

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

WEDNESDAY, MARCH 5, 2025 @ 5:30 P.M.

Committee:

Chair: Brian Su, MD

Member: Ann Sparkman, RN/BSN, JD

Staff: David Klein, MD, CEO

Eric Brettner, CFO

Liz Lasnier, Controller

Support: Tricia Lee, EA

Guests: Debashis Chowdhury
(Canterbury Consulting)

Location:

Marin Healthcare District Office

100B Drakes Landing, Road Suite 250

Greenbrae, CA 94904

AGENDA

- | | | <u>TAB</u> |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1. | Call to Order / Approval of the Agenda (action) | Su |
| 2. | Approval of the Minutes of the MHD Finance & Audit Committee Meeting of October 28, 2024 (action) | Su #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> | Su |
| 4. | Review: MHD Corporate Investment Portfolio | Brettner/
Canterbury #2 |
| 5. | District Financial Reports | Brettner |
| | A. October 2024 | #3 |
| | B. November 2024 | #4 |
| | C. December 2024 | #5 |
| 6. | Adjournment | Su |

Next meeting: TBA

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

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Board of Directors Finance and Audit Committee Monday, October 28, 2024 @ 5:30 pm Marin Healthcare District Office

MINUTES

1. Call to Order

Chair Su called the meeting to order at 5:31 pm.

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

Committee members present: Brian Su, MD (Chair); Ann Sparkman (Board Member);

Staff members present: Eric Brettner (CFO); Tricia Lee, (EA)

Guest Present: Debashis Chowdhury; Jason Levey (Canterbury Consulting)

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 July. 29, 2024.

3. Public Comment

There was no public comment.

4. Review MHD Corporate Investment Portfolio

Mr. Levey and Mr. Chowdhury reviewed the corporate investment portfolio (Tab #2). The key focus was an evaluation of the investment policy and a potential increase in equity allocation. Mr. Levey reported that the portfolio's performance for the 3rd quarter showed a return of approximately 5%, with a year-to-date return just under 7%, aligning with the benchmark index. While most investment strategies performed well, WCM, a small-cap U.S. growth manager, lagged slightly due to its conservative investment approach. The committee noted that WCM's long-term track record remained strong and that its current underperformance was largely due to market conditions favoring lower-quality stocks.

The discussion then shifted to asset allocation, specifically a proposed shift from 80% fixed income and 20% equity to a 60% fixed income and 40% equity allocation.

The committee also reviewed the district's cash holdings, which includes:

- Money Market account
- Local Agency Investment Fund (LAIF)
- Checking Account

A proposal was made to reallocate excess cash into fixed-income investments to optimize returns while maintaining liquidity. The committee agreed that maintaining six months' worth of cash on hand was sufficient, and discussions included whether to continue using LAIF or to move funds to Canterbury's

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MINUTES

fixed-income options. Canterbury was asked to research the history and structure of LAIF to determine whether it remains a viable investment vehicle for the district.

The committee then formalized two recommendations to present to the board:

1. Cash Management Strategy:

- Maintain two to three months' worth of cash in a checking account for daily operations.
- Keep an additional three to four months' worth of cash in an easily accessible fixed-income account, either through Canterbury or LAIF.
- Reallocate excess cash into fixed-income investments to generate returns while preserving liquidity.

2. Investment Allocation Adjustment:

- Shift the current investment allocation to 40% equity and 60% fixed income over a six-month phased implementation period.

5. District Financial Reports

A. July 2024

Mr. Brettner reviewed July financials (Tab #4) The month of July saw \$80K in investment income, bringing the total investment income for the year to \$138K. Total income stood at \$105K bringing the year-to-date total to \$270. The financial outlook for investment earnings is now positive.

B. August 2024

August continued to show strong investment income, with an additional \$58K recorded. The rent income remained consistent at \$54K per month. August reflected a significant bond payment. The district made a \$1.2M payment toward current bond maturities, reducing bonds payable by \$1.5M. The only unusual expense for the month was a \$7K charge for graphic design services by West Valley Group, which was related to the development of the district's website redesign.

C. September 2024

Mr. Brettner reviewed September financials (Tab #6). September maintained the trend of strong investment income, contributing to a year-to-date total of \$255K. The month did not include any unusual expenses, aside from routine legal fees, accounting costs, and amortized dues for the ACHD. There were no significant changes to the balance sheet, aside from the expected activity related to scheduled bond payments.

6. Adjournment

Chair Su adjourned the meeting at 6:28 pm.

Tab 2



CanterburyConsulting

Investment Performance Review

Presentation To:

Marin Healthcare District

Presented By:

Canterbury Consulting
610 Newport Center Drive, Suite 500
Newport Beach, California 92660

Quarter Ending December 31st, 2024

Quarter In Review

Fourth Quarter Commentary

- In the fourth quarter of 2024, U.S. equity performance remained positive and concentrated, particularly in large caps with the cap weighted indices outperforming their equal weighted counterparts. The performance was largely driven by two factors: the election's positive impact on investor sentiment and the "Magnificent 7", which posted gains of over 15% on the quarter and more than 60% for the year. Relative to large cap equities which posted gains of 2.41% for the quarter, their small and mid-cap counterparts lagged, posting positive returns of 0.33% and 0.62%, respectively.
- Both international developed and emerging markets equities struggled on the back of a strong U.S. dollar and the exceptional performance of U.S. technology stocks. The MSCI EAFE index posted a negative return of (8.11%) for the quarter, while the MSCI EM index lost (8.01%).
- In the fourth quarter, the Federal Reserve cut interest rates twice by 25 basis points (bps), bringing the target federal funds range to 4.25%–4.50% as risks to employment and inflation appeared balanced. At the December FOMC meeting, Chair Powell noted that economic activity continued to expand at a solid pace, inflation remained elevated, labor market conditions had generally eased, and unemployment remained relatively low. At the Fed's December FOMC meeting, inflation expectations were revised upward, while the unemployment rate forecast was adjusted lower compared to the September FOMC meeting. Due to higher inflation expectations, the Federal Reserve indicated fewer rate cuts are anticipated in 2025.
- During the quarter, the yield curve normalized relative to the prior quarter, with front-end rates declining and long-term rates rising, reflecting the Fed's rate cuts and higher inflation expectations. Investment-grade (IG) and high-yield (HY) credit spreads tightened over the quarter, remaining well below their long-term median levels
- Indicators used to measure U.S. economic activity, such as the ISM Manufacturing and Non-Manufacturing indexes, continued to show mixed signals of contractionary and expansionary activity, respectively, further complicating the inflation and interest rate outlook for the Fed.

