
**CONTINUING DISCLOSURE QUARTERLY REPORT
OF
EL CAMINO HOSPITAL
FOR THE
QUARTER ENDING MARCH 31, 2023**

CONTINUING DISCLOSURE QUARTERLY REPORT
OF
EL CAMINO HOSPITAL
FOR THE
QUARTER ENDING MARCH 31, 2023

TABLE OF CONTENTS

I.	INTRODUCTION
II.	UNAUDITED BALANCE SHEET
III.	UNAUDITED STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
IV.	LONG TERM DEBT OUTSTANDING AS OF MARCH 31, 2023
V.	HISTORICAL UTILIZATION
VI.	GRANTED LIENS

I. INTRODUCTION

Pursuant to the following Continuing Disclosure Agreements (the “Disclosure Agreements”), El Camino Hospital (the “Corporation”) hereby provides its continuing disclosure quarterly report for the quarter ending March 31, 2023 (the “Annual Report”).

- Continuing Disclosure Agreement, dated May 7, 2015
- Continuing Disclosure Agreement, dated March 22, 2017

Bond Issue

This Quarterly Report is being provided in connection with the following bond issues of the Corporation (collectively, the “Bonds”).

- \$160,455,000 California Health Facilities Financing Authority Revenue Bonds (El Camino Hospital) Series 2015A
- \$292,435,000 California Health Facilities Financing Authority Revenue Bonds (El Camino Hospital) Series 2017

Each maturity of the Bonds is identified by the corresponding CUSIP Number set forth below:

<u>Maturity Date</u>	<u>Series 2015A</u>	<u>Series 2017</u>
February 1, 2024	13033L7Z4	13032ULT3
February 1, 2025	13033L8A8	13032ULU0
February 1, 2026	13033L8B6	13032ULV8
February 1, 2027	13033L8C4	13032ULW6
February 1, 2028	13033L8D2	13032ULX4
February 1, 2029	13033L8E0	13032ULY2
February 1, 2030	13033L8F7	13032ULZ9
February 1, 2031	13033L8G5	13032UMA3
February 1, 2032	13033L8H3	13032UMB1
February 1, 2033	13033L8J9	13032UMC9
February 1, 2034	13033L8K6	13032UMD7
February 1, 2035	13033L8L4	13032UME5
February 1, 2036		13032UMF2
February 1, 2037		13032UMG0
February 1, 2040	13033L8M2	
February 1, 2042		13032UMH8
February 1, 2042		13032UMK1
February 1, 2045	13033L8N0	
February 1, 2047		13032UMJ4
February 1, 2047		13032UML9

Note: The CUSIP Numbers above are provided for the convenience of Bondholders. The Corporation is not responsible for the accuracy or completeness of such numbers.

Other Matters

This Quarterly Report is provided solely pursuant to the Disclosure Agreements. The filing of this Quarterly Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the Corporation or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal quarter to which this Annual Report relates (other than as contained in this Quarterly Report), or any other date specified with respect to any of the information contained in this Quarterly Report, or that no other information exists, which may have a bearing on

the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. The information contained in this Quarterly Report has been obtained from sources which are believed to be reliable. No statement in this Quarterly Report should be construed as a prediction or representation about future financial performance of the Corporation.

Dated: May 25, 2023

EL CAMINO HOSPITAL

II. UNAUDITED BALANCE SHEET

(in thousands)

