FY21 CBAC LIAISON APPOINTMENT ATTACHMENT 11	Gary Kalbach, Board Chair	<i>public comment</i>	possible motion 6:29 – 6:34
12. CEO's INFORMATIONAL REPORT ON CBAC's GUIDING PRINCIPLES ATTACHMENT 12	Dan Woods, CEO		information 6:34 – 6:49
13. COMMUNITY BENEFIT AD HOC COMMITTEE REPORT – PROPOSED REVISIONS TO THE ECHD COMMUNITY BENEFIT POLICY ATTACHMENT 13	Julia E. Miller, Community Benefit Ad Hoc Cmte Chair; Dan Woods, CEO	<i>public comment</i>	possible motion 6:49 – 7:04
14. ADJOURN TO CLOSED SESSION	Gary Kalbach, Board Chair	<i>public comment</i>	motion required 7:04 – 7:05
15. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Gary Kalbach, Board Chair		information 7:05 – 7:06
16. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – Senior Management: - FY20 Financial Audit	Joelle Pulver, Moss Adams		discussion 7:06 – 7:11
17. CONSENT CALENDAR <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> <i>Approval</i> <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the District Board Meeting (6/16/2020)	Gary Kalbach, Board Chair		motion required 7:11 – 7:12
18. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – CEO: - FY20 CEO Performance Review	Gary Kalbach, Board Chair		discussion 7:12 – 7:22
19. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – Senior Management: - Executive Session	Gary Kalbach, Board Chair		discussion 7:22 – 7:27
20. ADJOURN TO OPEN SESSION	Gary Kalbach, Board Chair		motion required 7:27 – 7:28

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
21. RECONVENE OPEN SESSION/ REPORT OUT	Gary Kalbach, Board Chair		information 7:28 – 7:29
To report any required disclosures regarding permissible actions taken during Closed Session.			
22. FY20 FINANCIAL AUDIT APPROVAL	Gary Kalbach, Board Chair	<i>public comment</i>	possible motion 7:29 – 7:31
23. BOARD COMMENTS	Gary Kalbach, Board Chair		discussion 7:31 – 7:34
24. ADJOURNMENT	Gary Kalbach, Board Chair	<i>public comment</i>	motion required 7:34 – 7:35pm

Upcoming Meetings: December 8, 2020; January 26, 2020; March 16, 2021; May 18, 2021; June 15, 2021



**Minutes of the Open Session of the Special Meeting of the
El Camino Healthcare District Board of Directors
Thursday, September 10, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

Board Members Present

Peter C. Fung, MD**

Gary Kalbach, Chair**

Julia E. Miller, Secretary/Treasurer**

George O. Ting, MD, Vice Chair**

John Zoglin**

Board Members Absent

None

**via teleconference

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 6:37pm by Chair Kalbach. Chair Kalbach reviewed the logistics for the meeting. A verbal roll call was taken. All Board members were present and participated via teleconference and videoconference pursuant to Santa Clara County's shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	<i>Call to Order at 6:30 pm</i>
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Kalbach asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	Chair Kalbach asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed. Motion: To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (8/12/2020). Movant: Zoglin Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Consent calendar approved</i>
5. COMPLIANCE ISSUE REVIEW AD HOC COMMITTEE REPORT AND RECOMMEND- ATIONS	Director Kalbach, Chair of the Ad Hoc Committee, described the investigation by the Ad Hoc Committee (comprised of Directors Kalbach and Ting), including engagement of outside counsel and interviews with five attendees from the June 16, 2020 District Board meeting and Director Miller. He reported that Director Miller has resigned from her position as the District's Community Benefit Ad Hoc Committee Liaison. Director Kalbach explained that the Ad Hoc Committee is not submitting a written report and not recommending any action to the full Board at this time. The floor was opened for any public comment:	

	<ul style="list-style-type: none"> - Mr. Gary Kremen expressed concerns about the appointment and timing of the Ad Hoc Committee and the lack of a report for the public. - Ms. Jean Cohen from the South Bay Labor Council voiced her support of Director Miller. - Mr. Clark Kent spoke in support of Director Miller's work and expressed concerns about the allegations. <p>Director Miller requested that written correspondence sent to the Board Chair and distributed to the Board be read into the record (<i>see attached</i>). Staff read a communication from Gary Kremen expressing concerns about the appointment of the Ad Hoc Committee and voiced support for Director Miller.</p> <p>Director Fung expressed 1) concerns about the timing of the Ad Hoc Committee appointment given the election and 2) disappointment with the Ad Hoc Committee's process and lack of detail.</p> <p>The Board further discussed the investigation process including: the selection of the Ad Hoc Committee members, the Ad Hoc Committee's interview with Director Miller, anonymity of the complainants, the steps in the Board-approved process for reviewing a compliance issue, selection of an outside attorney for independence, Board accountability and transparency, the lack of written report, and proximity to the election.</p> <p>The Board members also discussed the vacancy in the Community Benefit Advisory Committee liaison position due to Director Miller's resignation. Mary Rotunno, General Counsel, explained that the Board can agendaize filling the vacancy at its next meeting in October 2020.</p> <p>Director Kalbach commented that the investigation is closed and there is no further action on this complaint. He noted the Ad Hoc Committee has fulfilled purpose and is now disbanded.</p> <p>Director Ting described his experience with the investigation process as a member of the Ad Hoc Committee and voiced his support of the outcome from the Ad Hoc Committee for no recommended action.</p> <p>Director Miller thanked Director Ting and Director Fung for their support.</p>	
6. BOARD COMMENTS	None.	
7. AGENDA ITEM: ADJOURNMENT	<p>Motion: To adjourn at 7:23pm.</p> <p>Movant: Miller</p> <p>Second: Ting</p> <p>Ayes: Fung, Kalbach, Miller, Ting, Zoglin</p> <p>Noes: Ting</p> <p>Abstentions: None</p> <p>Absent: None</p> <p>Recused: None</p>	<i>Meeting adjourned at 7:23pm</i>

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:

Gary Kalbach
Chair, ECHD Board

Julia E. Miller
Secretary, ECHD Board

Prepared by: Sarah Rosenberg, Contracts Administrator/Governance Services EA

Dear Chair Kalback and honorable board members:

I am writing in support of board member Julia Miller. Ms. Miller has proudly served this community on board for many years.

I have watched the entire meeting that her "behavior" was supposed to be unacceptable and disrespectful. I have also shown it to others and have not seen any unacceptable behavior other than Ms. Miller representing her constituents zealously.

As a fellow elected official, it is our sworn duty to question staff on issues even if uncomfortable. It is also within our job to disagree with staff, even strongly disagree. If an elected public servant does not make themselves clear, they are not doing their job. That is not about disrespect, as reasonable people can see situations differently.

By saying Ms. Miller by doing her sworn job is an "ethics violation" is itself an ethics violation. These actions are pure election politics that have no place in our Health Care District. My belief that certain current board members and candidates are doing a classic hatchet job as part of their objection to a strong progressive woman up for re-election

This spectacle is putting at risk funding the District and its credibility with patients, community members, regulators, funders, employees and other stakeholders. Please let this witch hunt stop as there will clearly be adverse consequences.

--

Gary Kremen | + 1 415 305 3052

<https://www.linkedin.com/in/gkremen/>



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

**Board Finance Presentation – Consolidated Statement
Fiscal Year 2020
7/1/2019- 6/30/2020**

Carlos Bohorquez, CFO
El Camino Healthcare District Board of Directors Meeting
October 20, 2020

Contents

ECHD Consolidated Financial Statements (Includes El Camino Hospital)

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NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



El Camino Healthcare District

Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019 Audited w/o Eliminations		June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019 Audited w/o Eliminations
ASSETS			LIABILITIES & FUND BALANCE		
Current Assets			Current Liabilities		
Cash & Investments ⁽¹⁾	\$461	\$391	Accounts Payable & Accrued Exp ⁽⁶⁾	\$183	\$164
Patient Accounts Receivable, net	\$129	\$132	Bonds Payable - Current	13	12
Other Accounts and Notes Receivable	\$87	\$13	Bond Interest Payable	10	11
Inventories and Prepays	\$101	\$64	Other Liabilities	6	4
Total Current Assets	778	600	Total Current Liabilities	212	192
Board Designated Assets			Deferred Revenue	77	1
Foundation Reserves	15	17	Deferred Revenue Inflow of Resources	31	13
Community Benefit Fund	20	20	Long Term Liabilities		
Operational Reserve Fund ⁽²⁾	150	141	Bond Payable ⁽⁷⁾	615	629
Workers Comp, Health & PTO Reserves	75	0	Benefit Obligations	47	18
Facilities Replacement Fund ⁽³⁾	222	216	Other Long-term Obligations	19	15
Catastrophic & Malpractice Reserve ⁽⁴⁾	20	22	Total Long Term Liabilities	682	662
Total Board Designated Assets	502	415	Fund Balance		
Non-Designated Assets			Unrestricted	1,431	1,395
Funds Held By Trustee ⁽⁵⁾	51	107	Board Designated & Restricted	502	415
Long Term Investments	372	378	Capital & Retained Earnings	17	17
Other Investments	30	39	Total Fund Balance	1,950	1,827
Net Property Plant & Equipment	1,166	1,096	TOTAL LIAB. & FUND BAL.	\$2,952	\$2,695
Deferred Outflows of Resources	18	30			
Other Assets	36	29			
Total Non-Designated Assets	1,672	1,680			
TOTAL ASSETS	\$2,952	\$2,695			



Note: Totals may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Consolidated Comparative Statement of Revenues & Expenses (\$ Millions)

Year-to-Date through June 30, 2020

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Prior YTD FY Actual</u>
Net Patient Revenue ⁽⁸⁾	983	1,004	-21	952
Other Operating Revenues ⁽⁹⁾	56	55	1	47
Total Operating Revenues	1,039	1,058	-20	999
Wages and Benefits	542	558	15	512
Supplies	152	147	-6	139
Purchased Services	175	158	-16	144
Other	49	46	-3	35
Depreciation	54	60	5	52
Interest	9	12	2	4
Total Operating Expense ⁽¹⁰⁾	982	980	(2)	886
Operating Income	56	78	(22)	113
Non-Operating Income ⁽¹¹⁾	69	51	18	67
Net Income	125	129	(4)	180



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District
Notes to Consolidated Financial Statements
Current FY 2020 Actual to Budget
(Includes El Camino Hospital)

- 1) The increase is primarily due to \$76 million from the CMS Accelerated Payment Programs to hospitals in response to the COVID-19 outbreak, which will need to be repaid to CMS in FY2021.
- 2) The increase is primarily due to the annual resetting of a 60 day reserve of expenses based on the current fiscal year's Hospital budget.
- 3) The current period Facilities Replacement Fund is comprised of (\$ Millions):

ECH Capital Replacement Fund (i.e. Funded Depr.)	\$167
ECHD Appropriation Fund (fka: Capital Outlay)	26
ECH Women's Hospital Expansion	23
ECHD Capital Replacement Fund (i.e. Funded Depr.)	<u>6</u>
	<u>\$222</u>

- 4) The current period Catastrophic & Malpractice Fund is comprised of (\$ Millions):

ECH Catastrophic Fund (aka: Earthquake Fund)	\$18
ECH Malpractice Reserve	<u>2</u>
	<u>\$20</u>

- 5) The decrease is due to the Bond Project Fund disbursements for the IMOB and BHS construction.
- 6) The increase is due to the significant construction and facilities accruals booked at year end.
- 7) The decrease is due to FY20 retirement of bond debt for the District's 2006 GO and the Hospital's Revenue 2015 and 2017 issues.
- 8) The decrease in Net Patient Revenue is due to SVMD missing budget by \$17.9 million and the cancellation of elective procedures due to the COVID-19 pandemic.
- 9) Insignificant variance.
- 10) Higher expenses related to the volume growth at the Hospital, through February. The cost associated with the cancellation of elective procedures in March and April and the direct expenses associated with the COVID-19 pandemic.
- 11) Positive variance is primarily due to the performance in our investment returns this year.



**EL CAMINO HEALTHCARE DISTRICT BOARD
FY21 PACING PLAN**

FY21 Q1		
JULY 2020	AUGUST 12, 2020	SEPTEMBER 2020
<p>No Meeting</p> <p><u>Standing Items</u></p> <ul style="list-style-type: none"> • Approval of Minutes • Recognition (as needed) • Community Benefit Spotlight • Sponsorship Report • Pacing Plan 	<ul style="list-style-type: none"> • Approval of ECHD Consolidated and Stand Alone Budget • Tax Appropriation Resolution 	<p>No Meeting</p>
FY21 Q2		
OCTOBER 20, 2020	NOVEMBER 2020	DECEMBER 8, 2020
<ul style="list-style-type: none"> • FY21 YTD ECHD Financials • FY20 Financial Audit Presentation – Consolidated ECH District Financials • FY20 Year End Community Benefit Year-End Report • Approve FY20 Hospital Audit • Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee Chair • FY20 CEO and CFO Performance Review • Community Benefit Ad Hoc Committee Report • <u>Appointment of CBAC Liaison</u> • <u>Update on COVID-19 Community Testing Program</u> 	<p>No Meeting</p>	<ul style="list-style-type: none"> • Oath of Office - Newly elected or Re-elected District Board Members • Appointment of FY21 Election Ad Hoc Committee Member and Advisors (May Delay Until January) • Election of El Camino Hospital Board Members

**EL CAMINO HEALTHCARE DISTRICT BOARD
FY21 PACING PLAN**

FY21 Q3		
JANUARY 26, 2021	FEBRUARY 2021	MARCH 16, 2021
<ul style="list-style-type: none"> FY21 YTD ECHD Financials Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee OR Report 	No Board Meeting	<ul style="list-style-type: none"> FY21 YTD ECHD Financials El Camino Hospital Board Member Election Ad Hoc Committee Report
FY21 Q4		
APRIL 2021	MAY 18, 2021	JUNE 15, 2021
No Meeting	<ul style="list-style-type: none"> FY22 Community Benefit Plan Study Session Community Benefit Mid-Year Metrics FY22 ECHD Standalone Budget Allocations Preview (CB and Fees) FY21 YTD ECHD Financials El Camino Hospital Board Member Election Ad Hoc Committee Report 	<ul style="list-style-type: none"> FY21 YTD ECHD Financials District Capital Outlay Funds Tax Appropriation for FY22 Approval of FY22 Community Benefit Plan Approval of ECH FY22 Budget Approval of ECHD FY22 Budget Appointment of Liaison to the Community Benefit Advisory Council Appoint FY22 Hospital Board Member Election Ad Hoc Committee Approval of FY22 Pacing Plan Resolution – FY22 Regular Meeting Dates



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Cindy Murphy, Director Governance Services
Date: October 20, 2020
Subject: *Resolution 2020-08: Adopting Conflict of Interest Code*

Recommendation:

To approve *Resolution 2020-18: Adopting El Camino Healthcare District Conflict of Interest Code*

Summary

1. **Situation:** The District Board last approved and revised its Conflict of Interest Code (COI) in October 2016.
2. **Authority:** The Political Reform Act requires every local governmental agency to review its conflict of interest code every even-numbered year. Pursuant to Government Code section 87303, "No conflict of interest code shall be effective until it has been approved by the code-reviewing body." The County of Santa Clara ("County") Board of Supervisors is the code-reviewing body for local County agencies, such as the El Camino Healthcare District ("ECHD").
3. **Background:** In past years, the County has required specific changes to the District's COI. This year the County did not request any changes and, since the District does not have any new positions to add, no changes are presented. As described above, the District must review and approve its COI every two years.
4. **Assessment:** As described above, the District must review and approve its COI every two years.
5. **Other Reviews:** Legal counsel has reviewed and approved. Once approved, the COI will be forward to the County for approval by the Board of Supervisors.
6. **Outcomes:** N/A

List of Attachments:

1. Resolution 2020-08

Suggested Board Discussion Questions: None. This is a consent item

EL CAMINO HEALTHCARE DISTRICT

Conflict of Interest Code

DRAFT 10/20/2020

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EL CAMINO HEALTHCARE DISTRICT ADOPTING BY
REFERENCE THE MODEL CONFLICT OF INTEREST CODE
SET FORTH IN TITLE 2, SECTION 18730 OF THE
CALIFORNIA CODE OF REGULATIONS

RESOLUTION 2020-08

WHEREAS, pursuant to Section 87300 *et. seq.* of the California Government Code, the El Camino Healthcare District is required to adopt and promulgate a Conflict of Interest Code;

WHEREAS, the El Camino Healthcare District previously adopted a Conflict of Interest Code on October 16, 2018;

WHEREAS, The El Camino Healthcare District desires now to update its formal Conflict of Interest Code so as to comply with changes to the applicable provisions of Section 87300 *et. seq.* of the California Government Code and Title 2, Section 18730 of the California Code of Regulations;

WHEREAS, pursuant to Government Code Section 87302, the Conflict of Interest Code must specifically enumerate the positions within the District, other than those specified in Government Code Section 87200, that involve making or participating in making decisions that may have a reasonably foreseeable material effect upon any financial interest, and, for each such enumerated position, the Conflict of Interest Code must state the specific types of investments, business positions, interests in real property and sources of income that are reportable;

WHEREAS, Title 2, Section 18730 of the California Code of Regulations contains the terms of a Model Conflict of Interest Code developed by the Fair Political Practices Commission (“FPPC”) that agencies can adopt by reference, which may be amended from time to time by the FPPC after public notice and hearing to conform to amendments in the Political Reform Act; and,

WHEREAS, adopting by reference the terms of the FPPC’s Model Conflict of Interest Code set forth in the California Code of Regulations, and amendments thereto, as the Conflict of Interest Code of the El Camino Healthcare District will meet the statutory requirements for adopting such a code and save the District the time and resources by minimizing the actions required to keep the Code in conformity with the Political Reform Act;

NOW THEREFORE, the Board of Directors of the El Camino Healthcare District resolves as follows:

1.0 The Model Conflict of Interest Code set forth in Title 2, Section 18730 of the California Code of Regulations, which is incorporated herein by reference, and any amendments to the Model Conflict of Interest Code subsequently adopted by the FPPC, are hereby adopted by the El Camino Healthcare District as its Conflict of Interest Code. The full text of 2, CCR Section 18730 may be found at: <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/Legal/Div/ZRegulations/Index/Chapter7/Article2/18730.pdf>

2.0 **Exhibit A**, which is attached hereto and incorporated herein, enumerates the positions within the District (in addition to any of those set forth in Government Code Section 87200) that are subject to the provisions of the Conflict of Interest Code and their respective disclosure categories. This Resolution and the attached Exhibit A together constitute the Conflict of Interest Code of the El Camino Healthcare District.

3.0 Pursuant to Section 4 of the Model Conflict of Interest Code adopted hereby, public officials and designated employees shall file Statements of Economic Interests with the Clerk of the Board of Directors of the El Camino Healthcare District, who shall be the district's filing official. If a statement is received in signed paper format, the district's filing official shall make and retain a copy and forward the original of this statement to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If a statement is electronically filed using the County of Santa Clara's Form 700 e-filing system, both the district's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed statement simultaneously. Statements of Economic Interests shall be made on forms prescribed by the FPPC. The district shall make the statements available for public inspection and reproduction pursuant to Government Code Section 81008.

4.0 No Conflict of Interest Code shall be effective until it has been approved by the code reviewing body. Notwithstanding this effective date, the adoption of this Conflict of Interest Code shall not be considered an original adoption as to those designated officials or employees who have already been filing annual statements of economic interest. Those persons shall not be required to file again this year. Newly designated officials or employees who were not already required to file by law shall file statements within 30 days of the effective date of this Code, and all designated officials and employees shall continue to file statements upon assuming or leaving office as directed in Sections of the Model Conflict of Interest Code.

Passed and adopted at a Regular Meeting of the Board of Directors of the El Camino Healthcare District held on the 20th of October of 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia E. Miller, Secretary
El Camino Healthcare District
Board of Directors

EXHIBIT A

DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

<u>Designated Positions:</u>	<u>Disclosure Categories:</u>
MEMBER OF THE BOARD OF DIRECTORS	1
CHIEF EXECUTIVE OFFICER	1
CHIEF FINANCIAL OFFICER	1
CHIEF OPERATING OFFICER	2
CONSULTANT	3 ¹
NEWLY CREATED POSITION*	

*** Newly Created Positions**

A newly created position that makes or participates in the making of decisions that may foreseeably have a material effect on any financial interest of the position-holder, and which specific position title is not yet listed in the district's conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The CEO may determine in writing that a particular newly created position, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties and, based upon that description, a statement of the extent of disclosure requirements. The district's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

As soon as the district has a newly created position that must file statements of economic interests, the district shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and the district shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file statements of economic interests, the district shall update this conflict-of-interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Govt. Code Sec. 87306.)

Disclosure Categories:

¹ In general, unless outside legal counsel engaged to represent the District participate in making governmental decisions as defined in regulation 18704, they shall not be deemed to be "consultants" for purposes of the District's Conflict of Interest Code.

Category 1: A Fiduciary in this category must report all investments and business positions related to the health care industry, which shall include but not be limited to medical equipment suppliers, pharmaceutical companies, insurance companies, and any other entities related to the health care industry. A Fiduciary in this category must also report all interests in real property located entirely or partly within the boundaries of the District, or within two miles of District boundaries, or of any land owned or used by the District, and sources of income (including gifts, loans and travel payments) in the manner set forth under Section VII of 2 Cal. Code of Regulations 18730.

Category 2: A Fiduciary in this category must report investments and business positions in business entities, and income (including gifts, loans and travel payments) from sources that are of the type which within the previous two years has provided services, equipment, leased space, materials, or supplies to the District, in the manner set forth under Section VII of 2 Cal. Code of Regulations 18730.

Category 3: Consultants, as defined for purposes of the Political Reform Act, shall disclose pursuant to the broadest disclosure category in the conflict of interest code subject to the following limitation: The CEO may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. All such determinations are public records and shall be retained for public inspection along with this conflict of interest code. A “consultant” is an individual who, pursuant to a contract with the District, makes a governmental decision as defined in regulation 18700.3, or serves in a staff capacity with the district and in that capacity participates in making a governmental decision as defined in regulation 18704 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District's Conflict of Interest Code under Government Code section 87302.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors
From: Cecile Currier, VP Corporate and Community Health Services and President, CONCERN, EAP and Barbara Avery, Director, Community Benefit
Date: October 20, 2020
Subject: FY20 Community Benefit (CB) Report

Purpose: To provide the FY20 Community Benefit Annual Report

Summary:

1. **Situation:** At the conclusion of each fiscal year, CB staff review yearend grant reports to assess metric and budget performance against targets as well as review qualitative information on program successes, challenges and trends. Staff prepares an annual report and year-over-year Dashboard (Attachments 1 and 2). Due to COVID-19 and budgetary factors, an online only report was produced, available at: elcaminohealthcaredistrict.org/communitybenefit2020.
2. **Authority:** The report is prepared by CB staff and approved by the VP of Corporate and Community Health Services prior to presentation to the Board.
3. **Background:** In FY20, El Camino Healthcare District invested \$7,404,509 in Community Benefit grants and sponsorships to address unmet local health needs. The framework for the grant funding priorities is the most recent El Camino Hospital Community Health Needs Assessment (CHNA), which is conducted every three years, as required by state and federal regulations.
 - A. **Grants** = \$7,313,039 for 53 grants:
 - 25 Healthy Body grants at \$4,639,465
 - 11 Healthy Mind grants at \$1,145,516
 - 17 Healthy Community grants at \$1,528,058
 - B. **Sponsorships** = \$91,470 for 15 sponsorships
 - C. **Placeholder funds applied to COVID-19 emergency support** = \$125k (included in figures above), supporting the following agencies in April and May:
 - Day Work Center of Mountain View – meals for low-income individuals
 - Fresh Approach – food delivery to affordable housing communities
 - Hope's Corner – meals for low-income/homeless community members
 - Meals on Wheels Program – meals and wellness checks for older adults
 - New Directions – care coordination for homeless and low-income patients
 - Ravenswood Family Health Center – telehealth platform, chronic disease medications and diabetic testing supplies
 - Sunnyvale Community Services – housing and food assistance for medically-frail homeless and seniors & families at-risk for homelessness
 - D. **Grants Performance** is reflected in the Year-over-Year Dashboard (Attachment 1):
 - 47% of grants met 80% or more of their metrics (FY19 = 81%)

FY20 Community Benefit (CB) Report
October 20, 2020

- At Midyear, grants demonstrated a more typical performance of 65%, (FY19 = 72%), but understandably encountered challenges reaching yearend metrics due to COVID. Staff communicated with grantees to understand changes in service delivery. Transition to virtual services was successful overall, however as time was lost in Q4, some targets were missed, as would be expected.
- Largest grants (\$200k+): 9 grants = \$4M; 44% met 80% or more of their metrics

4. Assessment: N/A- This is an informational consent item.
5. Other Reviews: N/A- This is an informational consent item.
6. Outcomes: N/A- This is an informational consent item.

List of Attachments:

1. FY20 El Camino Healthcare District Community Benefit Grants Year-over-Year Dashboard
2. FY20 Community Benefit Annual Report Executive Summary for the Board with full online report at: elcaminohealthcaredistrict.org/communitybenefit2020

Suggested Board Discussion Questions: N/A- This is an informational consent item.

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual		FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual		FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual		FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual		FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual		FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual		FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY BODY</div>	CSA-MV: Senior Intensive Case Management FY20 Approved: \$235,000 FY20 Spent: \$218,623 FY19 Approved: \$200,000 FY19 Spent: \$200,000 FY18 Approved: \$221,401 FY18 Spent: \$180,087 New Metrics: 0 of 5	Older adults served	97	64		40%	142	83		40%	52	53		100%	80	77		100%	52	74		100%	85	86		100%	
		Services provided	2,249	1,753			4,532	3,931			2,050	2,456			4,532	5,052			2,250	2,804			4,750	5,322			Due to COVID, higher need for nurse case manager to check-in with medically fragile older adults; additionally, virtual services increased ability to deliver greater than anticipated encounters.
		Clients who were re-hospitalized within 1 - 30 days for reasons related to a chronic health condition* *Lower percentage desired	1%	1.5% Lower percentage desired			1%	2.5% Lower percentage desired			-	-			-	-			-	-			-	-			
		Clients who were re-hospitalized within 31 - 90 days for reasons related to a chronic health condition* *Lower percentage desired	4%	0% Lower percentage desired			4%	2.5% Lower percentage desired			-	-			-	-			-	-			-	-			
		Clients who were not re-hospitalized within 1 - 30 days for reasons related to a chronic health condition	-	-			-	-			90%	87%			90%	92%			90%	99%			90%	98%			
		Clients who were not re-hospitalized within 31 - 90 days for reasons related to a chronic health condition	-	-			-	-			85%	83%			85%	100%			85%	99%			85%	98%			
		Patients with hypertension who attained or maintained blood pressure <140/90 mm Hg or blood pressure goal recommended by physician	60%	67%			60%	75%			61%	75%			61%	89%			65%	72%			65%	75%			
	Cupertino Union School District <i>School Nurse Program</i> FY20 Approved: \$81,921 FY20 Spent: \$81,921 FY19 Approved: \$87,842 FY19 Spent: \$87,842 FY18 Approved: \$72,481 FY18 Spent \$72,481 New Metrics: 0 of 5	Students served	850	930		100%	1,848	1,859		100%	900	867		100%	1,850	1,734		100%	885	889		100%	1,770	1,640		100%	
		Students who failed a mandated health screening who saw a healthcare provider	45%	61%			80%	86%			50%	54%			82%	89%			52%	55%			83%	89%			
		Teachers accessing Go Noodle health education curricula and activities	-	-			-	-			-	-			-	-			75%	80%			90%	90%			
		Students in Kindergarten who were identified as needing early intervention or urgent dental care through on-site screenings who saw a dentist	N/A	N/A			82%	83%			N/A	N/A			85%	85%			N/A	N/A			85%	N/A			Screenings occurred in mid- to late February; by the time nurses were contacting families for follow-up, general dental services unavailable due to SIP so follow-up appointments were very few.
		Teachers/staff at target schools that receive training on severe allergies, anaphylaxis, and EpiPen usage	60%	72%			65%	72%			65%	73%			70%	73%			67%	82%			72%	82%			
	Fresh Approach FY20 Approved: \$93,000 FY20 Spent: \$93,000 FY19 Approved: \$92,704 FY19 Spent: \$92,704 FY18 Approved: \$70,000 FY18 Spent: \$70,000 New Metrics: 0 of 4	Individuals served	70	0		50%	105	117		100%	100	302		100%	340	908		80%	1,070	1,749		100%	2,240	2,359		25%	
		Mobile Farmers' Market (Freshest Cargo) clients who report increasing their fruits and vegetable consumption since starting to shop at Freshest Cargo	-	-			-	-			N/A	N/A			65%	62%			N/A	N/A			70%	N/A			Agency unable to administer survey. Mobile market services cancelled for safety due to SIP; agency adjusted for boxed delivery to low-income households.
		Participants who attend six or more classes will lose 2% or more of their original body weight and/or improve their BMI	N/A	N/A			30%	32%			N/A	N/A			30%	28%			N/A	N/A			30%	20%			Class transitioned to virtual due to COVID so agency unable to collect weight measurements and therefore unable to track weight loss during Q4.
		Participants who attended six or more classes will report regularly eating two additional servings of fruits and vegetables	N/A	N/A			82%	80%			N/A	N/A			85%	48%			N/A	N/A			85%	71%			Target narrowly missed at 84%.
	GoNoodle FY20 Approved: \$36,000 FY20 Spent: \$36,000 FY19 Approved: \$36,000 FY19 Spent: \$36,000 FY18 Approved: \$35,000 FY18 Spent: \$35,000 New Metrics: 0 of 4	Schools served	25	27		100%	25	24		100%	25	26		67%	25	27		100%	25	27		50%	25	25		50%	
		GoNoodle physical activity breaks played	15,000	18,354			30,000	35,320			20,000	19,139			34,000	36,090			21,000	15,084			35,000	27,812			Volume of brain breaks affected by COVID. Agency developed an additional national model, GoNoodle at Home, that saw tremendous engagement with strong support but such a platform not able to align students accessing at home with schools.
		Teachers who believe GoNoodle benefits their students' focus and attention in the classroom	N/A	N/A			90%	92%			N/A	N/A			90%	93%			N/A	N/A			92%	N/A			Agency decided not to administer teacher survey during the crisis environment of SIP and remote teaching at the end of school year. Agency will administer survey in FY21.
		Teachers who agree that GoNoodle Plus physical activity breaks are a valuable resource in helping their students succeed in core subjects	N/A	N/A			90%	86%			N/A	N/A			60%	80%			N/A	N/A			75%	N/A			
	Health Mobile FY20 Approved: \$150,000 FY20 Spent: \$150,000 FY19 Approved: \$150,000 FY19 Spent: \$150,000 FY18 Approved: \$148,832 FY18 Spent: \$148,832 New Metrics: 0 of 4	Low-income and homeless individuals served	145	152		75%	500	485		100%	150	143		100%	400	369		100%	150	148		100%	380	230		50%	Due to SIP, dentists not allowed to provide non-essential services, however much needed emergency services were available.
		Dental procedures provided	725	619			2,500	2,792			600	610			2,600	2,460			610	614			2,280	1,290			
		Patients who report increased knowledge about their oral health	83%	91%			83%	91%			85%	86%			85%	80%			90%	89%			90%	89%			
		Patients who report no pain after their first visit	83%	92%			83%	92%			85%	84%			85%	83%			90%	89%			90%	91%			

Community Benefit Dashboard Notes

FY20

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "purple" indicator if performance against target is 75% - 89%

A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual		FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual		FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual		FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual		FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual		FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual		FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY BODY</div>	Healthier Kids Foundation <i>HearingFirst & DentalFirst</i> FY20 Approved: \$40,000 FY20 Spent: \$40,000 FY19 Approved: \$40,000 FY19 Spent: \$40,000 FY18 Approved: \$20,000 FY18 Spent: \$20,000 <i>*(two separate grants of \$10,000 in FY18)</i> New Metrics: 0 of 3	Children hearing screened	-	-		N/A	-	-		N/A	225	329		75%	450	518		100%	225	399		75%	450	417		50%	
		Children dental screened	-	-			-	-			225	222			450	495			225	322			450	385			Target narrowly missed at 86%; most screening occurred before SIP, however some were missed due to COVID.
		Of children hearing screened who received a referral, the percent that received and completed appropriate hearing services	-	-			-	-			20%	14%			35%	28%			20%	0%			35%	41%			Fewer children screened than prior year due to COVID; additionally, fewer students failed the screening resulting in a higher than anticipated compliance rate.
		Of children dental screened who received a referral, the percent that received and completed appropriate dental services	-	-			-	-			75%	95%			75%	80%			75%	77%			75%	60%			Nearly a third of agency's dental cases were still open at yearend, impacted by dental offices closed during SIP. Agency closed cases as dental offices opened.
	Living Classroom FY20 Approved: \$78,000 FY20 Spent: \$78,000 FY19 Approved: \$88,000 FY19 Spent: \$88,000 FY18 Approved: \$78,000 FY18 Spent: \$78,000 New Metrics: 0 of 4	Students served	2,610	2,795		75%	4,500	4,512		100%	2,900	3,800		50%	4,800	4,367		100%	3,300	3,600		50%	4,200	4,092		50%	
		Students eating produce grown in school gardens	2,000	1,650			N/A	N/A			1,600	1285			3,500	3,400			1,200	1,200			2,500	2,355			
		Students involved in planting and harvesting fruits and vegetables for Farm-to-Lunch Program	145	135			250	235			145	180			235	276			145	120			235	122			This program component, held at three schools in MV Whisman School District, struggled with enrollment this year prior to SIP and then unable to achieve target with school closures. Adjustments made for FY21.
		Classroom lessons given across all grades T/K - 5	190	170			330	348			348	248			600	646			290	257			630	400			Classroom lessons cancelled during SIP school closures. Agency provided teachers and students with an online platform and transitioned to this for FY21.
	Medical Respite FY20 Approved: \$80,000 FY20 Spent: \$80,000 FY19 Approved: \$80,000 FY19 Spent: \$80,000 FY18 Approved: \$80,000 FY18 Spent: \$80,000 New Metrics: 0 of 3	Patients served in full program	100	134		100%	200	248		100%	110	105		75%	220	191		50%	105	94		100%	190	183		100%	
		Patients linked to Primary Care home	92%	90%			92%	95%			92%	91%			92%	91%			92%	93%			92%	93%			
		Hospital days avoided for total program (based on full Medical Respite program)	400	536			800	992			420	420			840	764			400	376			760	732			
	Mountain View Whisman School District <i>School Nurse Program</i> FY20 Approved: \$240,000 FY20 Spent: \$227,614 FY19 Approved: \$206,777 FY19 Spent: \$206,777 FY18 Approved: \$190,488 FY18 Spent: \$190,488 New Metrics: 0 of 5	Students served	1,700	1,730		100%	3,400	3,461		80%	1,700	2,006		100%	3,400	4,012		80%	1,950	2,010		100%	3,900	4,019		25%	
		Students with failed screenings who saw a provider	N/A	N/A			78%	75%			N/A	N/A			78%	67%			N/A	N/A			70%	37%			Many clinics and physician offices closed or had limited availability and additionally, some families were reluctant to take children into a clinical setting.
		Students needing an oral health exam who saw a provider	30%	30%			70%	63%			30%	30%			70%	71%			30%	31%			70%	42%			
		Students needing a Child Health and Disability Program exam who saw a provider	30%	33%			55%	59%			30%	45%			55%	59%			40%	43%			60%	53%			
		Students who report decreased anxiety levels	N/A	N/A			80%	67%			N/A	N/A			70%	100%			N/A	N/A			70%	N/A			The GoNoodle program was not completed due to the closure of schools which prevented the ability to continue the activities and gather post survey assessments with students in the classroom.
	New Directions <i>Coordination of care and connection to safety-net services for homeless and at-risk individuals</i> FY20 Approved: \$180,000 FY20 Spent: \$180,000 FY19 Approved: \$180,038 FY19 Spent: \$180,038 FY18 Approved: \$140,000 FY18 Spent: \$140,000 New Metrics: 0 of 5	Individuals served	20	22		100%	28	30		100%	26	17		33%	36	36		80%	26	27		100%	36	40		100%	Strong partnership with the ECH Post-Acute team continues to result in more targeted referrals for intensive services, as many as 25 encounters with or on behalf of the client per month.
		Services provided	400	510			700	949			520	323			900	837			520	717			900	1,375			
		Enrolled patients will complete treatment within twelve months or less	-	-			-	-			N/A	N/A			95%	91%			N/A	N/A			95%	93%			
		Enrolled clients will be connected to and establish services with a minimum of one basic needs benefits program	-	-			-	-			N/A	N/A			75%	81%			75%	93%			80%	90%			
		Enrolled patients in need of mental health or substance abuse treatment or services will be referred to and seen by a treatment provider	45%	75%			65%	71%			50%	81%			70%	61%			55%	88%			75%	81%			

Community Benefit Dashboard Notes

FY20

- A metric receives a "green" indicator if performance against target is 90% - 100+%
- A metric receives a "purple" indicator if performance against target is 75% - 89%
- A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