As of December 31, 2024

Returns through December 31, 2024

Index	QTD	YTD
Growth MSCI ACWI	-0.99%	17.49
Capital Preservation Bloomberg Global Aggregate	-5.10%	-1.69%
Inflation Protection Morningstar U.S. Real Asset*	-5.27%	4.13%

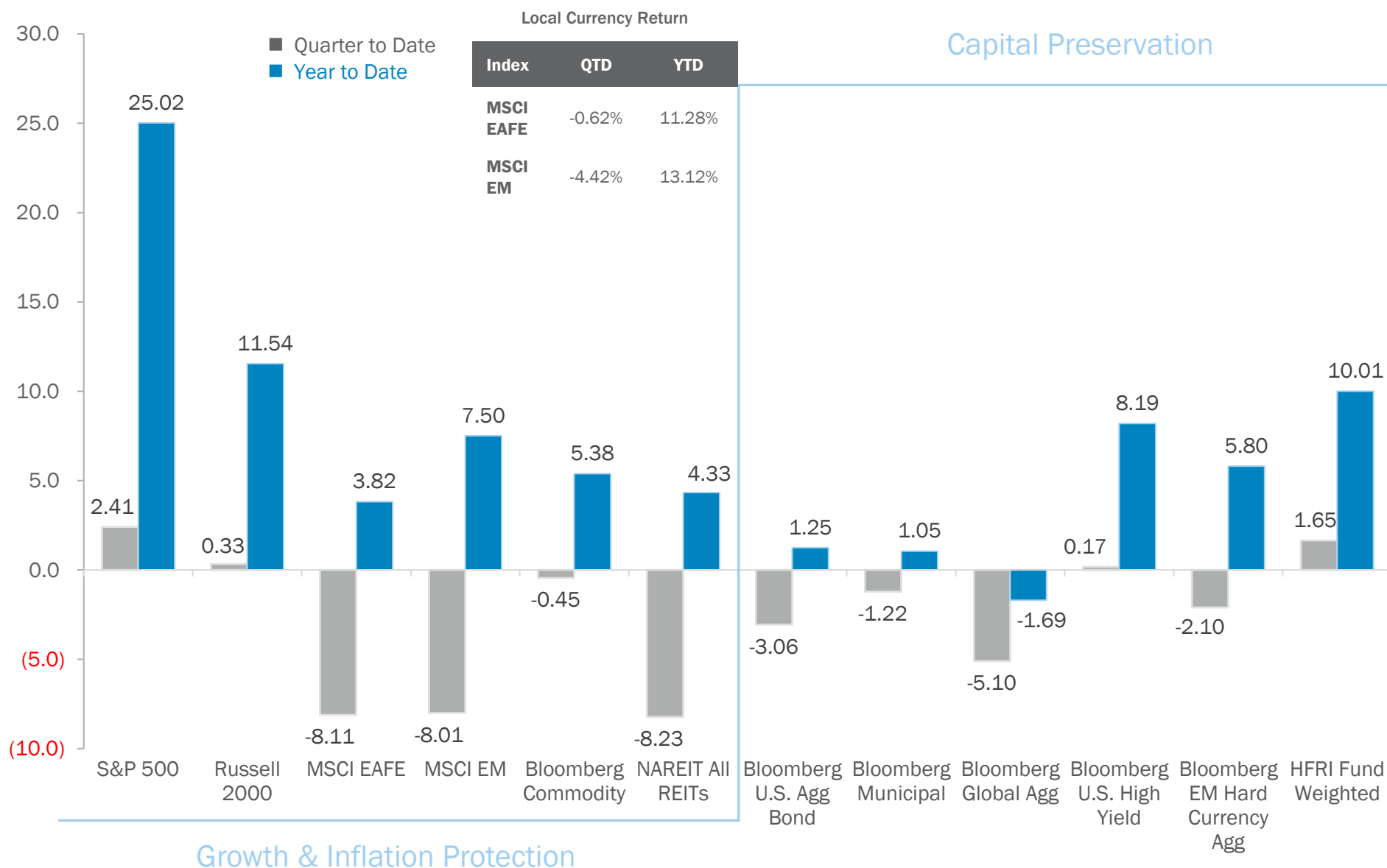
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

[1] BofA IG & HY spreads data starting Jan 2006

*40% TIPS, 30% L/S Commodity, 15% REITs, 10% Global Nat. Resources, 5% MLPs

Index Returns (%)

