

MARIN HEALTHCARE DISTRICT

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

Telephone: 415-464-2090

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Website: www.marinhealthcare.org

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BOARD OF DIRECTORS FINANCE & AUDIT COMMITTEE TUESDAY, FEBRUARY 22, 2022 @ 5:00 P.M.

Committee:

Chair: Edward Alfrey, MD

Member: Larry Bedard, MD

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

Support: Louis Weiner, Executive Assistant

Location:

Via Zoom:

<https://mymarinhealth.zoom.us/join>

Meeting ID: 930 0346 5416

Passcode: 94901

Or via Zoom telephone: 1-669-900-9128

AGENDA

		<u>ATTACHMENT</u>
1. Call to Order / Approval of the Agenda (action)	Alfrey	
2. Approval of the Minutes of the MHD Finance & Audit Committee Meeting of November 29, 2021 (action)	Alfrey	#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>	Alfrey	
4. District Financial Report, January 2022	Brettner	#2
5. Recruiting Community Members for Committee	Alfrey	
6. Next Meeting Date and Agenda	Alfrey/Brettner	
7. Adjournment	Alfrey	

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

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**Board of Directors
Finance and Audit Committee
Monday, November 29, 2021 @ 5:00 pm
Via Zoom**

MINUTES

1. Call to Order

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

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

Committee members present: Larry Bedard, MD (Chair); Edward Alfrey, MD

Staff members present: David Klein, MD (CEO); Eric Brettner (CFO); Liz Lasnier (Controller),
Louis Weiner (Executive Assistant)

Approval of the Agenda: It was moved, seconded and carried to approve the agenda as presented.

Approval of the Minutes: It was moved, seconded and carried to approve the minutes of the meeting of the committee on September 28, 2021.

3. Public Comment

There was no public comment.

4. District Financial Report, September 2021

Mr. Brettner presented the September financial report. Due to market volatility, investment earnings were negative \$28k, and income was \$38k under budget. However, expenses were \$32k under budget. Net operating loss was \$6k.

Retention payments to McCarthy have begun, \$11M in September.

5. District Financial Report, October 2021

Mr. Brettner presented the October financial report. Investment earnings were negative \$2k, and income was \$12k under budget. Expenses were \$33k under budget. Net operating income was positive at \$21k. Year to date operating income was positive at \$217k.

Tax revenues from the County increased \$1M.

6. Agenda Items for Next Meeting

None were submitted.

7. Adjournment

Dr. Bedard adjourned the meeting at 5:13 pm.

Tab 2



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO
Re: January 2022 Financial Report
Date: February 16, 2022

EB

I. General Comments

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

II. FY 2022 Income Statement and Budget

The District's net operating loss for the month was \$81,484 which was unfavorable to budget by \$57,373. The unfavorable variance is driven by lower than expected investment earnings. Rental revenue from the hospital lease was \$49,218 in January. Investment earnings were comprised of \$5,184 dividend and interest income as well as \$10,543 of realized losses and a \$70,878 decrease in the value of investments. The District incurred \$2,175 expense related to the mobile van program for vaccine distribution. The District incurred total operating expenses of \$54,465 which was favorable to budget by \$24,742. The favorable variance was due to lower than budgeted election expenses, community education costs, and MHMC program support offset by charitable contributions. Depreciation expense was \$990,657 in January. Bond Related Revenues and Expenses included \$1,292,462 of accrued tax revenues less bond fund earnings, and \$1,191,590 of bond interest expense.

III. Balance Sheet

Assets

Cash at January 31, 2022 of \$752,664 increased by \$40,411. The increase was due to receipt of rent revenue deposit. Investment account balances of \$3,900,138 decreased by \$76,246 from the prior month due to realized losses of \$10,543 and a \$70,878 decrease in the value of investments. Tax revenue receivables are \$6,470,662 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Bond Funds". These funds total \$12,132,510 at January 31, 2021 and include \$2,426,304 to be used for construction costs and \$9,706,206 to be used for bond principal and interest payments.



Liabilities and Net Assets

Interest payable of \$7,637,750 increased by \$1,272,959 from the prior month due to the accrual of interest. Accrued expenses of \$2,568,960 are primarily comprised of accruals for construction costs.

