

MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090

Fax: 415-464-2094

Website: www.marinhealthcare.org

Email: info@marinhealthcare.org

BOARD OF DIRECTORS FINANCE & AUDIT COMMITTEE TUESDAY, OCTOBER 27, 2020 AT 4:30 P.M.

Committee:

Chair: Harris Simmonds, MD

Member: Ann Sparkman

Staff: David Klein, MD, CEO
Eric Brettner, CFO

Support: Louis Weiner, Executive Assistant

Location:

Via Webex video conference:

<https://marinhealth.webex.com>

Meeting number: **146 470 5427**

Meeting password: **94925**

Or via Webex telephone conference:

1-408-418-9388

AGENDA

		<u>ATTACHMENT</u>
1. Call to Order / Approval of the Agenda (action)	Simmonds	
2. Approval of the Minutes of the MHD Finance & Audit Committee Meeting of August 25, 2020 (action)	Simmonds	#1
3. Public Comment <i>Any member of the audience may make statements regarding any item NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i>	Simmonds	
4. Review of MarinHealth Medical Center Board Pending Action	Klein	
A. MHMC Board Motion and Resolution to Approve the Defeasance of Payments on the Revenue Bonds and the Banc of America Equipment Lease		#2
B. MHMC Board Motion and Authorization to Obtain a Line of Credit from Union Bank		#3
5. District Financial Report, September 2020	Brettner	#4
6. Agenda Items for Future Meetings	Simmonds	
7. Adjournment	Simmonds	

The next meeting of the Finance & Audit Committee is November 17, 2020

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

In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 at least 48 hours prior to the meeting.

Tab 1

MARIN HEALTHCARE DISTRICT

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

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Board of Directors Finance and Audit Committee Tuesday, August 25, 2020 @ 5:00 pm VIA WEBEX

MINUTES

1. Call to Order

Chair Simmonds called the meeting to order at 5:00 pm.

2. Roll Call / Approval of Agenda / Approval of Minutes

Committee members present via Webex: Hank Simmonds, MD; Ann Sparkman

Staff members present: Eric Brettner, CFO; Louis Weiner, Executive Assistant

It was moved, seconded and carried to approve the agenda as presented.

It was moved, seconded and carried to approve the minutes of the meeting of July 28, 2020.

3. Public Comment

There was no public comment.

4. Marin Healthcare District Budget FY 2021

Dr. Simmonds asked about budgeting for the 2020 election costs charged by the County in 2021. Mr. Brettner answered that the expense should be budgeted but not accrued, as they have been in the past, and that it should be included in the 2021 budget.

Mr. Brettner noted that the proposed 2021 operating budget was updated from the previous one to include added costs for the anticipated change in the District election process, changing from at-large to by-district elections, adding \$50k for legal expenses (\$30k for plaintiff's counsel and \$20k for District counsel), \$50k for consulting expenses (\$30k for demographer and \$20k for unforeseen costs), and \$20k for community outreach expenses.

There was no further discussion. It was agreed to recommend the budget for approval at the next Board meeting.

5. Finance:

Financial Report 7/31/20

On the income statement, Mr. Brettner noted that the Charitable Contributions line is for COVID response that MHD agreed to fund, and that invoices from the County have not yet been received and so the cost is accrued. The contract with the County has yet to be finalized. MHMN Program Support of \$200k is for the COVID response mobile van, for invoices not yet received. Depreciation Expense reflects that the new hospital has not yet been put into service. Investment earnings are strong as the market continues to recover.

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**Board of Directors
Finance and Audit Committee
Tuesday, August 25, 2020 @ 5:00 pm
VIA WEBEX**

MINUTES

On the balance sheet, Mr. Brettner noted cash at the end of the year will be \$1.2M, and on the advice of the District's investment consultants he recommended that \$600k of operating cash be moved now into the bond portfolio investment. Dr. Simmonds agreed to present this for approval to the full Board at the next meeting.

6. Agenda Items for Next Meeting

Dr. Simmonds announced that this committee will not meet as scheduled on September 22, unless needed, and will next meet on October 28.