As of December 31, 2024



Source: Morningstar

Economic Data

As of December 31, 2024

Year over Year Statistics¹

	December 31, 2019	December 31, 2020	December 31, 2021	December 30, 2022	December 29, 2023	December 31, 2024
S&P 500	3,230.78	3,756.07	4,766.18	3,839.50	4,769.83	5,881.63
S&P 500 EPS	164.13	142.82	198.67	223.75	221.62	238.39
P/E of S&P 500	21.23	28.85	26.00	18.29	23.01	24.67
P/E of MSCI EAFE	17.31	25.07	17.06	14.14	14.90	15.05
P/E of MSCI EM	15.01	22.07	14.29	12.30	14.92	15.43
S&P 500 Earnings Yield	4.71	3.47	3.85	5.47	4.35	3.78
Fed Funds Effective Rate	1.55	0.09	0.08	4.10	5.33	4.48
3 Month LIBOR	1.91	0.24	0.21	4.77	5.59	4.85
10 Year Treasury Yield	1.92	0.91	1.51	3.87	3.88	4.57
30 Year Mortgage Rate	3.86	2.87	3.27	6.66	6.99	7.28
Bloomberg U.S. Agg Yield	2.31	1.12	1.75	4.68	4.53	4.91
Bloomberg HY Spread	3.36	3.60	2.83	4.69	3.23	2.87
Gold (\$/oz)	1,517.27	1,898.36	1,829.20	1,824.02	2,062.98	2,624.50
WTI Crude Oil (\$/bbl)	61.06	48.52	76.99	80.26	71.65	71.72
Unemployment Rate	3.60	6.70	3.90	3.50	3.80	4.10
Headline CPI²	2.30	1.40	7.00	6.50	3.40	2.70
VIX Index	13.78	22.75	17.22	21.67	12.45	17.35

Forward Looking Forecasts

	Real GDP ³	CPI ³	Unemployment ³	10-Yr Treasury ³	S&P 500 EPS ⁴	Forward P/E ⁴	MSCI EAFE EPS ⁴	Forward P/E ⁴	MSCI EM EPS ⁴	Forward P/E ⁴
2024	2.7%	2.9%	4.0%	4.57%	\$262.52	22.40	\$157.68	14.34	\$87.52	12.29
2025	2.1%	2.5%	4.3%	4.16%	\$271.04	21.70	\$160.90	14.06	\$91.12	11.80

1) Sources: MSCI, FRED, SP Global

2) Values are carried forward from the most recent reported value (12/31/2024)

3) Forecasts are consensus opinions from forecasting agencies

4) Index Forecasts - Forward 12-month estimate, Forward 24-month estimate

Estimate calculated from quarter end (i.e. Dec. 31, 2024 – Dec. 31, 2025). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Cautious Growth

Contraction

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve: Below avg.

Investor Sentiment

Normal Growth

U.S. GDP Growth: Above avg. growth

U.S. Unemployment: Below avg. unemployment

U.S. Credit Markets

Volatility (VIX): Below avg. volatility

Yield Curve

Investor Sentiment: Above avg. sentiment

Panic

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

Manic Growth

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets: Sig. below avg. spreads

Volatility (VIX)

Yield Curve

Investor Sentiment

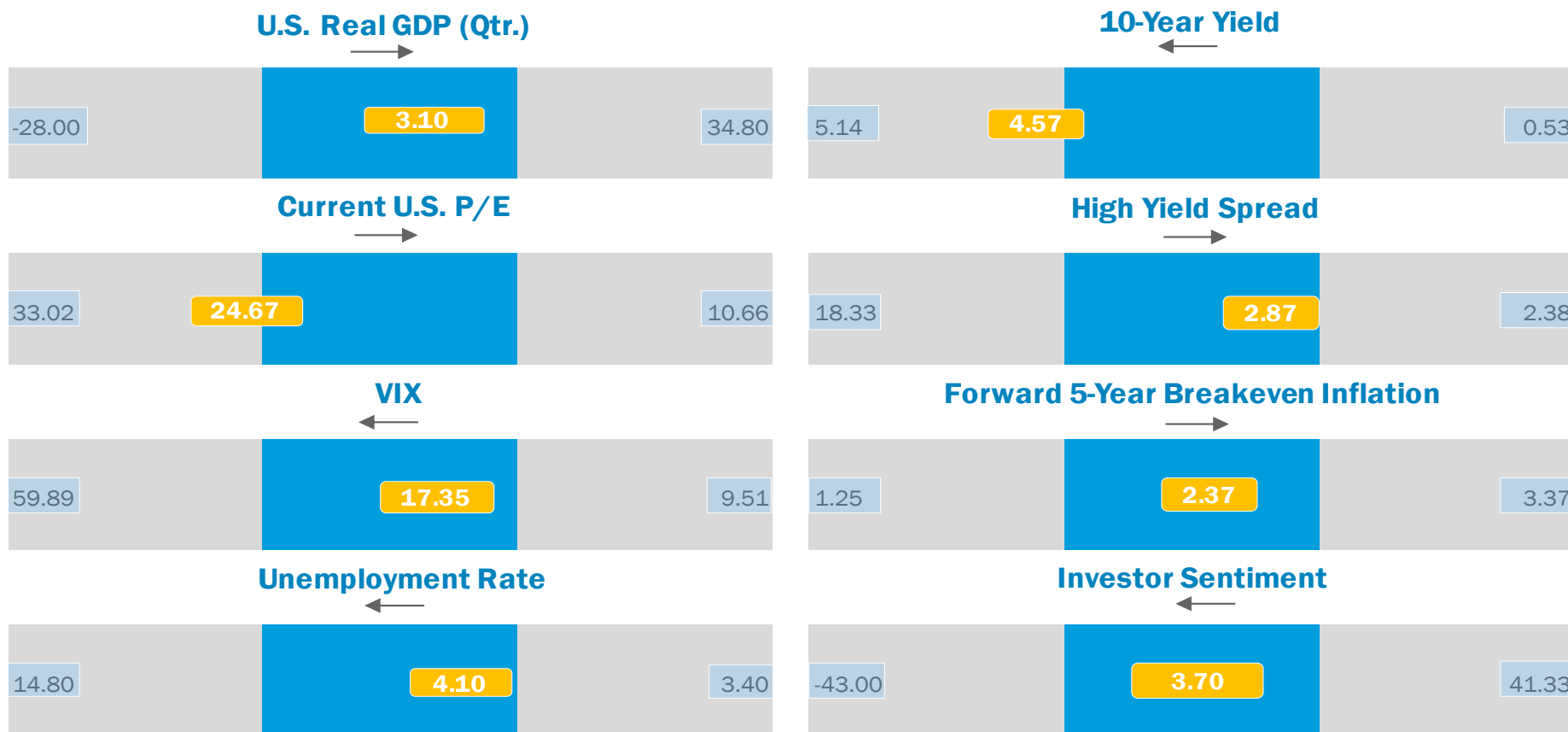
Metrics	Quarter avg.	10-year avg.
U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	3.1%	2.6%
U.S. Unemployment: Quarter avg. unemployment rate versus the 10 year average	4.2%	4.7%
U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	278	419
Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average	18.0	18.5
Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	35 bps	92 bps
Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	3.6	1.2

