



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

**Board Finance Presentation – Consolidated Statement
Fiscal Year 2019
7/1/2018- 6/30/2019**

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El Camino Healthcare District Board of Directors Meeting
October 22, 2019

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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)

	<u>Jun 30,</u>	<u>2019</u>	<u>June 30,</u>	<u>2018</u>	<u>Jun 30,</u>	<u>2019</u>	<u>June 30,</u>	<u>2018</u>
			Audited w/o	Eliminations			Audited w/o	Eliminations
ASSETS					LIABILITIES & FUND BALANCE			
Current Assets					Current Liabilities			
Cash & Investments	\$314		\$296		Accounts Payable & Accrued Exp ⁽⁵⁾	\$135		\$119
Patient Accounts Receivable, net	\$132		\$125		Bonds Payable - Current	12		7
Other Accounts and Notes Receivable	\$14		\$6		Bond Interest Payable	15		16
Inventories and Prepays	\$64		\$76		Other Liabilities	10		9
Total Current Assets	524		503		Total Current Liabilities	173		151
Board Designated Assets					Deferred Revenue	1		1
Foundation Reserves	17		16		Deferred Revenue Inflow of Resources	14		26
Community Benefit Fund	20		21		Long Term Liabilities			
Operational Reserve Fund ⁽¹⁾	141		129		Bond Payable	629		643
Workers Comp, Health & PTO Reserves	76		74		Benefit Obligations	48		47
Facilities Replacement Fund ⁽²⁾	216		189		Other Long-term Obligations	4		4
Catastrophic & Malpractice Reserve ⁽³⁾	22		20		Total Long Term Liabilities	681		695
Total Board Designated Assets	492		450		Fund Balance			
Non-Designated Assets					Unrestricted	1,396		1,268
Funds Held By Trustee ⁽⁴⁾	107		218		Board Designated & Restricted	412		359
Long Term Investments	376		346		Capital & Retained Earnings	17		16
Other Investments	39		35		Total Fund Balance	1,825		1,643
Net Property Plant & Equipment	1,097		920		TOTAL LIAB. & FUND BAL.	\$2,694		\$2,516
Deferred Outflows of Resources	30		21					
Other Assets	29		23					
Total Non-Designated Assets	1,678		1,563					
TOTAL ASSETS	\$2,694		\$2,516					



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, 2019 (Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Prior YTD FY Actual</u>
Net Patient Revenue ⁽⁶⁾	952	920	32	894
Other Operating Revenues ⁽⁷⁾	47	50	-2	45
Total Operating Revenues	999	969	30	939
Wages and Benefits	512	517	4	473
Supplies	139	141	3	128
Purchased Services	144	131	-13	121
Other	35	33	-2	30
Depreciation	52	53	1	50
Interest	4	8	3	5
Total Operating Expense ⁽⁸⁾	886	883	(3)	807
Operating Income	113	86	27	132
Non-Operating Income ⁽⁹⁾	65	40	25	74
Net Income	178	127	52	205



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 2019 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.)	\$166
ECHD Appropriation Fund (fka: Capital Outlay)	15
ECH Women's Hospital Expansion	15
ECH BHS Replacement Building Fund	14
ECHD Capital Replacement Fund (i.e. Funded Depr.)	<u>6</u>
	<u>\$216</u>

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

ECH Catastrophic Fund (aka: Earthquake Fund)	\$20
ECH Malpractice Reserve	<u>2</u>
	<u>\$22</u>

- 4) The decrease is due to the Bond Project Fund disbursements for the IMOB and BHS construction.
- 5) The increase is due to the significant construction and facilities accruals booked at year end.
- 6) The increase in Net Patient Revenue was driven by increased volumes in Oncology visits (9.0%), Rehabilitation procedures (8.0%), and General Surgery (6.6%), along with \$4.6 million in cost report settlements.
- 7) Primarily the negative variance is due to the slow start up of the OP Pharmacy program that began in early fiscal 2019 and anticipated budget for the Los Gatos Infusion Center that will not occur until FY2020.
- 8) The negative variance in expenses was in the Purchased Services line driven by the Professional Services Agreements in SVMD due to the acquisition of the San Jose Medical Group and the expansion of services due to the growth and services to support SVMD, which was not projected in the fiscal year 2019 budget. Most other line items of expense had positive variances offsetting the Purchased Services negative variance.
- 9) The very positive variance is primarily due to strong performance in our investment returns this year.

