

FINANCE COMMITTEE

Thursday, June 13, 2019

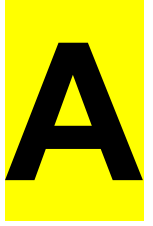
1819 Trousdale Dr., Burlingame, CA 94010

Board Room

3:00 – 4:30 pm

A G E N D A

- 1. Call to Order**
- 2. Approval of Minutes: April 11, 2019** **A.**
- 3. Business Arising from Minutes**
 - Sonrisas Outstanding Debt
- 4. Q3 Financials – CFO Yee** **B.**
 - Wellness Center Dashboard
 - The Trousdale Dashboard
- 5. FY 19-20 Budget Review - CFO Yee** **C.**
 - a) Drivers and Assumptions
 - b) PHCD Operations Budget
 - c) Wellness Center
 - Assumptions
 - Draft Budget
 - March Financials
 - d) Trousdale Assisted Living
 - Assumptions
 - Draft Budget
 - March Financials
 - Flash Report – Occupancy Stats
- 6. Future agenda items:**
 - Employee benefit review
 - Other
- 7. Adjournment**





FINANCE COMMITTEE MEETING

MINUTES

April 11, 2019

Present were: Chair Zell, CEO Fama, CFO Yee, Committee Members Seto, and Sun

1. Minutes from February 20, 2019:

It was moved by Chair Zell, seconded by Member Sun to approve the minutes 5/0/0.

2. Business Arising from Minutes:

- The Board approved Verite Healthcare Consulting, LLC's proposal at the March 28, 2019 Board meeting to re-engage Keith Hearle to assess the District's financial policy and review financial strategy in place with professional fees not to exceed \$50,000 plus direct travel expense. PHCD staff met with Mr. Hearle in early March to review financial documents, discuss current policies in place, up-coming projects, the timeline for deliverables, and next steps. His recommendations will be incorporated into our strategic planning objectives and budget for FY19-20.
- The Board approved Eskaton's revised budget for FY18-19. The original budget anticipated a July 1, 2018 opening and therefore reflects 12 months of operation. The Trousdale opened on December 26, 2018, leaving 6 months of operations in the fiscal year. The revised budget reflects the true opening date and experience of the facility.
- The Peninsula Health Care Development Corporation (PHCDC) Board approved the recommendation to dissolve the Corporation at its February 28, 2019 meeting. The PHCDC checking account was closed, and the balance was transferred to the PHCD account. CFO Yee checked with District's auditors at VTD, and no further reporting is needed to close the Corporation.

3. Insurance Renewal: D&O, Employment, Property, Umbrella

The Committee was presented with PHCD's current policies and premium for FY18-19. The current policies do not include properties managed by Eskaton such as the Trousdale Assisted Living Facility and the Trousdale Wellness Center or the Hospital land. PHCD is responsible for all other properties held by PHCD and PHCD office insurance. The policies will need to be renewed before 06/30/19. CEO Fama and CFO Yee met with Donald Chew, our broker from MacCorkle on Wednesday, April 10, 2019, to discuss current coverage, premium, and renewal options. His recommendation is to renew the existing policies and leave coverage at the same level. When questioned about property replacement values in place, he agreed to have his estimator analyze our coverage levels and provide feedback. The building coverage is based on a new building cost and not the current value of the existing building. Mr. Chew expects the average premium to increase by 10%-15% for next year. CFO also raised the question if Cyber Liability and Crime coverage should be added. **Member Seto and Sun** suggested we rely on Mr. Chew's recommendations on renewing the policies.

Chair Zell asked CFO Yee to share the proposed policy renewals with Director Pagliaro. Given his expertise in insurance policies and knowledge of PHCD's new projects over the past year, he wants to hear his questions prior to the Board meeting to allow CFO Yee and Mr. Chew the opportunity to come prepared with answers.



4. It was moved by Chair Zell, seconded by Member Sun to recommend to the Board the PHCD policies and coverage amounts as proposed by CFO Yee and Broker Chew. Motion passed 5/0/0 FY 19-20 Budget Review

Drivers and Assumptions were reviewed. CFO Yee noted management is assuming no significant changes for next year.