- A metric receives a "green" indicator if performance against target is 90% - 100+%
- A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual	<div><div></div></div>	FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual	<div><div></div></div>	FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual	<div><div></div></div>	FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual	<div><div></div></div>	FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual	<div><div></div></div>	FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual	<div><div></div></div>	FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY BODY</div>	Pathways FY20 Approved: \$60,000 FY20 Spent: \$60,000 FY19 Approved: \$55,000 FY19 Spent: \$55,000 FY18 Approved: \$50,000 FY18 Spent: \$50,000 New Metrics: 0 of 4	Patients served	15	28	<div><div></div></div>	100%	30	51	<div><div></div></div>	100%	20	50	<div><div></div></div>	100%	41	68	<div><div></div></div>	100%	23	38	<div><div></div></div>	100%	45	71	<div><div></div></div>	100%	Despite the pandemic, agency received more referrals than anticipated. Further, during COVID, patients needed more frequent reassurance and telehealth check-ins than would have been needed through in-person visits. Additionally, five patients received more than 45 visits each compared to a recent normal year where patients had no more than 30 visits.
		Services provided	105	261	<div><div></div></div>		210	328	<div><div></div></div>		160	391	<div><div></div></div>		328	555	<div><div></div></div>		173	331	<div><div></div></div>		338	871	<div><div></div></div>		
		Home Health 30-day re-hospitalization rates* <i>*Lower percentage desired</i>	12%	13%	<div><div></div></div>		12%	10%	<div><div></div></div>		12%	11%	<div><div></div></div>		12%	12%	<div><div></div></div>		11%	10%	<div><div></div></div>		11%	11%	<div><div></div></div>		
		Hospice patients who report getting as much help with pain as they needed	78%	79%	<div><div></div></div>		78%	83%	<div><div></div></div>		78%	84%	<div><div></div></div>		78%	85%	<div><div></div></div>		83%	84%	<div><div></div></div>		83%	81%	<div><div></div></div>		
	Planned Parenthood Mar Monte FY20 Approved: \$225,000 FY20 Spent: \$131,446 FY19 Approved: \$125,000 FY19 Spent: \$125,000 FY18 Approved: \$100,000 FY18 Spent: \$100,000 New Metrics: 2 of 5	Patients served	120	159	<div><div></div></div>	100%	240	256	<div><div></div></div>	80%	137	149	<div><div></div></div>	40%	274	247	<div><div></div></div>	75%	137	127	<div><div></div></div>	80%	274	179	<div><div></div></div>	40%	Services unmet due to behavioral health clinical position that was not filled; unspent funds were returned. Because integrated behavioral health was not established this year, that portion of services in the target did not occur. Hiring challenge initially due to temporary clinic relocation closure at midyear. A candidate was identified and about to start when COVID occurred and was unable to fill position.
		Visits provided	225	227	<div><div></div></div>		450	426	<div><div></div></div>		257	208	<div><div></div></div>		514	372	<div><div></div></div>		332	166	<div><div></div></div>		964	272	<div><div></div></div>		
		Primary care patients referred to specialists who receive care within 90 days	-	-			-	-			-	-			-	-			50%	48%	<div><div></div></div>		50%	69%	<div><div></div></div>		
		Hemoglobin A1c of less than 9 for diabetes patients	-	-			-	-			-	-			-	-			60%	79%	<div><div></div></div>		60%	68%	<div><div></div></div>		
		Annual colon cancer screening completed as appropriate for target age group	50%	50%	<div><div></div></div>		50%	44%	<div><div></div></div>		50%	44%	<div><div></div></div>		50%	57%	<div><div></div></div>		50%	57%	<div><div></div></div>		50%	34%	<div><div></div></div>		Some patients became due for screenings because of their birthdate or date of last visit during March-June 2020 however, most patients who had a due screening or lab test during the last quarter of the year did not get that service due to COVID.
	Playworks FY20 Approved: \$216,034 FY20 Spent: \$216,034 FY19 Approved: \$242,500 FY19 Spent: \$125,000 FY18 Approved: \$278,000 FY18 Spent: \$278,000 New Metrics: 0 of 5	Students served	5,916	5,948	<div><div></div></div>	100%	5,916	5,944	<div><div></div></div>	100%	5,900	5,603	<div><div></div></div>	100%	5,900	5,603	<div><div></div></div>	100%	5,600	5,273	<div><div></div></div>	100%	5,600	5,172	<div><div></div></div>	100%	
		Teachers/administrators surveyed who agree or strongly agree that Playworks helps increase physical activity	-	-			-	-			N/A	N/A			95%	98%	<div><div></div></div>		N/A	N/A			95%	100%	<div><div></div></div>		
		Teachers/administrators surveyed who agree or strongly agree that Playworks helps to reduce bullying during recess	-	-			-	-			N/A	N/A			85%	85%	<div><div></div></div>		N/A	N/A			85%	90%	<div><div></div></div>		Play at Home, a new module developed in response to COVID, had recess three times a day that was assigned by many teachers, as physical activity was considered valuable for students while at home during SIP.
		Teachers reporting that overall student engagement increased use of positive language, attentiveness and participation in class	N/A	N/A			75%	93%	<div><div></div></div>		N/A	N/A			80%	100%	<div><div></div></div>		N/A	N/A			90%	100%	<div><div></div></div>		
		Teachers/administrators reporting that Playworks positively impacts school climate	N/A	N/A			90%	98%	<div><div></div></div>		N/A	N/A			96%	100%	<div><div></div></div>		N/A	N/A			95%	100%	<div><div></div></div>		
	Ravenswood Family Health Center/MayView Community Health Center FY20 Approved: \$1,700,000 FY20 Spent: \$1,700,000 FY19 Approved: \$1,007,000 FY19 Spent: \$1,007,000 FY18 Approved: \$858,400 FY18 Spent: \$858,400 New Metrics: 1 of 7	Uninsured patients served	425	983	<div><div></div></div>	86%	850	1763	<div><div></div></div>	100%	845	946	<div><div></div></div>	86%	1,695	1,741	<div><div></div></div>	86%	1,260	1,631	<div><div></div></div>	86%	2,520	2,487	<div><div></div></div>	100%	
		Patient visits provided (medical and behavioral health)	1,125	1,813	<div><div></div></div>		2,250	3,829	<div><div></div></div>		1,695	1,742	<div><div></div></div>		3,388	3,484	<div><div></div></div>		2,681	3,041	<div><div></div></div>		5,362	5,239	<div><div></div></div>		
		Patients age 50-75 with appropriate Breast Cancer Screening	-	-			-	-			-	-			-	-			48%	47%	<div><div></div></div>		50%	45%	<div><div></div></div>		
		Diabetic patients with HbA1c Levels less than 9 points	72%	77%	<div><div></div></div>		72%	73%	<div><div></div></div>		72%	66%	<div><div></div></div>		74%	71%	<div><div></div></div>		-	-			-	-			
		Diabetic patients with HbA1c Levels less than 8 points	-	-			-	-											61%	63%	<div><div></div></div>		61%	59%	<div><div></div></div>		
		Hypertension patients whose blood pressure is less than 140/90 mmHg	78%	80%	<div><div></div></div>		78%	80%	<div><div></div></div>		78%	76%	<div><div></div></div>		78%	80%	<div><div></div></div>		80%	71%	<div><div></div></div>		80%	72%	<div><div></div></div>		
		Pediatric patients completing full weight screening protocol	-	-			-	-			-	-			-	-			50%	58%	<div><div></div></div>		60%	54%	<div><div></div></div>		
		Patients aged 51-75 years with completed annual colorectal screening	48%	36%	<div><div></div></div>		86%	88%	<div><div></div></div>		70%	34%	<div><div></div></div>		72%	55%	<div><div></div></div>		40%	54%	<div><div></div></div>		45%	48%	<div><div></div></div>		

Community Benefit Dashboard Notes

FY20

- A metric receives a "green" indicator if performance against target is 90% - 100+%
- A metric receives a "purple" indicator if performance against target is 75% - 89%
- A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

- A metric receives a "green" indicator if performance against target is 90% - 100+%
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N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual		FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual		FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual		FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual		FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual		FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual		FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY BODY</div>	Santa Clara Valley Medical Center - Mountain View & Sunnyvale <small>FY20 Approved: \$700,000 FY20 Spent: \$700,000 FY19 Approved: \$1,075,000 FY19 Spent: \$1,075,000 FY18 Approved: \$1,000,000 FY18 Spent: \$1,000,000 New Metrics: 3 of 10</small>	Individuals served	-	-		100%	-	-		100%	650	909		100%	1,460	1,471		100%	470	617		80%	870	859		38%	
		Primary Care and Behavioral Health patients	100	95			200	267			100	180			220	328			70	113			130	168			
		Dental Clinic patients	530	693			1,240	1,169			550	729			1,240	1,143			400	504			740	691			
		Encounters provided	-	-			-	-			1,710	2,165			4,370	4,377			1,375	1,343			2,630	2,073			
		Primary Care and Behavioral Health encounters	300	309			800	851			300	462			820	975			275	260			500	437			Target narrowly missed at 87%.
		Dental Clinic encounters	1,410	1,338			3,480	3,667			1,410	1,703			3,550	3,402			1,100	1,083			2,130	1,636			Target unmet due to inability to provide general dentistry visits.
		Patients screened for clinical depression	-	-			-	-			-	-			-	-			65%	43%			70%	37%			Due to COVID, some visits were transitioned to telehealth during SIP impacting the workflow for the completion of depression screenings. Behavior Health patients were also transitioned to telehealth and homeless patients may have had difficulty accessing reliable phones.
		Dental patients who will receive prophylactic cleaning	-	-			-	-			-	-			-	-			35%	31%			40%	31%			Due to COVID, dentists were not allowed to provide non-emergency services.
		Overall decrease in percentage of emergency dental visits* <i>*Lower percentage desired</i>	-	-			-	-			-	-			-	-			15%	13% Lower percentage desired			12%	17% Lower percentage desired			Emergency dental services were allowed and many patients accessed these services.
		Behavioral health patients who adhere to treatment plans after receiving neuropsychological testing and motivational interviews.	50%	60%			85%	80%			50%	94%			85%	82%			75%	73%			85%	80%			
	Sunnyvale School District <small>FY20 Approved: \$282,000 FY20 Spent: \$282,000 FY19 Approved: \$287,000 FY19 Spent: \$287,000 FY18 Approved: \$275,000 FY18 Spent: \$275,000 New Metrics: 1 of 5</small>	Students served	2,216	2,206		75%	4,432	4,401		100%	2,205	2,245		100%	4,410	4,442		100%	2,243	2,252		80%	4,450	4,386		40%	
		Students with failed vision or hearing screenings who saw their health care provider	50%	45%			75%	73%			50%	53%			70%	66%			52%	28%			72%	53%			Many clinics and physician offices closed or had limited availability; additionally, families were reluctant to take children into a clinical setting.
		Students chronically absent due to illness (> 10% of school days) who improved attendance	65%	61%			66%	67%			66%	60%			67%	64%			65%	65%			67%	58%			Measurement stopped when SIP enacted; target narrowly missed at 87%.
		Kindergarten students who received a well-child exam as measured by the receipt of a completed CHDP (Child Health and Disability Prevention Program) "Health Exam for School Entry" Form	35%	30%			70%	63%			32%	34%			65%	63%			33%	45%			66%	55%			Although nurse contacted all parents, many unable to make an appointment or their appointments were cancelled due to COVID.
		Students who were assessed for potential not yet identified health needs based upon parent reporting health problem at point of registration	-	-			-	-			-	-			-	-			30%	32%			60%	54%			
	Teen Health Van <small>FY20 Approved: \$95,000 FY20 Spent: \$95,000 FY19 Approved: \$95,000 FY19 Spent: \$92,559 FY18 Approved: \$92,000 FY18 Spent: \$92,000 New Metrics: 0 of 5</small>	Students served	55	46		66%	110	102		100%	52	57		100%	104	103		80%	52	58		67%	104	92		75%	
		Services provided	200	248			400	441			215	207			430	280			209	183			418	419			
		Students screened for depression who receive social worker consultation, treatment by a Packard Hospital psychiatrist, and/or medications	95%	95%			95%	98%			95%	98%			95%	95%			95%	95%			95%	95%			
		Students who receive nutrition consultations and demonstrate improvement in at least one lifestyle behavior related to weight management	N/A	N/A			60%	62%			N/A	N/A			60%	60%			N/A	N/A			60%	62%			
	Vista Center <small>FY20 Approved: \$30,000 FY20 Spent: \$30,000 Small Grant: FY19 Approved: \$24,921 FY19 Spent: \$23,882 New Metrics: 0 of 4</small>	Students who decrease their use of alcohol or drugs by 1 level out of 5	N/A	N/A		N/A	55%	56%		N/A	N/A	N/A		100%	55%	55%		100%	N/A	N/A		100%	55%	N/A		100%	Program unable to administer survey due to COVID; currently improving system to allow for electronic responses.
		Individuals served	-	-			-	-			15	17			36	42			16	19			40	41			
		Services provided	-	-			-	-			-	-			-	-			125	151			280	296			
		Client who indicate that they are able to read printed material after program participation	-	-			-	-			-	-			-	-			70%	80%			70%	85%			
		Clients who improve at least one level from Not Confident to Somewhat Confident to Confident in their ability to safely move within their residence or community	-	-			-	-			-	-			-	-			85%	90%			85%	92%			

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FY18 and FY19

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Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual		FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual		FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual		FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual		FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual		FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual		FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY MIND</div>	Acknowledge Alliance FY20 Approved: \$50,000 FY20 Spent: \$50,000 FY19 Approved: \$50,000 FY19 Spent: \$50,000 FY18 Approved: \$35,000 FY18 Spent: \$35,000 New Metrics: 2 of 4	Individuals served (students and educators)	240	0		0%	950	900		100%	335	511		100%	1,341	1,181		75%	335	271		50%	1,200	598		75%	School based mental health programs adapted to virtual services and it was a typical experience to serve fewer than expected students during SIP.
		Educators who receive resilience support services through one-on-one training, classroom observations, professional development, and/or teacher support groups	50	33			100	153			33	80			100	206			33	94			100	180			Agency expanded the number of Teacher Resilience Groups per school district requests, conducting more sessions in the Fall than anticipated. Additionally, there was heightened interest for SEL training in the second half of the year during COVID.
		Teachers and administrators will increase their use of strategies to promote personal and professional resilience	-	-			-	-			-	-			-	-			N/A	N/A			70%	64%			
		Teachers and administrators will report that the Acknowledge Alliance Resilience Staff worked to promote a positive school climate	-	-			-	-			-	-			-	-			N/A	N/A			75%	75%			
	Avenidas FY20 Approved: \$52,000 FY20 Spent: \$52,000 FY19 Approved: \$50,000 FY19 Spent: \$50,000 FY18 Approved: \$45,000 FY18 Spent: \$45,000 New Metrics: 0 of 4	Older adults and family members served	75	78		100%	98	108		100%	76	74		100%	96	98		100%	83	92		100%	103	114		100%	
		Services provided	955	1,012			1,910	2,033			975	923			1,950	1,962			1,035	1,201			1,997	2,181			
		Older adults who maintain at least 3 essential Activities of Daily Living	90%	88%			90%	91%			90%	92%			90%	91%			93%	92%			93%	93%			
		Family members/caregivers who report an increase in their knowledge of successful self-help strategies	90%	95%			90%	96%			95%	98%			95%	95%			98%	100%			98%	99%			
	CHAC FY20 Approved: \$280,000 FY20 Spent: \$280,000 FY19 Approved: \$280,000 FY19 Spent: \$280,000 FY18 Approved: \$181,000 FY18 Spent: \$181,000 New Metrics: 0 of 6	Students served through counseling	314	364		50%	786	1,010		50%	350	442		100%	1150	874		67%	350	494		100%	975	761		50%	School based mental health programs adapted to virtual services and it was a typical experience to serve fewer than expected students during SIP. Agency's group sessions were temporarily cancelled due to SIP, lowering volume metrics.
		Services hours provided	2,808	2,210			7,040	6,681			2,800	4,411			8,600	10,655			4,050	3,724			9,000	7,400			
		Students who improve by at least 3 points from pre-test to post-test on the 40-point scale Strengths and Difficulties Questionnaire and Impact Assessment based on self-report (for students age 11-17)	N/A	N/A			50%	36%			N/A	N/A			40%	47%			N/A	N/A			40%	36%			Counseling routines fluctuated during transition to virtual visits during SIP. Programs stabilized but the impact of school closures in spring, when post treatment surveys are administered, resulted in varying and skewed outcomes. Additionally, teachers who complete the questionnaire for younger students reported being uncomfortable doing so because they had not seen students in-person or online and some students discontinued or declined telehealth visits after SIP.
		Students who improve by at least 3 points from pre-test to post test on the 40-point scale Strengths and Difficulties Questionnaire and Impact Assessment based on teacher report for ages 10 and under	N/A	N/A			50%	46%			N/A	N/A			50%	41%			N/A	N/A			50%	38%			
		JFK students served who showed a 15% or better improvement on the JFK Survey	N/A	N/A			80%	31%			N/A	N/A			70%	76%			N/A	N/A			70%	75%			
		Tween Talk students served who show a 15% or better improvement on the Tween Talk Survey	N/A	N/A			80%	38%			N/A	N/A			70%	78%			N/A	N/A			70%	89%			
	Law Foundation - Mental Health Advocacy Project FY20 Approved: \$60,000 FY20 Spent: \$60,000 FY19 Approved: \$65,000 FY19 Spent: \$65,000 FY18 Approved: \$62,000 FY18 Spent: \$62,000 New Metrics: 0 of 5	Individuals served	93	77		75%	186	169		100%	93	115		100%	186	168		75%	81	102		100%	161	172		100%	
		Individuals served though representation	31	34			62	58			31	49			62	74			27	27			54	50			
		Healthcare providers served through educational presentation	62	43			124	111			62	66			124	94			54	75			107	122			
		Providers receiving training who increase their understanding of their patients' rights to medical benefits and other forms of public assistance	75%	100%			75%	100%			75%	100%			75%	91%			90%	86%			90%	90%			
		Clients receiving services for benefits issues who successfully access or maintain health benefits or other safety-net benefits	75%	80%			75%	93%			75%	80%			75%	85%			80%	97%			80%	89%			
	Los Altos School District FY20 Approved: \$100,000 FY20 Spent: \$100,000 FY19 Approved: \$100,000 FY19 Spent: \$100,000 FY18 Approved: \$100,000 FY18 Spent: \$100,000 New Metrics: 0 of 4	Students served	45	50		100%	90	127		100%	45	54		100%	100	126		100%	50	78		100%	100	101		50%	
		Services provided/encounters (in hours)	201	393			403	760			250	359			500	1,047			250	409			500	629			
		Parents who report increased knowledge of how to support their adolescent by at least one point on a 1-5 pt. scale	-	-			-	-			N/A	N/A			75%	89%			N/A	N/A			80%	0%			Counseling routines fluctuated during transition to virtual visits during SIP. Programs stabilized but the impact of school closures in spring, when post treatment surveys are administered, resulted in varying and skewed outcomes. Additionally, teachers who complete the questionnaire for younger students reported being uncomfortable doing so because they had not seen students in-person or online and some students discontinued or declined telehealth visits after SIP.
		Students who improve by at least 3 points from pre-test to post-test on the Strength and Difficulties Questionnaire and Impact Assessment based on self-report for students age 11-17	N/A	N/A			50%	55%			N/A	N/A			50%	66%			N/A	N/A			50%	21%			

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Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual	<div><div></div><div></div><div></div></div>	FY18 % 6-month metrics met	FY18 Annual Target	FY18 Annual Actual	<div><div></div><div></div><div></div></div>	FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual	<div><div></div><div></div><div></div></div>	FY19 % 6-month metrics met	FY19 Annual Target	FY19 Annual Actual	<div><div></div><div></div><div></div></div>	FY19 Annual Metrics Met	FY20 6-month Target	FY20 6-month Actual	<div><div></div><div></div><div></div></div>	FY20 6-month Metrics Met	FY20 Annual Target	FY20 Annual Actual	<div><div></div><div></div><div></div></div>	FY20 Yearend Metrics Met	Supporting Details for Variance	
<div>HEALTHY MIND</div>	Momentum for Mental Health FY20 Approved: \$268,140 FY20 Spent: \$268,140 FY19 Approved: \$268,000 FY19 Spent: \$268,000 FY18 Approved: \$241,000 FY18 Spent: \$241,000 New Metrics: 0 of 4	Patients served	100	92	<div><div></div><div></div><div></div></div>	100%	118	118	<div><div></div><div></div><div></div></div>	100%	58	69	<div><div></div><div></div><div></div></div>	75%	118	112	<div><div></div><div></div><div></div></div>	100%	65	88	<div><div></div><div></div><div></div></div>	100%	118	107	<div><div></div><div></div><div></div></div>	100%		Due to the COVID pandemic and shelter-in-place (SIP), fewer targets were met than typical at yearend. Staff actively communicated with grantees to understand challenges and changes in service delivery. Transition to virtual services was generally successful, however as time was lost in Q4, some targets were missed, as would be expected.
		Services provided	808	859	<div><div></div><div></div><div></div></div>		1,615	1,699	<div><div></div><div></div><div></div></div>		858	565	<div><div></div><div></div><div></div></div>		1,715	1,875	<div><div></div><div></div><div></div></div>		858	842	<div><div></div><div></div><div></div></div>		1,715	1,754	<div><div></div><div></div><div></div></div>			
		Patients who avoid psychiatric hospitalization for 12 months after admission	97%	99%	<div><div></div><div></div><div></div></div>		97%	91%	<div><div></div><div></div><div></div></div>		97%	99%	<div><div></div><div></div><div></div></div>		97%	99%	<div><div></div><div></div><div></div></div>		97%	100%	<div><div></div><div></div><div></div></div>		97%	100%	<div><div></div><div></div><div></div></div>			
		Patients who report a reduction of two points or more in Generalized Anxiety Disorder-7 (GAD-7) to measure severity of anxiety	85%	85%	<div><div></div><div></div><div></div></div>		85%	99%	<div><div></div><div></div><div></div></div>		70%	73%	<div><div></div><div></div><div></div></div>		80%	74%	<div><div></div><div></div><div></div></div>		70%	78%	<div><div></div><div></div><div></div></div>		80%	72%	<div><div></div><div></div><div></div></div>			
	Mountain View Los Altos High School District FY20 Approved: \$160,000 FY20 Spent: \$160,000 FY19 Approved: \$160,000 FY19 Spent: \$160,000 FY18 Approved: \$160,000 FY18 Spent: \$160,000 New Metrics: 0 of 5	Students served	75	87	<div><div></div><div></div><div></div></div>	100%	150	159	<div><div></div><div></div><div></div></div>	100%	75	118	<div><div></div><div></div><div></div></div>	50%	150	192	<div><div></div><div></div><div></div></div>	100%	75	144	<div><div></div><div></div><div></div></div>	100%	150	200	<div><div></div><div></div><div></div></div>	40%	School district had nearly met annual target at midyear due to increased mental health needs	
		Hours of services provided	1,260	1,405	<div><div></div><div></div><div></div></div>		2,520	3,031	<div><div></div><div></div><div></div></div>		1,260	1,083	<div><div></div><div></div><div></div></div>		2,520	2,319	<div><div></div><div></div><div></div></div>		1,260	1,192	<div><div></div><div></div><div></div></div>		2,520	2,196	<div><div></div><div></div><div></div></div>		Target narrowly missed; transition to telehealth resulted in reduction in non-caseload check-ins and crisis management hours with students not on campus, however individual counseling continue remotely.	
		Reduced frequency/quantity of high risk behavior by at least 25% on the CANS 50 assessment, among students with high risk behaviors	-	-			-	-			N/A	N/A			60%	96%	<div><div></div><div></div><div></div></div>		100%	N/A	N/A			75%	19%		<div><div></div><div></div><div></div></div>	COVID had a disproportionately negative effect on students' mental health; agency reported that social, academic and economic wellbeing were impacted. The program found that high risk behavior did not decrease among the most vulnerable students and coping skills suffered. The metric on decreasing suicidal thoughts/feelings showed success, however the program reports this is likely a skewed result due to COVID.
		Decreased suicidal thoughts and feelings by at least 25% on the CANS 50 assessment, among students served with suicidal thoughts and feelings	-	-			-	-			N/A	N/A			80%	100%	<div><div></div><div></div><div></div></div>		N/A	N/A			75%	80%	<div><div></div><div></div><div></div></div>			
		Increased use of coping skills for trauma/ depression/anxiety/anger by at least 25% on the CANS 50 assessment, among students served with trauma, depression, anxiety, and/or anger	-	-			-	-			N/A	N/A			80%	79%	<div><div></div><div></div><div></div></div>		N/A	N/A			75%	54%	<div><div></div><div></div><div></div></div>			
	NAMI SCC FY20 Approved: \$75,000 FY20 Spent: \$65,376 FY19 Approved: \$90,000 FY19 Spent: \$90,000 FY18 Approved: \$80,000 FY18 Spent: \$80,000 New Metrics: 0 of 5	Participants	31	38	<div><div></div><div></div><div></div></div>	100%	62	73	<div><div></div><div></div><div></div></div>	100%	32	35	<div><div></div><div></div><div></div></div>	100%	63	68	<div><div></div><div></div><div></div></div>	100%	31	27	<div><div></div><div></div><div></div></div>	40%	62	51	<div><div></div><div></div><div></div></div>	40%	Targets narrowly missed; transition to virtual services resulted in some time lost however, agency reported increased virtual engagement by yearend.	
		Peer PALS and Peer Mentors visits	388	410	<div><div></div><div></div><div></div></div>		776	792	<div><div></div><div></div><div></div></div>		512	513	<div><div></div><div></div><div></div></div>		1,008	965	<div><div></div><div></div><div></div></div>		527	450	<div><div></div><div></div><div></div></div>		1,054	907	<div><div></div><div></div><div></div></div>			
		Peer PALS and Peer Mentors phone calls	782	830	<div><div></div><div></div><div></div></div>		1,563	1,661	<div><div></div><div></div><div></div></div>		1,024	1,030	<div><div></div><div></div><div></div></div>		2,016	1,865	<div><div></div><div></div><div></div></div>		1,054	912	<div><div></div><div></div><div></div></div>		2,108	1,814	<div><div></div><div></div><div></div></div>			
		Participants reporting that the program helped them feel more hopeful about their futures and their recovery	70%	75%	<div><div></div><div></div><div></div></div>		70%	80%	<div><div></div><div></div><div></div></div>		70%	77%	<div><div></div><div></div><div></div></div>		70%	80%	<div><div></div><div></div><div></div></div>		75%	75%	<div><div></div><div></div><div></div></div>		75%	83%	<div><div></div><div></div><div></div></div>			
		Participants reporting that the program helped them be more compliant with their treatment plan	80%	80%	<div><div></div><div></div><div></div></div>		80%	77%	<div><div></div><div></div><div></div></div>		80%	80%	<div><div></div><div></div><div></div></div>		80%	87%	<div><div></div><div></div><div></div></div>		80%	85%	<div><div></div><div></div><div></div></div>		80%	93%	<div><div></div><div></div><div></div></div>			
	YWCA Silicon Valley Trauma-informed Counseling for Victims of Domestic Violence and At-risk Youth FY20 Approved: \$65,000 FY20 Spent: \$65,000 New Metrics: N/A	Individuals served	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	14	13	<div><div></div><div></div><div></div></div>	100%	37	33	<div><div></div><div></div><div></div></div>	80%	Target narrowly missed at 89%.	
		Counseling sessions provided	-	-			-	-			-	-			-	-			56	93	<div><div></div><div></div><div></div></div>		148	212	<div><div></div><div></div><div></div></div>		Individuals served received on average more than four sessions each; target setting for this new partner expected a slightly lower average sessions per person.	
		Individuals who increase their knowledge of trauma and the effects of trauma on their lives	-	-			-	-			-	-			-	-			80%	84%	<div><div></div><div></div><div></div></div>		80%	99%	<div><div></div><div></div><div></div></div>			
		Individuals who experience a reduction of trauma symptoms	-	-			-	-			-	-			-	-			60%	62%	<div><div></div><div></div><div></div></div>		60%	79%	<div><div></div><div></div><div></div></div>			
		Individuals who report they would be willing to seek counseling in the future	-	-			-	-			-	-			-	-			60%	77%	<div><div></div><div></div><div></div></div>		60%	79%	<div><div></div><div></div><div></div></div>			
<div>HEALTHY COMMUNITY</div>	American Heart Association Health Screenings and Check. Change. Control Program FY20 Approved: \$110,000 FY20 Spent: \$94,825 FY19 Approved: \$103,000 FY19 Spent: \$103,000 FY18 Approved:\$76,734 FY18 Spent: \$76,734 New Metrics: 0 of 6	Participants reached through education and community screenings	400	443	<div><div></div><div></div><div></div></div>	100%	1,000	873	<div><div></div><div></div><div></div></div>	80%	400	440	<div><div></div><div></div><div></div></div>	100%	1,000	1,010	<div><div></div><div></div><div></div></div>	100%	400	504	<div><div></div><div></div><div></div></div>	67%	1,100	809	<div><div></div><div></div><div></div></div>	50%	Agency cancelled Spring screening events due to SIP.	
		Individuals served through Check.Change.Control blood pressure program	50	85	<div><div></div><div></div><div></div></div>		150	196	<div><div></div><div></div><div></div></div>		90	120	<div><div></div><div></div><div></div></div>		180	210	<div><div></div><div></div><div></div></div>		100	85	<div><div></div><div></div><div></div></div>		200	180	<div><div></div><div></div><div></div></div>			
		Participants who improve blood pressure by 10mmHg	-	-			-	-			30%	31%	<div><div></div><div></div><div></div></div>		30%	35%	<div><div></div><div></div><div></div></div>		30%	33%	<div><div></div><div></div><div></div></div>		30%	33%	<div><div></div><div></div><div></div></div>			
		Participants who are compliant with measuring their blood pressure eight times within the four months of the Check.Change.Control program	N/A	N/A			50%	54%	<div><div></div><div></div><div></div></div>		50%	50%	<div><div></div><div></div><div></div></div>		50%	45%	<div><div></div><div></div><div></div></div>		50%	40%	<div><div></div><div></div><div></div></div>		50%	40%	<div><div></div><div></div><div></div></div>		Although the classes were virtual, the mentors who track participants' self blood-pressure checks reported outreach to participants was more difficult than usual due to COVID.	
		Participants who report adopting healthy behaviors to improve blood pressure (including increasing intake of fruits and vegetables to 4 servings/day and increasing exercise to 30 minutes/day)	N/A	N/A			30%	37%	<div><div></div><div></div><div></div></div>		30%	N/A	<div><div></div><div></div><div></div></div>		30%	32%	<div><div></div><div></div><div></div></div>		30%	27%	<div><div></div><div></div><div></div></div>		30%	27%	<div><div></div><div></div><div></div></div>			
		Heart Health Hub events coordinated	4	5	<div><div></div><div></div><div></div></div>		8	10	<div><div></div><div></div><div></div></div>		4	4	<div><div></div><div></div><div></div></div>		8	8	<div><div></div><div></div><div></div></div>		4	5	<div><div></div><div></div><div></div></div>		8	7	<div><div></div><div></div><div></div></div>		Target narrowly missed; event could not be held in Spring due to SIP.	

Community Benefit Dashboard Notes

FY20

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "purple" indicator if performance against target is 75% - 89%

A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual	<div><div></div></div>	FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual	<div><div></div></div>	FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual	<div><div></div></div>	FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual	<div><div></div></div>	FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual	<div><div></div></div>	FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual	<div><div></div></div>	FY20 Yearend Metrics Met	Supporting Details for Variance
<div>HEALTHY COMMUNITY</div>	Caminar (Family & Children Services) <small>FY20 Approved: \$50,000 FY20 Spent: \$50,000 FY19 Approved: \$50,000 FY19 Spent: \$18,130 FY18 Approved: \$50,000 FY18 Spent: \$50,000 New Metrics: 2 of 5</small>	Individuals served	32	52	<div><div></div></div>	75%	69	69	<div><div></div></div>	75%	40	41	<div><div></div></div>	100%	85	55	<div><div></div></div>	75%	40	33	<div><div></div></div>	80%	90	50	<div><div></div></div>	80%	COVID disrupted the referral process and clients' comfort accessing services, especially as some sheltered-in-place at home with their abusers resulting in fewer new clients reached. Agency is working to reach new clients as domestic violence is increasing during the pandemic.
		Service units provided (counseling, support groups, advocacy, and education)	257	220	<div><div></div></div>		628	531	<div><div></div></div>		275	297	<div><div></div></div>		628	859	<div><div></div></div>		375	351	<div><div></div></div>		700	708	<div><div></div></div>		Despite COVID disruption to new referrals, agency transitioned to telehealth and continued phone services, providing more services for existing clients who had heightened needs. These 50 clients received more services and deeper intervention.
		Participants who report that services are helpful to their healing process	-	-			-	-			-	-			-	-			80%	95%	<div><div></div></div>		80%	94%	<div><div></div></div>		Deeper intervention with existing clients led to greater success and behavior change.
		Participants will maintain or improve their economic security	-	-			-	-			-	-			-	-			55%	60%	<div><div></div></div>		60%	94%	<div><div></div></div>		
		Counseling/advocacy beneficiaries who will report increased knowledge of domestic violence and safety strategies	90%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		90%	98%	<div><div></div></div>		90%	100%	<div><div></div></div>		
	Chinese Health Initiative <small>FY20 Approved: \$235,000 FY20 Spent: \$178,402 FY19 Approved: \$250,000 FY19 Spent: \$250,000 FY18 Approved: \$234,000 FY18 Spent: \$234,000 New Metrics: 0 of 4</small>	Individuals served	400	419	<div><div></div></div>	75%	800	850	<div><div></div></div>	100%	400	430	<div><div></div></div>	100%	865	1,060	<div><div></div></div>	100%	375	339	<div><div></div></div>	67%	922	939	<div><div></div></div>	100%	
		Services provided	800	706	<div><div></div></div>		1,700	1,723	<div><div></div></div>		800	976	<div><div></div></div>		1,815	2,157	<div><div></div></div>		700	584	<div><div></div></div>		1,666	1,674	<div><div></div></div>		
		Individuals who received assistance to help them better access care (e.g. referrals to physicians, getting connected to services, providing healthcare resources)	83	82	<div><div></div></div>		165	175	<div><div></div></div>		85	122	<div><div></div></div>		175	224	<div><div></div></div>		86	77	<div><div></div></div>		195	218	<div><div></div></div>		
		Participants who strongly agree or agree that the program's health education or screening helps them better manage their health	N/A	N/A	<div><div></div></div>		90%	95%	<div><div></div></div>		N/A	N/A			92%	94%	<div><div></div></div>		N/A	N/A			92%	91%	<div><div></div></div>		
	Farewell to Falls <small>FY20 Approved: \$31,800 FY20 Spent: \$24,294 FY19 Approved: \$26,600 FY19 Spent: \$25,737 FY18 Approved: \$35,000 FY18 Spent: \$24,899 New Metrics: 0 of 3</small>	Older adults served	22	29	<div><div></div></div>	100%	68	62	<div><div></div></div>	67%	25	25	<div><div></div></div>	100%	60	69	<div><div></div></div>	67%	28	33	<div><div></div></div>	67%	73	57	<div><div></div></div>	33%	Volume lower than anticipated due to COVID.
		Older adults who are compliant with exercise recommendations	60%	62%	<div><div></div></div>		60%	50%	<div><div></div></div>		60%	63%	<div><div></div></div>		50%	74%	<div><div></div></div>		60%	83%	<div><div></div></div>		50%	43%	<div><div></div></div>		
		Older adults who decrease injurious falls that require a 911 call, Emergency Department, or doctor's visit	80%	87%	<div><div></div></div>		80%	95%	<div><div></div></div>		80%	75%	<div><div></div></div>		90%	79%	<div><div></div></div>		75%	92%	<div><div></div></div>		75%	86%	<div><div></div></div>		
	HLRC - MV <small>FY20 Approved: \$210,000 FY20 Spent: \$159,286 FY19 Approved: \$250,000 FY19 Spent: \$250,000 FY18 Approved: \$373,491 FY18 Spent: \$364,891 New Metrics: 2 of 4</small>	Individuals served	12,015	11,198	<div><div></div></div>	83%	23,900	22,101	<div><div></div></div>	100%	10,500	10,034	<div><div></div></div>	50%	21,000	18,954	<div><div></div></div>	100%	8,428	9,161	<div><div></div></div>	100%	15,899	14,911	<div><div></div></div>	100%	
		Health consultations provided	140	212	<div><div></div></div>		280	396	<div><div></div></div>		140	138	<div><div></div></div>		280	309	<div><div></div></div>		112	125	<div><div></div></div>		212	258	<div><div></div></div>		
		Community members who strongly agree or agree that library services have been valuable in helping me manage my health or that of a friend or family member	-	-			-	-			-	-			-	-			57%	64%	<div><div></div></div>		57%	78%	<div><div></div></div>		
		Community members who strongly agree or agree that library information is appropriate for my needs	-	-			-	-			-	-			-	-			80%	73%	<div><div></div></div>		80%	94%	<div><div></div></div>		
	Maitri <small>FY20 Approved: \$50,000 FY20 Spent: \$50,000 FY19 Approved: \$50,000 FY19 Spent: \$50,000 FY18 Approved: \$40,000 FY18 Spent: \$40,000 New Metrics: 1 of 5</small>	Adults served	10	30	<div><div></div></div>	100%	20	39	<div><div></div></div>	100%	11	22	<div><div></div></div>	100%	30	32	<div><div></div></div>	100%	12	13	<div><div></div></div>	100%	30	32	<div><div></div></div>	100%	
		Services provided	45	64	<div><div></div></div>		91	111	<div><div></div></div>		45	47	<div><div></div></div>		90	122	<div><div></div></div>		47	48	<div><div></div></div>		90	95	<div><div></div></div>		
		Crisis callers will benefit from a safety plan to increase their safety	-	-			-	-			-	-			-	-			75%	72%	<div><div></div></div>		75%	90%	<div><div></div></div>		
		Clients will achieve their economic security goals, which may include finding a job, taking educational courses, or becoming more financially literate	-	-			-	-			70%	80%	<div><div></div></div>		70%	77%	<div><div></div></div>		70%	75%	<div><div></div></div>		70%	76%	<div><div></div></div>		
		Legal clients who report increased awareness of their legal rights	70%	69%	<div><div></div></div>		75%	88%	<div><div></div></div>		70%	81%	<div><div></div></div>		75%	77%	<div><div></div></div>		75%	75%	<div><div></div></div>		75%	80%	<div><div></div></div>		
	Rebuilding Together <small>FY20 Approved: \$78,000 FY20 Spent: \$78,000 FY19 Approved: \$75,000 FY19 Spent: \$75,000 FY18 Approved \$65,000 FY18 Spent: \$65,000 New Metrics: 0 of 3</small>	Homes assessed and modification planned for seniors aged 62+ or individuals at higher risk of fall (i.e. disability or illness)	6	7	<div><div></div></div>	100%	25	23	<div><div></div></div>	100%	10	13	<div><div></div></div>	100%	28	27	<div><div></div></div>	100%	11	10	<div><div></div></div>	100%	28	24	<div><div></div></div>	67%	Due to COVID, older adults did not feel comfortable with services being provided in their homes.
		Recipients who report not having an unintentional injury resulting from a fall in their home after completed home repairs	N/A	N/A			85%	77%	<div><div></div></div>		85%	100%	<div><div></div></div>		85%	94%	<div><div></div></div>		90%	95%	<div><div></div></div>		90%	93%	<div><div></div></div>		Due to COVID, older adults did not feel comfortable with services being provided in their homes.
		Recipients who report feeling safer in their homes after completed home repairs	N/A	N/A			80%	81%	<div><div></div></div>		85%	100%	<div><div></div></div>		85%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		90%	90%	<div><div></div></div>		
	RoadRunners - MV <small>FY20 Approved: \$230,000 FY20 Spent: \$204,760 FY19 Approved: \$250,353 FY19 Spent: \$250,353 FY18 Approved: \$275,353 FY18 Spent: \$275,353 New Metrics: 0 of 4</small>	Individuals served	727	856	<div><div></div></div>	100%	1,200	1,869	<div><div></div></div>	100%	575	730	<div><div></div></div>	100%	1,150	1,511	<div><div></div></div>	100%	575	614	<div><div></div></div>	100%	1,150	904	<div><div></div></div>	75%	Volume reflects the fourth quarter SIP order due to COVID. Program provided transportation to individuals who required urgent medical, dental and other needed services.
		Rides provided	4,322	4,703	<div><div></div></div>		8,460	9,724	<div><div></div></div>		4,519	4,939	<div><div></div></div>		9,038	9,917	<div><div></div></div>		4,519	5,821	<div><div></div></div>		9,038	8,590	<div><div></div></div>		
		Older adults who strongly agree or agree that having RoadRunners services helped in maintaining their independence	96%	96%	<div><div></div></div>		95%	92%	<div><div></div></div>		90%	96%	<div><div></div></div>		90%	93%	<div><div></div></div>		90%	95%	<div><div></div></div>		90%	94%	<div><div></div></div>		
		Older adults who strongly agree or agree with the statement that having RoadRunners services made it possible to get to their medical appointments	96%	88%	<div><div></div></div>		95%	94%	<div><div></div></div>		95%	97%	<div><div></div></div>		95%	94%	<div><div></div></div>		95%	93%	<div><div></div></div>		95%	91%	<div><div></div></div>		