7. Adjournment

Dr. Simmonds adjourned the meeting at 5:17 pm.

Tab 2

Before the Board of Directors of MarinHealth Medical Center

Defeasance of Payments on the Revenue Bonds and the Banc of America Equipment Lease

November 3, 2020

MOTION to be made and seconded: To approve the defeasance of payments on the Revenue Bonds and Equipment Lease, as described below and as set forth in Resolution No. MGH 2020-01 (the “Resolution”), attached hereto and incorporated herein.

Rationale:

Revenue Bonds

There is sufficient cash on hand in MarinHealth Medical Center’s (“MHMC”) operating accounts to defease the 2021 payments on the Revenue Bonds (Marin General Hospital), Series 2018A and Series 2018B (collectively, the “Revenue Bonds”). “Defeasance” or “Defeasance” means providing for the payment by irrevocably placing the funds in an account held in trust by the bond trustee for the Revenue Bonds, with irrevocable instructions to make the specified payments as they come due. Thus, in effect, MHMC would be prepaying a portion of its obligations under the two loan agreements for the Revenue Bonds. This irrevocable deposit with irrevocable instructions to apply the funds to the payments as they come due will allow MHMC to exclude this debt from its debt service coverage ratio calculation under the Master Indenture.

Equipment Lease Payments

There is sufficient cash on hand in MHMC’s operating accounts to defease the 2021 payments and all or a portion of the 2022 payments on that certain Master Loan and Security Agreement No. 44272-70000, dated as of August 2, 2018, between MHMC and Banc of America Leasing & Capital, LLC (“BofA”) (the “Equipment Lease”). Thus, in effect, MHMC would be prepaying a portion of its obligations under the Equipment Lease. This irrevocable deposit will allow MHMC to exclude this debt from its debt service coverage ratio calculation under the Equipment Lease.

Summary:

Revenue Bonds

By this Motion, the undersigned approves of the use of approximately Seven Million Four Hundred Fifty Thousand Dollars (\$7,450,000) of cash on hand in MHMC’s operating accounts to defease the 2021 payments on the Revenue Bonds, and authorizes and directs the Chief Financial Officer to execute the necessary documentation to accomplish this defeasance, as set forth in the attached Resolution.

Equipment Lease Payments.

By this Motion, the undersigned approves of the use of approximately Four Million One Hundred Five Thousand Dollars (\$4,105,000) of cash on hand in MHMC’s operating accounts to defease the 2021 payments and all or a portion of the 2022 payments on the Equipment Lease, and

authorizes and directs Chief Financial Officer to execute the necessary documentation to accomplish this defeasance, as set forth in the attached Resolution.

DIRECTORS:

David Klein, MD, MBA

Andrea Schultz

Robert Peirce

Joseph C. Euphrat

David Hill

Joe Abrams

Joshua Adler, MD

Ann Kao, MD

Michael K. Kwok, MD

Mark R. Laret

Denise Lucy, EdD

Gene Marie O'Connell, RN, MS

Mara Perez, PhD

Walter B. Rose

Resolution No. MGH 2020-01

Please see the attached.

RESOLUTION NO. MGH 2020-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MARIN GENERAL HOSPITAL APPROVING THE
DEFEASANCE OF PAYMENTS ON THE
2018 REVENUE BONDS AND THE
BANC OF AMERICA EQUIPMENT LEASE**

WHEREAS, Marin General Hospital, doing business as MarinHealth Medical Center (the “Hospital”), is the beneficiary of 2018 Revenue Bonds, Series A and Series B (the “Revenue Bonds”), issued by the California Statewide Communities Development Authority by virtue of a loan of the proceeds of the Revenue Bonds to the Hospital (the “Loan”); and

WHEREAS, the Hospital has entered into that certain Master Loan and Security Agreement No. 44272-70000 dated as of August 2, 2018, between the Hospital and Banc of America Leasing & Capital, LLC (the “Equipment Lease”); and

WHEREAS, the Hospital has determined that there is sufficient cash on hand in its operating accounts to defease the 2021 payments on the Revenue Bonds through the prepayment of a portion of the Loan; and

WHEREAS, the Hospital has determined that there is sufficient cash on hand in its operating accounts to defease the 2021 and all or a portion of the 2022 payments on the Equipment Lease.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Hospital, as follows:

SECTION 1. Recitals. The above recitals, and each of them, are true and correct.

