



**Finance & Audit Committee  
Regular Meeting Packet**

**February 27, 2018**



## Marin Healthcare District

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090 Fax: 415-464-2094

Website: [www.marinhealthcare.org](http://www.marinhealthcare.org) / Email: [info@marinhealthcare.org](mailto:info@marinhealthcare.org)

### FINANCE AND AUDIT COMMITTEE

Closed Session & Regular Meeting

February 27, 2018, 5:30pm

**Members:**

**Chair:**

Larry Bedard, MD

**Members:**

Jennifer Rienks, PhD

**Staff:**

Jean Noonan, Controller

Michael Lighthawk, Executive Assistant

**Location:**

MHD Conference Room at Drakes Landing

100B Drakes Landing Road, Suite 250

Greenbrae, CA 94904

### REGULAR MEETING AGENDA

5:45pm

- |   |        |
|---|--------|
| <b>I. Call to Order</b>   | Bedard |
| A. Roll Call  |        |
| B. Approval of Agenda (Action)  |        |
| C. Approval of Minutes of Regular Meeting: November 28, 2017 (Action)   |        |
| D. General Public Comment - <i>Any member of the public audience may make statements regarding any items NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state your name if you wish to be recorded in the minutes.</i> |        |
| <b>II. Review / Recommend Approval of Items Discussed in Closed Session (Action)</b>  |        |
| <b>III. Finance</b>   | Noonan |
| A. Financial Report – December 31, 2017   |        |
| B. Financial Report – January 31, 2018  |        |
| <b>IV. MGH Audit Committee Update</b>   | Noonan |
| <b>V. Investment Committee Report</b>   | Noonan |
| <b>VI. Agenda Items for Next Meeting</b>  | Bedard |
| <b>VII. Adjournment</b>   | Bedard |



**Previous Regular Meeting  
Minutes  
November 28, 2017**



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## **Special Study Session of The Board Of Directors** **with the Finance & Audit Committee**

**November 28, 2017**

**Location:** Marin Healthcare District, 100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

**Board of Directors:** Ann Sparkman, JD (Chair), Harris "Hank" Simmonds, MD (Vice Chair), Jennifer Hershon, RN, MSN (Secretary), Larry Bedard, MD (Director), Jennifer Rienks, PhD (Director).

**Committee:** Larry Bedard, MD (Chair), Jennifer Hershon, RN, MSN (Member).

**Staff:** Jim McManus, CFO; Jean Noonan, Controller; Michael Lighthawk, EA; Lee Domanico, CEO; Jon Friedenber, COO.

### **OPEN MEETING MINUTES**

- I. **Call to Order** – Chair Bedard called the Open Meeting of the Special Study Session of the Board with the Finance and Audit Committee to order at 6:00pm.
  - A. Roll Call – All board and committee members present.
  - B. Approval of Agenda – **Agenda Approved.**
  - C. Approval of previous Closed Session Minutes of July 25, 2017 – **Minutes approved.**
  - D. Approval of previous Regular Committee Meeting of August 29, 2017 - **Minutes approved.**
  - E. Approval of minutes of Special Closed Study Session of the Board with the Finance & Audit Committee: October 31, 2017 - **Minutes Approved.**
  - F. Approval of minutes of Special Open Study Session of the Board with the Finance & Audit Committee: October 31, 2017 - **Minutes Approved.**
  - G. General Public Comment – No public comment.

### **II. Review / Recommend Approval of Items Discussed in Closed Session (Action)**

**Motion:** To recommend final approval by the full board for the Compensation Terms of Renewal of Professional Services Agreement for Cardiology Services in the District's 1206(b) Cardiology Clinic, and of the Renewal of the Co-Management Agreement for the MHD-MGH Cardiovascular Service Line.

**Vote:** All ayes. **Motion passed.**

### **III. Finance**

#### **A. Financial Report – October 31, 2017**

Balance Sheet – Jim McManus pointed out that Tax Revenue Receivables due from the County of Marin are \$12.3M. There has been a significant increase in bond funds that are "Assets Limited to Use" for MGH 2.0 construction costs.