- The Trousdale Assisted Living Facility and Wellness Center will have their own budgets for the 12 months.
- No changes are anticipated to existing operations - Tax, lease, and interest venue to remain flat
- Net expenses to increase slightly due to Sonrisas funding commitments and no elections costs
- The proposed budget will exceed Finance Policy targets

5. SDH Receivables on PHCD Balance Sheet:

Chair Zell recommended that the total rent, tenant improvement loan, and deferred interest (approx. \$2.2M) due from Sonrisas (SDH) be considered as a community health benefit grant to the Center. **CEO Fama** indicated the liability on Sonrisas' books is hindering SDH's fundraising. The SDH non-profit clinic model will never be profitable without philanthropy and therefore, removing the debt from its balance sheet strengthens its fundraising opportunity. She also shared that SDH leadership is actively pursuing a partnership with the County's Dental FQHC clinics that would materially increase reimbursement for Denti-Cal visits, thus reducing reliance on grants. Member Seto expressed support of Chair Zell's proposal but advised that PHCD include a clause that clearly states, should SDH close or San Mateo close, all equipment/assets in the San Mateo Center are PHCD's and would not accrue to the survivor organization or used by the original Half Moon Bay Center. CEO Fama will review affiliation agreements and follow up with counsel and bring a proposal to the next meeting.

Member Sun would like to review investment statements to estimate potential returns for next year.

Chair Zell would like to see expenses broken out by District Programs. He would like to see a reduction in the budget for grants and an increase in District services. Leave community outreach at \$100K same as the prior year for more visibility campaign. Increase legal budget by \$600K (\$300K for Real Estate and \$300K for General Litigation).

Chair Zell suggested PHCD spend down reserves by \$10M over the next five years in either new initiative/programs or paying down the Trousdale Assisted Living facility debt. Current rates for debt are 3.91% for \$40M and 3.47% for \$10M. **Member Seto** indicated those are good rates and may not be worth paying down early. **Member Sun** suggested that Mr. Hearle from Verite review the idea of paying the debt earlier. **Member Seto** suggested it may be a good idea for Mr. Hearle to calculate ROA/ROE/ROI of our programs and make a market comparison of similar programs.