Community Benefit Dashboard Notes

FY20

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FY18 and FY19

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N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual	<div><div></div><div></div><div></div></div>	FY18 % 6-month metrics met	FY18 Annual Target	FY18 Annual Actual	<div><div></div><div></div><div></div></div>	FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual	<div><div></div><div></div><div></div></div>	FY19 % 6-month metrics met	FY19 Annual Target	FY19 Annual Actual	<div><div></div><div></div><div></div></div>	FY19 Annual Metrics Met	FY20 6-month Target	FY20 6-month Actual	<div><div></div><div></div><div></div></div>	FY20 6-month Metrics Met	FY20 Annual Target	FY20 Annual Actual	<div><div></div><div></div><div></div></div>	FY20 Yearend Metrics Met	Supporting Details for Variance	
<div>HEALTHY COMMUNITY</div>	South Asian Heart Center FY20 Approved: \$140,000 FY20 Spent: \$116,669 FY19 Approved: \$180,000 FY19 Spent: \$180,000 FY18 Approved: \$160,000 FY18 Spent \$160,000 New Metrics: 0 of 6	Individuals served	73	79	<div><div></div><div></div><div></div></div>	100%	147	151	<div><div></div><div></div><div></div></div>	100%	97	106	<div><div></div><div></div><div></div></div>	100%	198	204	<div><div></div><div></div><div></div></div>	100%	77	84	<div><div></div><div></div><div></div></div>	100%	154	192	<div><div></div><div></div><div></div></div>	100%		Due to the COVID pandemic and shelter-in-place (SIP), fewer targets were met than typical at yearend. Staff actively communicated with grantees to understand challenges and changes in service delivery. Transition to virtual services was generally successful, however as time was lost in Q4, some targets were missed, as would be expected.
		Services provided	295	321	<div><div></div><div></div><div></div></div>		798	785	<div><div></div><div></div><div></div></div>		528	512	<div><div></div><div></div><div></div></div>		1,078	1,081	<div><div></div><div></div><div></div></div>		420	459	<div><div></div><div></div><div></div></div>		840	1,056	<div><div></div><div></div><div></div></div>			
		Improvement in average level of weekly physical activity from baseline	19%	21%	<div><div></div><div></div><div></div></div>		20%	21%	<div><div></div><div></div><div></div></div>		20%	22%	<div><div></div><div></div><div></div></div>		21%	22%	<div><div></div><div></div><div></div></div>		20%	19%	<div><div></div><div></div><div></div></div>		21%	21%	<div><div></div><div></div><div></div></div>			
		Improvement in average levels of daily servings of vegetables from baseline	18%	20%	<div><div></div><div></div><div></div></div>		20%	20%	<div><div></div><div></div><div></div></div>		19%	19%	<div><div></div><div></div><div></div></div>		20%	20%	<div><div></div><div></div><div></div></div>		19%	20%	<div><div></div><div></div><div></div></div>		20%	19%	<div><div></div><div></div><div></div></div>			
		Improvement in levels of HDL-C as measured by follow-up lab test	4%	5%	<div><div></div><div></div><div></div></div>		4%	5%	<div><div></div><div></div><div></div></div>		5%	5%	<div><div></div><div></div><div></div></div>		6%	6%	<div><div></div><div></div><div></div></div>		5%	5%	<div><div></div><div></div><div></div></div>		5%	5%	<div><div></div><div></div><div></div></div>			
		Improvement in cholesterol ratio as measured by follow-up lab test	7%	7%	<div><div></div><div></div><div></div></div>		7%	7%	<div><div></div><div></div><div></div></div>		6%	6%	<div><div></div><div></div><div></div></div>		7%	7%	<div><div></div><div></div><div></div></div>		6%	7%	<div><div></div><div></div><div></div></div>		6%	6%	<div><div></div><div></div><div></div></div>			
		Sunnyvale Community Services <i>Social Work Case Mgmt. & Homebound Client Services</i> FY20 Approved: \$153,344 FY20 Spent: \$153,344 FY19 Approved: \$85,400 FY19 Spent: \$85,400 FY18 Approved: \$85,400 FY18 Spent: \$85,400 New Metrics: 3 of 7 *FY20 funding included the addition of Homebound Client Services combined with Social Work Case Management	Individuals served (social work case management and homebound clients)	-	-			50%	-		-		100%		-	-			100%	-	-			80%	120		76	
	Services provided (case management and homebound client services)		-	-		-	-			-	-			-	-		410	277		<div><div></div><div></div><div></div></div>	824	833	<div><div></div><div></div><div></div></div>					
	Meetings conducted to implement case plan		-	-		-	-			135	217	<div><div></div><div></div><div></div></div>		315	682	<div><div></div><div></div><div></div></div>	210	214		<div><div></div><div></div><div></div></div>	330	442	<div><div></div><div></div><div></div></div>		Transition to telephone services instead of in-person meetings resulted in more phone calls and touch points with clients.			
	Homebound client participants who are connected to appropriate benefits programs, support programs and resources		-	-		-	-			-	-			-	-		70%	75%		<div><div></div><div></div><div></div></div>	70%	90%	<div><div></div><div></div><div></div></div>		COVID increased the need to connect homebound older adults with food programs.			
	Sheltered clients who maintain housing for 60 days after financial assistance and referrals		90%	0%	<div><div></div><div></div><div></div></div>	90%	100%		<div><div></div><div></div><div></div></div>	90%	93%	<div><div></div><div></div><div></div></div>		90%	96%	<div><div></div><div></div><div></div></div>	90%	100%		<div><div></div><div></div><div></div></div>	90%	90%	<div><div></div><div></div><div></div></div>					
	Homeless clients who are moved to temporary/permanent housing within 6 months of case plan		80%	0%	<div><div></div><div></div><div></div></div>	80%	100%		<div><div></div><div></div><div></div></div>	80%	75%	<div><div></div><div></div><div></div></div>		80%	75%	<div><div></div><div></div><div></div></div>	80%	0%		<div><div></div><div></div><div></div></div>	80%	80%	<div><div></div><div></div><div></div></div>					
	Sunnyvale Community Services <i>Emergency Assistance</i> FY20 Approved: \$65,000 FY20 Spent: \$65,000 FY19 Approved: \$100,000 FY19 Spent: \$100,000 FY18 Approved: \$100,000 FY18 Spent: \$100,000 New Metrics: 1 of 5	Individuals served	2,000	2,476	<div><div></div><div></div><div></div></div>	100%	3,000	3,086	<div><div></div><div></div><div></div></div>	100%	2,000	2,180	<div><div></div><div></div><div></div></div>	100%	3,000	2,977	<div><div></div><div></div><div></div></div>	80%	1,600	2,081	<div><div></div><div></div><div></div></div>	100%	2,400	2,589	<div><div></div><div></div><div></div></div>	100%		
		Individuals receiving financial assistance for health-related bills	20	59	<div><div></div><div></div><div></div></div>		45	66	<div><div></div><div></div><div></div></div>		20	33	<div><div></div><div></div><div></div></div>		45	36	<div><div></div><div></div><div></div></div>		18	18	<div><div></div><div></div><div></div></div>		30	27	<div><div></div><div></div><div></div></div>			
		Homebound senior clients who receive at least six monthly visits and food deliveries from a social worker or volunteer	-	-			-	-			90%	96%	<div><div></div><div></div><div></div></div>		90%	93%	<div><div></div><div></div><div></div></div>		90%	95%	<div><div></div><div></div><div></div></div>		90%	89%	<div><div></div><div></div><div></div></div>			
		Individuals receiving financial assistance for medically related bills who are still housed 60 days after assistance - if they are not homeless when assisted	75%	100%	<div><div></div><div></div><div></div></div>		75%	80%	<div><div></div><div></div><div></div></div>		80%	100%	<div><div></div><div></div><div></div></div>		80%	100%	<div><div></div><div></div><div></div></div>		80%	100%	<div><div></div><div></div><div></div></div>		80%	89%	<div><div></div><div></div><div></div></div>			
		Participants who rank agency staff and services at least 8 out of 10 on the standardized survey about how likely they would recommend services to family and friends	-	-			-	-			-	-			-	-			N/A	N/A			80%	89%	<div><div></div><div></div><div></div></div>			
	The Health Trust <i>Meals on Wheels</i> FY20 Approved: \$60,000 FY20 Spent: \$60,000 FY19 Approved: \$78,000 FY19 Spent: \$78,000 FY18 Approved \$100,000 FY18 Spent: \$100,000 New Metrics: 0 of 4	Individuals served	55	28	<div><div></div><div></div><div></div></div>	20%	75	100	<div><div></div><div></div><div></div></div>	80%	45	54	<div><div></div><div></div><div></div></div>	75%	58	55	<div><div></div><div></div><div></div></div>	100%	30	33	<div><div></div><div></div><div></div></div>	100%	40	33	<div><div></div><div></div><div></div></div>	75%	Agency provided more meals than anticipated for existing clients as a result of SIP. Meals provided and older adults served align with reduced funding.	
		Meals delivered	3,600	1,048	<div><div></div><div></div><div></div></div>		8,800	7,964	<div><div></div><div></div><div></div></div>		2,808	6,986	<div><div></div><div></div><div></div></div>		6,864	12,043	<div><div></div><div></div><div></div></div>		3,714	4,847	<div><div></div><div></div><div></div></div>		7,428	8,288	<div><div></div><div></div><div></div></div>			
		Wellness checks administered	2,340	681	<div><div></div><div></div><div></div></div>		5,720	5,122	<div><div></div><div></div><div></div></div>		1,750	4,122	<div><div></div><div></div><div></div></div>		4,460	7,186	<div><div></div><div></div><div></div></div>		2,414	2,812	<div><div></div><div></div><div></div></div>		4,828	4,344	<div><div></div><div></div><div></div></div>			
		Clients will show an increase in their socialization, indicating the client is less socially isolated	-	-			-	-			25%	50%	<div><div></div><div></div><div></div></div>		25%	52%	<div><div></div><div></div><div></div></div>		40%	50%	<div><div></div><div></div><div></div></div>		40%	50%	<div><div></div><div></div><div></div></div>			
	YMCA FY20 Approved: \$70,000 FY20 Spent: \$70,000 FY19 Approved: \$75,000 FY19 Spent: \$75,000 FY18 Approved \$70,000 FY18 Spent: \$70,000 New Metrics: 0 of 3	Youth served (K-8)	225	277	<div><div></div><div></div><div></div></div>	100%	420	437	<div><div></div><div></div><div></div></div>	100%	295	327	<div><div></div><div></div><div></div></div>	100%	460	616	<div><div></div><div></div><div></div></div>	100%	330	328	<div><div></div><div></div><div></div></div>	33%	600	605	<div><div></div><div></div><div></div></div>	33%		Although agency increased parent education on nutrition and provided additional resources and recipes, agency reported the stress of the pandemic may have impacted healthy habits and that families were purchasing items with a longer shelf-life, limiting the amount of produce purchased.
		Families who agree or strongly that their children were more physically active after attending camp	75%	83%	<div><div></div><div></div><div></div></div>		75%	94%	<div><div></div><div></div><div></div></div>		87%	94%	<div><div></div><div></div><div></div></div>		87%	94%	<div><div></div><div></div><div></div></div>		95%	83%	<div><div></div><div></div><div></div></div>							
		Families who agree or strongly agree that their child eats more fruits and vegetables after attending camp	50%	51%	<div><div></div><div></div><div></div></div>		50%	85%	<div><div></div><div></div><div></div></div>		55%	85%	<div><div></div><div></div><div></div></div>		55%	85%	<div><div></div><div></div><div></div></div>		85%	66%	<div><div></div><div></div><div></div></div>							

Community Benefit Dashboard Notes

FY20

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "purple" indicator if performance against target is 75% - 89%

A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

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A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Community Benefit Dashboard Notes



FY20

- A metric receives a "green" indicator if performance against target is 90% - 100+%
- A metric receives a "purple" indicator if performance against target is 75% - 89%
- A metric receives a "blue" indicator if performance against target is 0% - 74%

FY18 and FY19

- A metric receives a "green" indicator if performance against target is 90% - 100+%
- A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area	Partner	FY20 Metrics	FY18 6-month target	FY18 6-month actual	<div><div></div></div>	FY18 % 6- month metrics met	FY18 Annual Target	FY18 Annual Actual	<div><div></div></div>	FY18 % Annual metrics met	FY19 6-month target	FY19 6-month actual	<div><div></div></div>	FY19 % 6- month metrics met	FY19 Annual Target	FY19 Annual Actual	<div><div></div></div>	FY19 Annual Metrics Met	FY20 6- month Target	FY20 6- month Actual	<div><div></div></div>	FY20 6- month Metrics Met	FY20 Annual Target	FY20 Annual Actual	<div><div></div></div>	FY20 Yearend Metrics Met	Supporting Details for Variance
																											<div>Due to the COVID pandemic and shelter-in-place (SIP), fewer targets were met than typical at yearend. Staff actively communicated with grantees to understand challenges and changes in service delivery. Transition to virtual services was generally successful, however as time was lost in Q4, some targets were missed, as would be expected.</div>
Small Grants (Continued)Ⓔ																											
<div><div>HEALTHY MIND</div><div></div></div>	<div>EDRC (Small Grant) FY20 Approved: \$20,000 FY20 Spent: \$20,000 FY19 Approved: \$20,000 FY19 Spent: \$20,000 FY18 Approved: \$20,000 FY18 Spent: \$20,000</div>	Individuals served	78	78	<div><div></div></div>	100%	375	342	<div><div></div></div>	100%	212	187	<div><div></div></div>	0%	424	410	<div><div></div></div>	100%	148	135	<div><div></div></div>	100%	296	267	<div><div></div></div>	100%	
	<div>Mission Be (Small Grant) FY20 Approved: \$25,000 FY20 Spent: \$25,000 FY19 Approved: \$25,000 FY19 Spent: \$25,000</div>	Individuals served	-	-		N/A	-	-		N/A	238	288	<div><div></div></div>	100%	475	577	<div><div></div></div>	100%	240	200	<div><div></div></div>	0%	475	619	<div><div></div></div>	100%	Due to COVID, there was increased demand from schools for mindfulness programming.
<div><div>HEALTHY COMMUNITY</div><div></div></div>	<div>Columbia Neighborhood Center (Small Grant) <i>Healthy Habits & Practices: A Fitness & Cooking Program for Low-Income Families and Youth</i> FY20 Approved: \$24,500 FY20 Spent: \$16,206</div>	Individuals served	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	57	41	<div><div></div></div>	0%	124	66	<div><div></div></div>	0%	Program cancelled services due to SIP; target met at 53%.
	<div>Matter of Balance (Small Grant) FY20 Approved: \$15,500 FY20 Spent: \$13,399 FY19 Approved: \$14,330 FY19 Spent: \$14,330 FY18 Approved: \$14,000 FY18 Spent: \$14,000</div>	At-risk older adults served	40	41	<div><div></div></div>	100%	135	155	<div><div></div></div>	100%	50	66	<div><div></div></div>	100%	165	189	<div><div></div></div>	100%	50	60	<div><div></div></div>	100%	165	129	<div><div></div></div>	0%	Falls prevention classes for older adults cancelled due to SIP; target met at 78%.
	<div>MVPD - Dreams and Futures Camp (Small Grant) FY20 Approved: \$25,000 FY20 Spent: \$25,000 FY19 Approved: \$25,000 FY19 Spent: \$25,000 FY18 Approved: \$25,000 FY18 Spent: \$25,000</div>	Youth served	40	49	<div><div></div></div>	100%	80	97	<div><div></div></div>	100%	40	40	<div><div></div></div>	100%	80	97	<div><div></div></div>	100%	40	40	<div><div></div></div>	100%	85	102	<div><div></div></div>	100%	
	<div>Silicon Valley Bicycle Coalition Pedal2Health Grant <i>not continuing in FY21</i> FY20 Approved: \$25,000 FY20 Spent: \$25,000 New Metrics: N/A</div>	Individuals served	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	-	-		New Program in FY20	50	21	<div><div></div></div>	0%	100	54	<div><div></div></div>	0%	Agency unable to complete workshops due to COVID; target met at 54%.

Community Benefit Dashboard Notes

FY20

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FY18 and FY19

A metric receives a "green" indicator if performance against target is 90% - 100+%

A metric receives a "red" indicator if performance against target is 0% - 89%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year



**Improving Health
Changing Lives**

Community Health Investment

El Camino Healthcare District

\$7.4M Grants & Sponsorships

El Camino Hospital

\$72.7M Total Community Benefit

\$3.6M Grants & Sponsorships

Executive Summary for the Board

Supporting the Health of Our Neighbors

With the onset of the COVID-19 pandemic during fiscal year 2020, the critical services we fund through our community benefit grants are needed now more than ever. In the face of the pandemic's hardship, our grant partners rose to the challenge. The [FY 2020 Community Benefit Report](#) highlights our investments including:

- **The Hospital's Total Community Benefit commitment of \$72.7 Million – \$7.8 Million more than last year – serving 92,730 people.** This includes charity care, community grants and more to address the unmet health needs of vulnerable and underserved community members. [See the financial report online.](#)
- **\$11 Million combined total for 148 grants and sponsorships.** The District and the Hospital work with community partners to prevent disease, improve mental health, and make healthcare and healthy choices more accessible. [See our community partners.](#)
- **\$240,000 in COVID-19 emergency funds** to 16 agencies in April and May 2020. [Learn how we and our partners responded.](#)

Financial Report FY 2020

\$72.7M El Camino Hospital
TOTAL COMMUNITY BENEFIT



\$39,218,773	Government-Sponsored Healthcare (Unreimbursed Medi-Cal)
\$23,772,792	Subsidized Health Services
\$4,038,282	Financial Assistance (Charity Care)
\$3,608,795	Grants and Sponsorships
\$1,323,172	Health Professions Education
\$308,566	Clinical Research
\$258,109	Community Benefit Operations
\$175,607	Community Health Improvement Services
+ \$118M	in Uncompensated Medicare (Not Included in Community Benefit Total)

Please take a moment to visit the [FY 2020 Community Benefit Report](#) and learn more about how we are addressing unmet health needs in our community.



EL CAMINO HEALTHCARE DISTRICT





EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors
From: Cecile Currier, VP Corp. & Comm. Health Svcs and President, CONCERN:EAP
Barbara Avery, Director Community Benefit
Date: October 20, 2020
Subject: Community Benefit Sponsorships

Purpose:

To provide the Board with FY20 ECHD Sponsorships July 2020 – September 2020.

Summary:

1. **Situation:** Community Benefit Staff was asked to keep the Board informed regarding Community Benefit Sponsorships YTD.
2. **Authority:** Board reviewed and approved \$100,000 for Sponsorships in the FY21 Community Benefit Plan in June 2020.
3. **Background:**
 - Sponsorship information and instructions are available on the District website.
 - Requests include sponsorship packets that outline event date, purpose, levels of sponsorship and requirements for sponsor acknowledgement. These requests are reviewed throughout the year as they come in by Community Benefit Staff and the other designated departments that provide community sponsorships (*e.g.*, Marketing & Communications and Government & Community Relations).
 - Community Benefit-funded Sponsorships provide general support for health-related agencies improving the well-being of the community.
 - Community Benefit Sponsorships from **July 1- September 30, 2020** totaled **\$3,000** for the following agency:
 - o Healthier Kids Foundation's virtual event
 - Most sponsorship events occur after Q1
4. **Assessment:** N/A
5. **Other Reviews:** N/A
6. **Outcomes:** N/A

List of Attachments: N/A

Suggested Board Discussion Questions: None. This is an informational consent item.



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

**Board Finance Presentation – ECHD Stand-Alone
Fiscal Year 2020
7/1/2019- 6/30/2020**

Carlos Bohorquez, CFO
El Camino Healthcare District Board of Directors Meeting
October 20, 2020

Contents

ECHD **Stand-Alone Financial Statements**

Comparative Balance Sheet as of June 30, 2020	Page 3
Statement of Revenues & Expenses Year to Date thru June 30, 2020.....	Page 4
Statement of Fund Balance Activity as of June 30, 2020	Page 5
Notes to Financial Statements	Pages 6-8
Sources & Uses of Property Taxes	Page 9

NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019		June 30, 2020 Pre-audit w/o Eliminations	June 30, 2019
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Cash & cash equiv	\$5,443	\$3,679	Accounts payable ⁽⁸⁾	\$79	\$0
Short term investments	5,710	8,523	Current portion of bonds	4,400	3,800
Due fm Retiree Health Plan ⁽¹⁾	30	30	Bond interest payable	1,852	2,403
S.C. M&O Taxes Receivable	0	0	Other Liabilities	1,295	102
Other current assets	268	17			
Total current assets	\$11,451	\$12,249	Total current liabilities	\$7,626	\$6,305
Operational Reserve Fund ⁽²⁾	1,500	1,500			
Capital Appropriation Fund ⁽³⁾	26,495	23,778			
Capital Replacement Fund ⁽⁴⁾	5,741	5,592	Deferred income	50	49
Community Benefit Fund ⁽⁵⁾	2,349	1,822	Bonds payable - long term	116,651	121,392
Total Board designated funds	\$36,085	\$32,693	Total liabilities	\$124,327	\$127,746
Funds held by trustee ⁽⁶⁾	\$27,347	\$24,028	Fund balance		
Capital assets, net ⁽⁷⁾	\$10,710	\$10,766	Unrestricted fund balance	\$56,814	\$55,558
			Restricted fund balance ⁽⁹⁾	(95,548)	(103,567)
			Total fund balance	(\$38,734)	(\$48,009)
TOTAL ASSETS	\$85,593	\$79,736	TOTAL LIAB & FUND BALANCE	\$85,593	\$79,736



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Comparative Year-to-Date June 30, 2020

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<u>REVENUES</u>				
(A) Ground Lease Revenue ⁽¹⁰⁾	\$ 91	\$ 96	\$ (5)	\$ 96
(B) Redevelopment Taxes ⁽¹¹⁾	325	-	325	268
(B) Unrestricted M&O Property Taxes ⁽¹¹⁾	8,845	8,845	-	8,429
(B) Restricted M&O Property Taxes ⁽¹¹⁾	9,706	7,654	2,052	8,989
(B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾	10,493	10,200	293	9,989
(B) IGT/PRIME Medi-Cal Program ⁽¹²⁾	(4,048)	(3,342)	(706)	(6,829)
(B) Investment Income (net)	1,444	897	547	1,307
(B) Other income	-	-	-	0
TOTAL NET REVENUE	26,856	24,350	2,506	22,249
<u>EXPENSES</u>				
(A) Wages & Benefits ⁽¹³⁾	-	-	-	0
(A) Professional Fees & Purchased Svcs ⁽¹⁴⁾	553	613	60	629
(A) Supplies & Other Expenses ⁽¹⁵⁾	90	116	26	62
(B) G.O. Bond Interest Expense (net) ⁽¹⁶⁾	2,474	3,320	846	2,805
(B) Community Benefit Expenditures ⁽¹⁷⁾	7,544	7,800	256	7,337
(A) Depreciation / Amortization	57	57	-	212
TOTAL EXPENSES	10,718	11,906	1,188	11,045
NET INCOME	\$ 16,138	\$ 12,444	\$ 3,694	\$ 11,204
 (A) Operating Revenues & Expenses (B) Non-operating Revenues & Expenses				
<u>RECAP STATEMENT OF REVENUES & EXPENSE</u>				
(A) Net Operating Revenues & Expenses	\$ (609)			
(B) Net Non-Operating Revenues & Expenses	16,747			
NET INCOME	\$ 16,138			



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

Comparative YTD **Stand-Alone** Stmt of Fund Balance Activity (\$ Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Fiscal year beginning balance	\$ (48,009)	\$ (59,866)
Net income year-to-date	\$ 16,138	\$ 11,204
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽¹⁸⁾	\$ 360	\$ 6,829
Capital Appropriation projects ⁽¹⁹⁾	\$ (7,223)	(6,176)
Fiscal year ending balance	<u><u>\$ (38,734)</u></u>	<u><u>\$ (48,009)</u></u>



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (1) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operational Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – The net increase of \$2.8 million is a combination of the transfer to the Hospital in support of the Women's Hospital upcoming renovation (\$6.1M) and this year's property taxes in excess of the Gann Limit (\$8.9M) that is restricted for the Capital Appropriation Fund.
- (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 (Park Pavilion) owned by the District.
- (5) **Community Benefit Fund** – This fund retains the unrestricted property M&O taxes to pay for its operations and to support its Community Benefit Programs. As the year ended there is approximately \$8.5 million to be transferred into this fund to be used in fiscal year 2021.
- (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, property at the end of South Drive (currently for the Road Runners operations), 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 17 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

(10) Other Operating Revenue – Lease income from El Camino Hospital for its ground lease with the District.

(11) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period. Note amount for the G.O. Taxed Levied for Debt will come in less than prior year mostly due to the March 2017 G.O. Refunding that the District did that reduced the previously \$12.90 of assessed property valuation per \$100,000 to a current \$10.00 per \$100,000.

(12) IGT/PRIME Expense – A payment in support of the PRIME program, will provide a return at two (2) times this amount.

(13) Wages & Benefits – The District employs no employees. Employees are based at the Hospital, CONCERN, or SVMD entities. The District does contract with the Hospital and outside professional and general services organizations (see item 14).

(14) Professional Fees & Services – Detailed below:

• Community Benefit Support from ECH	\$ 397
• Consulting	61
• Legal	63
• Videotaping of Board Meeting	4
• Website	24
• Other	<u>4</u>
	<u>\$ 553</u>

(15) Supplies & Other Expenses – Detailed below:

• Marketing	\$ 27
• Dues (LAFCO & CSDA)	23
• Postage (Fall newsletter no other support)	18
• Digital Website Development	15
• Board Education / Travel	4
• Board Meeting Stipends	<u>3</u>
	<u>\$ 90</u>



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- 16) **G.O. Bond Interest Expense** – It is to be noted that on March 22, 2017 the District refunded \$99M of its remaining \$132M 2006 G.O. bond issue. Refunding of the 2006 G.O. debt, given current interest rates, caused a net present value savings of \$7M.
- 17) **Community Benefit Expenditures** – Starting in FY 2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year . Note the major payments to recipients are made in August and February of the fiscal year.
- 18) **IGT/PRIME Funding** – Transfers from ECH for participation in the PRIME program thus far in FY 2020.
- 19) **Capital Appropriation Projects Transfer** – This amount for FY2020 was the approved amount at the Board's June 2019 meeting to be transferred to the Hospital during FY2020 for the future renovation of the Women's Hospital after the IMOB is completed in the early 2020.

Note The \$1.2M FY2020 funding for the Community Testing Program will be recorded in October 2020.



El Camino Healthcare District

Sources & Uses of Tax Receipts (\$Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

Sources of District Taxes

6/30/2020

(1) Maintenance and Operation and Government Obligation Taxes \$29,044

(2) Redevelopment Agency Taxes 325

Total District Tax Receipts \$29,369

Uses Required Obligations / Operations

(3) Government Obligation Bond 10,493

Total Cash Available for Operations, CB Programs, & Capital Appropriations 18,876

(4) Capital Appropriation Fund – Excess Gann Initiative Restricted* 9,706

Subtotal 9,170

(5) Operating Expenses 643

Subtotal 8,527

(6) Capital Replacement Fund (Park Pavilion) 74

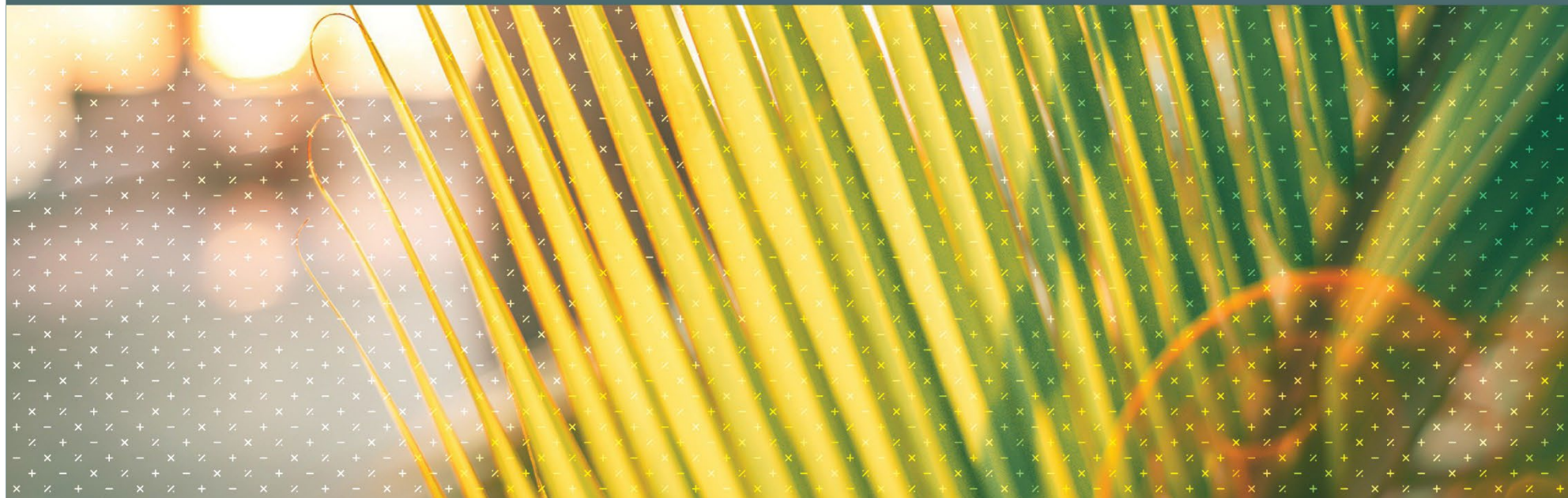
Funds Available for Community Benefit Programs \$8,453

*Gann Limit Calculation for FY2020

\$8,845

(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)





2020 Audit Results - El Camino Healthcare District

Prepared by the Moss Adams Health Care Group

June 30, 2020

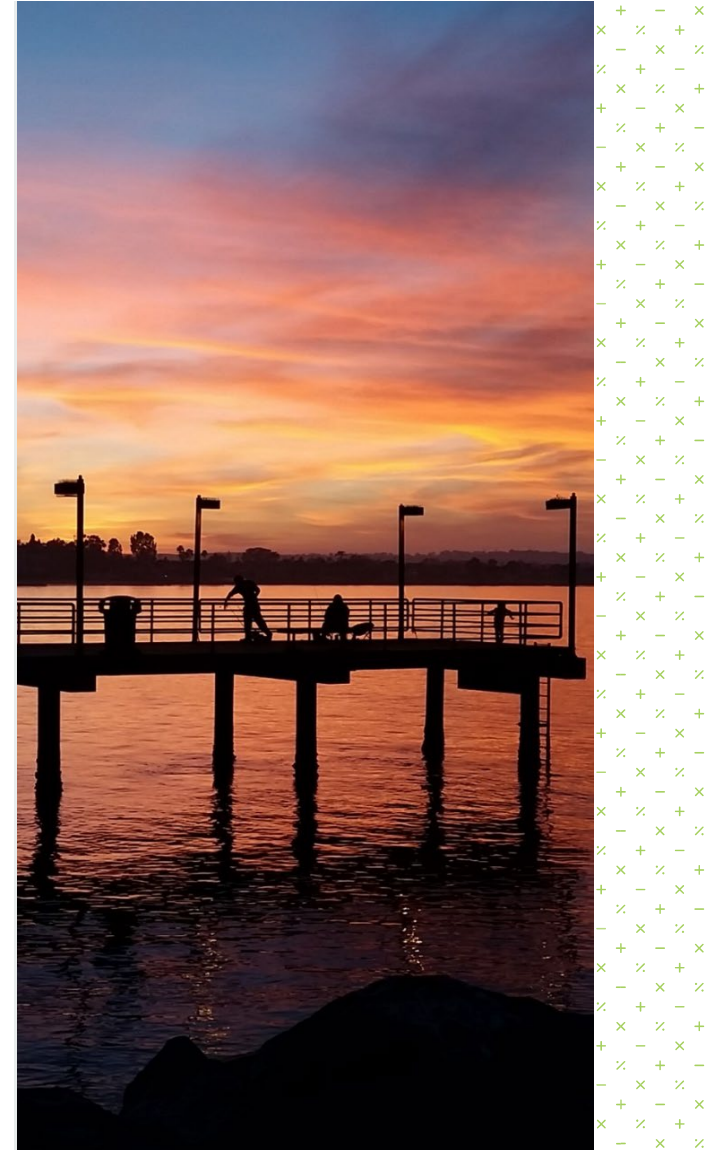


Agenda

1. Auditor Opinion and Reports
2. Statements of Net Position
3. Operations
4. Communication with Those Charged with Governance