The balance of proceeds from bonds issued in November 2015 (\$36.5M) and the proceeds from the bonds issued in September 2017 (net of issuance costs) of \$242.8M are reflected in the account "Assets Limited to Use – Bond Funds". MGH 2.0 Construction Costs to date are \$154.6M.

The net assets of the District are \$37.3M.

Income Statement – The Rental Revenue from the hospital lease is the only predictable source of income for the District. Significant expenses include Depreciation on the parking garage, Legal Fees, and MGH Program Support. The District continues to be in a favorable financial position.



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Clinic Activity – Clinic contributions are at about \$1.5M for all practices in October. There have been significant increases in property leases for the clinics. Members Rienks and Hershon requested more drill down in the Clinic Reports. Mr. McManus concurred that each clinic is undergoing review and will present more financial detail on clinic operations in subsequent meetings.

**B. 2018 District & District Clinic Budgets (Actions)**

District Budget - Jim McManus clarified that two Budgets are being presented; one for the Marin Healthcare District and one for the MHD 1206(b) Clinics. The proposed District Budget illustrates the Fiscal Year 2017 Budget; Year-to-Date Budget & Actual; Variance and the proposed 2018 Budget noting there is a slight increase in the lease between the District and the Hospital.

Disbursements are expected to be close to the 2017 Actuals and Budget with an expected change expected in depreciation on line 19 for support to Behavioral Health.

**Motion:** To recommend that the MHD Board of Directors accept the FY2018 Budget for the Marin Healthcare District as presented. **Vote:** All ayes. **Motion passed.**

1206(b) Clinic Budget – Annualized Net Income of the District Clinics is a negative \$10.4M. Projected 2017 Variance is \$5.3M. with primary components being significant contributions to Cardiology, Urology, Marin Endocrine and Rheumatology (Dr. Chase). Purchased Services are significantly reduced due to the transfer of operational management to CHMB. Other cost reductions are seen from the consolidation services and running the clinic supplies through the hospital systems.

**Motion:** To recommend that the MHD Board of Directors accept the FY2018 Budget for the Marin Healthcare District 1206(b) Clinics as presented. **Vote:** All ayes. **Motion passed.**

**C. Travel Policy Review (Action)**

Discussions ensued regarding appropriate mileage reimbursement, means of transportation and tipping expenses. There were no changes suggested for the MHD Travel Policy except the policy will reflect the current date of review. **No action taken.**

**D. Investment Committee Report** – Ms. Noonan reported Actual Investment Earnings for the Year-to-Date October 31<sup>st</sup> of \$52,183.

**E. Citizens Bond Oversight Committee (CBOC) Report & CFO Report to Community**  
Jim McManus provided background on the CBOC and the requirement of the applicable Government Code that the Chief fiscal Officer must submit an annual report after the issuance of General Obligation Bonds. This report is posted to the CBOC webpage on the MHD website. Jim further explained the nature of required public postings for California District Hospitals.

**IV. Agenda Items for Next Meeting**

- The committee requests a comprehensive performance review of all 1206(b) Clinics.

**V. Adjournment** – Chair Bedard adjourned the meeting at 6:40pm.



**MHD Financials**  
**December 31, 2017**



Creating a healthier Marin together.

**To: MHD Finance Committee**  
**From: Jim McManus, CFO**  
**Re: December 2017 Financial Report**  
**Date: February 23, 2018**

**I. General Comments**

These financial statements contain, in summary format, the balance sheet and net support to the District Clinics. The Clinics, as of December 31, 2017 are comprised of 14 locations and 54 practitioners, and are reported as one combined unit.

**II. FY 2017 Income Statement and Budget**

The net District operating income for the month was \$28,853 which was favorable to budget by \$157,776. Income included rental revenue from the hospital lease of \$42,542, interest income and net unrealized investment earnings of \$2,719. The District incurred total expenses of \$146,675, including depreciation expense of \$117,971 associated with the MGH 2.0 parking garage which was completed in August, 2016. Expenses also included \$16,667 for the Behavioral Health program support. The year-to-date bond issuance costs were reduced by \$130,000 in December due to a refund adjustment from the underwriters.