*U.S. GDP Growth is the current, end of previous quarter reading

Sources: FRED, MSCI, SP Global
As of December 31, 2024, Q4 2024 data

Global Positioning Indicators

As of December 31, 2024



Current

+/- 1 Standard Deviation From the Mean

20-Year High and Low

Sources: FRED, MSCI, SP Global

Portfolio Review – December 31, 2024

- During the fourth quarter, the Total Fund Composite was down 2.1%, outperforming the Policy Index that was down 2.8% over the same period.

Performance Review

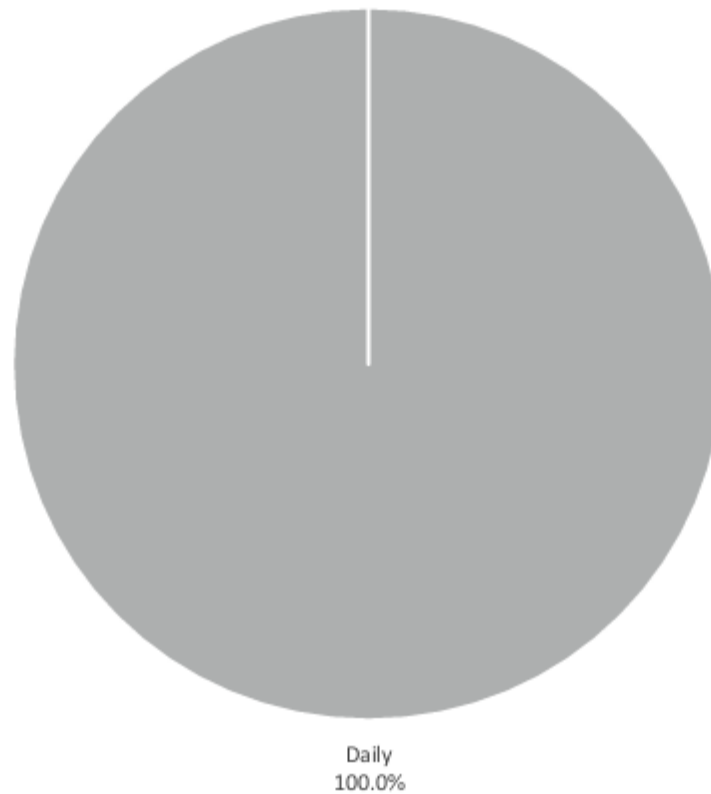
- 2024 was a strong year for risk assets amidst rate cuts by central banks and positive GDP growth. The US equity markets were ahead reflecting stronger economic growth and a broadening of equity market performance during the year. However concerns around inflation and possibly higher terminal rates caused small cap stocks to pull back late in the year. The result was a large divergence between the S&P 500 index which was up 25% for the year vs the Russell 2000 index's return of 11.5%. For the quarter the US equity segment was up 1.6% in the portfolio.
- Non-US equities had a positive year as well with the MSCI ACWI ex US up 12.6% in local currency. However returns in US Dollar terms were 5.5% due to the strengthening of the US Dollar, particularly during the fourth quarter. The non-US equity segment makes up 38% of the global equity exposure at the end of December and was up 4.5% for the year.
- Fixed income benefited from higher yields over the course of the year. However the pronounced volatility in interest rates during the quarter pushed down prices in core fixed income. For the year the Barclays US Aggregate index was up 1.3%. The active core bond managers took advantage of the “plus” segment to add value. Exposure to credit was accretive as strong economic growth kept default rates low. For the year, the fixed income segment was up 2.7%, outperforming its benchmark by 1.4%.
- Lower interest rates in the fourth quarter helped to reduce borrowing costs, stimulating transaction activity in private equity and real estate that require debt financing. Private equity picked up the pace of capital calls and it is likely that less stringent regulation under the new administration will likely boost M&A activity as well as IPOs.

Compliance

- As of December 31, 2024, the portfolio targets were in line with the ranges stated in the IPS.

Liquidity

- The portfolio contains a blend of public equity and fixed income mutual funds which both provide daily liquidity.



