



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

**Board Finance Presentation – ECHD Stand-Alone  
Fiscal Year 2018  
7/1/2017- 6/30/2018**

Iftikhar Hussain, CFO

El Camino Healthcare District Board of Directors Meeting  
October 16, 2018

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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

## Stand-Alone Comparative Balance Sheet (\$ Thousands)

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

	June 30, 2018	June 30, 2017		June 30, 2018	June 30, 2017
<b>ASSETS</b>			<b>LIABILITIES &amp; FUND BALANCE</b>		
Cash & cash equiv	\$4,306	\$2,960	Accounts payable <sup>(8)</sup>	\$0	\$0
Short term investments	2,377	1,710	Current portion of bonds	3,310	3,570
Due fm Retiree Health Plan <sup>(1)</sup>	10	30	Bond interest payable	2,603	2,152
S.C. M&O Taxes Receivable	0	0	Other Liabilities	106	161
Other current assets	21	0			
<b>Total current assets</b>	<b>\$6,714</b>	<b>\$4,700</b>	<b>Total current liabilities</b>	<b>\$6,019</b>	<b>\$5,883</b>
Operational Reserve Fund <sup>(2)</sup>	1,500	1,500			
Capital Appropriation Fund <sup>(3)</sup>	20,964	13,133	Deferred income	47	46
Capital Replacement Fund <sup>(4)</sup>	5,298	4,998	Bonds payable - long term	125,687	129,642
Community Benefit Fund <sup>(5)</sup>	5,596	7,011	<b>Total liabilities</b>	<b>\$131,753</b>	<b>\$135,571</b>
<b>Total Board designated funds</b>	<b>\$33,358</b>	<b>\$26,642</b>			
Funds held by trustee <sup>(6)</sup>	<b>\$20,837</b>	<b>\$18,363</b>	<b>Fund balance</b>		
Capital assets, net <sup>(7)</sup>	<b>\$10,978</b>	<b>\$11,209</b>	Unrestricted fund balance	\$50,692	\$42,344
			Restricted fund balance <sup>(9)</sup>	(110,558)	(117,001)
			<b>Total fund balance</b>	<b>(\$59,866)</b>	<b>(\$74,657)</b>
<b>TOTAL ASSETS</b>	<b>\$71,888</b>	<b>\$60,914</b>	<b>TOTAL LIAB &amp; FUND BALANCE</b>	<b>\$71,888</b>	<b>\$60,914</b>



*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, 2018

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

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<b>REVENUES</b>				
(A) Ground Lease Revenue <sup>(10)</sup>	\$ 92	\$ 91	\$ 1	\$ 90
(B) Redevelopment Taxes <sup>(11)</sup>	256	140	116	244
(B) Unrestricted M&O Property Taxes <sup>(11)</sup>	8,025	7,888	137	7,658
(B) Restricted M&O Property Taxes <sup>(11)</sup>	7,831	5,620	2,211	6,959
(B) G.O. Taxes Levied for Debt Service <sup>(11)</sup>	9,266	10,200	(934)	10,679
(B) IGT/PRIME Medi-Cal Program <sup>(12)</sup>	(6,469)	(510)	(5,959)	(10,328)
(B) Investment Income (net)	29	156	(127)	(17)
(B) Other income	0	0	-	0
<b>TOTAL NET REVENUE</b>	<b>19,030</b>	<b>23,585</b>	<b>(4,555)</b>	<b>16,267</b>
<b>EXPENSES</b>				
(A) Wages & Benefits <sup>(13)</sup>	0	0	-	0
(A) Professional Fees & Purchased Svcs <sup>(14)</sup>	439	467	28	456
(A) Supplies & Other Expenses	153	156	3	187
(B) G.O. Bond Interest Expense (net) <sup>(15)</sup>	3,037	3,908	871	4,333
(B) Donations to Outside Organizations <sup>(16)</sup>	6,847	7,000	153	6,484
(A) Depreciation / Amortization	231	231	-	240
<b>TOTAL EXPENSES</b>	<b>10,707</b>	<b>11,762</b>	<b>1,055</b>	<b>12,682</b>
<b>NET INCOME</b>	<b>\$ 8,323</b>	<b>\$ 11,823</b>	<b>\$ (3,500)</b>	<b>\$ 3,585</b>