Contributions to the District Clinics were \$1,117,884 (\$379,135 unfavorable to budget) and were reimbursed by MGH.

**III. Balance Sheet**

**Assets**

Cash at December 31, 2017 of \$3,715,366 increased by \$105,479 due to the timing of District Clinic expenses and reimbursements. Accounts Receivable decreased by \$248,216 from November relating to billing and collection activity for the clinics.

Intercompany Receivables (Payables) of \$359,809 represent amounts due from/to MGH for Clinic reimbursements.

Tax revenue receivables are \$5,518,615 and represent amounts due from the County of Marin. The decrease in receivable balance from November of \$6,873,132 is the result of a large payment received from the County for debt service which is also reflected in the Assets Limited To Use – Bond Funds balance.

In August 2016, the hospital parking facility was completed and placed into service. The cost of the garage was transferred from Hospital Construction Costs to Parking Garage. The asset is being depreciated over a period of 25 years.

Intangible Assets represent the Cardiovascular Associates of Marin (CAM) asset purchase price that was deemed to be for medical records and other intangibles (\$185,844 and \$675,660 respectively). These balances are reduced each month by amortization over a period of 15 years.



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The balance of the proceeds from the bonds issued in November 2015 and the proceeds from the bonds issued in September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use -- Bond Funds". Hospital Construction Costs incurred to date are \$186,634,370.

### **Liabilities and Net Assets**

Accounts Payable of \$1,851,374 and Accrued Expenses of \$31,087,929 are comprised of invoices payable and accruals for District, construction, and clinic expenses.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense.

The net assets of the District are \$37,313,708.



**Marin Healthcare District  
Balance Sheet  
December 31, 2017**

	<b>12/31/2017</b>	<b>11/30/2017</b>	<b>Change</b>	<b>12/31/2016</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	3,715,366	3,609,887	105,479	2,803,128
Net Patient Accounts Receivable	3,279,765	3,527,981	(248,216)	2,298,670
Other Receivables	93,717	67,545	26,172	141,958
Intercompany Receivables (Payables)	359,809	(674,362)	1,034,171	1,142,733
Inventories	15,692	16,276	(584)	15,692
Tax Revenues Receivable	5,518,615	12,391,747	(6,873,132)	1,776,393
Prepaid Expenses	224,782	312,350	(87,568)	51,252
<b>Total Current Assets</b>	<b>13,207,746</b>	<b>19,251,424</b>	<b>(6,043,678)</b>	<b>8,229,826</b>
Property, plant, and equipment, net	5,088,035	5,124,251	(36,217)	5,417,320
Parking Garage, net	25,214,468	23,422,145	1,792,324	24,329,340
Hospital Construction Costs	161,419,902	137,830,911	23,588,991	68,351,311
Intangible Assets, net	515,067	519,837	(4,770)	572,307
Assets Limited To Use - Bond Funds	272,262,340	265,439,800	6,822,540	96,885,786
Notes Receivable	195,587	204,856	(9,269)	210,037
Deposits & Retainers	72,633	72,633	-	1,072,633
<b>Total Non-Current Assets</b>	<b>464,768,032</b>	<b>432,614,433</b>	<b>32,153,599</b>	<b>196,838,734</b>
<b>Total Assets</b>	<b>477,975,778</b>	<b>451,865,857</b>	<b>26,109,921</b>	<b>205,068,560</b>
<b>Liabilities and Net assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	1,851,374	1,691,850	159,524	2,475,914
Accrued Expenses	31,087,929	4,942,562	26,145,367	9,808,707
Intercompany Payables	1,000,000	1,016,667	(16,667)	1,200,000
Current Bond Maturities	6,050,000	6,050,000	-	2,645,000
Current Maturities of Long-Term Obligations	-	-	-	-
<b>Total Current Liabilities</b>	<b>39,989,303</b>	<b>13,701,079</b>	<b>26,288,224</b>	<b>16,129,621</b>
Bonds Payable	372,690,000	372,690,000	-	154,740,000
Bond Premium	27,489,342	27,693,650	(204,308)	8,353,475
Long-Term Obligations, Less Current Maturities	493,425	496,007	(2,582)	78,044
<b>Total Liabilities</b>	<b>440,662,070</b>	<b>414,580,736</b>	<b>26,081,334</b>	<b>179,301,140</b>
<b>Net Assets</b>				
Net Assets - Beginning Balance	25,767,421	25,767,421	0	25,781,263
Net (Loss)/Income	11,546,287	11,517,700	28,587	(13,843)
<b>Total Net Assets</b>	<b>37,313,708</b>	<b>37,285,121</b>	<b>28,587</b>	<b>25,767,420</b>
<b>Total Liabilities and Net Assets</b>	<b>477,975,778</b>	<b>451,865,857</b>	<b>26,109,921</b>	<b>205,068,560</b>