5. Future agenda items:

Next meeting will be in June to discuss the FY 2020 Draft Budget



Written by Vickie Yee

Approved: Dennis Zell, Chair

B

Peninsula Health Care District

Statement of Activities - Preliminary Draft

July 2018 through March 2019

Ordinary Income/Expense	Jul '18 - Mar 19	YTD Budget	Annual Budget
Income			
5395000 · San Mateo County Tax	4,656,160.81	4,340,000.00	6,750,000.00
5394000 · Lease Income			
5394100 · Gross Rent			
5394001 · Lease Income - Hospital	1,476,902.25	1,476,902.25	1,969,203.00
5394006 · Lease Income - 1740 Marco Polo	213,406.62	206,574.30	276,750.30
5394007 · Lease Income - 430 El Camino	143,885.61	143,919.06	192,858.12
5394008 · Lease Income- 1720 Marco Polo	117,792.00	117,276.00	157,116.00
Total 5394100 · Gross Rent	1,951,986.48	1,944,671.61	2,595,927.42
5394200 · Less Expenses			
8610919 · 1720 Marco Polo Expenses	(19,745.21)	(22,500.00)	(30,000.00)
8610913 · 1740 Marco Polo Expenses	(71,041.34)	(74,999.97)	(100,000.00)
8610914 · 430 No. El Camino Real Expenses	(9,437.40)	(11,250.00)	(15,000.00)
8610915 · 1875 Trousdale Expenses	(7,483.38)	(3,753.00)	(5,000.00)
8610918 · PWC Land Maint & Ins	(3,060.47)	(6,003.00)	(8,000.00)
Total 5394200 · Less Expenses	(110,767.80)	(118,505.97)	(158,000.00)
Total 5394000 · Lease Income	1,841,218.68	1,826,165.64	2,437,927.42
5895000 · Investment Income			
5895100 · Invest Inc - LAIF	48,573.91	3,753.00	5,000.00
5895200 · Invest Inc - SMC	54,778.53	7,497.00	10,000.00
5895300 · Invest Inc - City National	262,712.53	37,500.03	50,000.00
5895400 · Invest Inc - Fiduciary Trust	63,367.83	37,503.00	50,000.00
5895500 · Invest Inc - Torrey Pines	10,392.42	6,750.00	9,000.00
5895600 · Invest Inc - US Bank	873.73		
5895800 · Invest Inc - US Bank 4002	1.04		
5895801 · Invest Inc - US Bank #6001	1.08		
5895900 · Unrealized Investment Gains	310,411.91		
Total 5895000 · Investment Income	751,112.98	93,003.03	124,000.00
5896100 · Miscellaneous Income			
5896106 · Interest on SDH TI Advance	25,056.69	24,937.98	33,250.64
5896108 · Interest on SDH Deferred Rent	15,906.95	16,500.00	23,000.00
5896110 · Interest on SDH Loan	4,687.47	4,723.47	6,315.96
5896101 · Miscellaneous	0.00		
5896103 · Nursing Grant/Loan Repayments	4,473.00	2,286.00	3,066.00
Total 5896100 · Miscellaneous Income	50,124.11	48,447.45	65,632.60
5393000 · The Trousdale-Operating Revenue			
593001 · Routine Revenues	969,715.35	985,898.00	2,445,900.00
593002 · Ancillary Revenue	2,136.16	6,590.00	14,936.00
593003 · Other Operating Revenues	334,079.00	35,000.00	44,619.00
Total 5393000 · The Trousdale-Operating Revenue	1,305,930.51	1,027,488.00	2,505,455.00
5392000 · Wellness Center Revenue			
5392007 · Donations	2,550.00		
5392001 · Grandfathered Members	77,870.99	63,750.00	86,250.00
5392002 · Member Fee	9,355.67	11,250.00	25,875.00

Peninsula Health Care District

Statement of Activities - Preliminary Draft

July 2018 through March 2019

	<u>Jul '18 - Mar 19</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5392003 · Per Visit Member Fee	61.00	11,565.00	18,090.00
5392004 · Annual Intake Fee	11,300.00	11,750.00	13,750.00
5392005 · Private Trainer	0.00	5,400.00	7,200.00
5392006 · Classes	2,800.00	17,920.00	25,600.00
Total 5392000 · Wellness Center Revenue	103,937.66	121,635.00	176,765.00
Total Income	8,708,484.75	7,456,739.12	12,059,780.02
Gross Profit	8,708,484.75	7,456,739.12	12,059,780.02
Expense			
8610260 · Community Health Investment			
8610261 · Grants	1,331,350.00	1,350,000.00	1,350,000.00
8610263 · Other Contributions & Grants	32,079.45	37,503.00	50,000.00
8610301 · Teen Mental Health Project	250,098.00	375,000.00	500,000.00
8610302 · San Bruno School Clinic	50,000.00	50,000.00	50,000.00
8610305 · SDH San Mateo Funding	600,000.00	562,500.00	750,000.00
8610450 · Master Plan Costs	355,789.23	225,000.00	300,000.00
8610501 · Community Outreach	81,440.83	74,999.97	100,000.00
8610510 · Newsletter	38,167.84	35,000.00	50,000.00
8610505 · New Program Research & Develop	8,925.00	375,000.03	500,000.00
Total 8610260 · Community Health Investment	2,747,850.35	3,085,003.00	3,650,000.00
8610200 · Administrative & Overhead			
8610201 · Director - Salary & Benefits	240,865.23	262,649.97	350,200.00
8610203 · Payroll Services	2,320.56	2,628.00	3,500.00
8610204 · CFO - Salary & Benefits	157,467.29	150,003.00	200,000.00
8610205 · Assistant - Salary & Benefits	139,626.35	131,328.00	175,100.00
8610206 · Office Supplies	15,020.41	15,450.03	20,600.00
8610207 · IT & Phones	13,160.56	35,809.00	39,420.00
8610208 · Maintenance & Repairs	8,698.00	5,400.00	7,200.00
8610280 · Legal - General	26,682.32	29,997.00	40,000.00
8610285 · Legal - Real Estate	0.00	6,003.00	8,000.00
8610460 · Consulting - Financial	0.00	35,000.00	50,000.00
8610500 · Consulting - Communications	45,093.00	74,997.00	100,000.00
8610901 · ACHD Dues	8,692.47	15,000.00	15,000.00
8610903 · Audit	29,000.00	26,500.00	26,500.00
8610904 · Website Services	4,552.00	375.00	500.00
8610905 · Records Storage	2,126.23	2,097.00	2,800.00
8610906 · Travel & Meetings	13,388.78	11,250.00	15,000.00
8610907 · Miscellaneous	12,382.81	22,500.00	30,000.00
8610908 · Insurance	16,488.72	18,900.00	25,200.00
8610909 · San Mateo County Fees (Admin)	0.00	25,000.00	50,000.00
8610910 · San Mateo County Fees (LAFCo)	6,188.00	5,000.00	5,000.00
8610911 · San Mateo County Board Election	125.00	300,000.00	300,000.00
8610921 · 1819 Trousdale Expenses	13,730.30	17,100.00	22,800.00
Total 8610200 · Administrative & Overhead	755,608.03	1,192,987.00	1,486,820.00
8613000 · The Trousdale-Operating Expense			
8613001 · Salaries	904,825.31	791,486.00	1,598,317.00