Assets	Audited 06/30/2020	Audited 06/30/2021	Audited 06/30/2022	Unaudited 3/31/2022	Unaudited 3/31/2023
Current assets:					
Cash and cash equivalents	\$ 215,186	\$ 141,504	\$ 183,588	\$ 155,634	\$ 197,737
Short-term investments	204,535	266,278	128,165	167,929	100,010
Current portion of lease receivable	--	--	11,117	--	11,117
Patient accounts receivable, net of allowances for doubtful accounts	121,208	158,552	204,494	196,560	205,704
Prepaid expenses and other current assets	76,651	41,001	55,857	44,978	56,941
Total current assets	<u>617,580</u>	<u>607,335</u>	<u>583,221</u>	<u>565,101</u>	<u>571,509</u>
Board-designated funds	822,721	1,140,542	1,122,664	1,186,997	1,223,568
Funds held by Trustee	23,478	5,694	--	--	--
Right of use assets, net of amortization	--	--	10,926	--	10,926
Lease receivable, net of current portion	--	--	42,111	--	42,111
Capital assets, net	1,147,016	1,132,988	1,174,976	1,169,935	1,214,367
Prepaid pension	78,615	111,162	137,149	107,282	126,253
Investment in health care affiliates	29,065	34,170	30,376	34,667	32,316
Total assets	<u>\$2,718,475</u>	<u>\$3,031,891</u>	<u>\$3,101,423</u>	<u>\$3,063,982</u>	<u>\$3,221,050</u>
Deferred outflows:					
Loss on defeasance debt	12,361	11,761	11,160	11,311	10,710
Deferred outflow of resources	5,705	8,815	4,226	7,000	3,000
Deferred outflows - actuarial	1,861	1,005	792	1,005	792
Total deferred assets	<u>19,927</u>	<u>21,581</u>	<u>16,178</u>	<u>19,316</u>	<u>14,502</u>
Total assets and deferred outflows	<u>\$2,738,402</u>	<u>\$3,053,472</u>	<u>\$3,117,601</u>	<u>\$3,083,298</u>	<u>\$3,235,552</u>
Liabilities and Net Position					
Current liabilities:					
Current portion of lease liabilities	\$ --	\$ --	\$ 1,090	\$ --	\$ 1,090
Accounts payable and accrued expenses	34,257	41,825	52,472	37,677	40,306
Salaries, wages, and related liabilities	61,829	81,455	79,205	68,379	65,063
Medicare accelerated payments	75,076	65,635	--	35,405	--
Other current liabilities	37,504	23,810	36,352	20,105	12,229
Estimated third-party payor settlements	10,956	12,990	14,942	13,490	12,625
Current portion of bonds payable	9,020	9,430	9,905	9,905	10,400
Total current liabilities	<u>228,642</u>	<u>235,145</u>	<u>193,966</u>	<u>184,961</u>	<u>141,713</u>
Lease liabilities, net of current portion	--	--	10,361	--	10,361
Bonds payable, net of current portion	490,961	478,309	465,512	465,512	452,566
Other long-term obligations	22,674	12,136	6,694	12,016	19,579
Worker's Compensation, net of current position	16,482	17,002	14,029	17,002	14,029
Postretirement medical benefits, net of current position	30,730	30,657	29,783	31,292	30,598
Total liabilities	<u>789,489</u>	<u>773,249</u>	<u>720,345</u>	<u>710,783</u>	<u>668,846</u>
Deferred inflows of resources					
Deferred inflows of resources – leases	--	--	53,227	--	53,235
Deferred inflows of resources - actuarial	26,806	41,339	46,610	41,339	46,610
Total deferred inflows of resources	<u>26,806</u>	<u>41,339</u>	<u>99,837</u>	<u>41,339</u>	<u>99,845</u>
Net position:					
Unrestricted	1,253,210	1,587,941	1,597,860	1,626,754	1,705,060
Invested in capital assets, net of related debt	670,513	650,943	699,559	704,422	761,801
Restricted	--	--	--	--	--
Total net position	<u>1,923,723</u>	<u>2,238,884</u>	<u>2,297,419</u>	<u>2,331,176</u>	<u>2,466,861</u>
Total liabilities and net position	<u>\$2,738,402</u>	<u>\$3,053,472</u>	<u>\$3,117,601</u>	<u>\$3,083,298</u>	<u>\$3,235,552</u>