**Marin Healthcare District**  
**Income Statement - Actual vs. Budget**  
**For the Twelve Months Ended December 31, 2017**

	December Month-to-Date			December Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	\$42,542	\$42,500	\$42	\$510,500	\$510,000	\$500
Other Revenue	0	0	0	0	0	0
Investment Earnings	2,719	250	2,469	56,301	3,000	53,301
<b>Total Income</b>	<b>45,261</b>	<b>42,750</b>	<b>2,511</b>	<b>566,801</b>	<b>513,000</b>	<b>53,801</b>
Legal Fees	2,992	3,333	341	29,449	40,000	10,551
Accounting Fees	8,542	1,667	(6,875)	27,708	20,000	(7,708)
Board Compensation	500	1,017	517	10,900	12,200	1,300
Board Expenses	3	2,083	2,080	11,733	25,000	13,267
Depreciation Expense	117,971	142,907	24,936	1,343,037	1,714,884	371,847
Consulting Fees	0	0	0	0	0	0
Charitable Contributions	0	500	500	0	6,000	6,000
Community Education	0	2,500	2,500	31,359	30,000	(1,359)
Dues	0	1,000	1,000	6,000	12,000	6,000
MGH Program Support	16,667	16,667	(0)	200,000	200,000	0
Advertising	0	0	0	11,565	0	(11,565)
<b>Total Expense</b>	<b>146,675</b>	<b>171,674</b>	<b>24,999</b>	<b>1,671,751</b>	<b>2,060,084</b>	<b>388,333</b>
<b>Net District Operating Income</b>	<b>(101,414)</b>	<b>(128,924)</b>	<b>27,510</b>	<b>(1,104,950)</b>	<b>(1,547,084)</b>	<b>442,134</b>
<b>Non-Operating Income/Expense</b>						
<b>Clinic Activity</b>						
Net Loss From Clinics	(1,117,844)	(738,709)	(379,135)	(11,401,719)	(8,874,072)	(2,527,647)
MGH Clinic Reimbursement	1,118,111	738,710	379,401	11,401,719	8,874,073	2,527,646
<b>Net Clinic Activity</b>	<b>267</b>	<b>1</b>	<b>266</b>	<b>0</b>	<b>1</b>	<b>(1)</b>
<b>Bond-Related Revenue/Expense</b>						
Tax Revenue	0	0	0	13,234,877	0	13,234,877
Bond Fund Earnings (transferred to construction in progress)	0	0	0	0	0	0
Bond Issuance Costs	130,000	0	130,000	(583,641)	0	(583,641)
<b>Net Income/(Loss)</b>	<b>\$28,853</b>	<b>(\$128,923)</b>	<b>\$157,776</b>	<b>\$11,546,286</b>	<b>(\$1,547,083)</b>	<b>\$13,093,369</b>

Marin Healthcare District  
1206b Clinics  
Summary of Profit & Loss - Accrual Basis  
For the Twelve Months Ended December 31, 2017