Peninsula Health Care District

Statement of Activities - Preliminary Draft

July 2018 through March 2019

	<u>Jul '18 - Mar 19</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
8613002 · Employee Benefits	290,562.86	286,059.00	548,849.00
8613004 · Professional Fees	6,063.00	4,200.00	8,400.00
8613005 · Supplies	161,133.16	106,713.00	201,018.00
8613006 · Purchased Services	133,189.49	103,169.00	193,200.00
8613007 · Ancillary Costs	684.00	5,730.00	12,987.00
8613008 · Utilities	63,515.86	66,434.00	145,360.00
8613009 · Insurance & Other	67,199.71	98,972.00	170,304.00
8613011 · Management Fees	51,619.40	52,156.00	115,727.00
8613099 · Miscellaneous	0.00		
Total 8613000 · The Trousdale-Operating Expense	<u>1,678,792.79</u>	<u>1,514,919.00</u>	<u>2,994,162.00</u>
8612000 · Wellness Center Operating Exp			
8612017 · Over/Under - cash drawer	0.57		
8612001 · Salaries	122,638.12	129,747.00	181,000.00
8612002 · Benefits	28,714.96	49,366.00	68,409.00
8612003 · Contract Labor - Trainer	4,110.00	3,780.00	5,040.00
8612004 · Food	566.03	1,143.00	1,786.00
8612005 · Office and Admin Supplies	5,680.45	1,400.00	1,700.00
8612006 · Minor Equipment	0.00	4,350.00	4,800.00
8612007 · Printing	900.45	3,400.00	4,300.00
8612008 · Other Non-Medical Supplies	1,131.93	5,400.00	6,250.00
8612009 · Advertising	17,633.32	6,500.00	7,000.00
8612010 · Other Purchased Services	23,843.24	12,150.00	16,200.00
8612011 · Travel	1,107.80	450.00	600.00
8612012 · Dues & Subscriptions	25.00	690.00	690.00
8612013 · Management Fees	18,000.00	18,000.00	24,000.00
8612014 · Janitorial	9,292.91	6,750.00	9,000.00
8612015 · Utilities	14,196.98	22,527.00	30,030.00
8612016 · Insurance	4,111.03	4,500.00	6,000.00
Total 8612000 · Wellness Center Operating Exp	<u>251,952.79</u>	<u>270,153.00</u>	<u>366,805.00</u>
Total Expense	<u>5,434,203.96</u>	<u>6,063,062.00</u>	<u>8,497,787.00</u>
Net Ordinary Income	3,274,280.79	1,393,677.12	3,561,993.02
Other Income/Expense			
Other Expense			
8810740 · Depreciation	85,114.00	76,239.00	101,652.00
8813000 · The Trousdale-Int/Dep/Amort Exp			
8813001 · Depreciation Expense	657,134.96	649,235.00	1,259,123.00
8813003 · Interest Expense	492,703.41	485,928.05	938,606.43
Total 8813000 · The Trousdale-Int/Dep/Amort Exp	<u>1,149,838.37</u>	<u>1,135,163.05</u>	<u>2,197,729.43</u>
Total Other Expense	<u>1,234,952.37</u>	<u>1,211,402.05</u>	<u>2,299,381.43</u>
Net Other Income	<u>(1,234,952.37)</u>	<u>(1,211,402.05)</u>	<u>(2,299,381.43)</u>
Net Income	<u><u>2,039,328.42</u></u>	<u><u>182,275.07</u></u>	<u><u>1,262,611.59</u></u>