Auditor Opinion & Reports



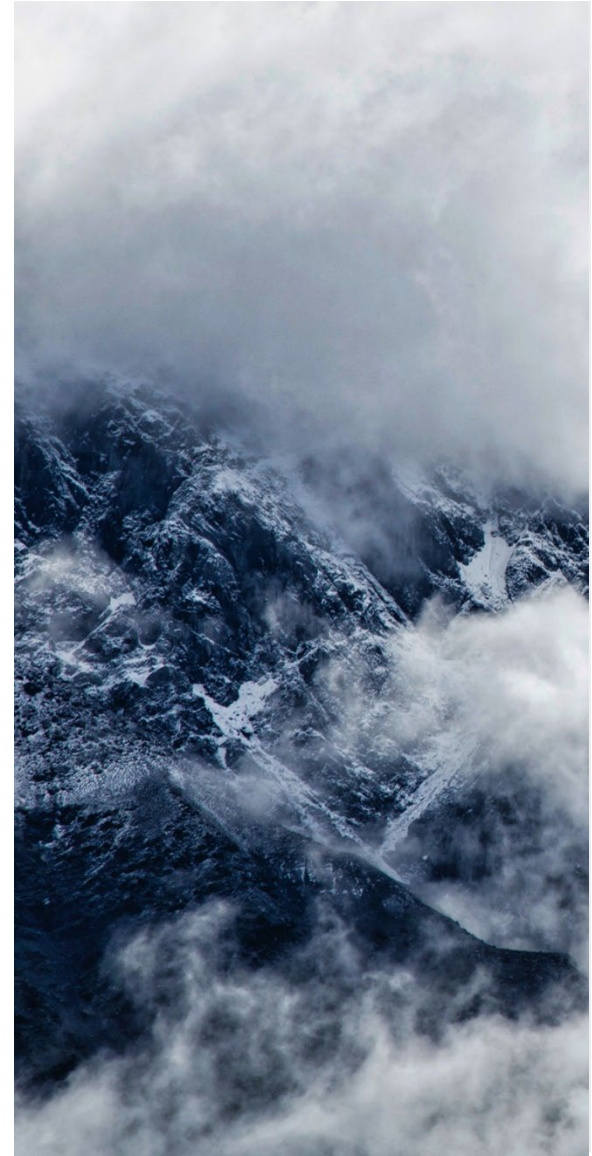
Scope of Services

We have performed the following services for El Camino Healthcare District:

- Annual consolidated financial statement audit as of and for the year ended June 30, 2020
- Annual El Camino Hospital Auxiliary financial statement audit for the year ended June 30, 2020

We have also performed nonattest services:

- Lean consulting work
- Assist you in drafting the consolidated financial statements and related footnotes as of and for the year ended June 30, 2020, and the auditee portion of the Data Collection Form



Auditor Report on the Consolidated Financial Statements

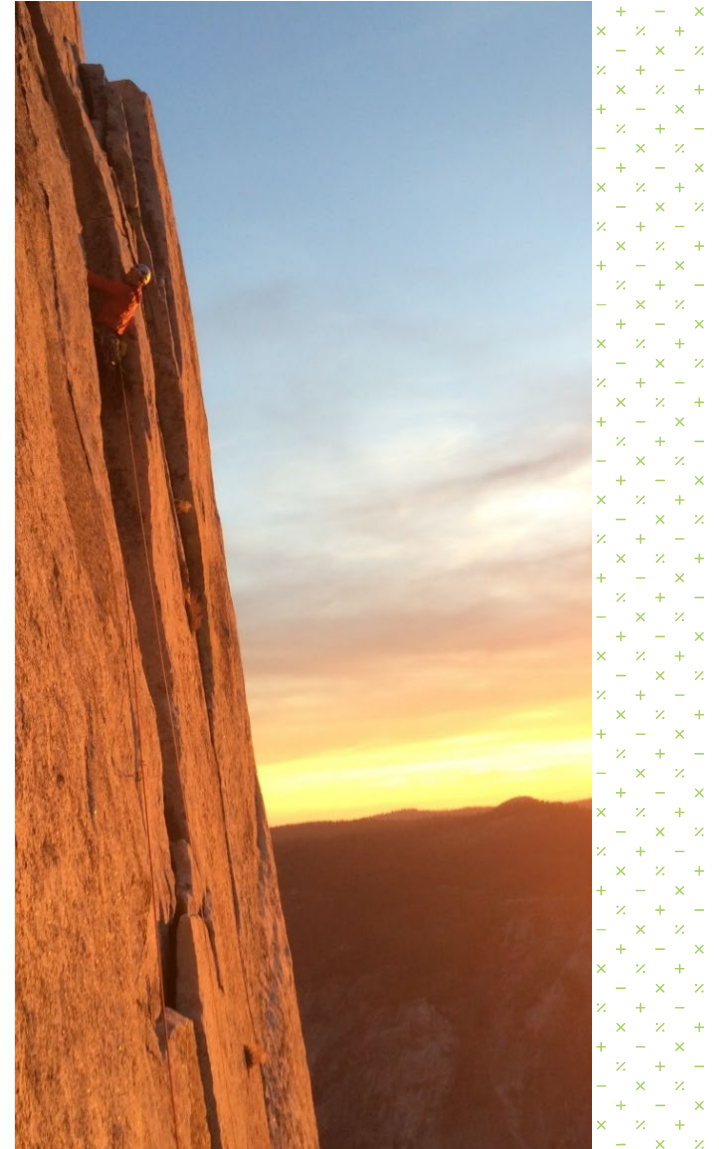
Unmodified Opinion

- Consolidated financial statements are presented fairly and in accordance with U.S. GAAP

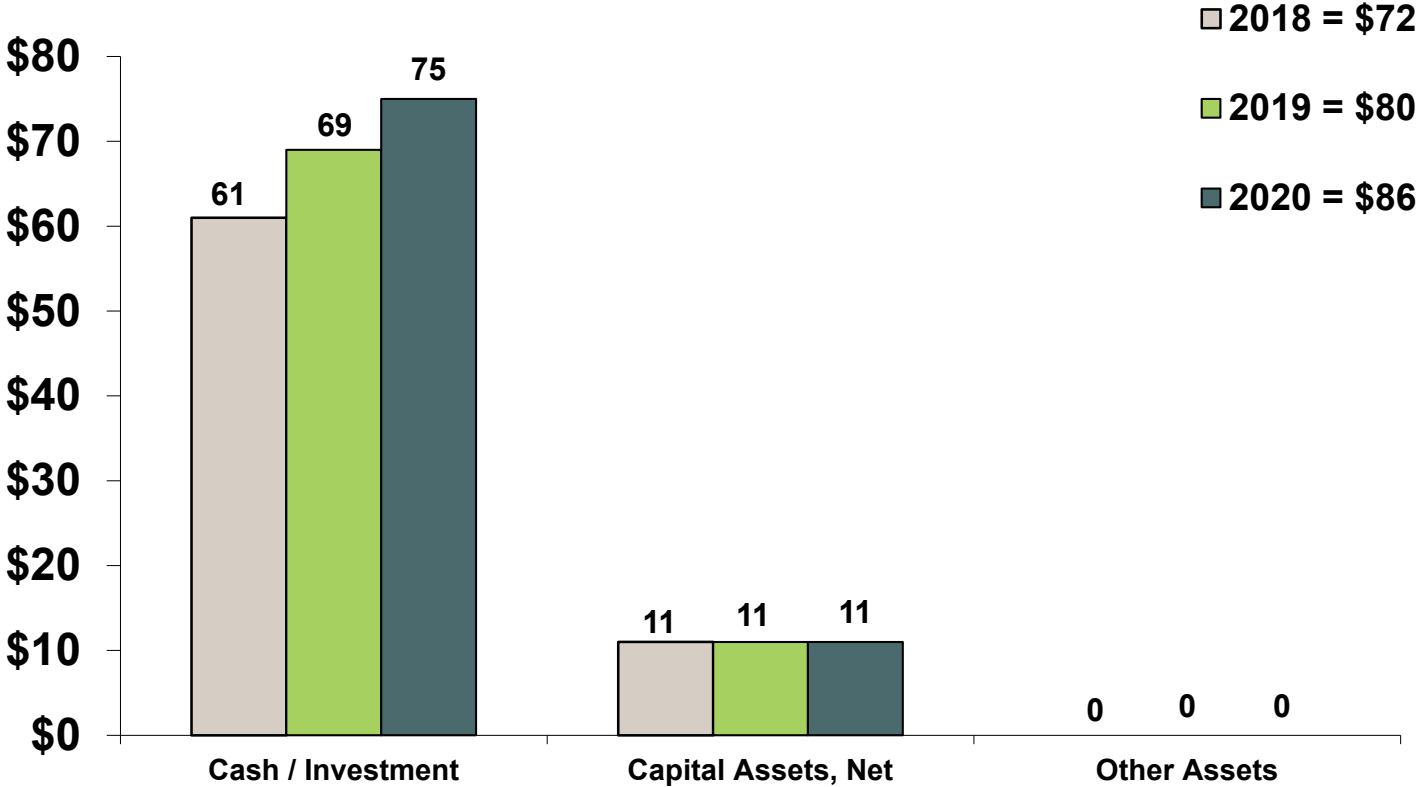




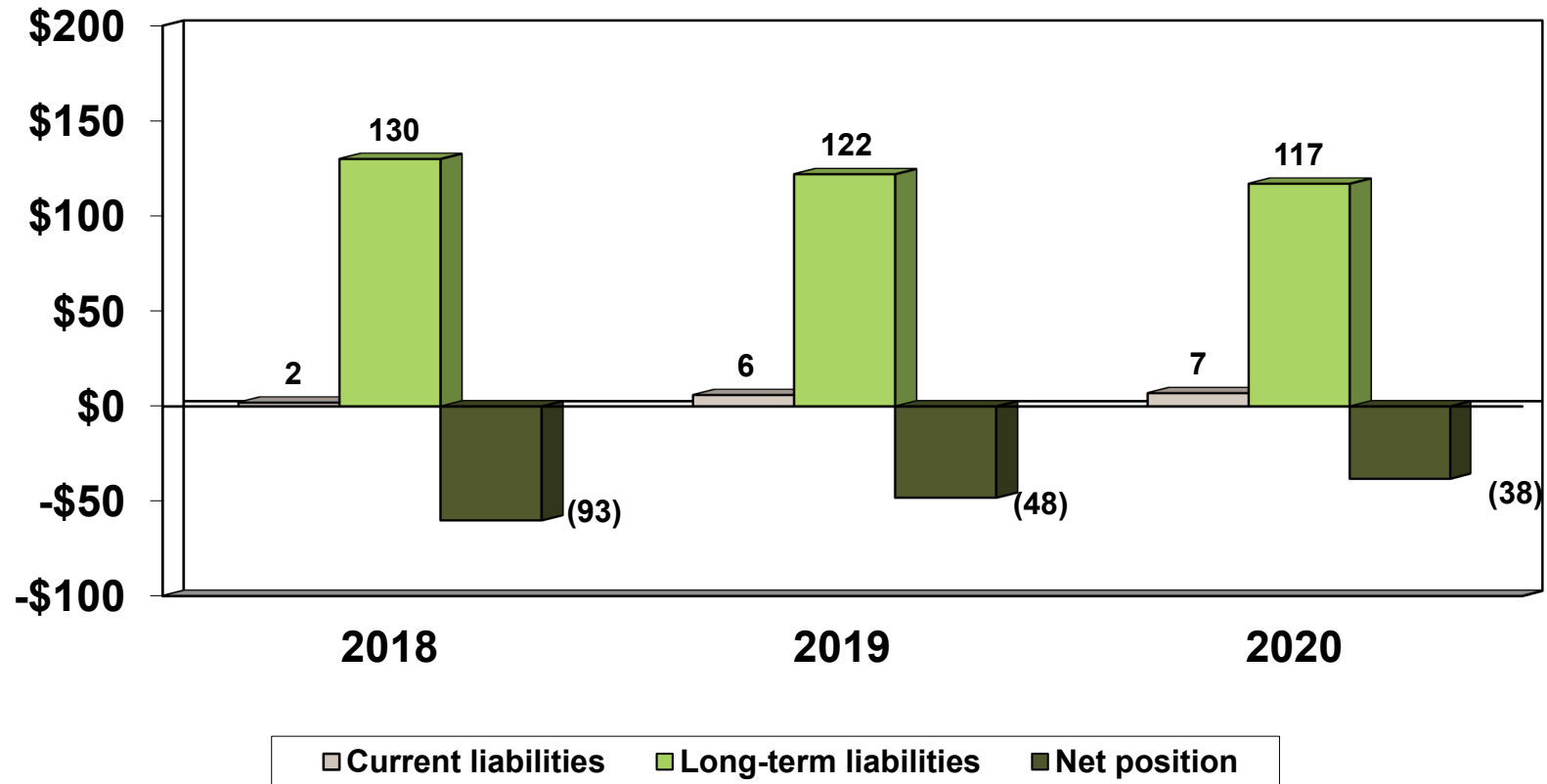
Statements of Net Position



Assets and Deferred Outflows (in millions)

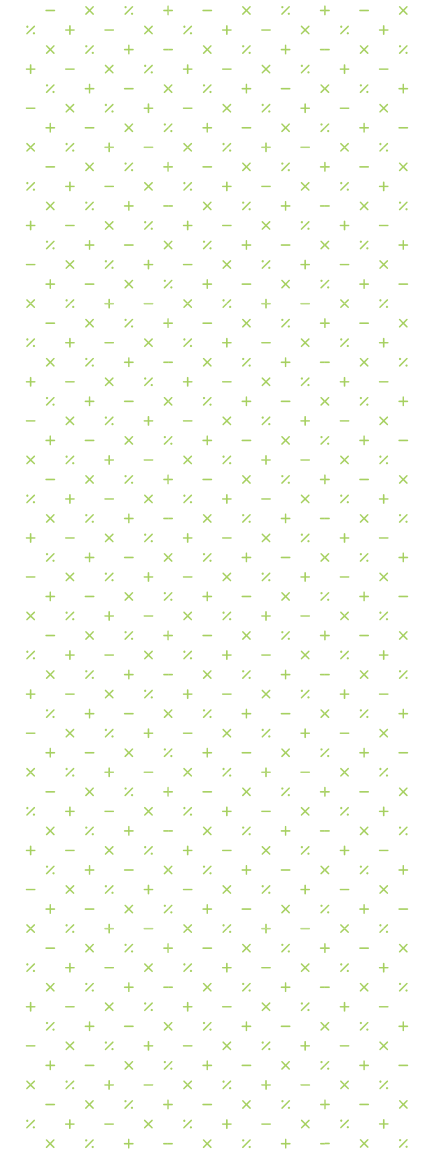


Liabilities, Deferred Inflows, and Net Position (in millions)





Operations



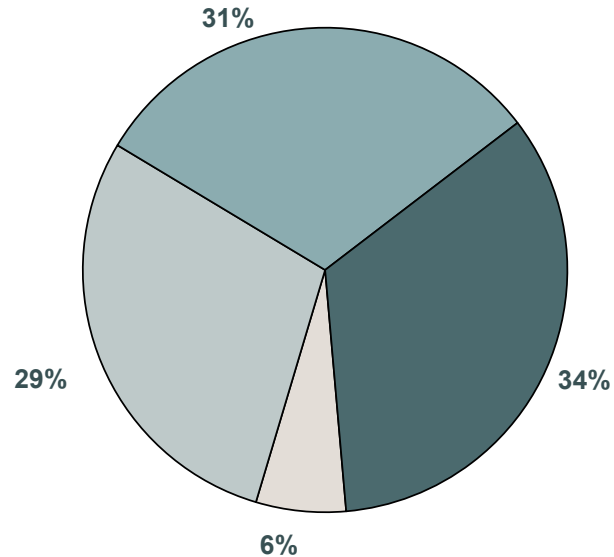
Income Statement Year to Year Comparison

Sources of Nonoperating Revenues (in thousands)



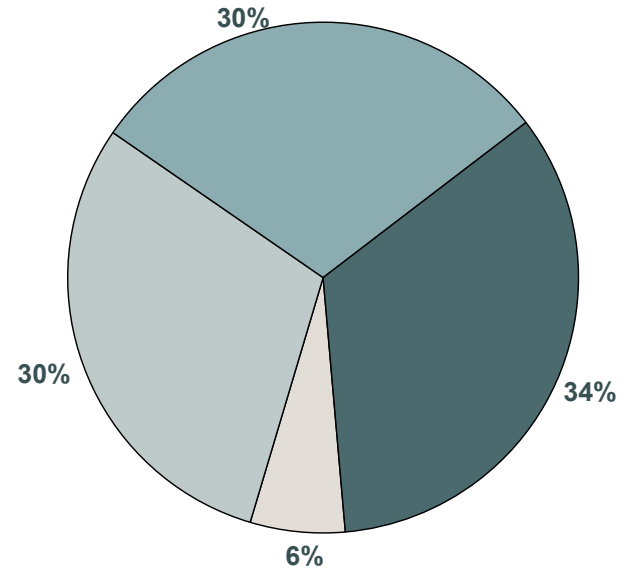
10

June 30, 2020
\$31,168



- Investment income, net
- Property tax revenue - designated for community benefit programs & operating expenses
- Property tax revenue - designated for capital expenditures
- Property tax revenue - levied for debt services

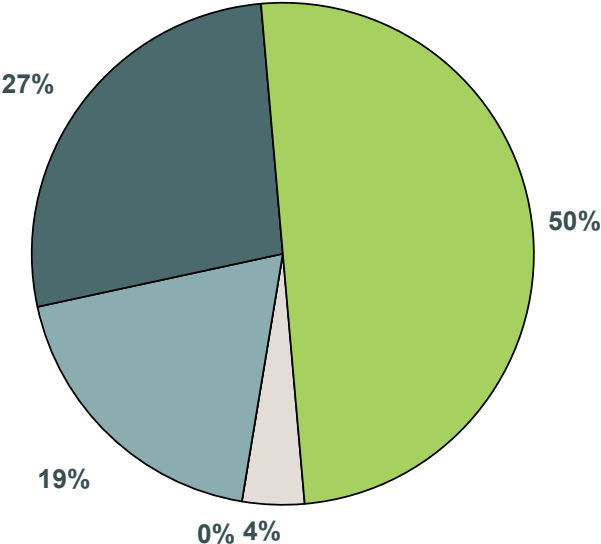
June 30, 2019
\$29,360



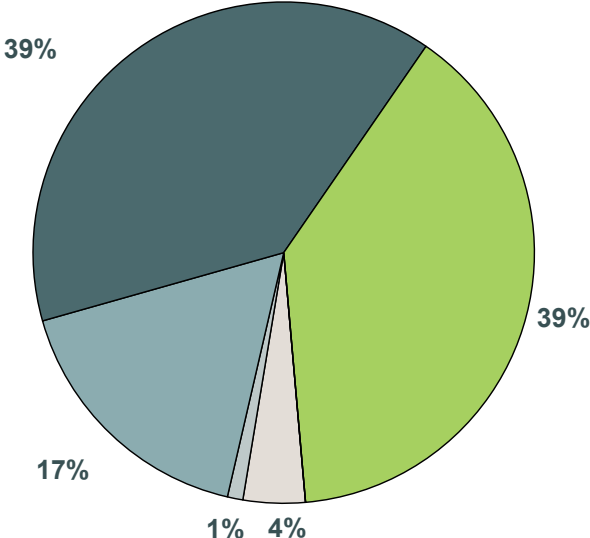
Income Statement Year to Year Comparison

Outflow of Expenses (in thousands)

June 30, 2020
\$15,121

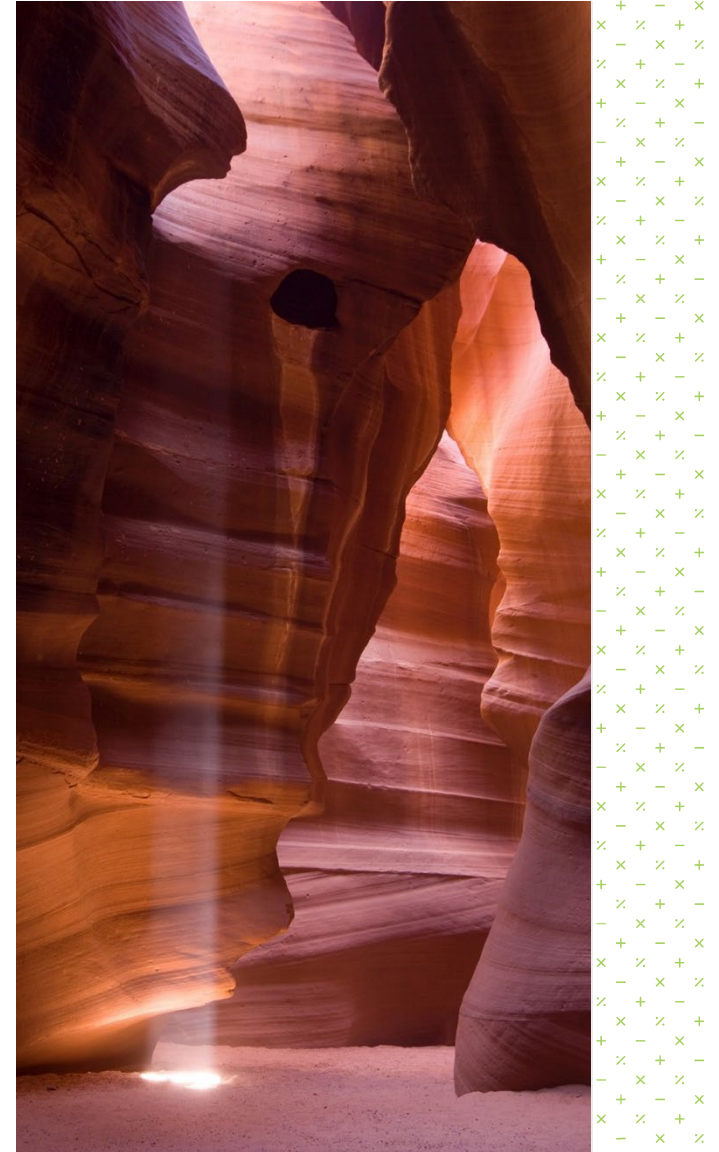


June 30, 2019
\$18,685









Communications with Those Charged with Governance



Our Responsibility

			
<p>To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.</p>	<p>To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, Government Auditing Standards issued by the Comptroller General of the United States, and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.</p>	<p>To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.</p>	<p>To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.</p>

Significant Accounting Policies & Unusual Transactions

The auditor should determine that the Board of Directors is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the Board of Directors is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Our Comments

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the footnotes to the consolidated financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. During the year, the District adopted GASB Statement No. 88. There were no other changes to significant accounting policies for the year ended June 30, 2020.

We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.



Management Judgments & Accounting Estimates

The Board of Directors should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.

Our Comments

Management's judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the consolidated financial statements.

- Significant management estimates impacted the consolidated financial statements including the following:
 - net patient service revenue
 - provision for uncollectible accounts
 - fair market values of investments
 - uninsured losses for professional liability
 - minimum pension liability
 - liability for workers' compensation claims
 - liability for post-retirement medical benefits
 - valuation of gift annuities and beneficial interest in charitable remainder unitrusts
 - useful live of capital assets

We deem them to be reasonable.



Management Judgements & Accounting Estimates

Our views about the quantitative aspects of the entity's significant accounting policies, accounting estimates, and financial statement disclosures.

Our Comments

The disclosures in the consolidated financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users, however we do not believe any of the footnotes are particularly sensitive. We call your attention to the following notes:

- Note 2 – Significant concentration of net patient accounts receivable
- Note 5 – Fair value of investments
- Note 6 – Capital assets
- Note 7 – Employee benefit plans
- Note 8 – Post-retirement medical benefits
- Note 10 – Long-term debt
- Note 13 – Related party transactions



Significant Audit Adjustments & Unadjusted Differences Considered by Management to Be Immaterial

The Board of Directors should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the District's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future consolidated financial statements to be materially misstated.

The Board of Directors should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole.

Our Comments

CORRECTED ADJUSTMENTS:

- 1) \$12 million increase in net patient receivable and net patient revenue.
- 2) \$14 million decrease in short-term investments and investment income, net.



Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Board of Directors.

Our Comments

MATERIAL WEAKNESS

- None noted

SIGNIFICANT DEFICIENCIES

- Significant account reconciliations

OTHER MATTERS





**THANK
YOU**

FINAL DRAFT

*Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information*

El Camino Healthcare District

June 30, 2020 and 2019

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Management's Discussion and Analysis

FINAL DRAFT

El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2020, 2019, and 2018

El Camino Healthcare District (the "District") is comprised of six entities: the District, El Camino Hospital (the "Hospital"), El Camino Hospital Foundation (the "Foundation"), CONCERN: Employee Assistance Program ("CONCERN"), El Camino Surgery Center ("ECSC"), and Silicon Valley Medical Development, LLC ("SVMD").

Effective July 26, 2019, El Camino Hospital bought out the partnership that ECSC had with El Camino Ambulatory Surgery Center ("ECASC"), which operated an outpatient surgery center on the Mountain View campus. ECASC sold many of its capital assets to ECH and ECSC received its share of equity in partnership. ECASC completed its business unwinding during the fiscal year and distributed any remaining proceeds to ECSC. The Hospital renovated the former ECASC surgery center building and acquired new equipment that was put into place, and reopened the surgery center as an outpatient hospital department on June 29, 2020.

SVMD was organized as a California Limited Liability Corporation ("LLC") that was formed in 2008. Starting in fiscal year 2019 and continuing into the current fiscal year, SVMD has expanded to 14 clinic and urgent care sites that included certain assets of five clinics acquired through bankruptcy of Verity Health System in April 2019. The approximate number of affiliated physician providers has grown to 83 providers at year end across El Camino Medical Associates ("ECMA") and San Jose Medical Group ("SJMG") physician groups.

Overview of the Consolidated Financial Statements

This annual report consists of the consolidated financial statements and notes to those statements. These statements are organized to present the District as a whole, including all the entities it controls. Financial information for each separate entity is shown in the supplemental schedules on the last pages of the report. In accordance with the Governmental Accounting Standards Board ("GASB") Codification Section 2200, *Comprehensive Annual Financial Report*, the District presents comparative financial highlights for the fiscal years ended June 30, 2020, 2019, and 2018. This discussion and analysis should be read in conjunction with the consolidated financial statements in this report.

The consolidated statements of net position, the consolidated statements of revenues, expenses, and changes in net position, and the consolidated statements of cash flows provide an indication of the District's financial health. The consolidated statements of net position include all the District's assets and liabilities, using the accrual basis of accounting. The consolidated statements of revenues, expenses, and changes in net position report all of the revenues and expenses during the time periods indicated. The consolidated statements of cash flows report the cash provided by the operating activities, as well as other cash sources such as investment income and cash payments for capital additions and improvements.

Consolidated Financial Highlights

Year Ended June 30, 2020

For fiscal year ending June 30, 2020, the District increased its net position by \$130 million. In 2020, operating revenues increase by \$35 million over 2019, this was the result of an improved payer mix over FY 2019, Inter-Governmental Transfer ("IGT") / cost report settlements of \$14.9 million and Health and Human Services stimulus funds of \$19.0 million. In April 2020 the organization received \$75.8 million in advance Medicare payments, which will be withheld from future Medicare services starting in 120 days after receipt.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

Year Ended June 30, 2019

For fiscal year ending June 30, 2019, the District increased its net position by \$178 million. In 2019, operating revenues increased by \$53 million over 2018, this was the result of good volume, an increase in the commercial payer mix of 1% and IGT / cost report settlements of \$20.4 million.

Year Ended June 30, 2018

Exceeding a positive 2017 fiscal year, this year topped the prior year in producing the now greatest net income by creating an increase in net position of \$215 million in the 2018 fiscal year, which is \$38 million over the fiscal year of 2017, which had been the most successful year in the District's history. This \$38 million increase was entirely earned out of operations with significant growth in operating revenues.

FINAL DRAFT

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

Summary of Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position
As of June 30, 2020, 2019 and 2018

(In Thousands)

	2020	2019	2018
Assets:			
Current assets	\$ 653,665	\$ 578,195	\$ 539,161
Board designated and restricted funds, net of current portion	872,034	786,202	715,395
Funds held by trustee, net of current portion	50,825	107,101	218,457
Capital assets, net	1,166,036	1,096,493	920,200
Other assets	114,359	78,841	96,160
Total assets	2,856,919	2,646,832	2,489,373
Deferred outflows:			
Loss on defeasance of bond payable	12,361	12,962	13,562
Deferred outflow of resources	6,532	7,436	5,200
Deferred outflow - actuarial	1,861	10,546	2,414
Total deferred outflows	20,754	30,944	21,176
Total assets and deferred outflows	\$ 2,877,673	\$ 2,677,776	\$ 2,510,549
Liabilities:			
Current liabilities	\$ 221,415	\$ 161,709	\$ 145,514
Bonds payable, net of current portion	607,953	625,443	642,235
Other long-term liabilities	69,886	59,437	56,629
Total liabilities	899,254	846,589	844,378
Deferred inflows:			
Deferred inflow of resources	3,893	3,893	3,638
Deferred inflow - actuarial	26,806	9,375	22,835
Total deferred inflows	30,699	13,268	26,473
Net position:			
Unrestricted and invested in capital assets, net	1,919,091	1,793,704	1,620,328
Restricted by donors - charity and other	20,606	16,759	15,652
Restricted - endowments	8,023	7,456	3,718
Total net position	1,947,720	1,817,919	1,639,698
Total liabilities, deferred inflows, and net position	\$ 2,877,673	\$ 2,677,776	\$ 2,510,549
Operating cash equivalents and short-term investments	\$ 461,221	\$ 393,519	\$ 370,877
Board designated, funds held by trustee, and restricted funds	949,354	917,081	954,815
Total available cash & investments	\$ 1,410,575	\$ 1,310,600	\$ 1,325,692

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2020, 2019, and 2018

Investments

The District maintains sufficient cash balances to pay daily operational expenses and all short term liabilities. In late fiscal year 2012, the Hospital (exclusive of the District) selected an Investment Consultant to assist the Hospital and its subsidiaries in managing its investments, and both the investment policies for Surplus Cash and Cash Balance Plan were updated and approved by the Hospital Board of Directors (the Board). The policies allow for greater diversification in the investment portfolios to balance the need for liquidity with a long-term investment focus in order to improve investment returns and the organization's financial strength. Beginning early in fiscal year 2013, an Investment Committee was formed to perform the following responsibilities, among others: monitor performance of investment managers, monitor allocations across investment styles and investment managers, review compliance with the policies, and make recommendations for revisions to the policies. The number of money managers expanded from two money managers in fiscal year 2014 for Surplus Cash to approximately 28 managers in fiscal year 2020.

Capital Assets

Continuing on from fiscal year 2019, in fiscal year 2020, the Hospital continued construction on its remaining three of four major projects at its Mountain View site, as its fourth project that of the expansion of the North Drive Parking Garage was completed in August 2017 at its projected cost of \$24.5 million. In financing the four projects (which included expanded capacity of its Central Utility Plant), the Hospital issued \$292,435,000 of tax exempt revenue bonds in March 2017 to assist in covering a total of \$432 million in expenditures. The remaining monies to complete the projects will come from the Hospital's surplus cash, as is the costs to build the medical offices of the Integrated Medical Office Building. The status on the three remaining projects is as follows:

Replacement of the Behavior Health Building was substantially completed in winter 2020, and was opened to patient care on June 10, 2020. The complete close out of the project will occur in fiscal year 2021. The project is projected at \$96.1 million with approximately \$90.5 million in costs incurred at the end of FY2020.

Construction of an integrated medical office building ("IMOB") and an associated parking structure was substantially completed in winter 2020, and began having certain clinical and support departments moving into the structure on June 26, 2020 that had been housed in the original hospital tower. Total cost is \$302.1 million, with approximately \$286.1 million in costs incurred at the end of FY2020. As with the Behavior Health Building, the final close out of the project will occur in fiscal year 2021.

The Women's Hospital renovation is currently under review by California's Office of Statewide Hospital Planning and Development with plan approval and building permits expected by late October 2020. At that time, a final projected budget will be taken to the Board. Current total project costs is projected to be \$155 million. The Board thus far at the end of fiscal year 2020 has approved \$16 million for the preliminary planning, design, and development of the project, with \$6.7 million in costs expended at the end of fiscal year 2020.

**El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018**

The final Mountain View Campus Completion Project will be done in three (3) phases with phases 1 and 2 being a temporary Shipping and Receiving yard and the demolition of the original hospital completed in the early 1960's. An approved budget of \$24.9 million was approved in October 2019 to complete phase 1 and 2. Phase 3 is in development, and will include replacement of a Lab/Laundry building structure, construction of a corridor link between the new Main Hospital and the Behavior Health Building, new service yard with access to shipping and receiving dock at the new Main Hospital, new waste and recycle storage areas, water storage tanks to meet 2030 seismic requirements, and a landscaped courtyard between the New Main Hospital and the Behavior Health Building as required by the Planned Community Permit. A projected budget will be brought forward upon complete development of this final phase to complete the Mountain View campus.

At the Los Gatos campus, the construction of an Infusion Center was completed and opened in April 2020. The project was completed at \$6.3 million. The project was financed by \$42 million of the \$160 million 2015A tax exempt bonds issued for various upgrades to the Los Gatos campus, of which this Infusion Center was the final project.

SVMD completed its state of the art clinic in the San Jose area. The project expended \$7.0 million for its completion.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

Revenues and Expenses

The following table displays revenues and expenses for 2020, 2019, and 2018:

Revenues & Expenses			
Years Ended June 30, 2020, 2019 and 2018			
(In Thousands)			
	2020	2019	2018
Operating revenues:			
Net patient service revenue net of bad debt of \$15,925, \$13,293, and \$21,407 in 2020, 2019, and 2018, respectively	\$ 982,697	\$ 951,610	\$ 901,023
Other revenue	48,865	45,064	42,692
Total operating revenues	1,031,562	996,674	943,715
Operating expenses:			
Salaries, wages and benefits	541,009	510,178	471,132
Professional fees and purchased services	171,128	133,807	120,569
Supplies	152,466	147,284	128,072
Depreciation	54,038	52,437	49,957
Rent and utilities	26,815	20,414	15,783
Other	22,167	14,265	13,898
Total operating expenses	967,623	878,385	799,411
Operating income	63,939	118,289	144,304
Nonoperating revenue (expense) items:			
Bond interest expense, net	(12,879)	(8,024)	(9,011)
Intergovernmental transfer expense	(4,048)	(7,262)	(6,469)
Realized investment income	43,085	34,671	27,936
Unrealized investment (losses) gains	(2,231)	19,598	30,727
Property tax revenues	29,369	27,675	25,378
Restricted gifts, grants and other net of contributions to related parties	10,195	5,816	4,349
Unrealized (loss) gain on interest rate swap	(3,366)	(2,598)	1,151
Community benefit expense	(12,091)	(11,971)	(10,505)
Other, net	17,828	2,027	6,757
Total nonoperating revenues and expenses	65,862	59,932	70,313
Increase in net position	129,801	178,221	214,617
Total net position, beginning of year	1,817,919	1,639,698	1,436,122
CUMULATIVE EFFECT OF RESTATEMENT	-	-	(11,041)
Total net position, beginning of year, as restated	1,817,919	1,639,698	1,425,081
Total net position, end of year	\$ 1,947,720	\$ 1,817,919	\$ 1,639,698

**El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018**

Fiscal Year 2020 Consolidated Financial Analysis

Net Patient Services Revenues

Net patient services revenue in fiscal year 2020 increased by \$31.1 million, or 3.3% over fiscal year 2019. This increase was consistent with cost of inflation.

Specialty	2020 Days	2019 Days	% Change
Medical/Surgical	58,823	63,320	-7%
Maternity	13,327	13,463	-1%
Pediatrics	8	12	-33%
NICU	4,205	4,216	0%
Psychiatry	6,583	7,099	-7%
Normal newborn	9,768	9,951	-2%
Total	92,714	98,061	-5.5%

Specialty	2020 LOS	2019 LOS	% Change
Medical/Surgical	4.4	4.5	-2%
Maternity	3.0	3.0	0%
Pediatrics	0.8	0.9	-11%
NICU	10.6	11.3	-6%
Psychiatry	8.2	8.5	-4%
Normal newborn	2.4	2.4	0%
Average Length of Stay ("LOS")	4.0	4.3	-7.0%

The overall case mix index, which is an indicator of patient acuity, was 1.54 in fiscal year 2020, and 1.52 in fiscal year 2019.

Other Revenue

Other revenues increased by \$3.8 million in fiscal year 2020 over the prior 2019 fiscal year. The primary increase of \$8.7 million was due to new payer capitation contracts that were assumed with the acquisition of San Jose Medical Group, along with an agreement to continue to provide Hospitalist services to the county hospitals for one year. This increase was offset by a loss of revenue in our Employee Assistance Program ("EAP"). In addition, there was a reduction of \$2.1 million in retail operations due to COVID-19.

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2020, 2019, and 2018

Operating Expenses



Salaries and Wages

It is to be noted that the District as a stand-alone entity has no employees. All employees are at the Hospital and its related corporations.

Total salaries and wages (including employee benefits) increased by \$30.8 million in fiscal year 2020 over 2019, which is 56% of total operating expenses and a reduction of 2% from fiscal year 2019 which was 58% of total operating expenses. Salaries and wages (exclusive of employee benefits) increased by \$29.3 million over fiscal year 2019. Registered Nurses' ("RN"), including registries, payroll salaries increased by \$19.5 million in fiscal year 2020 compared to 2019 primarily driven by a 3% contractual increase that occurred September 22, 2019 for Hospital RNs, along with additional increases for longevity at years of service of 10 and 25. Another area that saw growth in salary expense was in SVMD as it began operations supporting the San Jose Medical Group and other physician initiatives in April 2019, thus salaries within SVMD grew by \$9.6 million in fiscal year 2020 over fiscal year 2019. Other areas within the Hospital also increased due to salary increases and volumes and activities. In total the FTE (full time equivalent) grew by 81 FTE's over fiscal year 2019. Again a significant portion of the FTE increase was the employee growth in SVMD given the support of the San Jose Medical Group that began in April 2019.