Managed Clinics	# MD/NP	# Of Months	MTD			Monthly Invest/MD	YTD			Avg. Annual Invest/MD
			Actual	Budget	Variance		Actual	Budget	Variance	
San Rafael Medical Center	0.80	12.00	(6,331)	(2,660)	(3,671)	(7,914)	(32,477)	(31,722)	(755)	(40,596)
North Marin Internal (Novato)										
Marin Medical Group (MMG)	3.50	12.00	(56,582)	(41,875)	(14,707)	(16,166)	(612,866)	(502,511)	(110,355)	(175,105)
El-Ghoneimy	1.00	12.00	(9,511)	(2,959)	(6,552)	(9,511)	(69,857)	(35,651)	(34,206)	(69,857)
Tamalpais Internal Medicine (TIM)	2.82	12.00	(44,593)	(6,070)	(38,523)	(15,813)	(75,508)	(73,005)	(2,503)	(26,776)
Cardiology Associates (CAM)	15.65	12.00	(451,679)	(424,286)	(27,393)	(28,861)	(5,993,640)	(5,089,369)	(904,271)	(382,980)
Urology	4.00	12.00	(87,481)	(55,115)	(32,366)	(21,870)	(1,006,564)	(642,711)	(363,853)	(251,641)
Vascular Surgery	4.00	12.00	(96,188)	(90,351)	(5,837)	(24,047)	(1,144,501)	(1,084,724)	(59,777)	(286,125)
Marin Endocrine	3.85	12.00	(41,728)	(30,519)	(11,209)	(10,838)	(527,088)	(360,341)	(166,747)	(136,906)
2 Bon Air - Rheumatology/Chase	2.62	12.00	(23,115)	6,973	(30,088)	(8,822)	(133,089)	105,394	(238,483)	(50,797)
Murphy	3.60	12.00	(41,089)	(6,280)	(34,809)	(11,414)	(160,319)	(83,745)	(76,574)	(44,533)
Novato Medical Office	5.00	12.00	(64,065)	(21,687)	(42,378)	(12,813)	(568,423)	(316,054)	(252,369)	(113,685)
<b>Totals</b>	<b>46.84</b>		<b>(\$922,363)</b>	<b>(\$674,829)</b>	<b>(\$247,534)</b>		<b>(\$10,324,331)</b>	<b>(\$8,114,439)</b>	<b>(\$2,209,892)</b>	

Palliative Care	1.00	12.00	(\$5,681)	(\$8,179)	\$2,498	(5,681)	(\$81,615)	(\$98,192)	\$16,577	(\$81,615)
Clinic Administration	0.00	12.00	(\$76,538)	(\$24,241)	(\$52,297)		(\$319,662)	(\$283,977)	(\$35,685)	

Self - Managed Clinics	# MD/NP	# Of Months	MTD			Monthly Invest/MD	YTD			Avg. Annual Invest/MD
			Actual	Budget	Variance		Actual	Budget	Variance	
West Marin Medical Center (Pt. Reyes)	0.00	7.00	(38,838)	(8,936)	(29,902)		(240,561)	(107,144)	(133,417)	
Soluna Health	0.00	0.00	(42)	0	(42)		(544)	0	(544)	
<b>Totals</b>	<b>0.00</b>		<b>(\$38,880)</b>	<b>(\$8,936)</b>	<b>(\$29,944)</b>		<b>(\$241,105)</b>	<b>(\$107,144)</b>	<b>(\$133,961)</b>	

<b>Totals Before Behavioral Health</b>	<b>47.84</b>		<b>(\$1,043,462)</b>	<b>(\$716,185)</b>	<b>(\$327,277)</b>		<b>(\$10,966,713)</b>	<b>(\$8,603,752)</b>	<b>(\$2,362,961)</b>	
Behavioral Health (Note 1)	6.40	12.00	(\$74,382)	(\$22,523)	(\$51,859)	(\$11,622)	(\$435,006)	(\$270,320)	(\$164,686)	(\$67,970)

<b>Total All Clinics</b>	<b>54.24</b>		<b>(\$1,117,844)</b>	<b>(\$738,708)</b>	<b>(\$379,136)</b>		<b>(\$11,401,719)</b>	<b>(\$8,874,072)</b>	<b>(\$2,527,647)</b>	
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Note 1 - Up to \$200K of Behavioral Health Clinic losses is included in the Program Support payments by the District to MGH.