SECTION 2. Approval of Defeasance of Revenue Bonds. The use of approximately Seven Million Four Hundred Fifty Thousand Dollars (\$7,450,000) of cash on hand in the Hospital’s operating accounts to defease the 2021 payments on the Revenue Bonds is hereby approved.

SECTION 3. Approval of Defeasance of Equipment Lease Payments. The use of approximately Four Million One Hundred Five Thousand Dollars (\$4,105,000) of cash on hand in the Hospital’s operating accounts to defease the 2021 and all or a portion of the 2022 payments on the Equipment Lease is hereby approved.

SECTION 4. Other Actions. All actions heretofore taken by the officers and agents of the Hospital with respect to the prepayment of a portion of the Loan resulting in the defeasance of the 2021 debt service payments on the Revenue Bonds and the 2021 and all or a portion of the 2022 payments on the Equipment Lease are hereby approved, confirmed and ratified. The Chief Financial Officer and any person or persons designated and authorized to act by the Chief Financial Officer are hereby authorized and directed, for and in the name and on behalf of the Hospital, to do any and all things and take any and all actions which may, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by this resolution, including any actions needed to invest any portion of the prepaid amounts.

SECTION 5. Effective Date. This resolution take effect from and after its adoption.

[Signature page to follow]

PASSED, APPROVED AND ADOPTED on this 3rd day of November, 2020, by the following vote of the Board of Directors:

AYES: Directors:

NOES: Directors:

ABSENT: Directors:

Andrea Schultz, Chair

Attest:

David Hill, Secretary

Tab 3

Before the Board of Directors of MarinHealth Medical Center

Union Bank Line of Credit

November 3, 2020

MOTION to be made and seconded: For Marin General Hospital, doing business as MarinHealth Medical Center (“MHMC”), and Prima Medical Foundation, doing business as MarinHealth Medical Network (the “Network”), as co-borrowers, to obtain a Twenty Million Dollar (\$20,000,000) line of credit from MUFG Union Bank, N.A., as described below and as set forth in that certain Authorization to Obtain Credit, Grant Security, Guarantee or Subordinate Regarding MUFG Union Bank, N.A. (“Authorization”), attached hereto and incorporated herein.

Summary:

MHMC Approval

By this Motion, the undersigned approves of MHMC obtaining up to Twenty Million Dollars (\$20,000,000) present or future credit from, granting security to, or giving guaranties or subordinations to, MUFG Union Bank, N.A., and authorizes and directs the Chief Executive Officer and the Chief Financial Officer of MHMC to execute the necessary documentation to accomplish the same, as set forth in the attached Authorization.

Network Approval

As set forth under Section 3.11(f) of the Amended and Restated Bylaws of the Network, the written consent of MHMC, as sole member of the Network, is required for the Board of Directors of the Network to authorize the Network to borrow money in the Network’s name or utilize property owned by the Network as security for such loans.

By this Motion, the undersigned approves of the Network obtaining up to Twenty Million Dollars (\$20,000,000) present or future credit from, granting security to, or giving guaranties or subordinations to, MUFG Union Bank, N.A.

[Signature page to follow]

DIRECTORS:

David Klein, MD, MBA

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Robert Peirce

Joseph C. Euphrat

David Hill

Joe Abrams

Joshua Adler, MD

Ann Kao, MD

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Mark R. Laret

Denise Lucy, EdD

Gene Marie O'Connell, RN, MS

Mara Perez, PhD

Walter B. Rose

**Authorization to Obtain Credit, Grant Security, Guarantee or Subordinate
Regarding MUFG Union Bank, N.A.**

Please see the attached.