With an RN turnover rate of 1.5%, the Hospital continues to do better than the Northern California rate of 1.9% as published by the California Hospital Association ("CHA") at the end of calendar year 2019.

Employees represented by SEIU United Healthcare Workers ("SEIU-UHW") are under a current contract that extends through June 30, 2021. In fiscal year 2020, SEIU-UHW workers received a 1.5% increase on July 14, 2019 and January 12, 2020 respectively, and an additional step increase at 20 years of service.

The Hospital's Stationary Engineers – Local 30 are under a five-year contract through October 31, 2021, and received a two-part contractual increase of 2% effective on November 3, 2019 and May 3, 2020 respectively.

Hospital represented, non-management staff on a merit-based compensation structure received an annual increase averaging 2.7% at the end of the 2019 fiscal year that was paid out in early July 2019.

El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2020, 2019, and 2018

Management and executive staff received market-based adjustments or merit increases averaging 3.09% in late August 2019.

Employee Benefits

Aggregate employee benefits, including accrued Paid Time Off ("PTO") and Extended Sick Leave increased by \$1.4 million.

Significant changes were as follows:

- Pension expense decreased by \$4.2 million, primarily by increased investment returns on the Plan's investment in the past year.
- PTO accrued expense increased by \$2.5 million over the 2019 fiscal year.
- Employer FICA (Social Security and Medicare) taxes increased by \$3.0 million in the current fiscal year.
- Healthcare (medical, dental, and vision) increased by \$1.3 million in fiscal year 2020 over 2019.
- Worker's Compensation expense decreased \$2.2 million in fiscal year 2020 over 2019.
- Other employee benefits increased \$1.0 million in fiscal year 2020 over 2019.

Professional and Purchased Services

Total professional and purchased services increased by \$37.3 million over the prior fiscal year.

The significant increases were as follows:

- Professional Service Agreements and Purchased Services associated with SVMMD increased by \$26.5 million over prior year, mainly due to the acquisition of the San Jose Medical Group in April 2019.
- Purchases Services increased by \$7.1 million over prior year at the Hospital due to in cost associated with COVID-19 testing and consulting fee for major projects (Workday and Construction).

Supplies

Total supplies increased by \$5.2 million or 3.5% in fiscal year 2020 over 2019. Volume at the Cancer Infusion Center increased by 11% along with higher acuity patients. The retail pharmacy volume increased by 26% and normal inflation factors accounted for the remaining variance.

Depreciation

Depreciation expense this fiscal year increased by \$1.6 million over fiscal year 2019. Increases were in the areas of a full year of depreciation on a Central Utility Plant upgrade at the Mountain View campus that came on-line the later part of fiscal year 2019 and various structure upgrades at the Los Gatos campus.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

Rent and Utilities

Rent and utilities this fiscal year was increased by \$6.4 million over fiscal year 2019, and was primarily driven by leased building cost, of which \$4.0 million was attributable to new leases of properties by SVMD for its various San Jose Medical Group sites that began in April 2019.

Other Expense

Other expense increased in current fiscal year by \$7.9 million over the prior year, principally for annual dues and subscription fees and offsite seminars and associated travel expense, with \$5.0 million increase in legal reserve.

Non-operating Revenue (Expense) Items:

Bond Interest Expense, net

The increase of \$4.9 million in fiscal year 2020 over the prior year was due to tentative completion of the Integrated Medical Office Building and the Behavioral Health Building in January 2020 that was being partially financed by the 2017 Bond issue.

Change in Net Unrealized Gains and Losses on Investments

For fiscal year 2020, the Hospital had approximately 28 money managers with different investment objectives for the Hospital's surplus cash investments. Total net unrealized gains/losses are reported in the consolidated financial statements during this fiscal year.

The Hospital experienced a change in net unrealized gains and losses on investments of -\$2.2 million during fiscal year 2020 and the change in net unrealized gains and losses for fiscal year 2020 was a year over year ("YOY") decrease of \$21.8 million. The change in net unrealized gains and losses in 2020 were a result of poor investment results primarily from hedge fund and private real estate investments. Hedge funds experienced a change in net unrealized gains and losses of -\$11.1 million during fiscal year 2020 as distressed credit-oriented strategies lagged broader markets. The positive change in net unrealized gains and losses from equity and fixed income investments helped offset the impact of hedge fund and private real estate investments. Global equities as represented by the MSCI AC World Index gained 2.6% during fiscal year 2020, while fixed income as represented by the Bloomberg Barclays U.S. Aggregate Index gained 8.7% during the same time period.

The YOY decrease in net unrealized gains and losses was broad based across asset classes with the most significant declines resulting from fixed income and hedge fund investments. Fixed income investments experienced larger net unrealized gains in fiscal year 2019 in comparison to fiscal year 2020, while hedge fund investments experienced modest net unrealized losses in fiscal year 2019 in relation to larger net unrealized losses in fiscal year 2020.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

Economic Factors and Next Year's Budget

The Board approved the fiscal year 2021 budget at the August 2020 meeting. The District is budgeting a combined increase in net position of \$27.2 million. For the fiscal year 2021 budget, volumes are projected to decrease 9% due to a measured recovery expected from FY2020 4th quarter COVID-19 impact, reimbursement rates are projected to increase by 2.6%, and expenses are projected to decrease 0.5% compared to fiscal year 2020. The focus for FY2021 will be to successfully navigate the continued uncertainties presented by COVID-19.

Fiscal Year 2019 Consolidated Financial Analysis

Net Patient Services Revenues

Net patient services revenue in fiscal year 2019 increased by \$50.6 million, or 5.6% over fiscal year 2018. This increase was due to several factors which included an IGT payment of \$15.8 million; \$4.6 million of cost report settlement; and volume increases in Oncology Visits (9.0%), Rehabilitation Procedure (8.0%) and General Surgery (6.6%).

Specialty	2019 Days	2018 Days	% Change
Medical/Surgical	63,320	61,869	2.3%
Maternity	13,463	14,200	-5.2%
Pediatrics	12	25	-52.0%
NICU	4,216	4,350	-3.1%
Psychiatry	7,099	6,823	4.0%
Normal newborn	9,951	10,467	-4.9%
Total	98,061	97,734	0.3%
Specialty	2019 LOS	2018 LOS	% Change
Medical/Surgical	4.5	4.5	0.0%
Maternity	3.0	3.0	0.0%
Pediatrics	0.9	1.7	-47.1%
NICU	11.3	10.5	7.6%
Psychiatry	8.5	7.9	7.6%
Normal newborn	2.4	2.5	-4.0%
Average LOS	4.3	4.2	2.4%

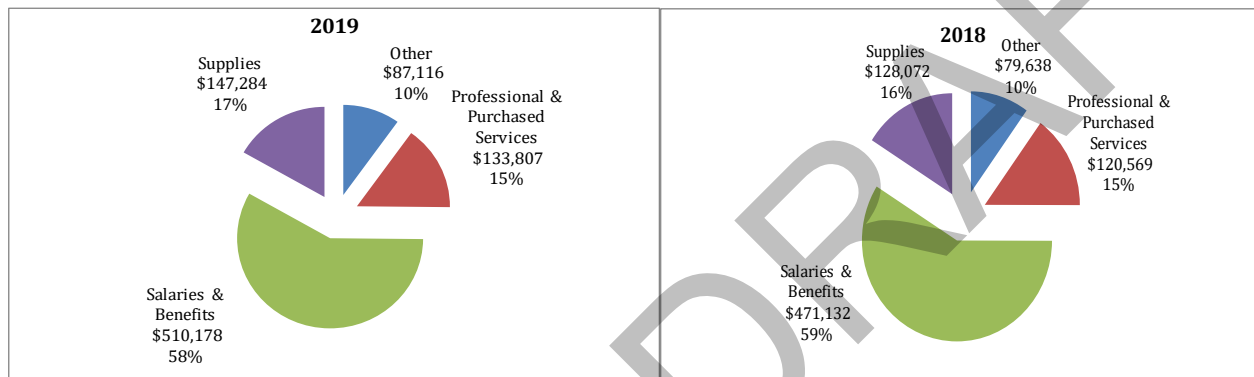
The overall case mix index, which is an indicator of patient acuity, was 1.52 in fiscal year 2019, and 1.54 in fiscal year 2018.

**El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018**

Other Revenue

Other revenues increased by \$2.4 million in fiscal year 2019 over the prior 2018 fiscal year. The primary increase of \$5.3 million was due to new payer capitation contracts that were assumed with the acquisition of San Jose Medical Group, along with an agreement to continue to provide Hospitalist services to the county hospitals for one year. This increase was offset by a loss of two major "Employee Assistance Program" contracts that are provided through the CONCERN entity.

Operating Expenses



Salaries and Wages

It is to be noted that the District as a stand-alone entity has no employees. All employees are at the Hospital and its related corporations.

Total salaries and wages (including employee benefits) increased by \$39.0 million in fiscal year 2019 over 2018, which is 58% of total operating expenses and consistent with fiscal year 2018. Salaries and wages (exclusive of employee benefits) increased by \$27.4 million over fiscal year 2018. Registered Nurses' ("RN"), including registries, payroll salaries increased by \$11.7 million in fiscal year 2019 compared to 2018 primarily driven by a 4% salary increase granted toward the end of the 2018 fiscal year and increased patient volumes. Another area that saw growth in salary expense was in SVMD as it began operations supporting the San Jose Medical Group and other physician initiatives in April 2019, thus salaries within SVMD grew by \$5.3 million in fiscal year 2019 over fiscal year 2018. Other areas within the Hospital also increased due to salary increases and volumes and activities. In total the FTE (full time equivalent) grew by 103 FTE's over fiscal year 2018. Again a significant portion of the FTE increase was the employee growth in SVMD given the support of the San Jose Medical Group.

With an RN turnover rate of 2.1%, the Hospital continues to do better than the Northern California rate of 3.4% and the statewide rate of 3.0%, as published by the California Hospital Association ("CHA") at the end of the first quarter of the calendar year 2019.

Employees are represented by the Professional Resources for Nurses ("PRN"). On August 30, 2019, El Camino Hospital reached a tentative contract agreement with the PRN, which was subsequently ratified by vote on September 10, 2019.

El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2020, 2019, and 2018

Employees represented by SEIU United Healthcare Workers ("SEIU-UHW") are under a current contract that extends through June 30, 2021. In fiscal year 2019, SEIU-UHW workers received a 3.0% contractual wage increase effective July 1, 2018.

The Hospital's Stationary Engineers – Local 39 members ratified a five-year contract through October 31, 2021. Local 39 members received a two-part contractual increase during fiscal year 2019, 2.0% effective November 4, 2018 and another 2.0% effective May 5, 2019.

Hospital-represented, non-management staff on a merit-based compensation structure received annual merit increases averaging 3.0% in July 2018.

Management and executive staff received market-based adjustments or merit increases averaging 3.6% in August 2018.

Employee Benefits

Aggregate employee benefits, including accrued paid time off ("PTO") and extended sick leave increased by \$11.6 million.

Significant increases were as follows:

- Pension expense increased by \$2.2 million, primarily by decreased investment returns on the Plan's investment in the past year.
- PTO accrued expense increased by \$2.4 million over the 2018 fiscal year.
- Employer FICA (Social Security and Medicare) taxes increased by \$1.7 million in the current fiscal year.
- Healthcare (medical, dental, and vision) increased by \$2.0 million in fiscal year 2019 over 2018.

Professional and Purchased Services

Total professional and purchased services increased by \$13.2 million over the prior fiscal year.

The significant increases were as follows:

- Professional Service Agreements associated with SVMD increased by \$6.3 million over prior year, mainly due to the acquisition of the San Jose Medical Group.
- Purchases Services increased by \$6.9 million over prior year due to cost associated with expansion of services due to growth and services to support SVMD.

**El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018**

Supplies

Total supplies increased by \$19.2 million in fiscal year 2019 over 2018. Pharmaceuticals increased by \$4.0 million over the 2018 fiscal year. At the Cancer Infusion Center, the service saw increased patient volumes, along with a higher acuity of the patients. The pharmaceutical industry saw an overall inflation rate of 10.5% for the year. Spine surgery had increased utilization causing a \$3.5 million increase in medical supplies. Other areas that saw increases were for certain heart and vascular devices, prosthesis and orthopedics devices, respiratory materials, and oxygen and other medical gases.

Depreciation

Depreciation expense this fiscal year increased by \$2.5 million over fiscal year 2018. Primarily, the increase was for buildings and structures, in particular the new North Drive parking structure at the Mountain View campus coming on line and various major upgrades to the Los Gatos facilities, including the HVAC system and medical office buildings.

Rent and Utilities

Rent and utilities this fiscal year was increased by \$4.6 million over fiscal year 2018, and was primarily driven by leased building cost, of which \$2.6 million was attributable to new leases of properties by SVMD for its various clinic sites.

Other Expense

Other expense increased in current fiscal year by \$367,000 over the prior year, principally for annual dues and subscription fees and offsite seminars and associated travel expense.

Non-operating Revenue and Expenses

Bond Interest Expense, net

The decrease of \$987,000 in fiscal year 2019 over the prior year was due to the majority of interest being capitalized as the two large projects are still under construction. Nonetheless, the parking structure addition at the Mountain View campus was completed in August 2017 as were some significant renovation projects at the Los Gatos campus that were funded by the 2015A bonds.

Change in Net Unrealized Gains and Losses on Investments

For fiscal year 2019, the Hospital had approximately 30 money managers with different investment objectives for the Hospital's surplus cash investments. Total net unrealized gains/losses are reported in the consolidated financial statements during this fiscal year.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2020, 2019, and 2018

The Hospital experienced a change in net unrealized gains and losses on investments of \$19.6 million during fiscal year 2019 and the change in net unrealized gains and losses for fiscal year 2019 was a year over year ("YOY") decrease of \$11.1 million. The change in net unrealized gains and losses in 2019 were a result of strong investment results that were widespread across investment portfolios with particularly strong results within equities and fixed income investments. Fixed income investments experienced a change in net unrealized gains and losses of \$14.6 million during fiscal year 2019 as a decrease in interest rates positively impacted the market value of existing holdings. Externally held funds (excluding hedge funds) and mutual fund investments generated \$8.8 million in change in unrealized gains and losses. Within mutual funds, most equity funds generated unrealized gains throughout fiscal year 2019; however, U.S. domiciled holdings fared best. These results were consistent with strong equity market returns within domestic, and to a lesser extent, international equity markets as the S&P 500 Index returned +10.4% and the MSCI All Country World Index ex USA (net) returned +1.3% during fiscal year 2019. Separate account equities experienced negative changes in net unrealized gains and losses of \$1.6 million as the U.S. large-cap value equity manager realized gains on asset sales, which reduced unrealized gains. Hedge fund investments experienced a fall of \$3.1 million to the change in unrealized gains and losses with losses across the equity, credit, and macro strategies, partially offset by gains from the relative value strategy.

The YOY decrease in net unrealized gains and losses was due to a \$15.5 million decrease in externally held funds (excluding hedge funds) and mutual fund investments, a \$12.9 million decrease due to hedge fund investments, and a \$3.7 million decrease due to separate account equities. This was partially offset by a \$20.8 million increase due to fixed income investments. Within mutual fund investments, despite strong absolute gains in fiscal year 2019, equity funds were not able to keep pace with the level of gains experienced in fiscal year 2018, across both domestic and international equity holdings. The MSCI All Country World Index ex USA (net) returned +1.3% during fiscal year 2019, whereas the Index gained +7.3% in fiscal year 2018. Additionally, within domestic markets the S&P 500 Index gained +14.4% in fiscal year 2018 and +10.4% in fiscal year 2019.

Report of Independent Auditors

To the Board of Directors
El Camino Healthcare District

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of El Camino Healthcare District (the "District"), which comprise the consolidated statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the District as of June 30, 2020 and 2019, and the consolidated results of operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis on pages 1 through 15, and the accompanying supplemental pension and post-retirement benefit information on pages 60 and 61, are not required parts of the consolidated financial statements but are supplementary information required by the Governmental Accounting Standards Board, who considers them to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational economic or historical context. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's consolidated financial statements. The accompanying consolidating statement of net position and consolidating statement of revenues, expenses, and changes in net position, on pages 57 through 59, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's consolidated financial statements. The accompanying supplemental schedule of community benefit on page 62 is presented for purpose of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the District's management. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

San Francisco, California
_____, 2020

FINAL DRAFT

Consolidated Financial Statements

FINAL DRAFT

El Camino Healthcare District
Consolidated Statements of Net Position
June 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERRED OUTFLOWS		
Current assets		
Cash and cash equivalents	\$ 235,381	\$ 131,362
Short-term investments	225,840	262,157
Current portion of board-designated funds	26,495	23,778
Patient accounts receivable, net of allowances for doubtful accounts of \$60,439 and \$48,123 in 2020 and 2019, respectively	129,485	130,702
Prepaid expenses and other current assets	36,464	30,196
Total current assets	<u>653,665</u>	<u>578,195</u>
Non-current cash and investments		
Board-designated funds	871,384	785,552
Restricted funds	650	650
Funds held by trustee	50,825	107,101
	<u>922,859</u>	<u>893,303</u>
Capital assets		
Nondepreciable	582,752	483,909
Depreciable, net	583,284	612,584
Total capital assets	<u>1,166,036</u>	<u>1,096,493</u>
Pledges receivable, net of current portion	4,402	4,444
Prepaid pension asset	78,615	40,762
Investments in healthcare affiliates	27,449	29,742
Beneficial interest in charitable remainder unitrusts	3,893	3,893
Total assets	<u>2,856,919</u>	<u>2,646,832</u>
Deferred outflows of resources		
Loss on defeasance of bonds payable	12,361	12,962
Deferred outflows of resources	6,532	7,436
Deferred outflows - actuarial	1,861	10,546
Total deferred outflows of resources	<u>20,754</u>	<u>30,944</u>
Total assets and deferred outflows of resources	<u>\$ 2,877,673</u>	<u>\$ 2,677,776</u>

El Camino Healthcare District
Consolidated Statements of Net Position (continued)
June 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 35,464	\$ 57,529
Salaries, wages, and related liabilities	63,333	58,941
Medicare accelerated payments	75,076	-
Other current liabilities	23,166	21,653
Estimated third-party payor settlements	10,956	11,156
Current portion of bonds payable	<u>13,420</u>	<u>12,430</u>
Total current liabilities	221,415	161,709
Bonds payable, net of current portion	607,953	625,443
Other long-term obligations	22,674	11,525
Workers' compensation, net of current portion	16,482	18,432
Post-retirement medical benefits, net of current portion	<u>30,730</u>	<u>29,480</u>
Total liabilities	899,254	846,589
Deferred inflow of resources		
Deferred inflow of resources	3,893	3,893
Deferred inflow of resources - actuarial	<u>26,806</u>	<u>9,375</u>
Total deferred inflow of resources	30,699	13,268
Net position		
Invested in capital assets, net of related debt	595,488	565,721
Restricted - expendable	20,606	16,759
Restricted - nonexpendable	8,023	7,456
Unrestricted	<u>1,323,603</u>	<u>1,227,983</u>
Total net position	1,947,720	1,817,919
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 2,877,673</u></u>	<u><u>\$ 2,677,776</u></u>

El Camino Healthcare District
Consolidated Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Net patient service revenue (net of provision for bad debts of \$15,925 and \$13,293 in 2020 and 2019, respectively)	\$ 982,697	\$ 951,610
Other revenue	48,865	45,064
Total operating revenues	<u>1,031,562</u>	<u>996,674</u>
OPERATING EXPENSES		
Salaries, wages, and benefits	541,009	510,178
Professional fees and purchased services	171,128	133,807
Supplies	152,466	147,284
Depreciation	54,038	52,437
Rent and utilities	26,815	20,414
Other	22,167	14,265
Total operating expenses	<u>967,623</u>	<u>878,385</u>
Income from operations	<u>63,939</u>	<u>118,289</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income, net	40,854	54,269
Property tax revenue		
Designated to support community benefit programs and operating expenses	9,170	8,697
Designated to support capital expenditures	9,706	8,989
Levied for debt service	10,493	9,989
Bond interest expense, net	(12,879)	(8,024)
Intergovernmental transfer expense	(4,048)	(7,262)
Restricted gifts, grants and bequests, and other, net of contributions to related parties	10,195	5,816
Unrealized loss on interest rate swap	(3,366)	(2,598)
Community benefit expense	(12,091)	(11,971)
Other, net	17,828	2,027
Total nonoperating revenues	<u>65,862</u>	<u>59,932</u>
Increase in net position	129,801	178,221
TOTAL NET POSITION, beginning of year	<u>1,817,919</u>	<u>1,639,698</u>
TOTAL NET POSITION, end of year	<u><u>\$ 1,947,720</u></u>	<u><u>\$ 1,817,919</u></u>

El Camino Healthcare District
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019
(In Thousands)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from and on behalf of patients	\$ 979,666	\$ 926,355
Other cash receipts	68,038	45,064
Medicare accelerated payments	75,076	-
Cash payments to employees	(534,911)	(505,243)
Cash payments to suppliers	(433,723)	(316,516)
Net cash provided by operating activities	154,146	149,660
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	18,876	17,686
Restricted contributions and investment income	10,195	5,816
Net cash provided by noncapital financing activities	29,071	23,502
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of property, plant, and equipment	(107,239)	(230,508)
Proceeds from disposal of property, plant and equipment	-	310
Payments on bonds payable	(12,430)	(7,160)
Interest paid on General Obligation bonds payable	(2,829)	(3,183)
Tax revenue related to General Obligation bonds payable	10,493	9,989
Net cash used in capital and related financing activities	(112,005)	(230,552)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,257,978)	(884,635)
Sales of investments	1,205,746	792,912
Investment income, net	40,854	54,269
Community benefit and other investing activities	(12,091)	(11,971)
Change in funds held by trustee, net	56,276	111,356
Net cash provided by investing activities	32,807	61,931
Net increase in cash and cash equivalents	104,019	4,541
CASH AND CASH EQUIVALENTS at beginning of year	131,362	126,821
CASH AND CASH EQUIVALENTS at end of year	\$ 235,381	\$ 131,362
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 63,939	\$ 118,289
Adjustments to reconcile income from operations to net cash from operating activities		
Gain on disposal of property, plant and equipment	-	(234)
Amortization of bond premium and bond issuance costs	(4,070)	(4,362)
Depreciation	54,038	52,437
Provision for bad debts	15,925	13,293
Changes in assets and liabilities		
Patient accounts receivable, net	(14,708)	(19,081)
Prepaid expenses and other current assets	(40,281)	8,149
Medicare accelerated payments	75,076	-
Current liabilities	(28,772)	1,463
Other long-term obligations	5,633	1,030
Deferred inflows/outflows of resources - actuarial	26,116	(21,592)
Post-retirement medical benefits	1,250	268
Net cash provided by operating activities	\$ 154,146	\$ 149,660
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Noncash purchase of property, plant, and equipment	\$ 16,305	\$ 1,702
Change in fair value of beneficial interest in charitable remainder unitrusts, and deferred inflow of resources, net	\$ -	\$ 255

See accompanying notes.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The El Camino Healthcare District (the “District”) includes the following component units, which are included as blended component units of the District’s consolidated financial statements: El Camino Hospital (the “Hospital”), El Camino Hospital Foundation (the “Foundation”), CONCERN: Employee Assistance Program (“CONCERN”), El Camino Surgery Center, LLC (“ECSC”), and Silicon Valley Medical Development, LLC (“SVMD”).

The District is organized as a political subdivision of the State of California and was created for the purpose of operating an acute care hospital and providing management services to certain related corporations. The District is the sole member of the Hospital, and the Hospital is the sole corporate member of the Foundation and CONCERN. As sole member, the District (with respect to the Hospital) and the Hospital (with respect to the Foundation and CONCERN) have certain powers, such as the appointment and removal of the boards of directors and approval of changes to the articles of incorporation and bylaws. As of June 30, 2020, the Hospital owns 100% of ECSC.

SVMD was organized as a California Limited Liability Corporation (“LLC”) that was formed in 2008. Starting in fiscal year 2019 and continuing into the current fiscal year, SVMD has expanded to 14 clinic and urgent care sites that included certain assets of five clinics acquired through bankruptcy of Verity Health System in April 2019. The approximate number of affiliated physician providers has grown to 83 providers at year end across El Camino Medical Associates (“ECMA”) and San Jose Medical Group (“SJMG”) physician groups.

All significant inter-entity accounts and transactions have been eliminated in the consolidated financial statements.

The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and consolidated financial statements are prepared using the economic resources measurement focus.

Accounting standards – Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District’s proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989 and the California Code of Regulations, Title 2, Section 1131, State Controller’s *Minimum Audit Requirements* for California Special Districts and the State Controller’s Office prescribed reporting guidelines.

Use of estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Estimates include contractual allowances related to net patient service revenue, provision for uncollectible accounts, fair market values of investments, uninsured losses for professional liability, minimum pension liability, workers’ compensation liability, post-retirement medical benefits liability, valuation of gift annuities and beneficial interest in charitable remainder unitrusts, and useful lives of capital assets. Actual results could differ from those estimates.

El Camino Healthcare District Notes to Consolidated Financial Statements

Cash and cash equivalents – Cash and cash equivalents include deposits with financial institutions, and investments in highly liquid debt instruments with an original maturity of three months or less. In addition, in fiscal years 2020 and 2019, cash and cash equivalents include repurchase agreements, which consist of highly liquid obligations of U.S. governmental agencies. Cash and cash equivalents exclude amounts whose use is limited by board designation or by legal restriction.

Investments – Investments consist primarily of highly liquid debt instruments and other short-term interest-bearing certificates of deposit, U.S. Treasury bills, U.S. government obligations, hedge funds, hedge fund of funds, and corporate debt, excluding amounts whose use is limited by board designation or other arrangements under trust agreements.

Board-designated and restricted funds include assets set aside by the Board of Directors (the “Board”) for future capital improvements and other operational reserves, over which the Board retains control and may at its discretion use for other purposes; assets set aside for qualified capital outlay projects in compliance with state law; and assets restricted by donors or grantors.

Investment income, realized gains and losses, and unrealized gains and losses on investments are reflected as nonoperating revenue or expense.

Funds held by trustee – According to the terms of both indenture agreements (General Obligation and Revenue Bonds), these amounts are held by the bond trustee and paying agent and are maintained and managed by an investment manager or the trustee. These assets are available for the settlement of future current bond obligations and capital expenditures.

Capital assets – Capital asset acquisitions are recorded at cost. Donated property is recorded at its fair market value on the date of donation. All purchases over \$2,500 are capitalized. Equipment under capital lease is amortized on the straight-line basis over the shorter of the lease term or the estimated useful life of the equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the related assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	16 years
Buildings and fixtures	25 to 47 years
Equipment	3 to 16 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset.

Except for capital assets acquired through gifts, contributions, or capital grants, interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Prepaid expenses and other current assets – Prepaid expenses and other current assets consist primarily of premiums paid in advance, inventories, dues, and other receivables related to new capitation and hospitalist contracts associated with Silicon Valley Medical Development. Prepaid expenses and other current assets consist of the following at June 30:

	June 30,	
	2020	2019
Inventory	\$ 13,690	\$ 13,152
Hospitalist receivable	7,478	1,127
Prepaid expense and other deposits	8,876	9,862
Other receivables	6,420	6,055
	<u>\$ 36,464</u>	<u>\$ 30,196</u>

Investments in healthcare affiliates – The Hospital holds an interest in Pathways Home Health & Hospice (“Pathways”), and five Satellite Dialysis Centers, which are reported using the equity method of accounting.

Affiliate	Percent interest
Pathways	50%
Satellite Dialysis of Mountain View, LLC	30%

Deferred outflows and inflows – The District records deferred outflows or inflows of resources in its consolidated financial statements for consumption or acquisition of its consolidated net position that is applicable to a future reporting period. These financial statement elements are distinct from assets and liabilities.

	2020	2019
Deferred outflows of resources as of June 30:		
Loss on defeasance of bonds payable	\$ 12,361	\$ 12,962
Deferred outflows of resources - employee benefit plan contribution	3,300	6,400
Deferred outflows of resources - goodwill	3,232	1,036
Deferred outflows - actuarial, employee benefit plan	1,244	10,392
Deferred outflows - actuarial, post-retirement medical benefit	617	154
Total	<u>\$ 20,754</u>	<u>\$ 30,944</u>
Deferred inflows of resources as of June 30:		
Deferred inflows of resources - charitable remainder unitrusts	\$ 3,893	\$ 3,893
Deferred inflows - actuarial, employee benefit plan	26,456	8,504
Deferred inflows - actuarial, post-retirement medical benefit	350	871
Total	<u>\$ 30,699</u>	<u>\$ 13,268</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

Risk management – The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Self-insurance plans – The Hospital maintains professional liability insurance on a claims-made basis, with liability limits of \$40,000,000 in aggregate, which is subject to a \$50,000 deductible. Additionally, the Hospital is self-insured for workers' compensation benefits. The Hospital purchases a Workers' Compensation Excess Policy that insures claims greater than \$1,000,000 with a limit of statutory and a \$1,000,000 deductible. Actuarial estimates of uninsured losses for professional liability and workers' compensation have been accrued as other current liabilities and workers' compensation, net of current portion, respectively, in the accompanying consolidated financial statements.

The following is a summary of changes in workers' compensation liabilities for the years ended June 30 (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2020	\$ 20,732	\$ 893	\$ 2,843	\$ 18,782	\$ 2,300
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2019	\$ 20,263	\$ 2,670	\$ 2,201	\$ 20,732	\$ 2,300

Compensated absences – Vested or accumulated vacation and sick leave are recorded as an expense and liability of the Hospital as the benefits accrue to employees. For most employees, the maximum accumulated vacation is 400 hours. Sick leave is accumulated indefinitely at a maximum of 40 hours for a full-time employee per year, and is not vested with the employee upon termination.

The following is a summary of changes in compensated absences transactions for the years ended June 30, (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2020	\$ 26,502	\$ 51,435	\$ 49,813	\$ 28,124	\$ 28,124
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2019	\$ 24,783	\$ 49,603	\$ 47,884	\$ 26,502	\$ 26,502

El Camino Healthcare District

Notes to Consolidated Financial Statements

Medicare accelerated payments and CARES Act grant – On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect operations and the general population. Management has not yet determined the full financial impact of these events. Centers for Medicare and Medicaid Services (“CMS”) distributed \$50 billion of the \$100 billion in the form of grants to hospitals. The Hospital received approximately \$19.0 million in grants, included as “other, net” (nonoperating revenue) in the consolidated statement of revenues, expenses and changes in net position, and will have to submit reports documenting lost revenue and expenses incurred to support the grant funds, among other terms and conditions. Separately, CMS initiated an Accelerated Payment Program to hospitals. The Accelerated Payments represent advance payments for services to be provided and were based on a hospital’s historical Medicare volume. In April 2020, the Hospital received approximately \$75.8 million in Accelerated Payments, included in Medicare accelerated payments in the consolidated statement of financial position. Medicare payments for services rendered will continue for the next 120 days. 120 days after receipt, CMS will recoup the Accelerated Payments from billing for services rendered until they are fully repaid. Any Accelerated Payments still open after one year from receipt will be charged interest at 10%.

Interest rate swap agreements – During the fiscal year ended June 30, 2007, the Hospital entered into derivative instruments in the form of three swap agreements to hedge variable interest rate exposure. During the fiscal year ended June 30, 2008, the underlying variable rate debt was refunded for fixed rate debt, leaving the Hospital with speculative derivative instruments that largely offset the variable rate debt issued in 2009. Two of these swaps were terminated in the fiscal year ended June 30, 2010. Refer to Note 10 for a full description of the interest rate swap agreements.

Net position – Net position of the District is classified as invested in capital assets, restricted-expendable, restricted-nonexpendable, and unrestricted net position.

Invested in capital assets, net of related debt – Invested in capital assets of \$595,488,000 and \$565,721,000 at June 30, 2020 and 2019, respectively, represent investments in all capital assets (building and building improvements, furniture and fixtures, and information and technology equipment), net of depreciation less any debt issued to finance those capital assets.

Restricted - expendable – The restricted expendable net position is restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation and includes assets in self-insurance trust funds, revenue bond reserve fund assets, and net position restricted to use by donors.

Restricted - nonexpendable – The restricted nonexpendable net position is equal to the principal portion of permanent endowments.

Unrestricted net position – Unrestricted net position consists of net position that does not meet the definition of invested in capital assets, net of related debt, or restricted.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Statements of revenues, expenses, and changes in net position – For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provisions of healthcare services are reported as revenues and expenses. Peripheral or incidental transactions are reported as gains and losses. These peripheral activities include investment income, property tax revenue, gifts, grants and bequests, change in net unrealized gains and losses on short-term investments, unrealized losses or gains on interest rate swap, and nonexchange contributions received from the Foundation's fundraising activities and are reported as nonoperating. Investments in Pathways Home Health & Hospice and Satellite Dialysis of Mountain View, LLC, are accounted for under the equity method. The Hospital's share of the operating income of these entities is included as other, net in the consolidated financial statements.

Net patient service revenue and patient accounts receivable – Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered, and adjusted in future periods as final settlements are determined. The distribution of net patient accounts receivable by payor is as follows:

	June 30,	
	2020	2019
Medicare	14%	15%
Medi-Cal	2%	3%
Commercial and other	83%	81%
Self pay	1%	1%
	<u>100%</u>	<u>100%</u>

Provision for uncollectible accounts – The Hospital provides care to patients without requiring collateral or other security. Patient charges not covered by a third-party payor are billed directly to the patient if it is determined that the patient has the ability to pay. A provision for uncollectible accounts is recognized based on management's estimate of amounts that ultimately may be uncollectible.

Charity care – The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of estimated costs for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$672,000 and \$378,000 for the years ended June 30, 2020 and 2019, respectively.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Property tax revenue – The District received approximately 23% in 2020 and 16% in 2019 of its total increase in net position from property taxes. These funds were designated as follows (in thousands):

	June 30,	
	2020	2019
Designated to support community benefit programs and operating expenses	\$ 9,170	\$ 8,697
Designated to support capital expenditures	\$ 9,706	\$ 8,989
Levied for debt service	\$ 10,493	\$ 9,989

Property taxes are levied by the County of Santa Clara on the District's behalf on January 1 and are intended to finance the District's activities of the same calendar year. Amounts levied are based on assessed property values as of the preceding July 1. Property taxes are considered delinquent on the day following each payment due date. Property taxes are recorded as nonoperating revenue by the District when they are earned.

Grants and contributions – From time to time, the District receives grants as well as contributions from individuals and private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues.

Income taxes – The District operates under the purview of the Internal Revenue Code (the "Code"), Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income. CONCERN has also been granted tax-exempt status. However, income from the unrelated business activities of the Hospital and the Foundation is subject to income taxes. ECSC and SVMD are limited liability companies and are treated as pass-through entities for federal income tax purposes. Accordingly, no recognition has been given to federal income taxes in the accompanying consolidated financial statements.

New accounting pronouncements – The GASB also issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, ("GASB No. 88"). Among other things, GASB No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. GASB No. 88 requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. GASB No. 88 further defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement further requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The District adopted GASB No. 88 in the year ended June 30, 2020. The adoption did not result in a material impact to the District's consolidated financial statements.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The GASB issued Statement No 84, *Fiduciary Activities* (“GASB No. 84”), which provides improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (“GASB No. 95”), which extended the effective date for GASB No. 84 to reporting periods beginning July 1, 2020. The District is currently assessing the impact of this standard on the District’s consolidated financial statements.

The GASB also issued GASB Statement No. 87, *Leases*, (“GASB No. 87”), which intends to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB No. 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. GASB No. 95 extended the effective date for GASB No. 87 to reporting periods beginning July 1, 2021. The District is currently assessing the impact of this standard on the District’s consolidated financial statements.

The GASB also issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, (“GASB No. 89”). GASB No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB No. 95 extended the effective date for GASB No. 89 to reporting periods beginning July 1, 2021. The District is currently assessing the impact of this standard on the District’s consolidated financial statements.

The GASB also issued GASB Statement No. 91, *Conduit Debt Obligation*, (“GASB No. 91”). GASB No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB No. 95 extended the effective date for GASB No. 91 to reporting periods beginning July 1, 2022. The District is currently assessing the impact of this standard on the District’s consolidated financial statements.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The GASB also issued Statement No. 93, *Replacement of Interbank Offered Rates*, (“GASB No. 93”). GASB No. 93 establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Interbank Offered Rate (“LIBOR”) for hedging derivative instruments. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form after December 31, 2021. The requirements of this statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. GASB No. 95 extended the effective date for paragraphs 13 and 14 to fiscal years beginning after June 15, 2021. The District is currently assessing the impact of this standard on the District’s consolidated financial statements.

NOTE 2 – OPERATING REVENUES

The following table reflects the percentage of net patient revenues by major payor group for the years ended June 30:

	2020	2019
Medicare (including Medicare HMO)	27%	27%
Commercial and other	70%	69%
Medi-Cal (including Medi-Cal HMO)	3%	4%
	100%	100%

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, fee schedules, prepaid payments per member, and per diem payments or a combination of these methods. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated settlements under reimbursement agreements with third-party payors.