Peninsula Health Care District
Statement of Net Assets - Preliminary Draft
As of March 31, 2019

	Mar 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1011000 · Operating Cash	
1011102 · Admin Checking #4511	1,007,039.33
1011201 · Leasing Checking #3754	165,676.45
1011301 · PWC Checking #3746	59,704.59
1011501 · The Trousdale Wellness Center	12,868.85
Total 1011000 · Operating Cash	1,245,289.22
1013100 · US Bank Project Accounts	
1013000 · US Bank 44000	733.71
1013001 · US Bank 56000	88.67
Total 1013100 · US Bank Project Accounts	822.38
1014000 · The Trousdale	
1011401 · Trousdale Checking #3738	123,671.03
1014001 · Trousdale/Eskaton Checking	341,084.08
Total 1014000 · The Trousdale	464,755.11
1114000 · Board Designated Funds	
1114100 · Board Designated Fund - LAIF	2,591,465.11
1114200 · Board Designated Fund - SMC	3,359,501.78
1114300 · Board Designated Fund - City	20,176,668.07
1114400 · Board Designated - Fiduciary Tr	5,277,671.78
1300002 · Board Designated Fd - Torrey Pi	3,092,382.09
1114900 · Allowance for Unrealized G/(L)	(157,022.56)
Total 1114000 · Board Designated Funds	34,340,666.27
Total Checking/Savings	36,051,532.98
Accounts Receivable	
1150100 · Rent Receivable	
1150105 · Tenant Receivable - Trousdale	48,902.14
Total 1150100 · Rent Receivable	48,902.14
Total Accounts Receivable	48,902.14
Other Current Assets	
1150200 · Accounts Receivable - Other	2,775.65
1160000 · Prepaid Expenses	
1160103 · Prepaid Expenses General	19,897.53
1160100 · Prepaid Insurance	11,326.51
1160102 · Prepaid Benefits	833.26
1160201 · Prepaid Lease Commissions	2,732.11
1160301 · Prepaid The Trousdale	105,516.16
Total 1160000 · Prepaid Expenses	140,305.57
1170100 · Interest Receivable	135,803.58
Total Other Current Assets	278,884.80
Total Current Assets	36,379,319.92
Fixed Assets	
1220000 · The Trousdale.	
1160200 · Trousdale CIP Paid by PHCD	70,693,319.87
1160211 · Trousdale CIP Paid by Eskaton	2,238.94
1160204 · Trousdale Land	10,710.97
1160203 · Trousdale Pre Opening Costs	2,505,661.73
1160207 · Trousdale Equipment	233,496.46
1160206 · Trousdale Tenant Deposits	(67,500.00)
1160220 · 1600 Costs - Other Prior Years	112,737.57
Total 1220000 · The Trousdale.	73,490,665.54
1220005 · The Trousdale- Accum Depreciati	(657,134.96)
1200110 · Wellness Center Assets	
1200095 · Wellness Center Furniture	3,317.96