	Allocation			Net-of-Fees Performance (%)						
	Market Value \$	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
District Corporate	\$3,849,775	100.0	100.0	(2.1)	4.5	(1.1)	0.2	1.1	1.6	May 2016
Policy Index (District Corporate) ¹				(2.8)	4.0	(1.7)	(0.2)	0.6	0.7	
Global Equity Composite	\$1,023,432	26.6	20.0	(1.7)	15.8	-	-	-	19.8	Dec 2023
MSCI AC World Index (Net)				(1.0)	17.5	5.4	10.1	9.2	21.2	
US Equity Composite	\$635,475	16.5	13.0	1.6	22.6	-	-	-	26.2	Dec 2023
Russell 3000 Index				2.6	23.8	8.0	13.9	13.2	27.7	
Vanguard S&P 500	\$529,086	13.7	-	2.4	25.0	-	-	-	28.0	Dec 2023
S&P 500 Index (Net)				2.3	24.5	8.4	14.0	13.3	27.5	
Brown Advisory Small Value	\$54,816	1.4	-	(1.4)	12.1	-	-	-	20.9	Dec 2023
Russell 2000 Value Index				(1.1)	8.1	1.9	7.3	6.1	19.7	
WCM Small Growth	\$51,573	1.3	-	(3.1)	4.3	-	-	-	13.5	Dec 2023
Russell 2000 Growth Index				1.7	15.2	0.2	6.9	7.2	26.4	
Non-US Equity Composite	\$387,957	10.1	7.0	(7.8)	4.5	-	-	-	8.8	Dec 2023
MSCI AC World ex USA (Net)				(7.6)	5.5	0.8	4.1	3.5	10.0	
Dodge & Cox International	\$193,348	5.0	-	(8.5)	3.8	-	-	-	8.0	Dec 2023
MSCI AC World ex USA (Net)				(7.6)	5.5	0.8	4.1	3.5	10.0	
American Funds EuroPacific Growth	\$194,609	5.1	-	(7.0)	5.0	-	-	-	9.5	Dec 2023
MSCI AC World ex USA (Net)				(7.6)	5.5	0.8	4.1	3.5	10.0	
Fixed Income Composite	\$2,709,148	70.4	80.0	(2.0)	2.7	(1.7)	(0.1)	0.9	1.4	May 2016
Blmbg. U.S. Aggregate Index				(3.1)	1.3	(2.4)	(0.3)	1.0	1.1	
CCI Core Bond	\$1,079,369	28.0	-	(3.5)	1.6	(2.3)	0.5	1.6	1.7	May 2016
Blmbg. U.S. Aggregate Index				(3.1)	1.3	(2.4)	(0.3)	1.0	1.1	
Payden Limited Maturity	\$925,501	24.0	-	1.2	6.1	4.3	-	-	3.1	Sep 2020
90 Day U.S. Treasury Bill				1.2	5.3	3.9	2.5	2.4	2.7	
DoubleLine Total Return	\$704,278	18.3	-	(2.8)	3.1	-	-	-	3.2	May 2023
Blmbg. U.S. Aggregate Index				(3.1)	1.3	(2.4)	(0.3)	1.0	1.9	

CCI Core Bond track record includes history for the MetWest Total Return mutual fund prior to the funding of the co-mingled fund in March 2020.

	Allocation			Net-of-Fees Performance (%)						
	Market Value \$	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Cash Composite	\$117,195	3.0	0.0	0.0	0.4	-	-	-	0.4	Feb 2023
90 Day U.S. Treasury Bill				1.2	5.3	3.9	2.5	2.4	5.2	
Cash	\$117,195	3.0	-	0.0	0.4	-	-	-	0.4	Feb 2023

CCI Core Bond track record includes history for the MetWest Total Return mutual fund prior to the funding of the co-mingled fund in March 2020.
⁴Russell 3000 Index: 11.00%, MSCI AC World ex USA (Net): 9.00%, Blmbg. U.S. Aggregate Index: 80.00%

Consulting Team

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Please contact us at 949-721-9580 with any questions regarding the measurement, calculations, underlying custodial accounts, or any other information related to this report.

Information Disclaimer (cont'd)

The report contains information specific to the client, including investment as well as non-investment assets that are structured per the client's directive. The report provides information on assets that are tracked by Canterbury as well as personal assets, based on client request, that are designated and tracked by the client. In many cases the latter are distinguished as client designated assets. While not comprehensive, the following provides some guidance on the parameters of the reporting:

- **Client Designated Assets** – assets that are made solely by the client outside of their engagement with Canterbury. Information on these assets is derived from client designated resources, such as the client's accountant, tax attorney, the client themselves, etc. "Personal Use assets" may include real estate, art, vehicles, etc, the value of which is gathered from the client. These may not be investment assets and there is no expectation that these assets can be monetized for the value shown in the report. Personal assets and client designated assets that are not tracked in Canterbury's performance system are not included in the calculation of composite investment performance
- **Sourcing of Information:** Canterbury relies on custodians and administrators, third party record keepers and other sources that it deems reliable for data that is used to report performance in this report. Client designated assets are reported based on sources designated by the client but not validated by Canterbury. Canterbury will not be held liable for the accuracy of any information gathered for reporting purpose.
- **Periodicity of reporting:** While the performance update is as of the end of a month as shown, the updated performance and market value information is available at varying intervals for different kinds of investments. Private funds are often reported on a quarterly basis and at a lag given the timing of the availability of information. Direct investments are updated infrequently, on an ad hoc basis and dependent on transaction activity.
- **Dollar Gains:** Any information on dollar gains or losses for individual investments should be seen in light of the beginning value of the investment. The gain in performance may be small if the dollars gained or lost are small in relation to the size of the asset.
- **Projections:** Exhibits showing cashflow forecasts or projections are based on models that rely on assumptions related to timing and size of capital calls, spending, contributions, distributions, possible gains over time based on the historical patterns of similar investments in the asset class. These are for illustrative purposes only and are not to be relied on for accuracy. There is no guarantee that actual future cash flow will match those shown. Forecasted liquidity schedule shown are for illustrative purpose and may assume no change in market value in the future. There is no guarantee that future values will be as shown in the tables.