**MARIN GENERAL HOSPITAL
AUTHORIZATION TO OBTAIN CREDIT, GRANT SECURITY,
GUARANTEE OR SUBORDINATE REGARDING MUFG UNION BANK, N.A.**

RECITALS

- A. Marin General Hospital, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California with its principal place of business at 250 Bon Air Road, Greenbrae, California (the "**Hospital**") desires to obtain up to Twenty Million Dollars (\$20,000,000) present or future credit from, grant security to, or give guaranties or subordinations to MUFG Union Bank, N.A. ("**Bank**").
- B. The Hospital desires that certain person(s) be authorized to act on its behalf from time to time in obtaining, among other things, such credit from, granting security to, or giving guaranties or subordinations to, Bank.

NOW, THEREFORE, IT IS RESOLVED THAT:

- 1. **Authorization.** Any of the following is/are authorized and directed, in the name and on behalf of the Hospital, from time to time, with or without security, to obtain up to Twenty Million Dollars (\$20,000,000) credit and other financial accommodations from Bank, or to give guaranties or subordinations to Bank, upon such terms as any such person(s) shall approve:

<u>Corporate Title</u>	<u>Name</u>	<u>Signature</u>
Chief Executive Officer	David Klein	_____
Chief Financial Officer	Eric Brettner	_____

- 2. **Scope Of Authority.** Without limiting the generality of the authority granted, each person designated in Paragraph 1 above is authorized, from time to time, in the name and on behalf of the Hospital, to:

2.1 Incur Indebtedness To Bank. The word "**Indebtedness**" as used herein means all debts, obligations and liabilities, including without limitation obligations and liabilities under guaranties or subordinations, currently existing or now or hereafter made, incurred or created, whether voluntary or involuntary and however arising or evidenced, whether direct or acquired by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether liability is individual or joint with others, all renewals, extensions and modifications thereof, and all attorneys' fees and costs incurred in connection with the negotiation, preparation, workout, collection and enforcement thereof;

2.2 Execute, deliver and endorse with respect to Indebtedness to Bank, promissory notes, loan agreements, supplemental master indentures, master indenture obligations, drafts, guaranties, subordinations, applications and agreements for letters of credit, acceptance agreements, foreign exchange documentation, applications and agreements pertaining to the payment and collection of documents, indemnities, waivers, purchase agreements and other financial undertakings, leases and other documents and agreements in connection therewith, and all renewals, extensions or modifications thereof;

2.3 Grant security interests in, pledge, assign, transfer, endorse, mortgage or hypothecate, and execute security or pledge agreements, supplemental master indentures, master indenture obligations, financing statements and other security interest perfection documentation, mortgages and deeds of trust on, and give trust receipts for, any or all property of the Hospital as may be agreed upon by any officer as security for any or all Indebtedness of the Hospital or any other individual or entity ("Person"), and grant and execute renewals, extensions or modifications thereof;

2.4 Sell to, or discount or rediscount with, Bank all negotiable instruments, including without limitation promissory notes, commercial paper, drafts, accounts, acceptances, leases, chattel paper, contracts, documents, instruments or evidences of debt at any time owned, held or drawn by the Hospital, and draw, endorse or transfer any of such instruments or documents on behalf of the Hospital, guarantee payment or repurchase thereof, and execute and deliver to Bank all documents and agreements in connection therewith, and all renewals, extensions or modifications thereof;

2.5 Direct the disposition of the proceeds of any credit extended by Bank, and deliver to Bank and accept from Bank delivery of any property of the Hospital at any time held by Bank;

2.6 Specify in writing to Bank the individuals who are authorized, in the name of and on behalf of the Hospital, to request advances under loans or credit lines made available by Bank to the Hospital, subject to the terms thereof.

3. Writings. Any instruments, documents, agreements or other writings executed under or pursuant to these resolutions (collectively, the "**Authorization**") may be in such form and contain such terms and conditions as may be required by Bank in its sole discretion, and execution thereof by any officer authorized under the Authorization shall be conclusive evidence of such officer's and the Hospital's approval of the terms and conditions thereof.

4. Certification. The Secretary or any Assistant Secretary of the Hospital is hereby authorized and directed from time to time to certify to Bank a copy of this Authorization, the names and specimen signatures of the persons designated in Paragraph 1 above, and any modification thereof.