Peninsula Health Care District
Statement of Net Assets - Preliminary Draft
As of March 31, 2019

	<u>Mar 31, 19</u>
1200080 · Wellness Center Improvements	7,000.00
1200090 · Wellness Center Equipment	31,552.23
Total 1200110 · Wellness Center Assets	41,870.19
1200000 · Land, Buildings and Equipment	
1200015 · Hospital Equipment & Bldg	
1241100 · Major Moveable Equipment	1,710,775.64
Total 1200015 · Hospital Equipment & Bldg	1,710,775.64
1200001 · Hospital Land & Land Improve	
1200100 · Land	1,091,947.00
1210100 · Land Improvements	11,100.00
Total 1200001 · Hospital Land & Land Improve	1,103,047.00
1200002 · 1875 Trousdale Dr	
1221302 · 1875 Trousdale Land	2,859,323.00
1221303 · 1875 Trousdale Building	317,703.44
1221301 · 1875 Trousdale Improvements	389,187.00
Total 1200002 · 1875 Trousdale Dr	3,566,213.44
1200003 · 1600 Trousdale Dr	
1200300 · 1600 Trousdale - Land	400,985.00
Total 1200003 · 1600 Trousdale Dr	400,985.00
1200004 · 1740 Marco Polo Way	
1200400 · 1740 MPW - Land	3,418,155.00
1200401 · 1740 MPW - Building	705,444.76
1200402 · 1740 MPW - Improvements	175,029.46
Total 1200004 · 1740 Marco Polo Way	4,298,629.22
1200005 · 1720 Marco Polo Way	
1200501 · 1720 MPW - Land	2,178,811.43
1200502 · 1720 MPW - Building	933,776.33
1200503 · 1720 MPW - Improvements	6,829.50
Total 1200005 · 1720 Marco Polo Way	3,119,417.26
1200006 · 430 El Camino Real	
1200601 · 430 El Camino - Land	1,302,178.00
1200602 · 430 El Camino - Building	1,109,262.00
1200603 · 430 El Camino - Improvements	80,734.00
Total 1200006 · 430 El Camino Real	2,492,174.00
1200009 · 1819 Trousdale	
1200010 · 1819 Trousdale - Land	2,120,000.00
1200011 · 1819 Trousdale Bldg	565,987.49
1200012 · 1819 Trousdale Improvements	204,024.94
1200013 · 1819 Trousdale - Equipment	6,300.35
Total 1200009 · 1819 Trousdale	2,896,312.78
Total 1200000 · Land, Buildings and Equipment	19,587,554.34
1260000 · Accumulated Depreciation	(3,026,934.98)
Total Fixed Assets	89,436,020.13
Other Assets	
1300501 · Deferred Outflow	150,856.00
1300200 · Due from Sonrisas Dental Health	
1300207 · NR SDH Interest	1,041.59
1300206 · Note Receivable - SDH	250,000.00
1300203 · 430 ECR Rent	776,675.61
1300204 · 430 ECR Rent Accrued Interest	47,177.88
1300201 · 430 ECR TI - Costs	1,108,354.36
1300202 · 430 ECR TI Accrued Interest	122,514.70
1300205 · 430 ECR Expense Chg Back	5,122.24

Peninsula Health Care District
Statement of Net Assets - Preliminary Draft
As of March 31, 2019