**MHD Financials  
January 31, 2018**



**To: MHD Finance Committee**  
**From: Jim McManus, CFO**  
**Re: January 2018 Financial Report**  
**Date: February 24, 2018**

**I. General Comments**

These financial statements contain, in summary format, the balance sheet and net support to the District Clinics. The Clinics, as of January 31, 2018 are comprised of 13 locations and 53 practitioners, and are reported as one combined unit.

**II. FY 2018 Income Statement and Budget**

The net District operating loss for the month was \$97,585 which was favorable to budget by \$41,239. Income included rental revenue from the hospital lease of \$43,435, interest income and net unrealized investment earnings of \$3,535. The District incurred total expenses of \$142,671, including depreciation expense of \$117,971 associated with the MGH 2.0 parking garage which was completed in August, 2016. Expenses also included \$16,667 for the Behavioral Health program support.

Contributions to the District Clinics were \$1,149,661 (\$59,860 unfavorable to budget) and were reimbursed by MGH.

**III. Balance Sheet**

**Assets**

Cash at January 31, 2018 of \$2,875,233 decreased by \$840,133 due to the timing of District Clinic expenses and reimbursements. Accounts Receivable decreased by \$31,232 from December relating to billing and collection activity for the clinics.

Intercompany Receivables (Payables) of \$870,846 represent amounts due from/to MGH for Clinic reimbursements.

Tax revenue receivables are \$5,402,026 and represent amounts due from the County of Marin. The decrease in receivable balance from December of \$116,589 is the result of payments received from the County for debt service which is also reflected in the Assets Limited To Use – Bond Funds balance.

In August 2016, the hospital parking facility was completed and placed into service. The cost of the garage was transferred from Hospital Construction Costs to Parking Garage. The asset is being depreciated over a period of 25 years.

Intangible Assets represent the Cardiovascular Associates of Marin (CAM) asset purchase price that was deemed to be for medical records and other intangibles (\$185,844 and \$675,660 respectively). These balances are reduced each month by amortization over a period of 15 years.



*Creating a healthier Marin together.*

The balance of the proceeds from the bonds issued in November 2015 and the proceeds from the bonds issued in September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Bond Funds". Hospital Construction Costs incurred to date are \$191,038,955.

### **Liabilities and Net Assets**

Accounts Payable of \$1,683,438 and Accrued Expenses of \$30,511,565 are comprised of invoices payable and accruals for District, construction, and clinic expenses.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense.

The net assets of the District are \$37,216,224.