5. Ratification/Amendment. The authority given under this Authorization shall be retroactive and any and all acts so authorized that are performed prior to the formal adoption are hereby approved and ratified. In the event two or more resolutions of this Hospital are concurrently in effect, the provisions of each shall be cumulative, unless the latest shall specifically provide otherwise. The authority given hereby shall remain in full force and effect, and Bank is authorized and requested to rely and act thereon, until Bank shall have received at its San Francisco Corporate Banking Office a certified copy of a further resolution of the Hospital amending, rescinding or revoking the Authorization.

6. Requests For Credit. Credit may be requested by the Hospital from Bank in writing, by telephone, or by other telecommunication method acceptable to Bank. The Hospital recognizes and agrees that Bank cannot effectively determine whether a specific request purportedly made by or on behalf of the Hospital is actually authorized or authentic. The Hospital is hereby authorized and directed to repay any credit that is extended by Bank pursuant to any request which Bank in good faith believes to be authorized, or when the proceeds of any credit are deposited to the account of the Hospital with Bank.

7. No Limitation By This Authorization. Nothing contained in this Authorization shall limit or modify the authority of any person to act on behalf of the Hospital as provided by law, any agreement or authorization relating to the Hospital or otherwise.

8. Addenda. The Addendum-Letters of Credit attached hereto is incorporated herein by this reference.

CERTIFICATE OF SECRETARY OF THE HOSPITAL

I hereby certify to **MUFG Union Bank, N.A., ("Bank")** that the attached Authorization is a true copy of the resolution(s) of Marin General Hospital, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "**Hospital**") duly adopted by the Board of Directors of the Hospital and duly entered in the records of the Hospital, and that the Authorization is in conformity with applicable law and regulation, the Articles of Incorporation and the Bylaws of the Hospital and is now in full force and effect.

I also certify that the above are the names and genuine specimen signatures of the officers of the Hospital authorized in Paragraph 1 of the Authorization.

I agree to notify Bank in writing of any change in any aspect of the Authorization or of any individual holding any office set forth in this certificate immediately upon the occurrence of any such change, and to provide Bank with a copy of the modified resolution(s) and the genuine specimen signature of any such new officer.

The authority provided for in the Authorization shall remain in full force and effect, and Bank is authorized and requested to rely and act thereon until Bank shall receive at its San Francisco Corporate Banking Office either a certified copy of a further resolution of this Hospital's Board of Directors amending the Authorization, or a certification of a change in the authorized officer(s).

Dated: _____, 2020

DAVID HILL, Secretary, Board of Directors
Marin General Hospital, a California nonprofit
public benefit corporation

**ADDENDUM TO AUTHORIZATION
LETTER OF CREDIT SERVICES**

This addendum ("**Addendum**") is attached to and made a part of that certain Authorization to Obtain Credit, Grant Security, Guarantee or Subordinate executed by Marin General Hospital, a California nonprofit public benefit corporation ("**Hospital**").

1. MUFG UNION BANK, N.A., and all of their subsidiary, parent and other affiliated entities (in this Addendum referred to individually or collectively as "**Bank**") are each hereby irrevocably authorized to issue, confirm, advise, amend letters of credit and waive or approve discrepancies in presentations made under letters of credit, or authorize payment (whether by debit to any of the Hospital's accounts at Bank or otherwise to settle any documentary collection transactions) for the account of the Hospital and otherwise provide letter of credit services to the Hospital, based upon any application, instrument, agreement or other document submitted to Bank on the Hospital's behalf by personal delivery, United States mail, telecopy, rapidfax or other telecommunication method ("**Writing**") other than by telephonic or oral advice, in each case, bearing or purporting to bear the signature or facsimile signature of any of the following officers of the Hospital:

_____	David Klein	<u>Chief Executive Officer</u>
Signature		Title

_____	Eric Brettner	<u>Chief Financial Officer</u>
Signature		Title

2. Bank is authorized to provide these services, to charge the Hospital its fees for such services and otherwise to act upon all such Writings to the same extent as though such Writings were executed in original form by the applicable person(s) of the Hospital authorized to do so pursuant to other resolutions previously or hereafter furnished by the Hospital to Bank, regardless of by whom or by what means the actual or purported signature(s) or facsimile signature(s) have been applied, if such signature(s) or facsimile signature(s) resemble those from time to time submitted to Bank by the Hospital; and since the Hospital agrees that it is in the best interest of the Hospital that Bank act in response thereto, the Hospital assumes all risks regarding the actual validity, authenticity and due authorization of all such Writings submitted to Bank; should in any instance Bank wish, in its sole and absolute discretion and without ever any obligation to the Hospital to do so, to confirm the giving of a Writing it may do so by telephonically contacting any one (including the person who has evidently given such Writing on behalf of the Hospital of the person(s) identified herein as authorized signers for the Hospital irrespective of the number of persons required to sign Writings of the Hospital. Bank may in its sole and absolute discretion use any telephone number for such purpose either from its existing records on the Hospital or from such Writing or other Writings from the Hospital and takes no responsibility for the actual identity of the person who purports to Bank that he or she is an authorized person named hereunder. Additionally nothing said by Bank or such person in any such telephone call shall be deemed to be itself a Writing or an amendment of a Writing or any other basis for Bank taking, or not taking, any action; **provided however**, in the event in any such confirmation telephone call it appears to Bank that the Writing in question was not given by the Hospital, Bank shall suspend initiating the activity requested in such Writing and seek the involvement of other authorized signers of the Hospital for clarification and appropriate explanatory Writing(s);


3. Any such Writing executed under this Addendum is to be in such form and contain such terms and conditions as may be required by Bank, and the execution or purported execution of such Writing by the required number of authorized signatures specified above shall be conclusive evidence of the Hospital's approval of its terms, and the Writing shall be binding upon and enforceable against the Hospital;

4. In the event the Hospital sends Bank a manually-signed original or confirmation of a previously given Writing, Bank shall have no duty to compare it against the previous Writing received by Bank, nor shall Bank have any responsibility should the contents of the manually signed original or confirmation differ from the Writing acted upon by Bank; and

5. Notwithstanding anything contained in Paragraph 5 of above-referenced Authorization to the contrary, Bank is authorized and requested to rely and act upon any prior resolutions given by the Hospital to Bank regarding the matters discussed in this Addendum, and on this Addendum, until ten (10) days after Bank has actually received, at its San Francisco Corporate Banking Office, copies of resolution(s) that specifically modify, amend or terminate any such previous resolutions or this Addendum. Properly authorized persons on behalf of the Hospital shall be authorized to give specific written notice(s) to Bank that add to or delete from the list of authorized persons contained in this Addendum with Bank being authorized and entitled to rely upon such notice(s) immediately with respect to authorized persons added, and ten (10) days after receipt with respect to authorized persons deleted.

Tab 4



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO 
Re: September 2020 Financial Report
Date: October 15, 2020

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. FY 2020 Income Statement and Budget

The net District operating loss for the month was \$140,540 which was favorable to budget by \$785,430. Income included rental revenue from the hospital lease of \$44,780 as well as a pick-up related to the settlement of intercompany variances with the Network of \$38,077 and interest income and net unrealized investment loss of \$7,965. The District incurred total expenses of \$215,432 including depreciation expense of \$117,971 associated with the MGH 2.0 parking garage which was completed in August 2016. Depreciation expense is budgeted at \$938,804 and actual is \$117,971 for MGH 2.0. MGH 2.0 was not placed in service until the end of September, which is driving the variance from budget.

III. Balance Sheet

Assets

Cash at September 30, 2020 of \$1,120,778 decreased by \$572,138 from August due to a cash transfer of \$600,000 to the Schwab investment account. Investment account balances are \$3,953,532.

Tax revenue receivables are \$0 and represent amounts due from the County of Marin. The amount of tax revenue receivable did not change between August & September. The payments received from the County are deposited directly into the bond fund accounts.

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 \$426,250,412 (including the completed parking garage).