Tab 3



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: October 2024 Financial Report
Date: November 15, 2024

I. General Comments

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

II. Income Statement and Budget

The District's net operating loss for the month was \$60,717 which was unfavorable to budget by \$63,717. The unfavorable variance is driven by lower than expected investment earnings. Rental revenue from the hospital lease was \$53,913 in October. Investment earnings were comprised of \$12,466 dividend and interest income as well as \$3,043 of realized loss and a \$96,451 decrease in the value of investments. The District incurred total operating expenses of \$29,602 which was favorable to budget by \$37,191. The favorable variance was due to lower than budgeted legal fees, election expenses, and community education. Depreciation expense was \$989,896 in October. Bond Related Revenues and Expenses included \$1,439,151 of accrued tax revenues less bond fund earnings, and \$1,182,539 of bond interest expense.

III. Balance Sheet

Assets

Cash at October 31, 2024 of \$1,075,671 increased by \$14,337. The increase was due to rent revenue deposit offset by intercompany payments for program support. Investment account balances of \$3,848,242 decreased by \$85,069 from the prior month. Tax revenue receivables are \$12,307,804 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 – Interest & Sinking Funds". These funds total \$3,722,025 at October 31, 2024 to be used for bond principal and interest payments.

**Liabilities and Net Assets**

Interest payable of \$3,791,725 increased by \$1,263,908 from the prior month due to the accrual of interest. Accrued expenses of \$29,416 are primarily comprised of accruals for audit fees and legal fees.

Related party receivables of \$960 include \$1,111 due to the Hospital for legal fees, and \$2,071 from the Network for bank fees.

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 \$1,570,000 is due in August 2025. 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 \$31,068,932.

Marin Healthcare District
Income Statement - Actual vs. Budget
October 31, 2024

	10/31/2024			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	53,913	54,818	(905)	539,133	548,173	(9,040)
Investment Earnings	(85,028)	14,975	(100,003)	170,215	149,748	20,467
Total Income	(31,115)	69,793	(100,908)	709,348	697,921	11,427
Legal Fees	609	4,167	3,558	5,922	41,667	35,745
Accounting Fees	2,292	2,292	-	22,917	22,917	-
Board Compensation	735	1,167	432	7,875	11,667	3,792
Board Expenses	-	1,667	1,667	641	16,667	16,026
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	16,667	16,667	250	166,667	166,417
Charitable Contributions	-	1,333	1,333	-	13,333	13,333
Community Education	-	12,083	12,083	39,858	120,833	80,975
Dues	966	1,000	34	9,656	10,000	344
Advertising	-	1,417	1,417	-	14,167	14,167
MHMC Program Support	16,667	16,667	-	166,667	166,667	-
MHMCN Program Support	8,333	8,333	-	83,333	83,333	-
Total Expense	29,602	66,793	37,191	337,119	667,918	330,799
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	(60,717)	3,000	(63,717)	372,229	30,003	342,226
Depreciation Expense	989,896	989,898	2	9,898,964	9,898,978	14
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(1,050,613)	(986,898)	(63,715)	(9,526,735)	(9,868,975)	342,240
Bond-Related Revenue(Expense)						
Tax Revenue	1,425,004	1,258,442	166,562	13,417,232	12,584,423	832,809
Bond Fund Earnings	14,147	5,521	8,626	338,105	55,214	282,891
Bond Interest Expense	(1,182,539)	(1,184,970)	2,431	(11,854,561)	(11,849,702)	(4,859)
Net Income (Loss)	(794,001)	(907,905)	113,904	(7,625,959)	(9,079,040)	1,453,081

Marin Healthcare District
Balance Sheet
October 31, 2024

	10/31/2024	9/30/2024	Change	12/31/2023
Assets				
Current Assets				
Cash	1,075,671	1,061,334	14,337	867,658
Investment	3,848,242	3,933,311	(85,069)	3,690,043
Tax Revenues Receivable	12,307,804	11,151,066	1,156,738	6,794,729
Prepaid Expenses	7,725	8,691	(966)	-
Total Current Assets	17,239,442	16,154,402	1,085,040	11,352,430
Property, plant, and equipment, net	377,724,471	378,631,894	(907,423)	386,798,711
Parking Garage, net	18,451,736	18,534,209	(82,473)	19,276,460
Assets Limited To Use - Interest & Sinking Funds	3,722,025	3,439,613	282,412	11,946,664
Lease Receivable	10,989,350	10,989,350	-	10,989,350
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	410,923,582	411,631,066	(707,484)	429,047,185
Total Assets	428,163,024	427,785,468	377,556	440,399,615
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	1,470	735	735	735
Interest Payable	3,791,725	2,527,817	1,263,908	6,340,375
Accrued Expenses	29,416	27,624	1,792	28,175
Deferred Lease Inflows	9,915,340	9,915,340	-	9,915,340
Related Party Payables	(960)	12,549	(13,509)	(691)
Current Bond Maturities	1,570,000	1,570,000	-	1,250,000
Total Current Liabilities	15,306,991	14,054,065	1,252,926	17,533,934
Bonds Payable	360,970,000	360,970,000	-	362,540,000
Bond Premium	20,817,101	20,898,470	(81,369)	21,630,790
Total Liabilities	397,094,092	395,922,535	1,171,557	401,704,724
Net Assets				
Net Assets	38,694,891	38,694,891	-	46,565,238
Net (Loss)/Income	(7,625,959)	(6,831,958)	(794,001)	(7,870,347)
Total Net Assets	31,068,932	31,862,933	(794,001)	38,694,891
Total Liabilities and Net Assets	428,163,024	427,785,468	377,556	440,399,615

Tab 4



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: November 2024 Financial Report
Date: December 16, 2024

I. General Comments

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

II. Income Statement and Budget

The District's net operating income for the month was \$109,322 which was favorable to budget by \$106,323. The favorable variance is driven by higher than expected investment earnings and receipt of FEMA proceeds. Rental revenue from the hospital lease was \$53,913 in November. FEMA proceeds of \$60,873 were received from the Department of Health Care Services in November. Investment earnings were comprised of \$11,957 dividend and interest income as well as \$9,369 of realized loss and a \$62,969 increase in the value of investments. The District incurred total operating expenses of \$71,021 which was favorable to budget by \$4,228. The favorable variance was due to lower than budgeted legal fees, election expenses, and community education. Depreciation expense was \$989,896 in November. Bond Related Revenues and Expenses included \$1,272,513 of accrued tax revenues less bond fund earnings, and \$1,182,539 of bond interest expense.