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Inpatient services are paid at prospectively determined rates per discharge. Payments for outpatient services are based on a stipulated amount per procedure. The Hospital is reimbursed for cost reimbursable items at a tentative rate, with final settlements determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The effect of updating prior year estimates for Medicare and other liabilities was to increase 2020 income from operations by \$926,000, and increase 2019 income from operations by \$325,000. The Hospital’s cost reports have been audited by the Medicare fiscal intermediary through June 30, 2016.

Non-Designated Public Hospitals (“NDPHs”), including the Hospital, were authorized, in 2011’s Assembly Bill (“AB”) 113, to use intergovernmental transfers (“IGTs”) to obtain federal supplemental funds for Medi-Cal inpatient fee-for-service. The IGTs are used to bring NDPHs, in the aggregate, up to their upper payment limit (“UPL”). The UPL is the federal maximum available under the Medicaid program, as calculated based on the actual costs of providing care. For the years ended June 30, 2020 and 2019, the Hospital recognized amounts under the IGT program of \$9,899,000 and \$15,761,000, respectively, which have been reported as net patient service revenue.

El Camino Healthcare District Notes to Consolidated Financial Statements

Medi-Cal and contracted rate payors are paid on a percentage of charges, per diem, per discharge, fee schedule, or a combination of these methods.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term.

Other revenue for the year ended June 30, consisted of the following:

	2020	2019
Rental income	\$ 13,242	\$ 14,150
Prime IGT	5,244	4,454
SVMD other revenue	14,095	2,537
Concern & SVMD capitated revenue	11,565	10,344
Other operating revenue	4,719	13,579
	<u>\$ 48,865</u>	<u>\$ 45,064</u>

NOTE 3 – CASH DEPOSITS

At June 30, 2020 and 2019, District cash deposits had carrying amounts of \$235,381,000 and \$131,362,000, respectively, and bank balances of \$242,759,000 and \$141,006,000, respectively. All of these funds were held in cash deposits, which are collateralized with the California Government Code (“CGC”), except for \$250,000 per account that is federally insured by the Federal Deposit Insurance Corporation (“FDIC”).

The District participated in a cash management program provided by its primary depository institution that allows cash in District concentration accounts to be swept daily and invested overnight in reverse agreements that are not exposed to custodial credit risk because the underlying securities are held by the buyer-lender. At June 30, 2020, balances in repurchase agreements had bank balances of \$218,853,000, and was included in the carrying amounts above.

During fiscal year 2019, El Camino transitioned from a cash management program that previously swept excess cash over-night, to a program where the funds remain in the depositories account and the bank pays interest on an average daily balance. Since the implementation of this new program the hospital has experience greater returns compared to the previous program.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 4 – BOARD-DESIGNATED FUNDS, FUNDS HELD BY TRUSTEE, RESTRICTED FUNDS, AND INVESTMENTS

Board-designated funds, funds held by trustee, restricted funds, and short-term investments, collectively, as of June 30, 2020 and 2019, comprised the following (in thousands):

	Amortized Cost	Gross Unrealized		Carrying Value
		Gains	Losses	
2020				
Cash and cash equivalents	\$ 104,578	\$ 2	\$ (2)	\$ 104,578
Mutual funds	282,569	109,503	(13,980)	378,092
Real estate funds	26,302	2,815	-	29,117
Hedge funds	147,707	16,899	(6,370)	158,236
Equities	35,062	6,350	(3,047)	38,365
Fixed income securities	446,802	22,975	(2,971)	466,806
	<u>\$ 1,043,020</u>	<u>\$ 158,544</u>	<u>\$ (26,370)</u>	<u>\$ 1,175,194</u>
2019				
Cash and cash equivalents	\$ 101,833	\$ 100	\$ (331)	\$ 101,602
Mutual funds	283,857	97,473	(9,495)	371,835
Real estate funds	34,933	8,685	-	43,618
Hedge funds	127,779	24,343	(752)	151,370
Equities	35,869	8,839	(2,488)	42,220
Fixed income securities	455,167	14,625	(1,199)	468,593
	<u>\$ 1,039,438</u>	<u>\$ 154,065</u>	<u>\$ (14,265)</u>	<u>\$ 1,179,238</u>

At June 30, 2020, investment balances and average maturities were as follows:

Investment Type	Fair Value (in thousands)	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Short-term money market	\$ 105,885	\$ 105,885	\$ -	\$ -	\$ -
Government and agencies	213,760	17,446	66,665	8,379	121,270
Corporate bonds	196,925	20,720	95,372	21,120	59,713
Domestic fixed income	54,814	20,085	12,431	12,197	10,101
	571,384	<u>\$ 164,136</u>	<u>\$ 174,468</u>	<u>\$ 41,696</u>	<u>\$ 191,084</u>
Equities	38,365				
Mutual funds	378,092				
Real estate funds	29,117				
Hedge funds	158,236				
Total	<u>\$ 1,175,194</u>				

El Camino Healthcare District

Notes to Consolidated Financial Statements

At June 30, 2019, investment balances and average maturities were as follows:

Investment Type	Fair Value (in thousands)	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Short-term money market	\$ 100,504	\$ 100,504	\$ -	\$ -	\$ -
Government and agencies	276,922	7,277	107,589	23,273	138,783
Corporate bonds	165,741	22,721	93,943	20,292	28,785
Domestic fixed income	27,028	1,654	8,845	12,375	4,154
	570,195	\$ 132,156	\$ 210,377	\$ 55,940	\$ 171,722
Equities	42,220				
Mutual funds	371,835				
Real estate funds	43,618				
Hedge funds	151,370				
Total	\$ 1,179,238				

Interest rate risk – Through its investment policies, the District manages its exposure to fair value losses arising from increasing interest rates by limiting duration of fixed income securities in its portfolio to no more than 30% of the designated benchmark.

Credit risk – District investment policies require fixed income investments to have a minimum of 85% of a money manager's assets in investment grade assets. The investment policy requires investment managers maintain an average of A- or higher ratings as issued by a nationally recognized rating organization. Additionally, the investment policy requires no more than 5% of a money manager's portfolio at the time of purchase shall be invested in the securities of any one issuer, with the exception of a United States government agency, agency MBS or other Sovereign issues rated AAA or Aaa.

Foreign currency risk – The District's investment policy permits it to invest up to 30% of total investments in foreign currency denominated investments.

Alternative investments risk – The District's alternative investments include ownership interest in a wide variety of partnership and fund structures that may be domestic or offshore. Generally, there is little or no regulation of these investments by the Securities and Exchange Commission or U.S. state attorneys general. These investments employ a wide variety of strategies including absolute return, hedge, venture capital, private equity and other strategies. Investments in this category may employ leverage to enhance the investment return. The District's holdings can include financial assets such as marketable securities, nonmarketable securities, derivatives, and synthetic and structured instruments; real assets; tangible and intangible assets; and other funds and partnerships. Generally, these investments do not have a ready market. Interest in these investments may not be traded without approval of the general partner or fund management.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Alternative investments are subject to all of the risks described previously relating to equities and fixed income instruments. In addition, alternative strategies and their underlying assets and rights are subject to a broad array of economic and market vagaries that can limit or erode value. The underlying assets may not be held by a custodian either because they cannot be, or because the entity has chosen not to hold them in this form. Valuations determined by the investment manager, who has a conflict of interest in that he or she is compensated for performance are considered and reviewed by the District's Investment Committee and the Board of Directors. Real assets may be subject to physical damage from a variety of means, loss from natural causes, theft of assets, lawsuits involving rights and other loss and damage including mortgage foreclosure risk. These risks may not be insured or insurable. Tangible assets are subject to loss from theft and other criminal actions and from natural causes. Intangible assets are subject to legal challenge and other possible impairment.

The carrying amount of deposits and investments are included in the District's consolidated statements of net position as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Included in the following consolidated statement of net position captions:		
Short-term investments	\$ 225,840	\$ 262,157
Current portion of board designated and funds held by trustee	26,495	23,778
Board designated, funds held by trustee, and restricted funds, less current portion	<u>922,859</u>	<u>893,303</u>
Total carrying amount of deposits and investments	<u>\$ 1,175,194</u>	<u>\$ 1,179,238</u>

NOTE 5 – FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the consolidated statements of net position at June 30, 2020 and 2019, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Mutual funds: Shares of mutual funds are valued at the net asset value ("NAV") of shares held by the District and are valued at the closing price reported on the active market on which the individual securities are traded.

El Camino Healthcare District Notes to Consolidated Financial Statements

Common stock: Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Asset-backed securities: Asset-backed securities are valued via model using various inputs such as but not limited to daily cash flow, U.S. Treasury market, floating rate indices such as LIBOR and Prime as a benchmark yield, spread over index, periodic and life caps, next coupon adjustment date, and convertibility of the bond.

Corporate bonds, foreign bonds, and municipal bonds: Valued using pricing models maximizing the use of observable inputs for similar securities which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. government securities: Fixed income funds are valued at the NAV of shares held by the District and are valued at the closing price reported on the active market on which the individual securities are traded.

Pooled, common & collective trusts: Investments are valued using the NAV of the fund. The NAV of a pooled or collective investment fund is calculated based on a compilation of primarily observable market information. The number of units of the fund that are outstanding on the calculation date is derived from observable purchase and redemption activity in the fund.

Hedge funds: The fair value of the investments is recorded at the investment manager's net asset values, as determined by the fund administrator and subsequently audited by an external third party. The administrator has the appropriate expertise to determine the NAV. The District assesses the NAV and takes into consideration events such as suspended redemptions, restructuring, secondary sales, and investor defaults to determine if an adjustment is necessary. Additionally, asset holdings are reviewed within investment managers' audited financial statements.

Limited Partnership Interests: The valuation of partnership interests may require significant management judgement. The District's ownership is based upon their percentage of limited partnership interests divided by the total commitment of the fund. Specifically, inputs used to determine fair value include financial statements provided by the investment partnerships, which typically include fair market value capital account balances.

Interest rate swap: The fair value is estimated by a third party using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Beneficial interest in charitable remainder unitrusts: The beneficial interest in charitable remainder unitrusts is measured at fair value, which is estimated as the present value of the expected future cash flows from trusts.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table presents the fair value measurements of financial instruments recognized in the accompanying consolidated statements of net position measured at fair value on a recurring basis and the level within the GASB No. 72 fair value hierarchy in which the fair value measurements fall at June 30 (in thousands):

Description	Level 1	Level 2	Level 3	2020
Investments by fair value level				
Asset backed securities				
Corporate backed obligations	\$ -	\$ 14,989	\$ -	\$ 14,989
Mortgage backed obligations	-	35,003	-	35,003
US Government Mortgage Pool	-	80,416	-	80,416
Common stock				
ADR & U.S. foreign stock	-	3,444	-	3,444
Customer discretionary	6,982	-	-	6,982
Energy	3,225	-	-	3,225
Financial services industry	7,721	-	-	7,721
Healthcare industry	2,877	-	-	2,877
Information Technology	3,529	-	-	3,529
Telecommunication services	4,608	-	-	4,608
Other	7,287	-	-	7,287
Corporate, municipal and foreign bonds				
Corporate bonds	-	181,936	-	181,936
Private placements	-	35,928	-	35,928
Municipal taxable	-	5,017	-	5,017
Mutual funds				
Mutual funds - equity	378,092	-	-	378,092
Mutual funds - taxable	18,886	-	-	18,886
U.S. Government securities				
Government agencies	-	-	-	-
U.S. treasury notes and bonds	93,324	-	-	93,324
Limited Partnership Interests	-	-	22,778	22,778
Total investments by fair value level	<u>\$ 526,531</u>	<u>\$ 356,733</u>	<u>\$ 22,778</u>	<u>906,042</u>
Cash equivalents				<u>104,781</u>
Investments measured at NAV				
Pooled, common & collective trusts				18,117
Equity hedge funds				63,696
Credit hedge funds				15,667
Macro hedge funds				20,411
Relative value hedge funds				43,834
Fixed income limited partnership				<u>2,646</u>
Total investments measured at NAV				<u>164,371</u>
Total investments				<u>\$ 1,175,194</u>
Beneficial interest in charitable remainder unitrusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,893</u>	<u>\$ 3,893</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (10,862)</u>	<u>\$ -</u>	<u>\$ (10,862)</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

Description	Level 1	Level 2	Level 3	2019
Investments by fair value level				
Asset backed securities				
Corporate backed obligations	\$ -	\$ 46,702	\$ -	\$ 46,702
Mortgage backed obligations	-	34,075	-	34,075
US Government Mortgage Pool	-	90,315	-	90,315
Common stock				
ADR & U.S. foreign stock	-	4,902	-	4,902
Energy	4,609	-	-	4,609
Financial services industry	8,377	-	-	8,377
Healthcare industry	2,207	-	-	2,207
Information Technology	4,053	-	-	4,053
Telecommunication services	655	-	-	655
Other	17,444	-	-	17,444
Corporate, municipal and foreign bonds				
Corporate bonds	-	164,278	-	164,278
Private placements	-	27,028	-	27,028
Municipal taxable	-	3,361	-	3,361
Mutual funds				
Mutual funds - equity	355,392	-	-	355,392
Mutual funds - taxable	17,133	-	-	17,133
U.S. Government securities				
Government agencies	1,463	-	-	1,463
U.S. treasury notes and bonds	102,468	-	-	102,468
Limited Partnership Interests	-	-	22,320	22,320
Total investments by fair value level	<u>\$ 513,801</u>	<u>\$ 370,661</u>	<u>\$ 22,320</u>	<u>906,782</u>
Cash equivalents				<u>102,725</u>
Investments measured at NAV				
Pooled, common & collective trusts				23,460
Equity hedge funds				51,565
Credit hedge funds				21,229
Macro hedge funds				41,310
Relative value hedge funds				30,815
Fixed income limited partnership				<u>1,352</u>
Total investments measured at NAV				<u>169,731</u>
Total investments				<u>\$ 1,179,238</u>
Beneficial interest in charitable remainder unitrusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,893</u>	<u>\$ 3,893</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (7,550)</u>	<u>\$ -</u>	<u>\$ (7,550)</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table provides the fair value and redemption terms and restrictions for investments redeemable NAV at June 30 (in thousands):

	2020 Fair Value	2019 Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Pooled, common & collective trusts	\$ 18,117	\$ 23,460	\$ -	Monthly	30 days
Equity hedge funds	63,696	51,565	-	Quarterly	90 days
Credit hedge funds	15,667	21,229	-	Monthly, Quarterly	15 - 60 days
Macro hedge funds	20,411	41,310	-	Monthly, Quarterly	5 - 90 days
Relative value hedge funds	43,834	30,815	-	Quarterly, Annually	45 days
Fixed income limited partnership	2,646	1,352	-	Monthly	1 day
Total investments measured at NAV	<u>\$ 164,371</u>	<u>\$ 169,731</u>	<u>\$ -</u>		
Limited Partnership Interests	<u>\$ 22,778</u>	<u>\$ 22,320</u>	<u>\$ 29,531</u>	n/a	n/a

Pooled, common & collective trusts – includes investments in one small cap fund that invest in domestic equity. Investments are valued using the NAV per share of the fund. The NAV per share is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding.

Equity hedge funds – includes investments in seven hedge funds that employ both long and short strategies primarily in common stocks. Equity hedge strategies typically have a directional bias (long or short) and trade in equities and equity related derivatives. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 1% of the value of the investments in this type include restrictions such as certain classes with side pocket investments which may only be redeemed upon realization of the underlying investments.

Credit hedge funds – includes investments in two hedge funds that is comprised of distressed securities, credit long/short, emerging market debt and credit event driven. Credit hedge strategies typically have a directional bias and involve the purchase of various types of debt, equity, trade claims and fixed income securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. All of the investments in this type include restrictions that do not allow for redemptions in the first year after acquisition and other imposed gates.

Macro hedge funds – includes investments in two hedge funds that invests in global macro, managed futures, commodities and currencies. Macro hedge strategies typically have a directional bias and involve the purchase of a variety of securities and/or derivatives related to major markets. Managed future strategies trade similar instruments but are typically implemented by computerized system. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Relative value hedge funds – includes investments in six hedge funds that typically does not display a distinct directional bias. Relative value encompasses a range of strategies covering different asset classes. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Investments representing approximately less than 1% of the value of the investments may include lock up, imposed gates, and other restrictions that preclude them from redeeming their share or ownership interest for an uncertain or extended period of time from the measurement date.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Fixed income limited partnership – includes investments in a limited partnership fund of funds that invest primarily in investment grade non-US dollar denominated fixed income securities. The fund may enter into swap agreements, forward settlement agreements, futures, contracts, and options on future contracts as well as purchase and sell covered put and call options. Investments are valued using the NAV per share of the fund. There is a provision in the limited partnership agreement that allows the general partner to limit redemption under certain circumstances.

Limited Partnership Interests – investments in closed-end, commitment based private equity real estate partnerships. The valuation of partnership interests in these funds may require significant management judgement. The District's ownership is based upon their percentage of limited partnership interests divided by the total commitment of the fund. Inputs used to determine fair value include financial statements provided by the investment partnerships, which typically include fair market value capital account balances. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund.

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, is as follows (in thousands):

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 92,904	\$ -	\$ -	\$ 92,904
Construction in progress	391,005	98,843	-	489,848
	483,909	98,843	-	582,752
Capital assets being depreciated				
Land improvement	15,768	-	-	15,768
Buildings	836,052	14,704	-	850,756
Capital equipment	389,595	9,997	345	399,247
	1,241,415	24,701	345	1,265,771
Less accumulated depreciation for				
Land improvement	10,639	1,252	-	11,891
Buildings	332,947	26,036	-	358,983
Capital equipment	285,245	26,750	382	311,613
	628,831	54,038	382	682,487
Total capital assets being depreciated, net	612,584	(29,337)	(37)	583,284
Total capital assets, net	\$ 1,096,493	\$ 69,506	\$ (37)	\$ 1,166,036

El Camino Healthcare District

Notes to Consolidated Financial Statements

Capital assets activity for the year ended June 30, 2019, is as follows (in thousands):

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$ 84,807	\$ 8,097	\$ -	\$ 92,904
Construction in progress	220,990	170,015	-	391,005
	<u>305,797</u>	<u>178,112</u>	<u>-</u>	<u>483,909</u>
Capital assets being depreciated				
Land improvement	15,731	37	-	15,768
Buildings	820,273	15,779	-	836,052
Capital equipment	363,861	34,878	9,144	389,595
	<u>1,199,865</u>	<u>50,694</u>	<u>9,144</u>	<u>1,241,415</u>
Less accumulated depreciation for				
Land improvement	9,821	818	-	10,639
Buildings	306,021	26,926	-	332,947
Capital equipment	269,620	24,693	9,068	285,245
	<u>585,462</u>	<u>52,437</u>	<u>9,068</u>	<u>628,831</u>
Total capital assets being depreciated, net	<u>614,403</u>	<u>(1,743)</u>	<u>76</u>	<u>612,584</u>
Total capital assets, net	<u>\$ 920,200</u>	<u>\$ 176,369</u>	<u>\$ 76</u>	<u>\$ 1,096,493</u>

Construction contracts of approximately \$596,000,000 was approved for various projects, including the construction of the four major projects at the Mountain View campus of the Integrated Medical Office Building ("IMOB"), Behavior Health Services replacement building, North Drive parking structure expansion, and Central Utility Plant Upgrade, as well as continued improvements at the Los Gatos site for the Imaging department, medical office building, and seismic upgrades. At June 30, 2020, the remaining commitment on these contracts approximated \$83,000,000.

Capitalized interest was \$7,528,000 and \$15,227,000 for the years ended June 30, 2020 and 2019, respectively.

NOTE 7 – EMPLOYEE BENEFIT PLANS

The Hospital sponsors a cash-balance pension plan (the "Plan"), which has been in effect since January 1, 1995. The Plan covers employees who are 21 years of age and have completed one year of credited service. Participants are entitled to a lump-sum distribution or monthly benefits at age 65 based on a predetermined formula that considers years of service and compensation. Effective July 1, 1999, employer Plan benefits are calculated as 5% of a participant's annual plan compensation, and the annual interest is an indexed rate based on the return on ten-year U.S. treasury securities. Participants are fully vested in their account balances after five pension years.

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Notes to Consolidated Financial Statements

Certain retired and terminated employees and certain participants covered by a collective bargaining agreement continue to participate under provisions of a defined-benefit retirement plan in effect prior to January 1, 1995. Participant data for the Plan, as of the measurement date January 1 for the indicated years is as follows:

	<u>2020</u>	<u>2019</u>
Active	2,824	2,735
Retirees and beneficiaries	592	559
Vested terminated	<u>973</u>	<u>989</u>
Total participants	<u><u>4,389</u></u>	<u><u>4,283</u></u>

Components of pension cost and deferred outflows and inflows of resources as calculated under the requirements of GASB No. 68 are as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Deferred outflows of resources as of June 30:		
Difference between expected and actual experience	\$ 1,244	\$ 1,669
Changes in assumptions	-	149
Difference between projected and actual investment earnings	<u>-</u>	<u>8,574</u>
Total	<u><u>\$ 1,244</u></u>	<u><u>\$ 10,392</u></u>
Deferred inflows of resources as of June 30:		
Difference between expected and actual experience	\$ (2,834)	\$ (2,636)
Changes in assumptions	(4,885)	(5,868)
Difference between projected and actual investment earnings	<u>(18,737)</u>	<u>-</u>
Total	<u><u>\$ (26,456)</u></u>	<u><u>\$ (8,504)</u></u>
Contributions between the measurement date and fiscal year end recognized as a deferred outflow of resources	<u><u>\$ 3,300</u></u>	<u><u>\$ 6,400</u></u>

Amounts reported as deferred outflows and inflows of resources to pensions will be recognized in pension expense are as follows (in thousands):

2021	\$ (7,483)
2022	(7,349)
2023	(3,205)
2024	(6,650)
2025	(307)
Thereafter	<u>(218)</u>
	<u><u>\$ (25,212)</u></u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table summarizes changes in pension liability for fiscal years ended June 30, 2020 and 2019, with a measurement date of December 31, 2019 and 2018, respectively, (in thousands):

	2020	2019
Service cost	\$ 9,675	\$ 8,891
Interest	12,744	12,304
Differences between expected and actual experience	(1,095)	(439)
Changes of assumptions	(652)	(9)
Benefit payments	(14,687)	(13,724)
Net change in total pension liability	5,985	7,023
Total pension liability beginning of fiscal year	209,955	202,932
Total pension liability end of fiscal year	\$ 215,940	\$ 209,955
	2020 with Measurement Date of December 31, 2019	2019 with Measurement Date of December 31, 2018
Total pension liability	\$ 215,940	\$ 209,955
Plan fiduciary net position	294,555	250,717
Net pension asset	\$ (78,615)	\$ (40,762)
Plan's fiduciary net position as a percentage of total pension liability	136.41%	119.41%
Covered payroll	\$ 335,696	\$ 315,317
Net pension asset as a percentage of covered payroll	-23.42%	-12.93%
Contributions between the measurement date and year ended June 30, as deferred outflow of resources	\$ 3,300	\$ 6,400

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table summarizes the actuarial assumptions used to determine net pension asset and plan fiduciary net position as of June 30, 2020 and 2019:

Valuation Date	Contributions related to the actuarially determined contributions are made for the plan year January 1 to December 31.
Actuarial Cost Method	Entry Age Normal Method in accordance with GASB No. 68
Asset Valuation Method	Market Value
Actuarial Assumptions	
Projected Salary Increases	4.00%
Mortality	Based on the Pri-2012 Total Employee and Retiree Mortality Tables (base year 2012) and projected with Mortality Improvement Scale MP-2019, except for current and future beneficiaries of deceased participants. For current and future beneficiaries of deceased participants, mortality is based on the Pri-2012 Contingent Survivor Mortality Tables and projected with Mortality Improvement Scale MP-2019.
Discount Rate	6.00%

Sensitivity of net pension asset (in thousands):

	1% Decrease 5%	Current Discount Rate 6%	1% Increase 7%
Net pension asset as of December 31, 2019	\$ (57,180)	\$ (78,615)	\$ (97,090)
Net pension asset as of December 31, 2018	\$ (19,889)	\$ (40,762)	\$ (58,731)

The following table summarizes target asset class for the plan fiduciary net position as of June 30, 2020 and 2019:

Asset Class	Neutral	Asset Rebalancing Range	Expected Long- Term Real Rate of Return
Domestic Equities	32%	27% - 37%	8.69%
International Equities	18%	15% - 21%	7.66%
Alternatives	20%	17% - 23%	5.38%
Broad Fixed Income	25%	20% - 30%	2.86%
Cash	5%	0% - 8%	1.04%
Total	100%		6.00%

El Camino Healthcare District

Notes to Consolidated Financial Statements

Eligible employees of the Hospital may also elect to participate in a separate deferred compensation plan (the 403(b) plan) pursuant to Section 403(b) of the Code. The Hospital acts as the administrator and sponsor, and the 403(b) plan's assets are held by trustees designated by the Hospital's management. Employees are eligible to participate upon employment, and participants are immediately vested in their elective contributions plus actual earnings thereon. The Hospital will match employee contributions to the 403(b) plan, subject to a maximum of 4% of each participant's annual plan compensation. Participants are eligible for employer match in the second plan year in which they work at least 1,000 hours, and they must be on the payroll at the end of the plan year (December 31). Employer matching contributions under the 403(b) plan are made to the cash-balance pension plan and earn interest as defined by that plan. Employer matching contributions to the 403(b) plan of \$11,983,000 and \$11,529,000 in 2020 and 2019, respectively, are included in benefits expense. Participants are immediately vested in the employer contributions included in the cash-balance pension plan.

The Hospital's net pension asset was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the consolidated financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 8 – POST-RETIREMENT MEDICAL BENEFITS

The Hospital provides healthcare benefits and life insurance for retired employees who meet eligibility requirements as outlined in the plan document, as approved by the board of directors of the Hospital. All employees who attain age 55 with a minimum of 20 years of enrollment in the Hospital's healthcare program and are enrolled in one of the plans upon retirement, and who were hired prior to July 1, 1994, are eligible. Under the plan, employees are credited with employment history accumulated under a prior Hospital plan.

Benefits are funded by the Hospital on a pay-as-you go basis. If a participant terminates from the Hospital after 20 years of enrollment but before reaching age 62, he or she can choose to contribute to the plan between ages 55 and 61 to retain the plan's benefits. At age 62, eligible retirees are given an annual credit based on years of service to pay for health benefits.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Employees covered – At June 30, the following employees were covered by the Hospital:

	<u>2020</u>	<u>2019</u>
Active	250	318
Inactive plan members or beneficiaries currently receiving benefits	327	284
Inactive plan members entitled to but not yet receiving benefits	-	-
Total participants	<u>577</u>	<u>602</u>

Components of post-retirement medical benefits expense and deferred inflows and outflows of resources as calculated under the requirements of GASB No. 75 are as follows (in thousands) as of June 30:

	<u>2020</u>	<u>2019</u>
Service cost	\$ 254	\$ 273
Interest	874	911
Differences between expected and actual experience	(66)	(141)
Changes of assumptions	531	83
Current period recognition of prior years' deferred inflows and outflows of resources	<u>(506)</u>	<u>(447)</u>
Total post-retirement medical benefits expense	<u>\$ 1,087</u>	<u>\$ 679</u>

	<u>2020</u>	<u>2019</u>
Deferred outflows of resources as of June 30:		
Changes in benefit terms	\$ -	\$ -
Difference between expected and actual experience	-	-
Changes in assumptions	<u>617</u>	<u>154</u>
Total	<u>\$ 617</u>	<u>\$ 154</u>

Deferred inflows of resources as of June 30:		
Changes in benefit terms	\$ -	\$ -
Difference between expected and actual experience	(189)	-
Changes in assumptions	<u>(161)</u>	<u>(871)</u>
Total	<u>\$ (350)</u>	<u>\$ (871)</u>

Amounts reported as deferred outflows and inflows of resources to post-retirement medical benefits will be recognized in post-retirement medical benefits expense are as follows (in thousands):

2021	\$ 253
2022	14
2023	-
2024	-
2025	-
Thereafter	<u>-</u>
	<u>\$ 267</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table summarizes changes in post-retirement medical benefits liability for fiscal year ended June 30, 2020 and 2019, with a measurement date of July 1, 2019 and 2018, respectively (in thousands):

	2020	2019
Service cost	\$ 254	\$ 273
Interest	874	911
Differences between expected and actual experience	(133)	(404)
Changes in assumptions or other input	1,076	236
Benefit payments	(821)	(748)
Net changes	1,250	268
Net post-retirement medical benefits liability at beginning of year	29,480	29,212
Net post-retirement medical benefits liability at end of year	\$ 30,730	\$ 29,480

The following table summarizes the actuarial assumptions used to determine net post-retirement medical benefits as of June 30, 2020 and 2019:

Valuation Date	June 30, 2019; measurement date of June 30, 2019
Actuarial Cost Method	Entry Age Normal, level percent of pay
Asset Valuation Method	Not applicable
Actuarial Assumptions	
Projected Salary Increases	4.00%
Mortality	RP-2014 Healthy Annuitant and Employee tables for males and females scaled back to 2006 using scale MP-2014, and then projected generationally using projection scale MP-2018.
Discount Rate	2.79%
Healthcare cost trend rates:	8% for 2019, graded to 4.5% for year 2027 and beyond for ages pre-65; and 6% for 2018, graded to 4.50% for year 2027 and beyond for ages post-65.

Sensitivity of post-retirement medical benefits liability (in thousands) due to change in discount rates as of June 30:

	2020		
	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Net post-retirement medical benefits liability	\$ 34,587	\$ 30,730	\$ 27,492
	2019		
	1% Decrease 1.98%	Current Discount Rate 2.98%	1% Increase 3.98%
Net post-retirement medical benefits liability	\$ 33,182	\$ 29,480	\$ 26,368

El Camino Healthcare District

Notes to Consolidated Financial Statements

Sensitivity of post-retirement medical benefits liability (in thousands) due to change in healthcare cost trend:

	<u>1% Decrease</u>	<u>Current Trend rate</u>	<u>1% Increase</u>
June 30, 2020	\$ 30,234	\$ 30,730	\$ 31,328
June 30, 2019	\$ 28,917	\$ 29,480	\$ 30,145

NOTE 9 – INSURANCE PLANS

The Hospital purchases professional, general, automobile, and directors and officers liability insurance from BETA Healthcare Group ("BHG"), and also purchases all-risk property insurance (including limited flood), fiduciary, crime, cyber, and excess workers' compensation coverage needs from Alliant Insurance Services ("Alliant"). The Hospital's coverage is under a claims-made policy with limits of \$30 million per occurrence, \$40 million in the annual aggregate, and with a self-insured retention level of \$50,000 per claim.

There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted from services provided to patients. The Hospital has actuarial estimates performed annually on its self-insurance plans of professional liability and workers' compensation benefits. Estimated liabilities (which have not been discounted) have been actuarially determined at an expected 75% confidence level and include an estimate of incurred, but not reported, claims. The balances are included in salaries and wages payable, workers' compensation and other long-term liabilities in the accompanying consolidated statements of net position.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 10 – BONDS PAYABLE

Bonds payable consists of the following obligations (in thousands):

	June 30,	
	2020	2019
El Camino Hospital District		
2006 General Obligation Bonds		
Principal	\$ 32,335	\$ 32,335
Unamortized premium	341	495
2017 General Obligation Bonds		
Principal	88,355	92,155
Unamortized premium	361	702
El Camino Hospital Revenue Bonds		
Series 2009		
Principal	50,000	50,000
Series 2015A		
Principal	139,795	143,760
Unamortized premium	9,416	10,896
Series 2017A		
Principal	287,770	292,435
Unamortized premium	13,000	15,095
Total long-term debt	621,373	637,873
Less current maturities	13,420	12,430
Maturities due after one year	\$ 607,953	\$ 625,443

	2020			
	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
General obligation bonds	\$ 125,687	\$ -	\$ 4,295	\$ 121,392
Revenue bonds	512,186	-	12,205	499,981
	<u>\$ 637,873</u>	<u>\$ -</u>	<u>\$ 16,500</u>	<u>\$ 621,373</u>
	2019			
	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
General obligation bonds	\$ 129,642	\$ -	\$ 3,955	\$ 125,687
Revenue bonds	519,753	-	7,567	512,186
	<u>\$ 649,395</u>	<u>\$ -</u>	<u>\$ 11,522</u>	<u>\$ 637,873</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

2006 General Obligation Bonds – Upon voter approval, in November 2003, the District issued in 2006, \$148,000,000 principal amount of 2006 General Obligation Bonds, which consists of \$115,665,000 of Current Interest Bonds. Interest on the Current Interest Bonds is payable semiannually at rates ranging from 4% to 5% and principal maturities ranging from \$2,065,000 in 2016 to \$18,050,000 in 2036 are due annually on August 1. Interest at rates ranging from 4.38% to 4.48% and principal of the Capital Appreciation Bonds are payable only at maturity. In March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the 2017 General Obligation Refunding Bonds.

The Current Interest Bonds maturing on or after August 1, 2017, may be redeemed prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after February 1, 2017, at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Bonds are general obligations of the District payable from ad valorem taxes. Payment of principal, interest and maturity value of the Bonds, when due, is insured by a municipal bond insurance policy.

2017 General Obligation Bonds – Upon voter approval, in March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the \$99,035,000 2017 General Obligation Refunding Bonds, which consists of \$115,665,000 of Current Interest Bonds, and \$32,335,000 of Capital Appreciation Bonds. Interest on the 2017 General Obligation Refunding Bonds is payable semiannually at rates ranging from 2% to 5% and principal maturities ranging from \$3,570,000 in 2017 to \$17,480,000 in 2036 are due annually on August 1. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000.

Revenue Bonds, Series 2009 – In April 2009, the Hospital issued \$50,000,000 of Santa Clara County Financing Authority Insured Revenue Bonds, Series 2009A to fund completion of the Hospital replacement construction project. Interest on the bonds is payable on the business day immediately following the applicable remarketing period. Principal maturities on the bonds range from \$100,000 in 2025 to \$10,920,000 in 2044, and are due annually on February 1.

The 2009 Series Revenue bond agreement contains various restrictive covenants which include, among other things, minimum debt service coverage, maintenance of minimum liquidity, and requirement to maintain certain financial ratios.

The bonds are secured by a pledge of gross revenues to an Indenture of Trust (“Indenture”) dated March 16, 2007. The Indenture contains certain covenants that, among other things, require the District to deposit all gross revenues of the Hospital as soon as practicable upon receipt. The Indenture also requires the Hospital to maintain a long-term debt service coverage ratio of 1.15 to 1.00. Failure to comply with the restrictive covenants of the Indenture could result in all of the unpaid principal and accrued interest of the bonds becoming due immediately, at the option of the trustee.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Revenue Bonds, Series 2015A – In May 2015, the Hospital advance refunded its Series 2007 Santa Clara County Financing Authority Insured Revenue Bonds (“Series 2007”) through the issuance of the \$160,455,000 of Santa Clara County Financing Authority Insured Revenue Bonds (“Series 2015A”). The issuance of the Series 2015A is to (i) finance and refinance certain capital expenditures owned by the Hospital (the Project – \$40,300,000), (ii) advance refund (\$120,100,000) the Santa Clara County Financing Authority Insured Revenue Bonds of the Hospital Series 2007A, 2007B, and 2007C, and (iii) pay costs incurred in the connection of the issuance of the Bonds.

Revenue Bonds, Series 2017A – In February 2017, the Hospital issued \$292,435,000 of California Health Facilities Financing Authority Revenue Bonds (“Series 2017”) to finance certain capital expenditures at facilities owned or operated by the Hospital, to finance a portion of the interest payable of the Series 2017 through January 31, 2019, and to pay costs incurred in connection with the issuance of the Series 2017. The Series 2017 consists of \$130,660,000 Serial Bonds and \$161,775,000 Term Bonds. Principal maturities for the Serial Bonds range from \$4,665,000 in 2020 to \$10,565,000 in 2037, and are due annually on February 1. Principal maturities for the Term Bonds range from \$30,710,000 in 2042 to \$56,065,000 in 2047, and are due annually on February 1.

Letter of credit – In March 2009, in connection with the issuance of the 2009 Series Revenue bonds, the Hospital obtained an irrevocable Letter of Credit issued by a bank for \$50,000,000. This Letter of Credit expires October of 2022 and requires the Hospital to maintain a long-term debt service coverage ratio of 1.20 to 1.00.

Management believes all financial debt covenants were met for the years ended June 30, 2020 and 2019.