(A) Operating Revenues & Expenses

(B) Non-operating Revenues & Expenses

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

(A) Net Operating Revenues & Expenses	\$ (731)
(B) Net Non-Operating Revenues & Expenses	9,054
<b>NET INCOME</b>	<b>\$ 8,323</b>



*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, 2018</u>	<u>June 30, 2017</u>
<b>Fiscal year beginning balance</b>	\$ (74,657)	\$ (79,881)
Net income year-to-date	\$ 8,323	\$ 3,585
Transfers (to)/from ECH:		
IGT/PRIME Funding <sup>(17)</sup>	\$ 6,469	\$ 10,912
Capital Appropriation projects <sup>(18)</sup>	\$ -	(9,274)
<b>Fiscal year ending balance</b>	<u><u>\$ (59,866)</u></u>	<u><u>\$ (74,657)</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** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal year ended 2018. Note, at each fiscal year end the amount placed into this fund must be board designated for a capital project (must be a value greater than \$100,000 and a minimum life of 10 years) within the next two fiscal years. At the District's June 2018 meeting the Board authorized a transfer to the Hospital in support of the Women's Hospital impending renovation in the amount of \$6.2 million which will occur in the beginning of FY2019.
- (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** – Newly established fund at the District in FY 2014, as the District retains its unrestricted M&O property taxes to pay for its operations and support its Community Benefit Program.
- (6) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, and a vacant lot located at El Camino Real and Phyllis.
- (8) **Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (9) **Fund Balance** – The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued ; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 19 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 is lower than budget and the 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** – Which returned to the Hospital approximately double 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/Admin Support from ECH | \$ 370        |
| • Grant Writer                             | 17            |
| • Management Services Support from ECH     | 10            |
| • Legal                                    | 28            |
| • Other                                    | 14            |
|  | <u>439</u>    |
|  | <u>\$ 439</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 two programs thus far in FY 2018.
- (18) **Capital Appropriation Projects Transfer** – This amount for FY2017 was the approved amount at the Board's June 2016 meeting to be transferred to the Hospital during FY2017 for the future renovation of the Women's Hospital after the IMOB is completed in the Spring 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>6/30/2018</u>
(1) Maintenance and Operation and Government Obligation Taxes	\$25,122
(2) Redevelopment Agency Taxes	256
<b>Total District Tax Receipts</b>	<b>\$25,378</b>
 <u>Uses Required Obligations / Operations</u>	
(3) Government Obligation Bond	9,266
<b>Total Cash Available for Operations, CB Programs, &amp; Capital Appropriations</b>	<b>16,112</b>
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*	7,831
<b>Subtotal</b>	<b>8,281</b>
(5) Operating Expenses	592
<b>Subtotal</b>	<b>7,689</b>
(6) Capital Replacement Fund (Park Pavilion)	300
<b>Funds Available for Community Benefit Programs</b>	<b>\$7,389</b>

\*Gann Limit Calculation for FY2018 \$8,025

<b>(1) M&amp;O and G.O. Taxes</b>	• Cash receipts from the 1% ad valorem property taxes and Measure D taxes
<b>(2) Redevelopment Agency Taxes</b>	• Cash receipts from dissolution of redevelopment agencies
<b>(3) Government Obligation Bond</b>	• Levied for debt service
<b>(4) Capital Appropriation Fund</b>	• Excess amounts over the Gann Limit are restricted for use as capital
<b>(5) Operating Expenses</b>	• Expenses incurred in carrying out the District's day-to-day activities
<b>(6) Capital Replacement Fund</b>	• Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion)