**Marin Healthcare District**  
**Balance Sheet**  
**January 31, 2018**

	<b>01/31/2018</b>	<b>12/31/2017</b>	<b>Change</b>	<b>12/31/2017</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	2,875,233	3,715,366	(840,133)	3,715,366
Net Patient Accounts Receivable	3,248,533	3,279,765	(31,232)	3,279,765
Other Receivables	150,959	93,717	57,242	93,717
Intercompany Receivables (Payables)	870,846	359,809	511,037	359,809
Inventories	15,692	15,692	-	15,692
Tax Revenues Receivable	5,402,026	5,518,615	(116,589)	5,518,615
Prepaid Expenses	701,389	224,782	476,607	224,782
<b>Total Current Assets</b>	<b>13,264,678</b>	<b>13,207,746</b>	<b>56,932</b>	<b>13,207,746</b>
Property, plant, and equipment, net	5,043,508	5,088,035	(44,527)	5,088,035
Parking Garage, net	25,131,996	25,214,468	(82,472)	25,214,468
Hospital Construction Costs	165,906,959	161,419,902	4,487,057	161,419,902
Intangible Assets, net	510,297	515,067	(4,770)	515,067
Assets Limited To Use - Bond Funds	266,930,723	272,262,340	(5,331,617)	272,262,340
Notes Receivable	189,247	195,587	(6,340)	195,587
Deposits & Retainers	72,633	72,633	-	72,633
<b>Total Non-Current Assets</b>	<b>463,785,363</b>	<b>464,768,032</b>	<b>(982,669)</b>	<b>464,768,032</b>
<b>Total Assets</b>	<b>477,050,041</b>	<b>477,975,778</b>	<b>(925,737)</b>	<b>477,975,778</b>
<b>Liabilities and Net assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	1,683,438	1,851,374	(167,936)	1,851,374
Accrued Expenses	30,511,565	31,087,929	(576,364)	31,087,929
Intercompany Payables	1,000,000	1,000,000	-	1,000,000
Current Bond Maturities	6,050,000	6,050,000	-	6,050,000
Current Maturities of Long-Term Obligations	-	-	-	-
<b>Total Current Liabilities</b>	<b>39,245,003</b>	<b>39,989,303</b>	<b>(744,300)</b>	<b>39,989,303</b>
Bonds Payable	372,690,000	372,690,000	-	372,690,000
Bond Premium	27,407,973	27,489,342	(81,369)	27,489,342
Long-Term Obligations, Less Current Maturities	490,841	493,425	(2,584)	493,425
<b>Total Liabilities</b>	<b>439,833,817</b>	<b>440,662,070</b>	<b>(828,253)</b>	<b>440,662,070</b>
<b>Net Assets</b>				
Net Assets - Beginning Balance	37,313,809	25,767,421	11,546,388	25,767,421
Net (Loss)/Income	(97,585)	11,546,287	(11,643,872)	11,546,287
<b>Total Net Assets</b>	<b>37,216,224</b>	<b>37,313,708</b>	<b>(97,484)</b>	<b>37,313,708</b>
<b>Total Liabilities and Net Assets</b>	<b>477,050,041</b>	<b>477,975,778</b>	<b>(925,737)</b>	<b>477,975,778</b>

**Marin Healthcare District  
Income Statement - Actual vs. Budget  
For the One Month Ended January 31, 2018**

	January Month-to-Date			January Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	\$43,435	\$43,435	\$0	\$43,435	\$43,435	\$0
Other Revenue	0	0	0	0	0	0
Investment Earnings	3,535	250	3,285	3,535	250	3,285
<b>Total Income</b>	<b>46,970</b>	<b>43,685</b>	<b>3,285</b>	<b>46,970</b>	<b>43,685</b>	<b>3,285</b>
Legal Fees	3,333	3,333	0	3,333	3,333	0
Accounting Fees	2,500	2,500	0	2,500	2,500	0
Board Compensation	1,200	1,017	(183)	1,200	1,017	(183)
Board Expenses	0	2,083	2,083	0	2,083	2,083
Depreciation Expense	117,971	151,242	33,271	117,971	151,242	33,271
Consulting Fees	0	0	0	0	0	0
Charitable Contributions	0	500	500	0	500	500
Community Education	0	4,167	4,167	0	4,167	4,167
Dues	1,000	1,000	0	1,000	1,000	0
MGH Program Support	16,667	16,667	(0)	16,667	16,667	0
Advertising	0	0	0	0	0	0
<b>Total Expense</b>	<b>142,671</b>	<b>182,509</b>	<b>39,838</b>	<b>142,671</b>	<b>182,509</b>	<b>39,838</b>
<b>Net District Operating Income</b>	<b>(95,701)</b>	<b>(138,824)</b>	<b>43,123</b>	<b>(95,701)</b>	<b>(138,824)</b>	<b>43,123</b>
<b>Non-Operating Income/Expense</b>						
<b>Clinic Activity</b>						
Net Loss From Clinics	(1,149,661)	(1,089,801)	(59,860)	(1,149,661)	(1,089,801)	(59,860)
MGH Clinic Reimbursement	1,149,661	1,089,801	59,860	1,149,661	1,089,801	59,860
<b>Net Clinic Activity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bond-Related Revenue/Expense</b>						
Tax Revenue	0	0	0	0	0	0
Bond Fund Earnings (transferred to construction in progress)	0	0	0	0	0	0
Bond Issuance Costs	(1,884)	0	(1,884)	(1,884)	0	(1,884)
<b>Net Income/(Loss)</b>	<b>(\$97,585)</b>	<b>(\$138,824)</b>	<b>\$41,239</b>	<b>(\$97,585)</b>	<b>(\$138,824)</b>	<b>\$41,239</b>