Debt service requirements for bonds payable are as follows (in thousands):

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 4,400	\$ 3,626	\$ 9,020	\$ 20,312
2022	5,050	3,406	9,430	19,902
2023	5,760	3,154	9,905	19,431
2024	3,293	6,343	10,400	18,936
2025	3,398	6,788	10,920	18,415
2026-2030	17,977	41,017	63,290	83,452
2031-2035	47,382	27,614	80,185	67,021
2036-2040	33,430	2,036	66,470	46,961
2041-2045	-	-	116,880	26,129
2046-2050	-	-	101,065	4,128
	<u>\$ 120,690</u>	<u>\$ 93,984</u>	<u>\$ 477,565</u>	<u>\$ 324,687</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

Interest rate swap – On March 7, 2007, the Hospital entered into three interest rate swap agreements in connection with the issuance of the Series 2007 Revenue Bonds. The intention of the swap is to create debt with a synthetic, fixed interest rate on the variable-rate Revenue Bonds. The swaps were effective March 23, 2007, with a termination date of February 1, 2041, and notional amounts of \$50 million each, these terms match the terms of the underlying Series 2007 Revenue Bonds. Under each swap transaction, the Hospital pays a fixed rate of interest of 3.204% and the counterparty pays a variable rate of interest equal to the sum of (i) 56% of USD-LIBOR-BBA plus (ii) .23%. In March 2008, the Hospital Board directed management to terminate the floating to fixed interest rate swap when economically prudent in connection with the refunding of their Series 2007 Revenue Bonds. In December 2009, two of the three swaps were terminated. The fair value of the remaining swap is a liability of \$10,862,000 at June 30, 2020, and \$7,550,000 at June 30, 2019, included in other long-term obligations in the consolidated statements of net position.

Risks associated with the swap agreements – From the Hospital's perspective, the following risks are generally associated with swap agreements:

Credit risk – The counterparty becomes insolvent or is otherwise not able to perform its financial obligations. In the event the counterparty becomes insolvent or their credit rating falls below BBB-/Baa2 the Hospital has the right to terminate the swap. Upon exercise of early termination, the amounts due from or to the counterparty will be determined by the market pricing of the swaps at the time of termination.

Termination risk – The Hospital or counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If, at the time of the termination, the swap has a negative fair value, the Hospital would be liable to the counterparty for that payment.

NOTE 11 – RESTRICTED NET POSITION

Restricted net position consists of donor-restricted contributions and grants and cash restricted for regulatory requirements, which are to be used as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Charity and other Endowments	\$ 20,606 <u>7,373</u>	\$ 16,759 <u>6,806</u>
Restricted by donor for specific uses	27,979	23,565
Restricted by Department of Managed Health Care	<u>650</u>	<u>650</u>
Total restricted net position	<u>\$ 28,629</u>	<u>\$ 24,215</u>

Permanently restricted contributions ("endowments") remain intact, with the earnings on such funds providing an ongoing source of revenue to be used primarily for education.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 12 – CHARITABLE REMAINDER UNITRUSTS

The Foundation is the beneficiary of several irrevocable charitable remainder unitrusts in which the gift assets are held by trustees and administered for the benefit of the Foundation and other beneficiaries. The assets are held under trust agreements with an outside trustee. The donors maintain the right to income earned on the assets during their lifetime and, in some cases, during the lifetime of their survivors.

Pursuant to GASB No. 81, the Foundation recognizes an asset and a deferred inflow of resources when it becomes aware of the agreements and has sufficient information to measure the beneficial interest, in accordance with the asset recognition criteria in GASB No. 81. The beneficial interest asset is measured at fair value, which is estimated as the present value of the expected future cash flows from trusts. The applicable federal discount rate for June 2020 and June 2019 of 2.4% and 2.8% per annum, respectively, and The Standard Ordinary Mortality Rate Table were used to arrive at the present value. Change in the fair value of the beneficial interest asset is recognized as an increase or decrease in the related deferred inflow of resources. As the remainder interest beneficiary, the Foundation recognizes revenue for the beneficial interest at the termination of the agreement, as stipulated in the agreements.

NOTE 13 – RELATED-PARTY TRANSACTIONS

The Hospital pays vendor-related expenses on behalf of the Foundation and is reimbursed for these costs incurred. The Hospital also pays employee-related expenses, which are reimbursed by the Foundation. The Foundation's employees also participate in the cash-balance pension plan, sponsored by the Hospital. Full footnote disclosures relating to the cash-balance pension plan is included in the consolidated financial statements. The Hospital performs certain administrative functions on behalf of the Foundation for which no amounts are charged to the Foundation. As of June 30, 2020 and 2019, the Foundation has a payable to the Hospital in the amount of \$595,000 and \$248,000, respectively. During the fiscal years 2020 and 2019, the Foundation paid the Hospital \$3,225,000 and \$2,292,000 for such expenses, respectively, which included amounts for operations, but also disbursements from Donor Restricted Funds in support of Hospital operations and capital acquisitions.

In June 2012, the Hospital Board approved the funding of the Foundation's salaries, wages, benefits, and rent for a maximum of \$1,783,000 annually on an ongoing basis. All related party transactions are eliminated upon consolidation.

As of June 30, 2020 and 2019, CONCERN has a payable to the Hospital in the amount of \$3,603,000 and \$1,002,000, respectively. During the fiscal years ended June 30, 2020 and 2019, CONCERN paid the Hospital \$8,498,000 and \$9,228,000 for these expenses, respectively. All related party transactions are eliminated upon consolidation.

As of June 30, 2020 and 2019, SVMD has a payable to the Hospital of \$43,664,000 and \$6,139,000, respectively. During fiscal years ended June 30, 2020 and 2019, SVMD paid the Hospital \$54,613,000 and \$17,184,000 for its expenses, respectively. All related party transactions are eliminated upon consolidation.

The Hospital leases the space to ECASC and provides certain services, such as utilities and building/equipment maintenance. There was \$64,000 of rental income recorded for the year ended June 30, 2020, and \$1,107,000 of rental income recorded for the year ended June 30, 2019, related to the lease.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation – The District is a defendant in various legal proceedings arising out of the normal conduct of its business. In the opinion of management and its legal representatives, the District has valid and substantial defenses, and settlements or awards arising from legal proceedings, if any, will not exceed existing insurance coverage, nor will they have a material adverse effect on the financial position, results of operations, or liquidity of the District.

Lease commitments – The District is obligated for land and office rental under the terms of various operating lease agreements. Following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2020 (in thousands):

	<u>Operating Lease Commitments</u>	<u>Lease Income</u>	<u>Net Lease Benefit (Expense)</u>
2021	\$ 7,584	\$ 12,296	\$ 4,712
2022	6,685	9,768	3,083
2023	3,676	8,329	4,653
2024	3,573	6,488	2,915
2025	3,460	3,211	(249)
Thereafter	23,471	11,691	(11,780)
	<u>\$ 48,449</u>	<u>\$ 51,783</u>	<u>\$ 3,334</u>

Total rental expense in 2020 and 2019 for all operating leases was approximately \$11,004,000 and \$6,510,000, respectively.

Regulatory environment – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. The District is subject to routine surveys and reviews by federal, state and local regulatory authorities. The District has also received inquiries from healthcare regulatory authorities regarding its compliance with laws and regulations. Although the District management is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and on-going surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities. Breaches of these laws and regulations and noncompliance with survey corrective action requests could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Hospital Seismic Safety Act – In the 2010 fiscal year, the Mountain View campus completed its three-year construction of the Hospital Replacement Project with the opening of its new five story, 450,000 square foot, state-of-the-art hospital facility on November 15, 2009. This completion made the Mountain View hospital campus in compliance with the State of California's Senate Bill ("SB") 1953 in meeting all requirements of the Hospital Seismic Safety Act of 1994.

At the Los Gatos campus, where most of the buildings were constructed in the 1960's, the campus has been going through a seismic compliance review. During 2015, all required seismic upgrades were made to the Los Gatos site for seismic compliance up to 2030.

Collective bargaining agreement – Approximately 78.5% of the Hospital's employees are covered by collective bargaining agreements. These employees are members of 3 unions.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of net position date but before the consolidated financial statements are available to be issued. The District recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the consolidated statement of net position date, including the estimates inherent in the process of preparing the consolidated financial statements. The District's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the consolidated statement of net position date but arose after the consolidated statement of net position date and before consolidated financial statements are available to be issued.

Supplementary Information

FINAL DRAFT

El Camino Healthcare District
Consolidating Statement of Net Position
June 30, 2020
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
ASSETS AND DEFERRED OUTFLOWS								
Current assets								
Cash and cash equivalents	\$ 5,443	\$ 215,186	\$ 2,511	\$ 1,156	\$ 1,616	\$ 9,469	\$ -	\$ 235,381
Short-term investments	5,710	204,535	1,277	14,318	-	-	-	225,840
Current portion of board designated funds	26,495	-	-	-	-	-	-	26,495
Patient accounts receivable, net of allowances for doubtful accounts of \$60,439	-	121,208	-	582	-	7,695	-	129,485
Prepaid expenses and other current assets	298	76,651	1,312	1,761	-	28,895	(72,453)	36,464
Total current assets	37,946	617,580	5,100	17,817	1,616	46,059	(72,453)	653,665
Non-current cash and investments								
Board-designated funds	9,590	822,721	39,073	-	-	-	-	871,384
Restricted funds	-	-	-	650	-	-	-	650
Funds held by trustee	27,347	23,478	-	-	-	-	-	50,825
	36,937	846,199	39,073	650	-	-	-	922,859
Capital assets								
Nondepreciable	10,585	572,167	-	-	-	-	-	582,752
Depreciable, net	125	574,849	61	1,568	-	6,681	-	583,284
Total capital assets	10,710	1,147,016	61	1,568	-	6,681	-	1,166,036
Pledges receivable, net of current portion	-	-	4,402	-	-	-	-	4,402
Prepaid pension asset	-	78,615	-	-	-	-	-	78,615
Investments in healthcare affiliates	-	29,065	-	-	-	-	(1,616)	27,449
Beneficial interest in charitable remainder unitrust	-	-	3,893	-	-	-	-	3,893
Total assets	85,593	2,718,475	52,529	20,035	1,616	52,740	(74,069)	2,856,919
Deferred outflows of resources								
Loss on defeasance of bonds payable	-	12,361	-	-	-	-	-	12,361
Deferred outflows of resources	-	5,705	-	-	-	827	-	6,532
Deferred outflows - actuarial	-	1,861	-	-	-	-	-	1,861
Total deferred outflows of resources	-	19,927	-	-	-	827	-	20,754
Total assets and deferred outflows of resources	\$ 85,593	\$ 2,738,402	\$ 52,529	\$ 20,035	\$ 1,616	\$ 53,567	\$ (74,069)	\$ 2,877,673

El Camino Healthcare District
Consolidating Statement of Net Position (continued)
June 30, 2020
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION								
Current liabilities								
Accounts payable and accrued expenses	\$ 79	\$ 34,257	\$ 126	\$ 292	\$ -	\$ 710	\$ -	\$ 35,464
Salaries, wages, and related liabilities	-	61,829	-	530	-	974	-	63,333
Medicare accelerated payments	-	75,076	-	-	-	-	-	75,076
Other current liabilities	2,858	37,504	1,067	3,850	-	49,471	(71,584)	23,166
Estimated third-party payor settlements	-	10,956	-	-	-	-	-	10,956
Current portion of bonds payable	4,400	9,020	-	-	-	-	-	13,420
Total current liabilities	7,337	228,642	1,193	4,672	-	51,155	(71,584)	221,415
Bonds payable, net of current portion	116,992	490,961	-	-	-	-	-	607,953
Other long-term obligations	-	22,674	-	-	-	-	-	22,674
Workers' compensation, net of current portion	-	16,482	-	-	-	-	-	16,482
Post-retirement medical benefits, net of current portion	-	30,730	-	-	-	-	-	30,730
Total liabilities	124,329	789,489	1,193	4,672	-	51,155	(71,584)	899,254
Deferred inflows of resources								
Deferred inflows of resources	-	-	3,893	-	-	-	-	3,893
Deferred inflows of resources - actuarial	-	26,806	-	-	-	-	-	26,806
Total deferred inflows of resources	-	26,806	3,893	-	-	-	-	30,699
Net position								
Invested in capital assets, net of related debt	(83,335)	670,513	61	1,568	-	6,681	-	595,488
Restricted - expendable	-	-	20,606	-	-	-	-	20,606
Restricted - nonexpendable	-	-	7,373	650	-	-	-	8,023
Unrestricted	44,599	1,251,594	19,403	13,145	1,616	(4,269)	(2,485)	1,323,603
Total net position	(38,736)	1,922,107	47,443	15,363	1,616	2,412	(2,485)	1,947,720
Total liabilities, deferred inflows of resources, and net position	\$ 85,593	\$ 2,738,402	\$ 52,529	\$ 20,035	\$ 1,616	\$ 53,567	\$ (74,069)	\$ 2,877,673

El Camino Healthcare District
Consolidating Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
Operating revenues								
Net patient service revenue (net of provision for bad debts of \$15,925)	\$ -	\$ 957,374	\$ -	\$ -	\$ -	\$ 25,323	\$ -	\$ 982,697
Other revenue	91	24,554	-	8,535	-	19,850	(4,165)	48,865
Total operating revenues	91	981,928	-	8,535	-	45,173	(4,165)	1,031,562
Operating expenses								
Salaries, wages and benefits	-	516,913	1,490	2,639	-	19,967	-	541,009
Professional fees and purchased services	643	119,891	338	3,448	74	49,862	(3,128)	171,128
Supplies	-	147,357	80	16,00	-	5,013	-	152,466
Depreciation	57	51,923	13	25	-	2,020	-	54,038
Rent and utilities	-	19,153	134	399	-	7,263	(134)	26,815
Other	-	20,487	100	176	-	1,404	-	22,167
Total operating expenses	700	875,724	2,155	6,703	74	85,529	(3,262)	967,623
(Loss) income from operations	(609)	106,204	(2,155)	1,832	(74)	(40,356)	(903)	63,939
Nonoperating revenues (expenses):								
Investment income, net	1,799	37,536	324	1,190	5	-	-	40,854
Property tax revenue								
Designated for community benefit programs and operating expenses	9,170	-	-	-	-	-	-	9,170
Designated for capital expenditures	9,706	-	-	-	-	-	-	9,706
Levied for debt service	10,493	-	-	-	-	-	-	10,493
Bond interest expense, net	(2,829)	(10,050)	-	-	-	-	-	(12,879)
Intergovernmental transfer expense	(4,048)	-	-	-	-	-	-	(4,048)
Restricted gifts, grants and bequests, and other, net of contributions to related parties	-	-	10,195	-	-	-	-	10,195
Unrealized loss on interest rate swap	-	(3,366)	-	-	-	-	-	(3,366)
Community benefit expense	(7,544)	(3,618)	-	(1,832)	-	-	903	(12,091)
Other, net	-	11,665	-	(291)	(364)	514	6,304	17,828
Total nonoperating revenues (expenses)	16,747	32,167	10,519	(933)	(359)	514	7,207	65,862
Excess (deficit) of revenues over expenses before capital transfers	16,138	138,371	8,364	899	(433)	(39,842)	6,304	129,801
Capital transfers	(6,864)	(21,174)	(3,139)	(823)	-	32,000	-	-
Increase (decrease) in net position	9,274	117,197	5,225	76	(433)	(7,842)	6,304	129,801
Total net (deficit) position, beginning of year	(48,010)	1,804,910	42,218	15,287	2,049	10,254	(8,789)	1,817,919
Total net (deficit) position, end of year	\$ (38,736)	\$ 1,922,107	\$ 47,443	\$ 15,363	\$ 1,616	\$ 2,412	\$ (2,485)	\$ 1,947,720

El Camino Healthcare District
Supplemental Pension and Post-Retirement Benefit Information
For the Years Ended June 30, 2020 and 2019

Supplemental pension information – The following tables summarize changes in net pension asset (in thousands):

	2020	2019
Service cost	\$ 9,675	\$ 8,891
Interest	12,744	12,304
Differences between expected and actual experience	(1,095)	(439)
Changes of assumptions	(652)	(9)
Benefit payments	<u>(14,687)</u>	<u>(13,724)</u>
Net change in total pension liability	5,985	7,023
Total pension liability beginning of fiscal year	<u>209,955</u>	<u>202,932</u>
Total pension liability end of fiscal year	<u>\$ 215,940</u>	<u>\$ 209,955</u>
	2020	2019
Contributions	\$ 12,900	\$ 11,600
Net investment income	45,625	(7,175)
Benefit payments, including refunds of member contributions	<u>(14,687)</u>	<u>(13,724)</u>
Net change in Plan fiduciary net position	43,838	(9,299)
Plan fiduciary net position beginning of fiscal year	<u>250,717</u>	<u>260,016</u>
Plan fiduciary net position end of fiscal year	<u>294,555</u>	<u>250,717</u>
Plan's net pension asset end of the fiscal year	<u>\$ (78,615)</u>	<u>\$ (40,762)</u>
Covered payroll	\$ 335,696	\$ 315,317
Net pension asset as a percentage of covered payroll	-23.42%	-12.93%
Contributions	\$ 3,300	\$ 6,400

El Camino Healthcare District

Supplemental Pension and Post-Retirement Benefit Information

For the Years Ended June 30, 2020 and 2019

The following table summarizes the contribution status of the Hospital's cash-balance pension plan (in thousands) over the last ten years:

	FY2020	FY2019	FY2018	FY2017	FY2016
Actuarially determined contribution	\$ 7,801	\$ 10,888	\$ 10,154	\$ 8,445	\$ 2,735
Contributions related to actuarially determined contribution	\$ 9,800	\$ 12,900	\$ 11,600	\$ 10,900	\$ 10,500
Contribution deficiency (excess)	(1,999)	(2,012)	(1,446)	(2,455)	(7,765)
Covered payroll	335,696	\$ 315,317	\$ 297,737	\$ 283,435	\$ 283,776
Contribution as % of covered payroll	2.92%	4.09%	3.90%	3.85%	3.70%
Contributions made during the fiscal year	\$ 9,800	\$ 12,800	\$ 10,400	\$ 10,900	\$ 9,900

	FY2015	FY2014	FY2013	FY2012	FY2011
Actuarially determined contribution	\$ -	\$ 8,463	\$ 7,613	\$ 1,400	\$ 12,023
Contributions related to actuarially determined contribution	\$ 10,800	\$ 14,400	\$ 12,000	\$ 11,005	\$ 19,811
Contribution deficiency (excess)	(10,800)	(5,937)	(4,387)	(9,605)	(7,788)
Covered payroll	\$ 266,844	\$ 242,343	\$ 223,754	\$ 208,910	\$ 205,693
Contribution as % of covered payroll	4.05%	5.94%	5.36%	5.27%	9.63%
Contributions made during the fiscal year	\$ 14,400	\$ 12,600	\$ 23,610	\$ 11,249	\$ 5,400

Actuarially determined contributions are calculated as of January 1 and are based on the IRS minimum funding requirement. The contributions related to the actuarially determined contributions are amounts made for the plan year January 1 to December 31. Contributions made during the fiscal year are contribution amounts made during July 1 and June 30.

Supplemental post-retirement benefit information – As of June 30, 2019 and 2020, post-retirement medical benefits plan's fiduciary net position as a percentage of the total OPEB liability is 0%.

The 2019 and 2018 covered payroll for the active population eligible to participate in the post-retirement medical benefits plan is \$29,963,700. The net post-retirement medical benefits liability as of July 1, 2019 and 2018, is \$30,731,400 and \$29,479,700, respectively. The net post-retirement medical benefits liability as a percentage of covered-employee payroll, as of the same time period was 102.56% and 82.36%, respectively.

El Camino Healthcare District
Supplemental Schedule of Community Benefit (unaudited)
For the Years Ended June 30, 2020 and 2019

The District and the Hospital maintain records to identify and monitor the level of direct community benefit it provides. These records include the charges foregone for providing the patient care furnished under its charity care policy. For the years ended June 30, 2020 and 2019, the estimated costs of providing community benefit in excess of reimbursement from governmental programs were as follows (in thousands):

	2020	2019
Unpaid costs of Medi-Cal programs	\$ 39,219	\$ 33,618
Indigent charity care	672	378
	<u>39,891</u>	<u>33,996</u>
Other community-based programs		
Psychiatric	8,621	7,933
Clinical trial	309	425
Ambulatory care	12,501	10,423
Psychiatric outpatient	<u>2,650</u>	<u>2,935</u>
Total other community-based programs	<u>24,081</u>	<u>21,716</u>
Total community benefits	<u><u>\$ 63,972</u></u>	<u><u>\$ 55,712</u></u>

In furtherance of its purpose to benefit the community, the Hospital provides numerous other services to the community for which charges are not generated and revenues have not been accounted for in the accompanying consolidated financial statements. These services include providing access to healthcare through interpreters, referral and transport services, healthcare screening, community support groups and health educational programs, and certain home care and hospice programs. The estimated costs of Medicare programs in excess of reimbursement from Medicare were \$118,139,000 and \$107,800,000 for the years ended June 30, 2020 and 2019, respectively.

The Hospital also provides services to the community through the operations of the El Camino Hospital Auxiliary, Inc. (the "Auxiliary"). Services provided by volunteers of the Auxiliary, free of charge to the community, include assistance and counseling to patients and visitors, provision of scholarship awards to qualifying paramedical students, and daily personal contact with members of the community who are living alone. In 2020 and 2019, these volunteers contributed approximately 50,000 hours and 77,000 hours, in providing these services, the value of which is not recorded in the accompanying consolidated financial statements.

FINAL DRAFT

*Communications with
Those Charged with Governance*

El Camino Healthcare District

June 30, 2020

Communications with Those Charged with Governance

To the Board of Directors
El Camino Healthcare District

We have audited the consolidated financial statements of El Camino Healthcare District (the "District"), as of and for the year ended June 30, 2020, and have issued our report thereon dated _____, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated March 19, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts. We will also report on whether the consolidating statement of net position, consolidating statement of revenues, expenses, and changes in net position, and supplemental pension and postretirement benefit information, are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2 Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we considered the District's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the consolidated financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing we previously communicated to you in the Compliance Committee meeting on March 19, 2020, and the engagement letter dated March 19, 2020.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the consolidated financial statements. During the year ended June 30, 2020, management adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. There have been no other new accounting policies adopted and there were no changes in the application of existing policies during fiscal year 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the consolidated financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's consolidated financial statements were:

- Management's estimate of net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. We evaluated the key factors and assumptions used to develop the estimated net realizable amounts. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the provision for uncollectible accounts is recognized based on management's estimate of amounts that ultimately may be uncollectible. El Camino Hospital provides care to patients without requiring collateral or other security. Patient charges not covered by a third-party payor are billed directly to the patient if it is determined that the patient has the ability to pay. We evaluated the key factors and assumptions used to develop the provision for uncollectible accounts. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.

- Management's estimate of the fair market values of investments in the absence of readily-determinable fair values is based on information provided by the fund managers. We have gained an understanding of management's estimate methodology and examined the documentation supporting this methodology. We evaluated the key factors and assumptions used to develop the fair market value of investments. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of uninsured losses for professional liability is recognized based on management's estimate of historical claims experience. We evaluated the key factors and assumptions used to develop the actuarial estimates of uninsured losses for professional liabilities and workers' compensation. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the minimum pension liability is actuarially determined using assumptions on the long-term rate of return on pension plan assets, the discount rate used to determine the present value of benefit obligations, and the rate of compensation increases. These assumptions are provided by management. We have evaluated the key factors and assumptions used to develop the estimate. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimated liability for workers' compensation claims is recognized based on management's estimate of historical claims experience and known activity subsequent to year-end. We evaluated the key factors and assumptions used to develop the actuarial estimates of uninsured losses for professional liabilities and workers' compensation. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimated liability for post-retirement medical benefits is actuarially determined using assumptions on the long-term rate of return on plan assets, the discount rate used to determine the present value of benefit obligations, and the rate of compensation increases. These assumptions are provided by management. We have evaluated the key factors and assumptions used to develop the estimate. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimates of useful lives of capital assets are based on the intended use and are within accounting principles generally accepted in the United States of America. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the discount rate used to value the gift annuities and beneficial interest in charitable remainder unitrusts have been estimated based on certain variables related to specific donor information. We evaluated key factors and assumptions used to develop the discount rate used to value the gift annuities and beneficial interest in charitable remainder unitrusts in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

Actual results could differ from these estimates. In accordance with accounting principles generally accepted in the United States of America, any change in these estimates is reflected in the consolidated financial statements in the year of change.

Consolidated Financial Statement Disclosures

The disclosures in the consolidated financial statements are consistent, clear, and understandable. Certain consolidated financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's consolidated financial statements were those surrounding related-party transactions, significant concentration of net patient accounts receivable, investments and fair value of investments, capital assets, employee benefit plans, post-retirement medical benefits, insurance plans, long-term debt, and commitment and contingencies.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected Misstatements: The attached schedule summarizes material misstatements detected as a result of our audit procedures and corrected by management.

Uncorrected Misstatements: There were no uncorrected misstatements identified.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the District's consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2020.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California
_____, 2020

FINAL DRAFT

Schedule of Corrected Misstatements

in thousands

	<u>DR</u>	<u>CR</u>
Bad debt allowance (BS)	\$ 7,283	
AR contractual allowances (BS)	\$ 4,758	
Net patient service revenue		\$ 12,041
Short-term investments		\$ 14,184
Investment income, net	\$ 14,184	

FINAL DRAFT

FINAL DRAFT

*Communication of Internal
Control Related Matters*

El Camino Healthcare District

June 30, 2020

Communication of Internal Control Related Matters

To the Board of Directors
El Camino Healthcare District

In planning and performing our audit of the financial statements of El Camino Healthcare District (the "District"), as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the District's internal control to be a significant deficiency:

Significant account reconciliation review

Observation: During the course of performing our audit procedures, we noted the review of quarterly reconciliations of significant accounts, including investments and patient accounts receivable were not performed or that review was not sufficient resulting in audit adjustments to accurately reflect those balances as of June 30, 2020.

Recommendation: We recommend management improve the timeliness and effectiveness of the quarterly significant account reconciliations and review to ensure the financial statements accurately reflect all transactions and adjustments.

Management's Response: Management agrees with the recommendation that quarterly reconciliations of significant accounts need to be completed. Management is in the process of developing a plan to ensure the recommendation is implemented by December 31, 2020.

The District's written responses to the significant deficiency identified in our audit were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California
_____, 2020

FINAL DRAFT



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

**Board Finance Presentation
Fiscal Year 2021
7/1/2020-08/31/20**

Carlos Bohorquez, CFO
El Camino Healthcare District Board of Directors Meeting
October 20, 2020

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ECHD Stand-Alone Financial Statements

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NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



El Camino Healthcare District

Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	Aug 31, 2020	June 30, 2020 Pre-audit w/o Eliminations		Aug 31, 2020	June 30, 2020 Pre-audit w/o Eliminations
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Current Assets			Current Liabilities		
Cash & Investments	\$464	\$461	Accounts Payable & Accrued Exp	\$184	\$183
Patient Accounts Receivable, net	\$140	\$129	Bonds Payable - Current	13	13
Other Accounts and Notes Receivable	\$91	\$87	Bond Interest Payable	2	10
Inventories and Prepaids	\$106	\$101	Other Liabilities	5	6
Total Current Assets	800	778	Total Current Liabilities	205	212
Board Designated Assets			Deferred Revenue	77	77
Foundation Reserves	16	15	Deferred Revenue Inflow of Resources	31	31
Community Benefit Fund	21	20	Long Term Liabilities		
Operational Reserve Fund ⁽¹⁾	161	150	Bond Payable	615	615
Workers Comp, Health & PTO Reserves	76	75	Benefit Obligations	47	47
Facilities Replacement Fund ⁽²⁾	232	222	Other Long-term Obligations	26	19
Catastrophic & Malpractice Reserve ⁽³⁾	21	20	Total Long Term Liabilities	689	682
Total Board Designated Assets	527	502	Fund Balance		
Non-Designated Assets			Unrestricted	1,471	1,431
Funds Held By Trustee ⁽⁴⁾	45	51	Board Designated & Restricted	527	502
Long Term Investments	393	372	Capital & Retained Earnings	17	17
Other Investments	32	30	Total Fund Balance	2,015	1,950
Net Property Plant & Equipment	1,167	1,166	TOTAL LIAB. & FUND BAL.	\$3,016	\$2,952
Deferred Outflows of Resources	17	18			
Other Assets	35	36			
Total Non-Designated Assets	1,689	1,672			
TOTAL ASSETS	\$3,016	\$2,952			



Note: Totals may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Consolidated Comparative Statement of Revenues & Expenses (\$ Millions)

Year-to-Date through August 31, 2020

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Prior YTD FY Actual</u>
Net Patient Revenue ⁽⁵⁾	172	134	38	169
Other Operating Revenues ⁽⁶⁾	9	9	0	8
Total Operating Revenues	181	143	38	177
Wages and Benefits	94	87	-7	91
Supplies	30	21	-9	26
Purchased Services	27	29	2	27
Other	7	8	1	7
Depreciation	11	12	1	9
Interest	3	2	-1	1
Total Operating Expense ⁽⁷⁾	172	158	(13)	162
Operating Income	9	(16)	24	15
Non-Operating Income ⁽⁸⁾	56	5	51	3
Net Income	65	(11)	76	19



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District
Notes to Consolidated Financial Statements
Current FY 2021 Actual to Budget
(Includes El Camino Hospital)

- 1) The increase is due to the annual resetting of a 60 day reserve of expenses based on the current fiscal year's Hospital budget.
- 2) The current period Facilities Replacement Fund is comprised of (\$ Millions):

ECH Capital Replacement Fund (i.e. Funded Depr.)	\$177
ECHD Appropriation Fund (fka: Capital Outlay)	19
ECH Women's Hospital Expansion	30
ECHD Capital Replacement Fund (i.e. Funded Depr.)	<u>6</u>
	<u>\$232</u>

- 3) The current period Catastrophic & Malpractice Fund is comprised of (\$ Millions):

ECH Catastrophic Fund (aka: Earthquake Fund)	\$19
ECH Malpractice Reserve	<u>2</u>
	<u>\$21</u>

- 4) The decrease is due to the Bond Project Fund disbursements for the IMOB and BHS construction.
- 5) The increase in Net Patient Revenue is due to growth in oncology, general medicine and surgical procedures.
- 6) No variance.
- 7) Higher expenses related to volume growth at the Hospital.
- 8) The positive variance is due to outstanding performance in the investment returns.
- 9) The \$1.2M FY2020 funding for the Community Testing Program will be recorded in October 2020.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	August 31, 2020	June 30, 2020 Pre-audit w/o Eliminations		August 31, 2020	June 30, 2020 Pre-audit w/o Eliminations
ASSETS			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$802	\$5,443	Accounts payable	\$48	\$79
Short term investments ⁽¹⁾	1,145	5,710	Current portion of bonds	5,050	4,400
Due fm Retiree Health Plan ⁽²⁾	30	30	Bond interest payable ⁽¹⁰⁾	568	1,852
S.C. M&O Taxes Receivable ⁽³⁾	3,525	0	Other Liabilities	1,596	1,295
Other current assets	313	268			
Total current assets	\$5,815	\$11,451	Total current liabilities	\$7,262	\$7,626
Operational Reserve Fund ⁽⁴⁾	1,500	1,500			
Capital Appropriation Fund ⁽⁵⁾	18,657	26,495			
Capital Replacement Fund ⁽⁶⁾	5,885	5,741	Deferred income	34	50
Community Benefit Fund ⁽⁷⁾	6,832	2,349	Bonds payable - long term	111,601	116,651
Total Board designated funds	\$32,874	\$36,085	Total liabilities	\$118,897	\$124,327
Funds held by trustee ⁽⁸⁾	\$22,836	\$27,347	Fund balance		
Capital assets, net ⁽⁹⁾	\$10,701	\$10,710	Unrestricted fund balance	\$47,704	\$56,814
			Restricted fund balance ⁽¹¹⁾	(94,375)	(95,548)
			Total fund balance	(\$46,671)	(\$38,734)
TOTAL ASSETS	\$72,226	\$85,593	TOTAL LIAB & FUND BALANCE	\$72,226	\$85,593



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Comparative Year-to-Date August 31, 2020

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<u>REVENUES</u>				
(A) Ground Lease Revenue ⁽¹²⁾	\$ 17	17	\$ (0)	\$ 91
(B) Redevelopment Taxes ⁽¹³⁾	-	50	(50)	325
(B) Unrestricted M&O Property Taxes ⁽¹³⁾	2,049	1,537	512	8,845
(B) Restricted M&O Property Taxes ⁽¹³⁾	1,550	1,550	-	9,706
(B) G.O. Taxes Levied for Debt Service ⁽¹³⁾	1,700	1,700	-	10,493
(B) IGT/PRIME Medi-Cal Program ⁽¹⁴⁾	(566)	(434)	(132)	(4,048)
(B) Investment Income (net)	101	60	41	1,444
(B) Other income	-	-	-	0
TOTAL NET REVENUE	4,851	4,480	371	26,856
<u>EXPENSES</u>				
(A) Wages & Benefits ⁽¹⁵⁾	-	-	-	0
(A) Professional Fees & Purchased Svcs ⁽¹⁶⁾	92	144	52	553
(A) Supplies & Other Expenses ⁽¹⁷⁾	39	19	(20)	90
(B) G.O. Bond Interest Expense (net) ⁽¹⁸⁾	527	462	(65)	2,474
(B) Community Benefit Expenditures ⁽¹⁹⁾	4,282	4,000	(282)	7,544
(A) Depreciation / Amortization	9	9	(0)	57
TOTAL EXPENSES	4,949	4,633	(316)	10,718
NET INCOME	\$ (98)	\$ (153)	\$ 55	\$ 16,138
(A) Operating Revenues & Expenses				
(B) Non-operating Revenues & Expenses				
<u>RECAP STATEMENT OF REVENUES & EXPENSE</u>				
(A) Net Operating Revenues & Expenses	\$ (123)			
(B) Net Non-Operating Revenues & Expenses	25			
NET INCOME	\$ (98)			



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Comparative YTD **Stand-Alone** Stmt of Fund Balance Activity (\$ Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

	<u>August 31, 2020</u>	<u>June 30, 2020</u>
Fiscal year beginning balance	\$ (38,734)	\$ (48,009)
Net income year-to-date	\$ (98)	\$ 16,138
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽²⁰⁾	\$ -	\$ 360
Capital Appropriation projects ⁽²¹⁾	\$ (7,839)	(7,223)
Fiscal year ending balance	<u><u>\$ (46,671)</u></u>	<u><u>\$ (38,734)</u></u>



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (1) **Short term investments** – The decrease is due to the beginning of the year establishment of the Community Benefit Fund for FY 2021.
- (2) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (3) **S.C. M&O Taxes Receivable** – The increase is due to the accruals for the current year's Unrestricted (Gann Limit) and Restricted (Capital Appropriation) Funds, actual cash receipts normally begin in October and the following months.
- (4) **Operational Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (5) **Capital Appropriation Fund** – Decrease is due to funding of the commitment to the Women's Hospital renovation project to commence after the IMOB is completed.
- (6) **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 (Park Pavilion) owned by the District.
- (7) **Community Benefit Fund** – This fund retains unrestricted (Gann Limit) funds to support the District's operations and primarily to support its Community Benefit Programs.
- (8) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (9) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, property at the end of South Drive (currently for the Road Runners operations), and a vacant lot located at El Camino Real and Phyllis.
- (10) **Bond Interest Payable** – The decrease is due to semi-annual payment made on 8/01/20.
- (11) **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 16 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

(12) Other Operating Revenue – Lease income from El Camino Hospital for its ground lease with the District.

(13) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period. Note amount for the G.O. Taxed Levied for Debt will come in less than prior year mostly due to the March 2017 G.O. Refunding that the District did that reduced the previously \$12.90 of assessed property valuation per \$100,000 to a current \$10.00 per \$100,000.

(14) IGT/PRIME Expense – Payments in support of the PRIME or IGT programs.

(15) Wages & Benefits – The District employs no employees. Employees are based at the Hospital, CONCERN, or SVMD entities. The District does contract with the Hospital and outside professional and general services organizations (see item 17).

(16) Professional Fees & Services – Actual detailed below:

• Community Benefit Support from ECH (54% of SW&B)	\$ 69
• Consulting	9
• Legal Fees	7
• Other	7
	<u>\$ 92</u>

(17) Supplies & Other Expenses – Actual detailed below:

• Marketing	\$ 17
• Dues & Subscriptions	<u>22</u>
	<u>\$ 39</u>

(18) G.O. Bond Interest Expense – It is to be noted that on March 22, 2017 the District refunded \$99M of its remaining \$132M 2006 G.O. bond issue. Refunding of the 2006 G.O. debt, given current interest rates, caused a net present value savings of \$7M.

(19) Community Benefit Expenditures – Starting in FY2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year. Note the major payments to recipients are made in August & February of the fiscal year.

(20) IGT/PRIME Funding – Transfers from ECH for participation in the PRIME or IGT program thus far in FY 2021.

(21) Capital Appropriation Projects Transfer – This amount for FY2021 was the approved amount at the Board's June 2020 meeting to be transferred to the Hospital in FY2021 for the future renovation of the Women's Hospital.



El Camino Healthcare District

Sources & Uses of Tax Receipts (\$Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

Sources of District Taxes

08/31/20

(1) Maintenance and Operation and Government Obligation Taxes \$5,299

(2) Redevelopment Agency Taxes 0

Total District Tax Receipts \$5,299

Uses Required Obligations / Operations

(3) Government Obligation Bond 1,700

Total Cash Available for Operations, CB Programs, & Capital Appropriations 3,599

(4) Capital Appropriation Fund – Excess Gann Initiative Restricted* 1,550

Subtotal 2,049

(5) Operating Expenses (Net) 120

Subtotal 1,929

(6) Capital Replacement Fund (Park Pavilion) 12

Funds Available for Community Benefit Programs \$1,917

*Gann Limit Calculation for FY2021 \$9,221

(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)



Appendix: Major Budget Assumptions for FY2021

1. Pages 13 and 14: Are the pages 3 and 4 of the FY21 ECHD Stand-Alone Budget presented to the ECHD Board and approved on August 12, 2020.