**III. UNAUDITED STATEMENT OF OPERATIONS
AND CHANGE IN NET ASSETS**
(in thousands)

	<u>Audited Fiscal Year Ended June 30,</u>			<u>Unaudited Nine Months Ended March 31,</u>	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2023</u>
Operating revenues:					
Net patient service revenues	\$957,374	\$1,071,177	\$1,274,126	\$950,107	\$1,002,907
Other revenues	<u>24,554</u>	<u>24,112</u>	<u>23,792</u>	<u>15,977</u>	<u>20,333</u>
Total operating revenues	981,928	1,095,289	1,297,918	966,084	1,023,240
Operating expenses:					
Salaries	516,913	550,865	631,451	482,737	546,912
Supplies	147,357	166,452	179,890	135,915	140,736
Professional fees and purchased services	119,891	126,643	131,804	99,239	106,058
Rent and utilities	19,153	20,024	17,126	13,778	18,301
Depreciation and amortization	51,923	64,493	71,811	52,173	55,275
Other	<u>20,487</u>	<u>13,750</u>	<u>18,493</u>	<u>13,423</u>	<u>14,602</u>
Total operating expenses	875,724	942,227	1,050,575	797,265	881,884
Operating income	106,204	153,062	247,343	168,819	141,356
Non operating revenues and expenses:					
Investment income, net	37,536	224,664	(165,782)	(61,359)	76,318
Bond Interest Expense, net	(10,050)	(16,960)	(16,888)	(13,047)	(13,637)
Unrealized gain (loss) on interest rate swap	(3,366)	1,883	3,049	1,974	712
Community benefit expense	(3,618)	(3,415)	(2,997)	(2,949)	(3,133)
Provider Relief Fund revenue	--	--	15,629		
Other, net ⁽¹⁾	<u>13,281</u>	<u>4,455</u>	<u>(7,660)</u>	<u>13,914</u>	<u>(182)</u>
Total nonoperating revenues and (expenses)	33,783	210,627	(174,649)	(61,467)	60,078
Capital Transfers	(21,174)	(48,528)	(14,159)	(15,060)	(31,992)
Increase in net position	118,813	315,161	58,535	92,292	169,442
Cumulative effect of restatement	--	--	--	--	--
Total net position, beginning of period	<u>1,804,910</u>	<u>1,923,723</u>	<u>2,238,884</u>	<u>2,238,884</u>	<u>2,297,419</u>
Total net position, end of period	<u>\$1,923,723</u>	<u>\$2,238,884</u>	<u>\$2,297,419</u>	<u>\$2,331,176</u>	<u>\$2,466,861</u>

⁽¹⁾ Includes income attributable to the Corporation's investment in the Surgery Center.

IV. LONG TERM DEBT OUTSTANDING
(in thousands)

	Quarter Ended March 31, 2023
Long-term Parity Debt:	
Series 2009A Bonds (variable rate)	50,000
Series 2015A Bonds (fixed rate)	126,880
Series 2017 Bonds (fixed rate)	272,330
Total long-term parity debt	<u>\$449,210</u>

V. HISTORICAL UTILIZATION

The Hospital's utilization statistics for the last three fiscal years and for the six-month periods ending March 31, 2022 and March 31, 2023, are presented below.⁽¹⁾

	<u>Fiscal Year Ended June 30,</u>			<u>Nine-Months Ended</u> <u>March 31,</u>	
	<u>2020</u> ⁽²⁾	<u>2021</u> ⁽²⁾	<u>2022</u> ⁽²⁾	<u>2022</u> ⁽²⁾	<u>2023</u> ⁽²⁾
Licensed beds	444	454	454	454	454
Discharges	18,966	19,157	21,157	15,877	16,475
Births	4,344	4,244	5,093	3,859	3,658
Patient days	82,946	89,309	100,611	74,987	83,349
Occupancy %	51%	54%	61%	60%	67%
Average daily census	227	245	276	274	304
Average length of stay (days)	4.4	4.7	4.7	4.7	5.1
Inpatient surgical procedures	3,878	3,677	3,493	2,602	2,561
Outpatient surgical procedures	7,581	8,952	9,888	7,384	7,694
Emergency room visits	56,334	52,059	68,778	50,006	57,270
Total outpatient visits	198,534	256,756	270,514	201,898	196,637

⁽¹⁾ Does not include utilization statistics for facilities leased to Stanford Children's Hospital.

⁽²⁾ Unaudited.

VI. GRANTED LIENS

No Member of the Obligated Group has granted a Lien on its Property as permitted under the Master Indenture during the quarter ending March 31, 2023.