Related party payables of \$2,760 include of \$7,678 due to the Network for 1206b mental health clinic program support and mobile health clinic program support, and \$4,918 due from the Hospital for payments relating to asset management of the bond funds.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$680,000 is due in August 2022. 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 \$53,002,382.

Marin Healthcare District
Income Statement - Actual vs. Budget
January 31, 2022

	1/31/2022			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	49,218	49,218	-	49,218	49,218	-
Investment Earnings	(76,237)	5,878	(82,115)	(76,237)	5,878	(82,115)
Total Income	(27,019)	55,096	(82,115)	(27,019)	55,096	(82,115)
Legal Fees	7,055	3,750	(3,305)	7,055	3,750	(3,305)
Accounting Fees	2,457	2,457	-	2,457	2,457	-
Board Compensation	2,100	1,500	(600)	2,100	1,500	(600)
Board Expenses	-	2,083	2,083	-	2,083	2,083
Consulting Fees	-	1,667	1,667	-	1,667	1,667
Election Expenses	-	10,833	10,833	-	10,833	10,833
Charitable Contributions	12,994	500	(12,494)	12,994	500	(12,494)
Community Education	-	7,500	7,500	-	7,500	7,500
Dues	600	1,000	400	600	1,000	400
MHMC Program Support	16,667	37,500	20,833	16,667	37,500	20,833
MHMN Program Support	12,592	10,417	(2,175)	12,592	10,417	(2,175)
Total Expense	54,465	79,207	24,742	54,465	79,207	24,742
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	(81,484)	(24,111)	(57,373)	(81,484)	(24,111)	(57,373)
Depreciation Expense	990,657	995,265	4,608	990,657	995,265	4,608
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(1,072,141)	(1,019,376)	(52,765)	(1,072,141)	(1,019,376)	(52,765)
Bond-Related Revenue(Expense)						
Tax Revenue	1,272,733	1,366,253	(93,520)	1,272,733	1,366,253	(93,520)
Bond Fund Earnings	19,729	-	19,729	19,729	-	19,729
Bond Interest Expense	(1,191,590)	(1,190,881)	(709)	(1,191,590)	(1,190,881)	(709)
Net Income (Loss)	(971,269)	(844,004)	(127,265)	(971,269)	(844,004)	(127,265)

**Marin Healthcare District
Balance Sheet
January 31, 2022**

	1/31/2022	12/31/2021	Change	12/31/2021
Assets				
Current Assets				
Cash	752,664	712,253	40,411	712,253
Investment	3,900,138	3,976,384	(76,246)	3,976,384
Tax Revenues Receivable	6,470,662	5,442,018	1,028,644	5,442,018
Prepaid Expenses	3,000	3,600	(600)	3,600
Total Current Assets	11,126,464	10,134,255	992,209	10,134,255
Property, plant, and equipment, net	407,673,732	408,416,972	(743,240)	408,416,972
Parking Garage, net	21,173,324	21,420,741	(247,417)	21,420,741
Assets Limited To Use - Building Funds	2,426,304	2,426,274	30	2,426,274
Assets Limited To Use - Interest & Sinking Funds	9,706,206	9,462,038	244,168	9,462,038
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	441,015,566	441,762,025	(746,459)	441,762,025
Total Assets	452,142,030	451,896,280	245,750	451,896,280
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	2,905	1,399	1,506	1,399
Interest Payable	7,637,750	6,364,791	1,272,959	6,364,791
Accrued Expenses	2,568,960	2,547,797	21,163	2,547,797
Other Current Liabilities	-	-	-	-
Related Party Payables	2,760	0	2,760	0
Current Bond Maturities	680,000	680,000	-	680,000
Total Current Liabilities	10,892,375	9,593,987	1,298,388	9,593,987
Bonds Payable	364,745,000	364,745,000	-	364,745,000
Bond Premium	23,502,273	23,583,642	(81,369)	23,583,642
Total Liabilities	399,139,648	397,922,629	1,217,019	397,922,629
Net Assets				
Net Assets	53,973,651	67,401,797	(13,428,146)	67,401,797
Net (Loss)/Income	(971,269)	(13,428,146)	12,456,877	(13,428,146)
Total Net Assets	53,002,382	53,973,651	(971,269)	53,973,651
Total Liabilities and Net Assets	452,142,030	451,896,280	245,750	451,896,280