Liabilities and Net Assets

Accrued Expenses of \$23,820,193 are comprised of accruals for District and construction expenses. The increase in liabilities from the prior month is due to the accrual of bond interest of \$1,273,537. Other current liabilities of \$1,285,194 represent tax payments received from the County of Marin and will be offset against tax receivable when the tax revenue information is received from the County of Marin. Related party payables are comprised of \$340,920 due to Prima Medical Foundation which includes \$327,038 of anticipated payments made in support of the COVID-19 response.



Creating a healthier Marin together.

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 \$57,635,809.

Marin Healthcare District
Balance Sheet
September 30, 2020

	9/30/2020	8/31/2020	Change	12/31/2019
Assets				
Current Assets				
Cash	1,120,778	1,692,916	(572,138)	2,196,244
Investment	3,953,532	3,361,521	592,011	3,210,664
Related Party Receivables	-	-	-	63,330
Tax Revenues Receivable	-	-	-	4,212,709
Total Current Assets	5,074,310	5,054,437	19,873	9,682,947
Property, plant, and equipment, net	3,663,420	3,698,919	(35,499)	3,982,908
Parking Garage, net	22,492,881	22,575,353	(82,472)	23,235,132
Hospital Construction Costs	426,250,412	425,060,065	1,190,347	414,313,140
Assets Limited To Use - Bond Funds	16,249,489	16,247,667	1,822	52,668,185
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	468,692,202	467,618,004	1,074,198	494,235,365
Total Assets	473,766,512	472,672,441	1,094,071	503,918,312
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	945	-	945	497
Accrued Expenses	23,820,193	22,554,206	1,265,987	52,764,673
Other Current Liabilities	1,285,194	1,285,194	-	-
Related Party Payables	365,198	316,150	49,048	864,492
Current Bond Maturities	430,000	430,000	-	190,000
Total Current Liabilities	25,901,530	24,585,550	1,315,980	53,819,662
Bonds Payable	365,425,000	365,425,000	-	365,855,000
Bond Premium	24,804,173	24,885,542	(81,369)	25,536,492
Total Liabilities	416,130,703	414,896,092	1,234,611	445,211,154
Net Assets				
Net Assets	58,707,158	58,707,158	-	47,363,032
Net (Loss)/Income	(1,071,349)	(930,809)	(140,540)	11,344,126
Total Net Assets	57,635,809	57,776,349	(140,540)	58,707,158
Total Liabilities and Net Assets	473,766,512	472,672,441	1,094,071	503,918,312

**Marin Healthcare District
Income Statement - Actual vs. Budget
September 30, 2020**

	9/30/2020			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	44,780	45,101	(321)	408,156	405,911	2,245
Other Revenue	38,077	-	38,077	38,077	-	38,077
Investment Earnings	(7,965)	250	(8,215)	145,848	2,250	143,598
Total Income	74,892	45,351	29,541	592,081	408,161	183,920
Legal Fees	15,499	3,583	(11,916)	38,244	32,250	(5,994)
Accounting Fees	2,250	2,250	-	20,250	20,250	-
Board Compensation	945	1,017	72	12,735	9,150	(3,585)
Board Expenses	-	2,083	2,083	2,225	18,750	16,525
Depreciation Expense	117,971	938,804	820,833	1,061,739	5,986,739	4,925,000
Charitable Contributions	-	500	500	50,000	4,500	(45,500)
Community Education	-	5,417	5,417	-	48,750	48,750
Dues	-	1,000	1,000	1,199	9,000	7,801
MHN Program Support	62,100	-	(62,100)	327,038	-	(327,038)
MGH Program Support	16,667	16,667	-	150,000	150,000	-
Total Expense	215,432	971,321	755,889	1,663,430	6,279,389	4,615,959
Net District Operating Income	(140,540)	(925,970)	785,430	(1,071,349)	(5,871,228)	4,799,879
Bond-Related Revenue/Expense						
Tax Revenue	-	-	-	-	12,731,482	12,731,482
Bond Fund Earnings (transferred to construction in progress)	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Net Income/(Loss)	(140,540)	(925,970)	785,430	(1,071,349)	6,860,254	(7,931,603)