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**Board Finance Presentation – ECHD Stand-Alone
Fiscal Year 2019
7/1/2018- 6/30/2019**

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

Contents

ECHD *Stand-Alone* Financial Statements

| | |
|--|------------------|
| Comparative Balance Sheet as of June 30, 2019 | Page 3 |
| Statement of Revenues & Expenses Year to Date thru June 30, 2019..... | Page 4 |
| Statement of Fund Balance Activity as of June 30, 2019 | Page 5 |
| Notes to Financial Statements | Pages 6-7 |
| Sources & Uses of Property Taxes | Page 8 |

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, 2019 | June 30, 2018 | | June 30, 2019 | June 30, 2018 |
|---|------------------|------------------|--|-------------------|-------------------|
| <u>ASSETS</u> | | | <u>LIABILITIES & FUND BALANCE</u> | | |
| Cash & cash equiv | \$3,679 | \$4,306 | Accounts payable ⁽⁸⁾ | \$0 | \$0 |
| Short term investments | 8,523 | 2,377 | Current portion of bonds | 3,800 | 3,310 |
| Due fm Retiree Health Plan ⁽¹⁾ | 30 | 10 | Bond interest payable | 2,403 | 2,603 |
| S.C. M&O Taxes Receivable | 0 | 0 | Other Liabilities | 102 | 106 |
| Other current assets | 17 | 21 | | | |
| Total current assets | \$12,249 | \$6,714 | Total current liabilities | \$6,305 | \$6,019 |
| Operational Reserve Fund ⁽²⁾ | 1,500 | 1,500 | | | |
| Capital Appropriation Fund ⁽³⁾ | 23,778 | 20,964 | | | |
| Capital Replacement Fund ⁽⁴⁾ | 5,592 | 5,298 | Deferred income | 49 | 47 |
| Community Benefit Fund ⁽⁵⁾ | 1,822 | 5,596 | Bonds payable - long term | 121,392 | 125,687 |
| Total Board designated funds | \$32,693 | \$33,358 | Total liabilities | \$127,746 | \$131,753 |
| Funds held by trustee ⁽⁶⁾ | \$24,028 | \$20,837 | Fund balance | | |
| Capital assets, net ⁽⁷⁾ | \$10,766 | \$10,978 | Unrestricted fund balance | \$55,558 | \$50,692 |
| | | | Restricted fund balance ⁽⁹⁾ | (103,567) | (110,558) |
| | | | Total fund balance | (\$48,009) | (\$59,866) |
| TOTAL ASSETS | \$79,736 | \$71,888 | TOTAL LIAB & FUND BALANCE | \$79,736 | \$71,888 |



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, 2019

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

| | Actual | Current Year Budget | Variance | Prior Full Year Actual |
|--|------------------|------------------------|-------------------|---------------------------|
| REVENUES | | | | |
| (A) Ground Lease Revenue ⁽¹⁰⁾ | \$ 96 | \$ 96 | \$ - | \$ 92 |
| (B) Redevelopment Taxes ⁽¹¹⁾ | 268 | 156 | 112 | 256 |
| (B) Unrestricted M&O Property Taxes ⁽¹¹⁾ | 8,429 | 8,429 | - | 8,025 |
| (B) Restricted M&O Property Taxes ⁽¹¹⁾ | 8,989 | 8,300 | 689 | 7,831 |
| (B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾ | 9,989 | 10,200 | (211) | 9,266 |
| (B) IGT/PRIME Medi-Cal Program ⁽¹²⁾ | (6,829) | (2,351) | (4,478) | (6,469) |
| (B) Investment Income (net) | 1,307 | 284 | 1,023 | 29 |
| (B) Other income | - | - | - | 0 |
| TOTAL NET REVENUE | 22,249 | 25,114 | (2,865) | 19,030 |
| EXPENSES | | | | |
| (A) Wages & Benefits ⁽¹³⁾ | - | - | - | 0 |
| (A) Professional Fees & Purchased Svcs ⁽¹⁴⁾ | 629 | 567 | (62) | 439 |
| (A) Supplies & Other Expenses | 62 | 166 | 104 | 153 |
| (B) G.O. Bond Interest Expense (net) ⁽¹⁵⁾ | 2,805 | 3,093 | 288 | 3,037 |
| (B) Donations to Outside Organizations ⁽¹⁶⁾ | 7,337 | 7,000 | (337) | 6,847 |
| (A) Depreciation / Amortization | 212 | 225 | 13 | 231 |
| TOTAL EXPENSES | 11,045 | 11,051 | 6 | 10,707 |
| NET INCOME | \$ 11,204 | \$ 14,064 | \$ (2,860) | \$ 8,323 |

(A) Operating Revenues & Expenses

(B) Non-operating Revenues & Expenses

RECAP STATEMENT OF REVENUES & EXPENSE

| | |
|---|------------------|
| (A) Net Operating Revenues & Expenses | \$ (807) |
| (B) Net Non-Operating Revenues & Expenses | 12,011 |
| NET INCOME | \$ 11,204 |



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, 2019</u> | <u>June 30, 2018</u> |
|--|----------------------------------|----------------------------------|
| Fiscal year beginning balance | \$ (59,866) | \$ (74,657) |
| Net income year-to-date | \$ 11,204 | \$ 8,323 |
| Transfers (to)/from ECH: | | |
| IGT/PRIME Funding ⁽¹⁷⁾ | \$ 6,829 | \$ 6,469 |
| Capital Appropriation projects ⁽¹⁸⁾ | \$ (6,176) | - |
| Fiscal year ending balance | <u><u>\$ (48,009)</u></u> | <u><u>\$ (59,866)</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 \$7.7 million to be transferred into this fund to be used in fiscal year 2020.
- (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 |
| • Registrar of Voters | 177 |
| • Legal | 31 |
| • Management Services | 10 |
| • Other | <u>14</u> |
| | <u>\$ 629</u> |
- (15) **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.
- (16) **Donations to Outside Organizations** – 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.
- (17) **IGT/PRIME Funding** – Transfers from ECH for participation in the PRIME program thus far in FY 2019.
- (18) **Capital Appropriation Projects Transfer** – This amount for FY2019 was the approved amount at the Board's June 2018 meeting to be transferred to the Hospital during FY2019 for the future renovation of the Women's Hospital after the IMOB is completed in the Fall 2019.



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*

| <u>Sources of District Taxes</u> | <u>6/30/2019</u> |
|---|------------------|
| (1) Maintenance and Operation and Government Obligation Taxes | \$27,407 |
| (2) Redevelopment Agency Taxes | 268 |
| Total District Tax Receipts | \$27,675 |
| | |
| <u>Uses Required Obligations / Operations</u> | |
| (3) Government Obligation Bond | 9,989 |
| Total Cash Available for Operations, CB Programs, & Capital Appropriations | 17,686 |
| (4) Capital Appropriation Fund – Excess Gann Initiative Restricted* | 8,989 |
| Subtotal | 8,697 |
| (5) Operating Expenses | 691 |
| Subtotal | 8,006 |
| (6) Capital Replacement Fund (Park Pavilion) | 276 |
| Funds Available for Community Benefit Programs | \$7,730 |

*Gann Limit Calculation for FY2019 \$8,429

- | | |
|---------------------------------------|--|
| (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) |