III. Balance Sheet

Assets

Cash at November 30, 2024 of \$1,162,728 increased by \$87,057. The increase was due to rent revenue and FEMA deposits, offset by intercompany payments for program support. Investment account balances of \$3,913,760 increased by \$65,518 from the prior month. Tax revenue receivables are \$13,517,182 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 – Interest & Sinking Funds". These funds total \$3,785,162 at November 30, 2024 to be used for bond principal and interest payments.

**Liabilities and Net Assets**

Interest payable of \$5,055,633 increased by \$1,263,908 from the prior month due to the accrual of interest. Accrued expenses of \$32,208 are primarily comprised of accruals for audit fees and legal fees.

Related party receivables of \$38,851 include \$42,953 due to the Hospital for legal fees, and \$4,102 from the Network for bank fees.

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 \$1,570,000 is due in August 2025. 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 \$30,320,174.

Marin Healthcare District
Income Statement - Actual vs. Budget
November 30, 2024

	11/30/2024			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	53,913	54,817	(904)	593,046	602,990	(9,944)
Other Revenue	60,873	-	60,873	60,873	-	60,873
Investment Earnings	65,557	14,975	50,582	235,772	164,722	71,050
Total Income	180,343	69,792	110,551	889,691	767,712	121,979
Legal Fees	501	4,167	3,666	6,422	45,833	39,411
Accounting Fees	2,292	2,292	-	25,208	25,208	-
Board Compensation	420	1,167	747	8,295	12,833	4,538
Board Expenses	-	1,667	1,667	641	18,333	17,692
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	16,667	16,667	250	183,333	183,083
Charitable Contributions	-	1,333	1,333	-	14,667	14,667
Community Education	41,842	12,083	(29,759)	81,700	132,917	51,217
Dues	966	1,000	34	10,622	11,000	378
Advertising	-	1,417	1,417	-	15,583	15,583
MHMC Program Support	16,667	16,667	-	183,333	183,333	-
MHMN Program Support	8,333	8,333	-	91,667	91,667	-
Total Expense	71,021	66,793	(4,228)	408,138	734,707	326,569
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	109,322	2,999	106,323	481,553	33,005	448,548
Depreciation Expense	989,896	989,898	2	10,888,861	10,888,876	15
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(880,574)	(986,899)	106,325	(10,407,308)	(10,855,871)	448,563
Bond-Related Revenue(Expense)						
Tax Revenue	1,258,442	1,258,442	-	14,675,674	13,842,866	832,808
Bond Fund Earnings	14,071	5,521	8,550	352,176	60,736	291,440
Bond Interest Expense	(1,182,539)	(1,184,970)	2,431	(13,037,101)	(13,034,672)	(2,429)
Net Income (Loss)	(790,600)	(907,906)	117,306	(8,416,559)	(9,986,941)	1,570,382

Marin Healthcare District
Balance Sheet
November 30, 2024

	11/30/2024	10/31/2024	Change	12/31/2023
Assets				
Current Assets				
Cash	1,162,728	1,075,671	87,057	867,658
Investment	3,913,760	3,848,242	65,518	3,690,043
Tax Revenues Receivable	13,517,182	12,307,804	1,209,378	6,794,729
Prepaid Expenses	6,759	7,725	(966)	-
Total Current Assets	18,600,429	17,239,442	1,360,987	11,352,430
Property, plant, and equipment, net	376,817,046	377,724,471	(907,425)	386,798,711
Parking Garage, net	18,369,264	18,451,736	(82,472)	19,276,460
Assets Limited To Use - Interest & Sinking Funds	3,785,162	3,722,025	63,137	11,946,664
Lease Receivable	10,989,350	10,989,350	-	10,989,350
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	409,996,822	410,923,582	(926,760)	429,047,185
Total Assets	428,597,251	428,163,024	434,227	440,399,615
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	1,155	1,470	(315)	735
Interest Payable	5,055,633	3,791,725	1,263,908	6,340,375
Accrued Expenses	32,208	29,416	2,792	28,175
Deferred Lease Inflows	9,915,340	9,915,340	-	9,915,340
Related Party Payables	38,851	(960)	39,811	(691)
Current Bond Maturities	1,570,000	1,570,000	-	1,250,000
Total Current Liabilities	16,613,187	15,306,991	1,306,196	17,533,934
Bonds Payable	360,970,000	360,970,000	-	362,540,000
Bond Premium	20,735,732	20,817,101	(81,369)	21,630,790
Total Liabilities	398,318,919	397,094,092	1,224,827	401,704,724
Net Assets				
Net Assets	38,694,891	38,694,891	-	46,565,238
Net (Loss)/Income	(8,416,559)	(7,625,959)	(790,600)	(7,870,347)
Total Net Assets	30,278,332	31,068,932	(790,600)	38,694,891
Total Liabilities and Net Assets	428,597,251	428,163,024	434,227	440,399,615

Tab 5



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: December 2024 Financial Report
Date: January 16, 2024

I. General Comments

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

II. Income Statement and Budget

The District's net operating income for the month was \$214,301 which was favorable to budget by \$211,302. The favorable variance is driven by accrual FEMA proceeds, offset by lower than expected investment earnings. Rental revenue from the hospital lease was \$53,913 in December. FEMA Public Assistance Grant proceeds of \$256,221 were issued from the Department of Health Care Services. Investment earnings were comprised of \$36,729 dividend and interest income as well as \$726 of realized loss and a \$95,863 decrease in the value of investments. The District incurred total operating expenses of \$35,973 which was favorable to budget by \$30,820. The favorable variance was due to lower than budgeted election expenses, community education, and legal fees. Depreciation expense was \$989,896 in December. Bond Related Revenues and Expenses included \$1,272,645 of accrued tax revenues less bond fund earnings, and \$1,182,539 of bond interest expense.