**Marin Healthcare District  
1206b Clinics  
Summary of Profit & Loss - Accrual Basis  
For the One Month Ended January 31, 2018**

Managed Clinics	# MD/NP	# Of Months	MTD			Monthly Invest/MD	YTD			Avg. Annual Invest/MD
			Actual	Budget	Variance		Actual	Budget	Variance	
San Rafael Medical Center	0.80	1.00	(2,049)	(2,636)	587	(2,561)	(2,049)	(2,636)	587	(30,734)
Marin Medical Group (MMG)	3.50	1.00	(67,843)	(49,249)	(18,594)	(19,384)	(67,843)	(49,249)	(18,594)	(232,604)
El-Ghoneimy	1.00	1.00	3,084	(4,011)	7,095	3,084	3,084	(4,011)	7,095	37,004
Tamalpais Internal Medicine (TIM)	2.82	1.00	42,984	4,659	38,325	15,242	42,984	4,659	38,325	182,909
Cardiology Associates (CAM)	15.65	1.00	(679,062)	(589,925)	(89,137)	(43,391)	(679,062)	(589,925)	(89,137)	(520,687)
Urology	4.00	1.00	(133,294)	(61,156)	(72,138)	(33,324)	(133,294)	(61,156)	(72,138)	(399,883)
Vascular Surgery	4.00	1.00	(95,607)	(126,288)	30,681	(23,902)	(95,607)	(126,288)	30,681	(286,822)
Marin Endocrine	3.85	1.00	(31,264)	(36,006)	4,742	(8,120)	(31,264)	(36,006)	4,742	(97,446)
2 Bon Air - Rheumatology/Chase	2.62	1.00	42,293	(4,081)	46,374	16,142	42,293	(4,081)	46,374	193,708
Murphy	3.60	1.00	(15,352)	5,531	(20,883)	(4,265)	(15,352)	5,531	(20,883)	(51,174)
Novato Medical Office	5.00	1.00	(69,189)	(13,203)	(55,986)	(13,838)	(69,189)	(13,203)	(55,986)	(166,053)
<b>Totals</b>	<b>46.84</b>		<b>(\$1,005,300)</b>	<b>(\$876,365)</b>	<b>(\$128,935)</b>		<b>(\$1,005,300)</b>	<b>(\$876,365)</b>	<b>(\$128,935)</b>	
<b>Palliative Care</b>	0.00	0.00	\$5,028	(\$16,728)	\$21,756		\$5,028	(\$16,728)	\$21,756	
<b>Clinic Administration</b>	0.00	1.00	(\$114,975)	(\$150,758)	\$35,783		(\$114,975)	(\$150,758)	\$35,783	
<b>Behavioral Health (Note 1)</b>	6.40	1.00	(\$33,847)	(\$25,950)	(\$7,897)	(\$5,289)	(\$33,847)	(\$25,950)	(\$7,897)	(\$63,463)
<b>Closed/Inactive Clinics</b>	<b># MD/NP</b>	<b># Of Months</b>	<b>MTD</b>			<b>Monthly Invest/MD</b>	<b>YTD</b>			<b>Avg. Annual Invest/MD</b>
			<b>Actual</b>	<b>Budget</b>	<b>Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
West Marin Medical Center (Pt. Reyes)	0.00	0.00	(523)	(20,000)	19,477		(523)	(20,000)	19,477	
Soluna Health	0.00	0.00	(44)	0	(44)		(44)	0	(44)	
<b>Totals</b>	<b>0.00</b>		<b>(\$566)</b>	<b>(\$20,000)</b>	<b>\$19,434</b>		<b>(\$566)</b>	<b>(\$20,000)</b>	<b>\$19,434</b>	
<b>Total All Clinics</b>	<b>53.24</b>		<b>(1,149,661)</b>	<b>(1,089,801)</b>	<b>(59,860)</b>		<b>(1,149,661)</b>	<b>(1,089,801)</b>	<b>(59,860)</b>	

Note 1 - Up to \$200K of Behavioral Health Clinic losses is included in the Program Support payments by the District to MGH.