2. Page 15: Additional detail about Community Benefit SW&B allocation process

Appendix: General Obligation Bond of the District

1. Pages 16 and 17: Description of the Bonds and annual debt service requirements grid.



Major Budget Assumptions – El Camino Healthcare District

Excludes El Camino Hospital & its affiliates

- Other Operating Revenue is based on the existing ground lease agreement.
- 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, which for budget FY2021 a placeholder of \$250,000 is projected for the November District Board election costs from the Santa Clara County Registrar of Voters.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2021		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		0.21
Total		4.21
Total Salaries, Wages & Benefits	\$	771,414
Estimated allocation of time at 54% =	\$	416,564

- 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 a very conservative .09% for FY2021 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 FY 21 Budget

Information excludes El Camino Hospital & its affiliates

(in 000s)

Revenues	FY2019 Actual	FY2020 Actual	FY 2021 Budget	Change Favorable / (Unfavorable)	% Change
(A) Other Operating Revenue	96	92	103	11	12.0%
(B) Unrestricted M&O Property Taxes	8,429	8,845	9,221	376	4.3%
(B) Restricted M&O Taxes	8,989	9,676	9,300	(376)	-3.9%
(B) Taxes Levied for Debt Service	9,989	10,493	10,200	(293)	-2.8%
(B) Investment Income (net)	1,307	1,461	359	(1,102)	-124.6%
(B) Other - Redevelopment Agency	268	325	300	(25)	-7.7%
Total Net Revenue	29,078	30,892	29,483	(1,409)	-4.6%
Expenses					
(A) Community Benefit Support	397	397	417	(20)	5.0%
(A) Fees & Purchased Services	232	201	447	(246)	-55.0%
(A) Supplies & Other Expenses	62	45	112	(67)	-59.8%
(A) Depreciation/Amortization/Interest Expense	212	57	53	4	7.5%
(B) G.O. Interest Expense (net)	2,805	2,462	2,770	(308)	-11.1%
(B) Community Benefit Program	7,337	7,544	7,665	(121)	-1.6%
(B) IGT Medi-Cal Program Expense	6,829	4,048	2,603	1,445	55.5%
Total Expenses	17,874	14,754	14,067	687	4.9%
NET INCOME	11,204	16,138	15,416	(722)	-4.5%

FY21 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(873)
(B) Net Non-Operating Revenues & Expenses	16,289
NET INCOME	15,416



FY 21 Budget - Community Benefit SW&B Allocation

- Community Benefit staff are El Camino Hospital (ECH) employees who provide services to the District and to the Hospital Corporation.
- Pursuant to a Statement of Work (SOW) between El Camino Hospital and the District, Community Benefit Staff SW&B are allocated between the Hospital and the District.
- Per the SOW, the allocation is to be negotiated between the District Board Chair and the ECH Controller each spring for the coming fiscal year.
- For FY20, a percentage allocation (60%) was negotiated even though the percentage of District grant funds increased. Then Board Chair Fung and Board Vice Chair Miller participated in the negotiations with Controller, Michael Walsh.
- For FY21, the total SW&B for the Community Benefit staff is budgeted at \$771,414 with 54% (\$416,564) allocated to the District. The Board Chair Gary Kalbach reviewed this allocation with Controller, Michael Walsh, and approved the allocation.



El Camino Healthcare District General Obligation Bonds of the District

- 2006 General Obligation Bonds - Upon voter approval, in November 2003, the District issued in 2006, \$148,000,000 principle amount of 2006 General Obligation Bonds, which consists of \$115,665,000 of Current Interest Bonds. Interest on the Current Interest Bonds is payable semiannually at rates ranging from 4% to 5% and principal maturities ranging from \$2,065,000 in 2016 to \$18,050,000 in 2036 are due annually on August 1. Interest at rates ranging from 4.38% to 4.48% and principal of the Capital Appreciation Bonds are payable only at maturity. In March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the 2017 General Obligation Refunding Bonds.
- The Bonds are general obligations of the District payable from ad valorem taxes. Payment of principal, interest and maturity value of the Bonds, when due, is insured by a municipal bond insurance policy.
- 2017 General Obligation Bonds - Upon Board approval, in March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the \$99,035,000 2017 General Obligation Refunding Bonds, which consists of \$115,665,000 of Current Interest Bonds, and \$32,335,000 of Capital Appreciation Bonds. Interest on the 2017 General Obligation Refunding Bonds is payable semiannually at rates ranging from 2% to 5% and principal maturities ranging from \$3,570,000 in 2017 to \$17,480,000 in 2036 are due annually on August 1. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000.



Annual Debt Service Requirements

As of August 1, 2020

Year Ending (August 1)	2017 G.O Refunding Bonds			Series 2006 Capital Appreciation Bonds (1)			Aggregate Annual Debt Service on all general obligation bonds
	Principal	Interest	Total Debt Service	Principal	Accreted Interest	Total Debt Service	
2017	\$ 3,570,000	\$ 1,428,675	\$ 4,998,675				\$ 4,998,675
2018	3,310,000	3,915,600	7,225,600				7,225,600
2019	3,800,000	3,816,300	7,616,300				7,616,300
2020	4,400,000	3,626,300	8,026,300				8,026,300
2021	5,050,000	3,406,300	8,456,300				8,456,300
2022	5,760,000	3,153,800	8,913,800				8,913,800
2023		2,865,800	2,865,800	3,293,063	3,476,937	6,770,000	9,635,800
2024		2,865,800	2,865,800	3,397,871	3,922,129	7,320,000	10,185,800
2025		2,865,800	2,865,800	3,411,361	4,278,639	7,690,000	10,555,800
2026		2,865,800	2,865,800	3,551,505	4,843,495	8,395,000	11,260,800
2027		2,865,800	2,865,800	3,598,421	5,306,579	8,905,000	11,770,800
2028		2,865,800	2,865,800	3,673,863	5,846,137	9,520,000	12,385,800
2029		2,865,800	2,865,800	3,741,914	6,413,086	10,155,000	13,020,800
2030		2,865,800	2,865,800	3,802,634	7,007,366	10,810,000	13,675,800
2031		2,865,800	2,865,800	3,864,367	7,645,633	11,510,000	14,375,800
2032	12,000,000	2,865,800	14,865,800				14,865,800
2033	13,190,000	2,445,800	15,635,800				15,635,800
2034	14,525,000	1,918,200	16,443,200				16,443,200
2035	15,950,000	1,337,200	17,287,200				17,287,200
2036	17,480,000	699,200	18,179,200				18,179,200
Total	\$ 99,035,000	\$ 54,405,375	\$ 153,440,375	\$ 32,335,000	\$ 48,740,000	\$ 81,075,000	\$ 234,515,375

Blue highlighted items are paid down

2017 Outstanding Principle \$83,955,000. 2006 Outstanding Principle \$32,335,000.

(1) The Series 2006 Capital Appreciation Bonds are payable only at maturity on August 1 of each year, and interest on the series 2006 Capital Appreciation Bonds is compounded semiannually on each February 1 and August 1





EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS BOARD MEETING MEMO

To: El Camino Healthcare District Board ("Board") of Directors
From: Deb Muro, CIO; Omar Chughtai, Vice President of Operations
Date: October 14, 2020
Subject: Status Report on the El Camino Healthcare District Community COVID-19 Testing Program (the "District Program")

Purpose: To provide the Board with updated information about the District Program.

Summary:

1. **Situation:** On May 19, 2020, the Board approved funding and operations of a no-cost Community COVID-19 testing program for asymptomatic individuals who live, work, or go to school in the District. Thereafter, on June 16, 2020, the Board modified the approval to authorize (1) prepaying of \$1.2 million in FY20 to El Camino Health to implement and manage the District Program in FY20 and FY21 and (2) distribution of \$1.2 million in FY21 to provide ongoing services to the District Program in FY21.
2. **Authority:** The District Board has authority to authorize the District CEO to distribute funding and manage public health initiatives in furtherance of its purpose, which includes providing assistance in the operation of health care services for the benefit of the District and the people served by the District. Pursuant to this authorization, the District entered into a Services Agreement with El Camino Health to operate the District Program.

Background: Pursuant to the Agreement with El Camino Health, COVID-19 tests are currently being performed at a number of locations through the District including (1) the El Camino Health Mountain View hospital campus, (2) public school sites in the Mountain View – Whisman, Sunnyvale, Los Altos and Mountain View/Los Altos High School Districts and (3) downtown retail districts in Mountain View, Los Altos and Sunnyvale. The mobile testing sites within the District's business districts were initially focused on serving employees of small businesses who are less likely to have insurance and whose work schedules make traveling to the El Camino Hospital campus impractical. However, due to low demand, we opened those sites to other members of the public. To provide good stewardship of the District's tax revenues, El Camino Health is successfully billing third party insurance and reserving District funds to cover the costs of testing when insurance is not available. As of October 13th, 2020, we provided 7,111 tests. We are monitoring third party insurance reimbursement for re-testing as that will impact how far the District funds can be stretched.

The testing program is patient centered to facilitate quick-prescheduled appointments, online scheduling, extended hours for appointments, and electronic results. Testing is currently being offered at the Hospital Monday through Friday from 7:30 am until 7:00 pm. El Camino Health continues to rely on PCR (polymerase chain reaction) testing as this is the most sensitive and accurate mode. We do have antibody testing available in house but this has limited applicability because it doesn't guarantee lack of infectivity and doesn't guarantee immunity. Because of continued shortages of reagents used for the PCR tests, we are using four different sources of tests—two in house and two outside resources (see attached PPT Slide).

For the District program, we are using a national laboratory. The length of time to obtain results (results turnaround time (TAT)) fluctuates with demand. As of October 13, 2020, we were

Status Report on District Funded Community COVID-19 Testing Program
October 14, 2020

receiving results in 48-72 hours. Thanks to the generosity of the El Camino Health Foundation, we have purchased additional equipment, which we expect to be operational by the end of November 2020. Once in place, we will be able to run more tests in house and this will enable us to obtain results much more quickly.

Program Expenses Through FY21 Period 3 (September 30, 2020)

COVID-19 Tests: \$35,600

Labor: \$160,938.32

Marketing: \$30,494.99

Total: \$227,033.31

Assessment: The District Program operations are in place and we are working to decrease time to obtain tests results.

3. Other Reviews: N/A
4. Outcomes: Addressing the COVID-19 pandemic through providing community testing to decrease spread of COVID-19 in the community.

List of Attachments:

1. Testing Schedule
2. PowerPoint Slide - Types of Tests

Suggested Board Discussion Questions:

1. Does the Board have any concerns or suggestions about the execution of the District Program?

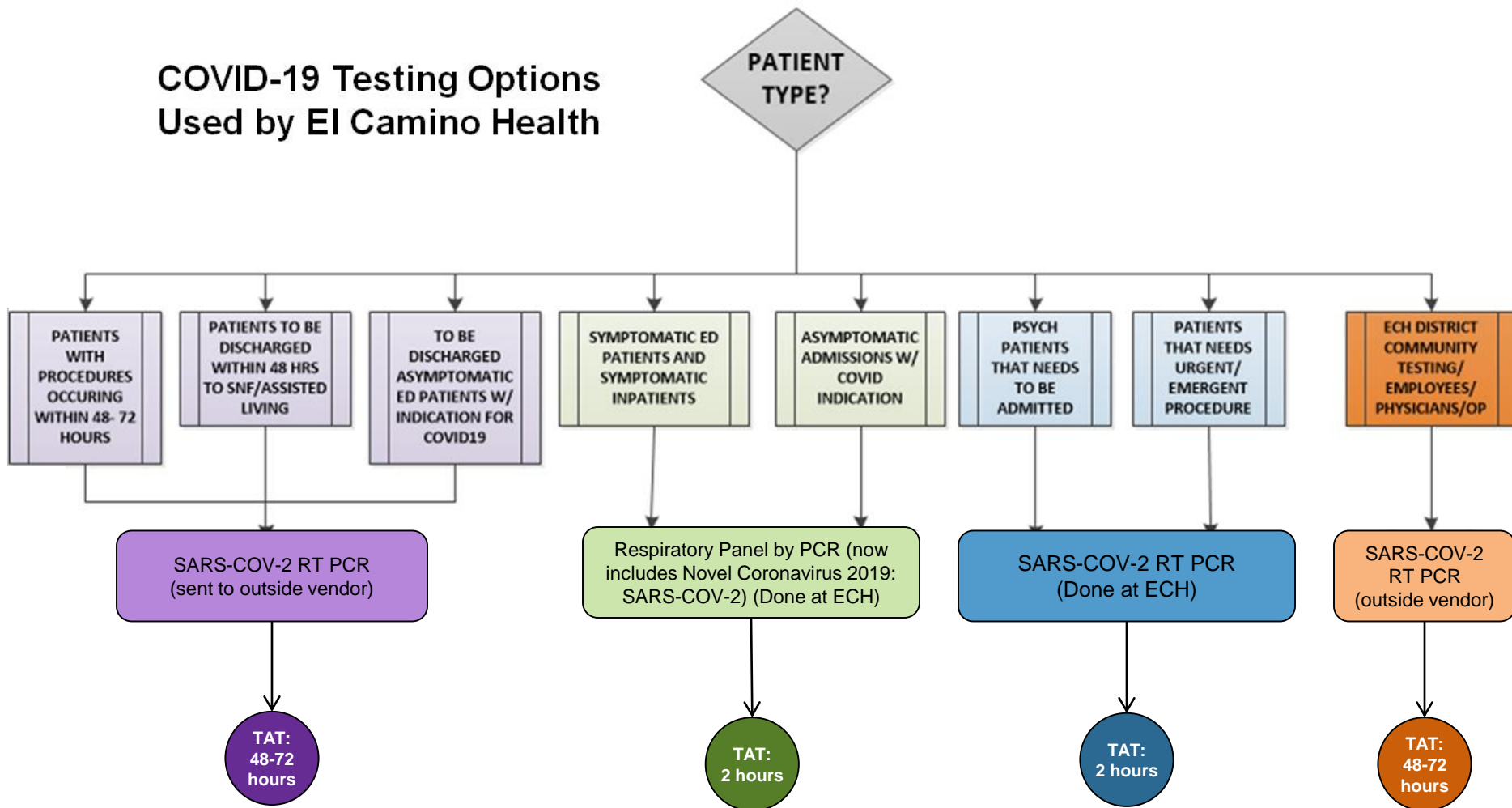


**El Camino Healthcare District Program COVID-19 Testing
Dates and Sites
Through November 10, 2020***

TUESDAY	Oct. 20	MV Whisman School District – Crittenden Middle School	1701 Rock Street Mountain View 94043
WEDNESDAY	Oct. 21	MVLA High School District - Mountain View High School	3535 Truman Ave Mountain View 94040
THURSDAY	Oct. 22	Sunnyvale Elementary School District – Sunnyvale Middle School	1080 Mango Avenue Sunnyvale 94087
TUESDAY	Oct. 27	Los Altos School District – Covington School	1120 Covington Rd Los Altos 94024
WEDNESDAY	Oct. 28	Downtown Mountain View	500 Castro St Mountain View 94041
THURSDAY	Oct. 29	Downtown Los Altos	169 State St Los Altos 94022
WEDNESDAY	Nov. 4	MVLA High School District – Los Altos High School	201 Almond Ave. Los Altos 94022
TUESDAY	Nov. 10	Downtown Sunnyvale	260 N Sunnyvale Ave Sunnyvale 94086

*Confirmed as 10/7/20. Dates are being added to accommodate public school districts 2x/month and downtown retail districts 1x/month.

COVID-19 Testing Options Used by El Camino Health



TAT = Results Turn Around Time



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Gary Kalbach, Board Chair
Date: October 20, 2020
Subject: Appointment of FY21 El Camino Hospital Board Member Election Ad Hoc Committee Chair

Purpose:

To inform the Board of the appointment of Director George Ting, MD as the FY21 El Camino Hospital Board Member Election Ad Hoc Committee Chair

Summary:

1. **Situation:** Annually, usually in June, pursuant to our Process for Election and Re-Election of Non-District Board Members (NDBM's) to the El Camino Hospital Board of Directors, we appoint an Ad Hoc Committee to evaluate and make recommendations regarding the election and re-election of NDBM's to the ECH Board. This year, we delayed in light of the uncertainty of Board composition pending the contested November District Board election.
2. **Authority:** Article VII, Section 1 of our Bylaws gives the Board Chair the authority to appoint the Chair of Special Board Committees.
3. **Background:** N/A
4. **Assessment:** Since his term does not expire until 2022, it is certain that Director Ting will continue as a member of the District Board following the November election and it is therefore reasonable to appoint him at this time. I asked him if he would consider the appointment and am pleased to report that he accepted.
5. **Other Reviews:** None.
6. **Outcomes:** N/A
7. **List of Attachments:** None.

Suggested Board Discussion Questions: None. This is an informational item.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Gary Kalbach, Board Chair
Date: October 20, 2020
Subject: Appointment of Liaison to the Community Benefit Advisory Council (CBAC)

Recommendation:

To nominate and appoint Director George Ting, MD as the District's Liaison to the CBAC

Summary:

1. **Situation:** The CBAC makes recommendations to the District Board regarding the annual Community Benefit Grant Program. In light of Director Miller's resignation from her role as the District Liaison to the CBAC last month, there is currently a vacancy in that role.
2. **Authority:** Annually, the Board appoints a non-voting liaison to attend CBAC meetings and participate in its discussions culminating in recommendations to the District Board.
3. **Background:** N/A
4. **Assessment:** Since his term does not expire until 2022, it is certain that Director Ting will continue as a member of the District Board following the November election and therefore reasonable to appoint him at this time so that there is not a gap in the position. Director Ting has indicated he will accept the appointment at this time, but may ask the Board to revisit it in January should there be a newly elected Board member who has interest in the appointment.
5. **Other Reviews:** None.
6. **Outcomes:** N/A
7. **List of Attachments:** None.

Suggested Board Discussion Questions: None. This is an informational item.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Dan Woods, CEO
Date: October 20, 2020
Subject: Report on Community Benefit Advisory Council Guiding Principles

Purpose:

To inform the District Board regarding changes management is planning to make to the District Community Benefit Advisory Council Guiding Principles.

Summary:

1. **Situation:** At the October 2019 District Board Meeting, an Ad Hoc Committee was authorized to evaluate the Community Benefit program and identify any recommendations to optimize performance of the program. The District CEO worked with the Ad Hoc Committee to evaluate opportunities for improvement.
2. **Authority:** The District Board has final approval of the distribution of Community Benefit funding, and should have direct oversight of the processes used to assess and select recipients for program grants.
3. **Background:** The Community Benefit programs of the Healthcare District provide about \$7.4 million for grants and sponsorships within the District boundaries. Additionally, a Community Benefit Advisory Council (made of community leaders) volunteers their time to evaluate grant requests to align funding with community need, and make recommendations to the District Board for approval.
4. **Assessment:** Ad Hoc Committee members and El Camino Hospital management have worked to evaluate the current state of the Community Benefit Advisory Council and Community Benefit program, and develop changes as outlined in Attachment 1.
5. **Outcomes:** See Attachment 1

List of Attachments:

1. Attachment 1 – Report on Community Benefit Guiding Principles and Operations
2. Attachment 2 – Redlined CBAC Guiding Principles

Suggested Board Discussion Questions:

1. How will these changes better help us meet the healthcare needs of our community?
2. Will the recommendations diminish the economies of scale initially intended with the CBAC?



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

Report on Community Benefit Guiding Principles and Operations

October 20, 2020

Dan Woods, CEO

Agenda

- Purpose of the Community Benefit Programs
- Current state – Community Benefit Advisory Council
- Recommendations for evolving the programs and oversight



Community Benefit Purpose

- The purpose of the District and Hospital Community Benefit Programs is to **address unmet health needs within the community as identified** in the triennial Community Health Needs Assessment using three key funding priorities:



Includes:

- Diabetes & Obesity
- Other Chronic Conditions
- Healthcare Access & Delivery
- Oral Health
- Cancer
- Cardiovascular & Cerebrovascular
- Hypertension
- Respiratory Conditions



Includes:

- Behavioral/Mental Health
- Addiction Services
- Cognitive Decline



Includes:

- Violence & Injury Prevention
- Economic Stability
- Housing & Homelessness



Current State - Community Benefit

- 148 grants and sponsorships (Hospital and District combined)
- **Community Benefit Advisory Council (CBAC) provides guidance to both programs - Provide synergies and economies of scale** to minimize administrative costs to tax-payers

Community Health Investment

El Camino Healthcare District

\$7.4M Grants & Sponsorships

El Camino Hospital

\$3.6M In Grants & Sponsorships



ECHD Community Benefit Grant Policy

Guideline #7

- Support ECHD's mission:

“to establish, maintain and operate, or provide assistance in the operation of **one or more health facilities or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District, and to do any and all other acts and things necessary to carry out the provisions of the District's Bylaws and the Local Health Care District Law.”**



Current State - Community Benefit Advisory Council (CBAC) Purpose and Scope

- To **provide an informed perspective, guidance and support** for the El Camino Healthcare District Community Benefit programs.
- **Ensure broad engagement** in the development of the annual Community Benefit Plans that are presented to the Board of Directors for both entities.
- **Provide synergies and economies of scale** to eliminate administrative costs to tax-payers

Current State:

- 8 voting members
 - 8 community members (volunteers)
 - Maximum of 15 approved
- 1 Board Liaison (non-voting)
- 2 Health System staff (non-voting)
- **CBAC members are volunteers, and do not receive taxpayer funds for participation**



Proposed Recommendations

- Review existing processes and recommend enhancements to Community Benefit Program. An Ad Hoc Committee was formed and is proposing recommendations for consideration in the following areas:
 1. Strategic Alignment of Community Benefit
 2. Application Process
 3. Oversight and Grant Funding Process
 4. Performance and Stewardship Process



1. Strategic Alignment of Community Benefit

- Align with El Camino Health System Strategic Plan and priorities
- Utilize the triennial Community Health Needs Assessment in evaluating unmet community needs allowing for mapping and cascading of priorities into the funding categories: Healthy Body, Healthy Mind, Healthy Community
- Monitor and ensure compliance with Local, State and Federal regulations.



2. Application Process

- Enhance Grant Application Process
 - Streamline and digitize application process
 - Standardized timing and communication of application process
- In case a grantee seeks District *and* Hospital Community Benefit Funding
 - Establish specific decision criteria of grants to be considered for “dual” funding with District and Hospital dollars
 - Each Grant source (District and Hospital) should be notified of dual funding application and requested funding



3. Oversight and Grant Funding Process

- Restructure CBAC Members:
 - 11 Members (Currently up to 15):
 - 9 Community - voting
 - 2 Staff – voting
- Create CBAC Member Term Limits
 - Term Limits (3yrs, 2 terms) - effective immediately
 - Optimize conflict of interest policy and process
- All previously approved individual grant increases reported to the Board in the semiannual reports



4. Performance and Stewardship Process

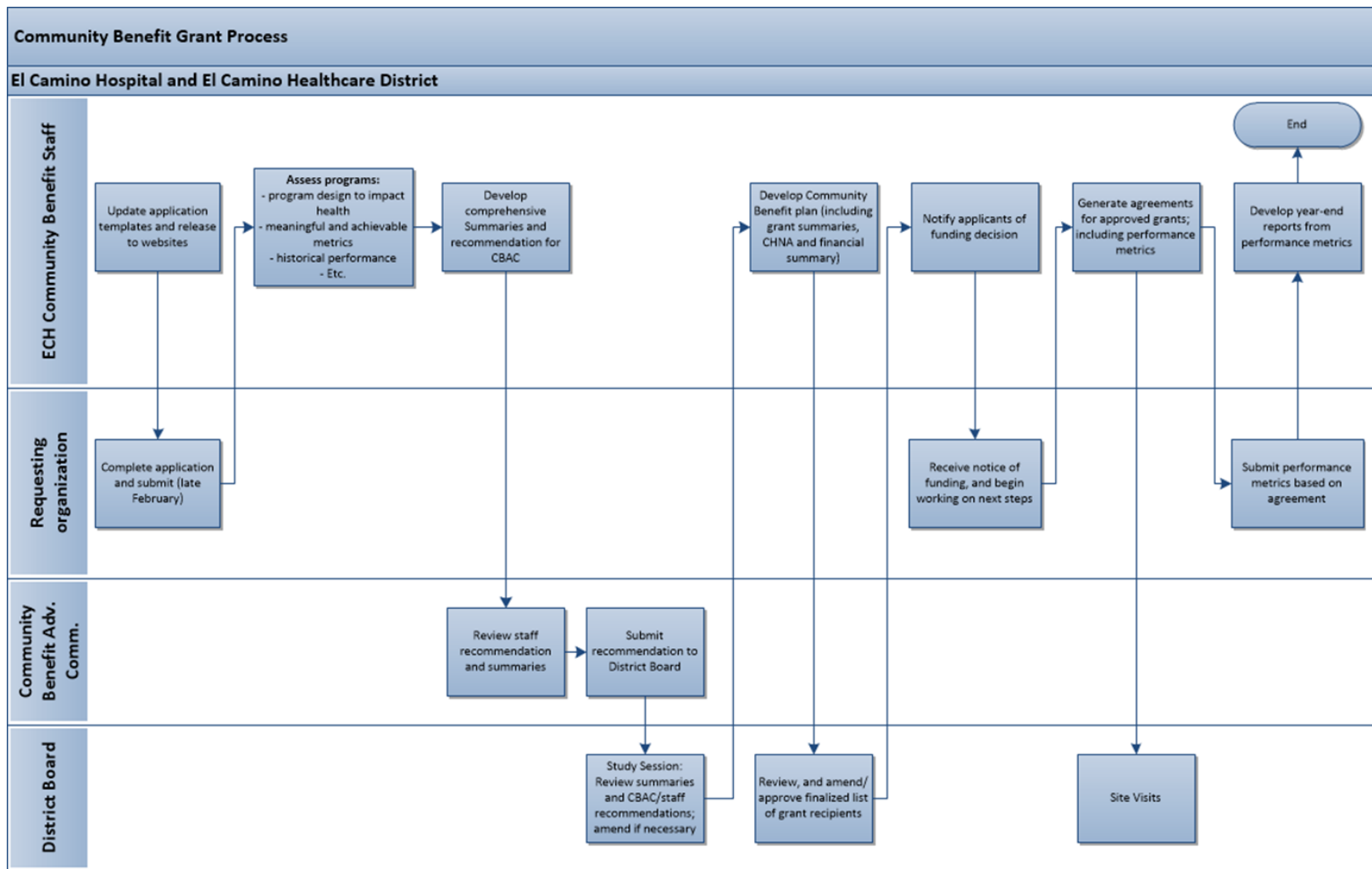
- Biennial cadence for Performance Metrics of Organizations that consistently get funding
- Semiannual Community Benefit Department Operational Dashboard performance report
 - Separate cadence from funding decisions and grant performance
 - Reporting on Timeliness of Distributions
 - Site Visits with Board participation
- Formalize process for acknowledging receipt of grant funding by recipient



Appendix



Community Benefit Process Map



Community Benefit Advisory Council Guiding Principles

Purpose

The purpose of the Community Benefit Advisory Council (CBAC) is to provide an informed perspective, guidance and support for the El Camino Healthcare District and El Camino Health Community Benefit programs. The advisory council ensures broad engagement in the development of the annual Community Benefit Plans that are presented to the Board of Directors for both entities.

Membership

Council Composition: The CBAC will be composed of representatives from the local community. These representatives may include physicians and professionals from public health, epidemiology, mental health, local government, faith based, senior and youth based organizations, and community service organizations.

Appointment: CBAC members will be vetted ~~and appointed~~ by the Community Benefit staff and recommended to the El Camino Healthcare District CEO for appointment. Recommendations will be sought from community stakeholders and current CBAC members.

Term of Service: CBAC members will serve a three year term and can be reappointed for one additional term. The Director of Community Benefit and the Vice President of Corporate & Community Health Services are standing members.

Confidentiality: Members will sign a Confidentiality Agreement annually.

Desired Competencies: Candidates should have knowledge, expertise and/or experience with:

- Understanding the unmet health needs of the local population, especially the underserved
- Community based organizations in the El Camino Healthcare District and El Camino Health service area
- Social determinants of health
- Primary prevention and the delivery of healthcare services

Desired Characteristics: Council members should represent a diverse cross-section of the community and be interested in and knowledgeable about the broad spectrum of the community's health needs.

Size of the CBAC: 15 is the maximum number of members for the Council.

Authority and Responsibility

The CBAC will provide direction to support the development of El Camino Healthcare and El Camino Health's Community Benefit Plans. In carrying out these responsibilities, the CBAC will:

- Attend CBAC meetings (see Attendance below)
- Review needs assessment data and provide relevant input regarding the health related issues in the community
- Review identified health needs and priorities as well as the ECH Strategic Plan priorities to provide informed recommendations for improvement initiatives
- Provide input on the programs to be included in the annual Community Benefit Plans
- Serve as an ambassador for El Camino Healthcare District and El Camino Health in the community, by attending Community Benefit sponsored events and site visits whenever possible
- Respond in a timely manner to electronic requests
- Prevent potential conflicts of interest; a conflict of interest is a formal or personal association with an agency or its leadership. Any CBAC member employed by or sitting on the Board of an organization being discussed shall recuse themselves from the conversation. Members with close connections to organizations being discussed shall also recuse themselves.

Meetings

- Frequency: The CBAC will convene at least three times a year. Additional meetings will be scheduled as needed.
- Attendance: CBAC members are strongly encouraged to attend all meetings, in-person or via conference line. Members absent for two consecutive meetings will be terminated from the CBAC. Absences will not be counted if members are ill or contribute by submitting written comments prior to the meeting.
- Agenda: The Director of Community Benefit will send the agenda and pertinent materials to CBAC for review at least one week prior to the meeting.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors
From: Julia Miller, Director; Dan Woods, CEO
Date: October 20, 2020
Subject: Community Benefit Ad Hoc Committee Report: Approval of Proposed Revised Community Benefit Grants Policy

Recommendation:

To approve changes to the Healthcare District Community Benefit Grants Policy, based on recommendation from the District Ad Hoc Committee.

Summary:

1. **Situation:** At the October 2019 District Board Meeting, an Ad Hoc Committee was authorized to evaluate the Community Benefit programs and identify any recommendations to optimize performance of the programs.
2. **Authority:** The District Board has final approval of the distribution of Community Benefit funding, and should have direct oversight of the processes used to assess and select recipients for program grants.
3. **Background:** The Community Benefit program staff follows the Healthcare District Community Benefit Grants policy in administering the \$7.4 million in Community Benefit funds allocated to address unmet health related needs in the District.
4. **Assessment:** Ad Hoc Committee members, the Healthcare District CEO, and El Camino Hospital management have evaluated the Community Benefit Grants Policy and propose changes as outlined in Attachment 1.
5. **Outcomes:** See Attachment 1

List of Attachments:

1. Attachment 1 – Redlined Community Benefit Grants Policy



EL CAMINO HEALTHCARE DISTRICT COMMUNITY BENEFIT GRANTS POLICY

Proposed Revised October 20, 2020

2.00 EL CAMINO HEALTHCARE DISTRICT COMMUNITY BENEFIT GRANTS POLICY

A. Coverage:

Community Benefit Program

B. Adopted:

March 5, 2014; Revised May 15, 2018; December 5, 2018; December 11, 2019; [October 20, 2020](#)

C. Policy:

The El Camino Healthcare District ("ECHD" or "District") recognizes that the health of the community is improved by the efforts of many different organizations, and the District has a history of supporting those organizations by making grants to them. The grant making process includes soliciting applications, evaluating the proposed use of the funds, and including the advice of a Community Benefit Advisory Council ("CBAC"). The District annually approves a plan, which includes a provisional list of organizations and the amount of the expected grants to each.

To ensure that the ECHD can be responsive to the changing health needs in the District during a fiscal year, the Community Benefit staff will follow the guidelines below:

1. The total annual Community Benefit expenditures, as authorized by the ECHD Board of Directors' approval of the District's annual Community Benefit Plan, cannot exceed the total aggregate amount approved by the ECHD Board.
2. Approved individual grant amounts, as stated in the Community Benefit Plan, may be increased after need is demonstrated. Grant metrics must be revised to reflect the additional resources. Any grant increases must be within the total aggregate amount of the annual Community Benefit Plan approved by the ECHD Board. Increases to these previously awarded grants up to \$50,000 must be approved by the VP of Corporate and Community Health Services and increases in excess of \$50,000 up to \$150,000 require the approval by the CEO. Increases to these previously awarded grants in excess of \$150,000 must be presented to the CBAC, receive their recommendation for support, and be approved by the ECHD Board.
3. New grants may be added during the fiscal year if need is demonstrated. Proposals with detailed budgets and metrics must be presented to the CBAC and receive their recommendation for support. Any new grants must be within the total aggregate amount of the annual Community Benefit Plan approved by the ECHD Board. New grants up to \$50,000 must be approved by the CEO, and new grants in excess of \$50,000 require the approval of the ECHD Board.

4. There are times when an individual grant award is not needed to the extent it was in the original plan. In these cases, the funds not needed may be used to fund the grant increases detailed in paragraphs 2 and 3 above.
5. The CBAC and the ECHD Board will receive a report identifying all grant funding changes at the end of the fiscal year.
6. Three year grant funding may be awarded to selected grantees. The total amount of funding for multi-year grants may not exceed 30% of the total aggregate amount of annual Community Benefit Plan approved by the ECHD Board. Grantees will be required to submit mid-term and annual reports and must demonstrate success meeting outcome metrics and budgetary goals.
7. ECHD-funded community benefit grants shall be allocated in support of ECHD's mission and purpose which is "to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District and to do any and all other acts and things necessary to carry out the provisions of ECHD's Bylaws and the Local Health District Law." Applications that do not establish a nexus to ECHD's mission, purpose and healthcare will not be awarded funding.
8. To ensure that El Camino Healthcare District allocated grant funding is spent consistently with the grant application and ECHD's mission and purpose, all ECHD grantees must adhere to the following:
 - a. Grantees must submit a signed grant agreement and, if the actual requested amount differs from the awarded amount, grantees must submit a revised budget.
 - b. Community Benefit staff shall ensure that Grantees submit mid-year and annual reports which include actual and line item expenses against the budgeted expenses in the approved application.
 - c. Grantees may not adjust approved itemized spending without the approval of ECHD's Director of Community Benefit.
 - d. All unused funds must be returned to the District.
9. Grant Application Process
 - a. In December of the preceding fiscal year, the District will announce the open application period [and post a timeline and a grant guidebook](#) on its website and via direct communication to current grantees.
 - b. In January of the preceding fiscal year, the District will post applications, ~~a timeline and a grant guidebook~~ on its website. The timeline will include a specified due date in February.
 - c. Applications must include an itemized budget and will be evaluated by staff and then reviewed for recommendation to the ECHD Board by CBAC.

- d. To evaluate the financial need of applicants, agencies are required to provide the most recent audited financials and a line item budget for requested funding which includes other sources of support.
 - e. Grant proposals should focus on the underserved consistent with the definition from the Department of Health and Human Services, which characterizes the underserved, vulnerable, and special needs populations as communities that include members of minority populations or individuals who have experienced health disparities.
 - f. Grants must provide direct healthcare service, preventive care or wellness/health information oriented programs.
 - g. Grants will be awarded to multiple recipients. Individual grant recipients may apply for and be awarded more than one grant.
 - h. Prior or existing recipients may apply for funding. Significant attention will be given to prior program performance.
 - i. Other government agencies may be eligible for funding and are evaluated under the same process as all other applicants.
 - j. Awarding of grants to foundations that are sponsored by, or associated with, a separate grant recipient shall be considered on a case by case basis
 - k. CBAC's recommendations will be brought forward to the ECHD Board for review at a Study Session in May and then to the ECHD Board for approval in June. CB staff will notify applicants following ECHD Board approval.
 - l. Individual meetings regarding grant applications between a grant applicant and a district board member, officer, or staff are prohibited outside of this established process. Notwithstanding the above, individual meetings regarding grant applications between a staff member and a grant applicant are permissible, but only for the purpose of clarifying information submitted on the application documents.
10. The District will distribute grant funds as follows:
- a. Grants greater than or equal to \$100,000 will be disbursed in two installments. The first installment will be disbursed upon receipt of the signed grant agreement. The second installment will be disbursed upon receipt of mid-year reporting.
 - b. Grants less than \$100,000 will be disbursed in one lump sum upon receipt of the signed grant agreement.
11. District funds may also provide sponsorships of charitable events. Requests must meet the following criteria:
- a. Recipients must be a non-profit organization or government agency improving the health and well-being of individuals who live, work or go to school in the District.

- b. The District will place emphasis on organizations that address the needs of the underserved or reduce or prevent adverse health related conditions or address health disparities.
- c. Exclusions include but are not limited to:
 - i. Political campaigns
 - ii. Contributions for individual entry fees to charitable races, conferences, etc.
 - iii. Requests that benefit an individual family or group
 - iv. Religious activities
 - v. Travel expenses
 - vi. Athletic programs such as sports teams or leagues
 - vii. Research