III. Balance Sheet

Assets

Cash at December 31, 2024 of \$1,198,857 increased by \$36,129. The increase was due to rent revenue, offset by intercompany payments for program support. Investment account balances of \$3,849,775 decreased by \$63,985 from the prior month. Tax revenue receivables are \$7,499,401 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts. Other receivables of \$256,221 represents the FEMA Public Assistance Grant issued by the Department of Health Care Services.

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 – Interest & Sinking Funds". These funds total \$11,075,587 at December 31, 2024 to be used for bond principal and interest payments. \$7,276,223 of tax revenue was received from the County in December 2024.

**Liabilities and Net Assets**

Interest payable of \$6,319,542 increased by \$1,263,909 from the prior month due to the accrual of interest. Accrued expenses of \$42,215 are primarily comprised of accruals for audit fees and legal fees.

Related party payables of \$43,096 include \$42,953 due to the Hospital for legal fees, and \$143 to the Network for bank fees.

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 \$1,570,000 is due in August 2025. 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 \$29,592,843.

Marin Healthcare District
Income Statement - Actual vs. Budget
December 31, 2024

	12/31/2024			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	53,913	54,817	(904)	646,959	657,807	(10,848)
Other Revenue	256,221	-	256,221	317,094	-	317,094
Investment Earnings	(59,860)	14,975	(74,835)	175,912	179,697	(3,785)
Total Income	250,274	69,792	180,482	1,139,965	837,504	302,461
Legal Fees	-	4,167	4,167	6,423	50,000	43,577
Accounting Fees	2,292	2,292	-	27,500	27,500	-
Board Compensation	315	1,167	852	8,610	14,000	5,390
Board Expenses	-	1,667	1,667	641	20,000	19,359
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	16,667	16,667	250	200,000	199,750
Charitable Contributions	-	1,333	1,333	-	16,000	16,000
Community Education	7,400	12,083	4,683	89,100	145,000	55,900
Dues	966	1,000	34	11,588	12,000	412
Advertising	-	1,417	1,417	-	17,000	17,000
MHMC Program Support	16,667	16,667	-	200,000	200,000	-
MHMCN Program Support	8,333	8,333	-	100,000	100,000	-
Total Expense	35,973	66,793	30,820	444,112	801,500	357,388
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	214,301	2,999	211,302	695,853	36,004	659,849
Depreciation Expense	989,896	989,898	2	11,878,757	11,878,774	17
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(775,595)	(986,899)	211,304	(11,182,904)	(11,842,770)	659,866
Bond-Related Revenue(Expense)						
Tax Revenue	1,258,442	1,258,442	-	15,934,117	15,101,308	832,809
Bond Fund Earnings	14,203	5,521	8,682	366,379	66,257	300,122
Bond Interest Expense	(1,182,539)	(1,184,970)	2,431	(14,219,640)	(14,219,642)	2
Net Income (Loss)	(685,489)	(907,906)	222,417	(9,102,048)	(10,894,847)	1,792,799

Marin Healthcare District
Balance Sheet
December 31, 2024

	12/31/2024	11/30/2024	Change	12/31/2023
Assets				
Current Assets				
Cash	1,198,857	1,162,728	36,129	867,658
Investment	3,849,775	3,913,760	(63,985)	3,690,043
Tax Revenues Receivable	7,499,401	13,517,182	(6,017,781)	6,794,729
Prepaid Expenses	5,794	6,759	(965)	-
Other Receivables	256,221	0	256,221	0
Total Current Assets	12,810,048	18,600,429	(5,790,381)	11,352,430
Property, plant, and equipment, net	375,909,622	376,817,046	(907,424)	386,798,711
Parking Garage, net	18,286,792	18,369,264	(82,472)	19,276,460
Assets Limited To Use - Interest & Sinking Funds	11,075,587	3,785,162	7,290,425	11,946,664
Lease Receivable	10,989,350	10,989,350	-	10,989,350
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	416,297,351	409,996,822	6,300,529	429,047,185
Total Assets	429,107,399	428,597,251	510,148	440,399,615
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	-	1,155	(1,155)	735
Interest Payable	6,319,542	5,055,633	1,263,909	6,340,375
Accrued Expenses	42,215	32,208	10,007	28,175
Deferred Lease Inflows	9,915,340	9,915,340	-	9,915,340
Related Party Payables	43,096	38,851	4,245	(691)
Current Bond Maturities	1,570,000	1,570,000	-	1,250,000
Total Current Liabilities	17,890,193	16,613,187	1,277,006	17,533,934
Bonds Payable	360,970,000	360,970,000	-	362,540,000
Bond Premium	20,654,363	20,735,732	(81,369)	21,630,790
Total Liabilities	399,514,556	398,318,919	1,195,637	401,704,724
Net Assets				
Net Assets	38,694,891	38,694,891	-	46,565,238
Net (Loss)/Income	(9,102,048)	(8,416,559)	(685,489)	(7,870,347)
Total Net Assets	29,592,843	30,278,332	(685,489)	38,694,891
Total Liabilities and Net Assets	429,107,399	428,597,251	510,148	440,399,615