	Mar 31, 19
Total 1300200 · Due from Sonrisas Dental Health	2,310,886.38
1300520 · Net Pension Asset	380,795.00
Total Other Assets	2,842,537.38
TOTAL ASSETS	128,657,877.43
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000000 · Accounts Payable	650,315.38
Total Accounts Payable	650,315.38
Other Current Liabilities	
2100656 · TheTrousdales - Accrued Payable	15,251.10
2100655 · The Trousdale-Payroll/Benefits	250,797.63
2100650 · The Trousdale-Prepaid Rent	41,659.39
2000010 · Wellness Center - Prepayments	5,739.64
2000004 · Sutter Payments Rec'd In Error	14.00
2023000 · Payroll liabiity	26,323.76
2200000 · Payroll Taxes Payable	2,334.27
2100600 · Prepaid Rent Received	
2100601 · Prepaid Rent - Hospital	820,501.25
2100606 · Prepaid Rent - 1740 Marco Polo	4,734.00
Total 2100600 · Prepaid Rent Received	825,235.25
2200600 · Accrued Interest Project Loan	308,562.14
2101700 · Deferred Income	
2100703 · PWC Tree Reimbursement	3,500.00
Total 2101700 · Deferred Income	3,500.00
Total Other Current Liabilities	1,479,417.18
Total Current Liabilities	2,129,732.56
Long Term Liabilities	
240200 · PWC - ENA Deposit	200,000.00
240100 · NP Western Alliance	
240010 · NP - Western Alliance Bank	37,435,000.00
240011 · NP Western Alliance 2017	10,000,000.00
Total 240100 · NP Western Alliance	47,435,000.00
240500 · Pension Liabilities	
240501 · Deferred Inflow	172,505.22
Total 240500 · Pension Liabilities	172,505.22
240001 · Security Deposits	
24006 · Security Deposits 430 El Camino	14,500.00
240005 · Security Deposits 1720 PM	2,604.00
240004 · Security Deposits 1740 PM	2,825.00
240003 · Tenant Security Deposits - 1740	22,160.25
240002 · Tenant Security Deposits - 1720	8,700.00
Total 240001 · Security Deposits	50,789.25
Total Long Term Liabilities	47,858,294.47
Total Liabilities	49,988,027.03
Equity	
Fund Balance Enterprise	
2310203 · Enterprise Fund (Business)	525,102.75
2310204 · Restricted for Construction	26,764,245.00
2310305 · Net Capital Assets Enterprise	33,483,672.00
2310600 · Prior Period Adj - Enterprise	(525,102.75)
Total Fund Balance Enterprise	60,247,917.00

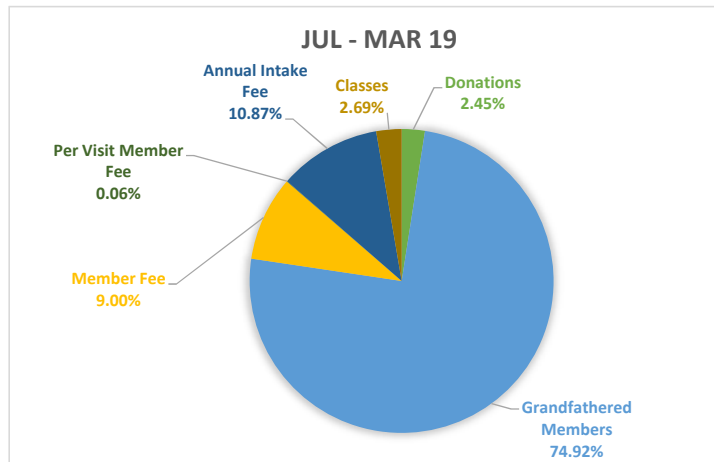
Peninsula Health Care District
Statement of Net Assets - Preliminary Draft
As of March 31, 2019

	<u>Mar 31, 19</u>
Fund Balance Government	
2310202 · Board Designated Fund (Gov't)	6,437,693.98
2310306 · Net Capital Assets - Gov't	2,825,706.00
2310650 · Prior Period Adj - GASB 68	(380,795.00)
2310205 · Restricted for Debt Covenant	7,500,000.00
	<hr/>
Total Fund Balance Government	16,382,604.98
Net Income	2,039,328.42
	<hr/>
Total Equity	78,669,850.40
	<hr/>
TOTAL LIABILITIES & EQUITY	128,657,877.43
	<hr/> <hr/>

The Trousdale Wellness Center Quarterly Performance Report

Q3 Report

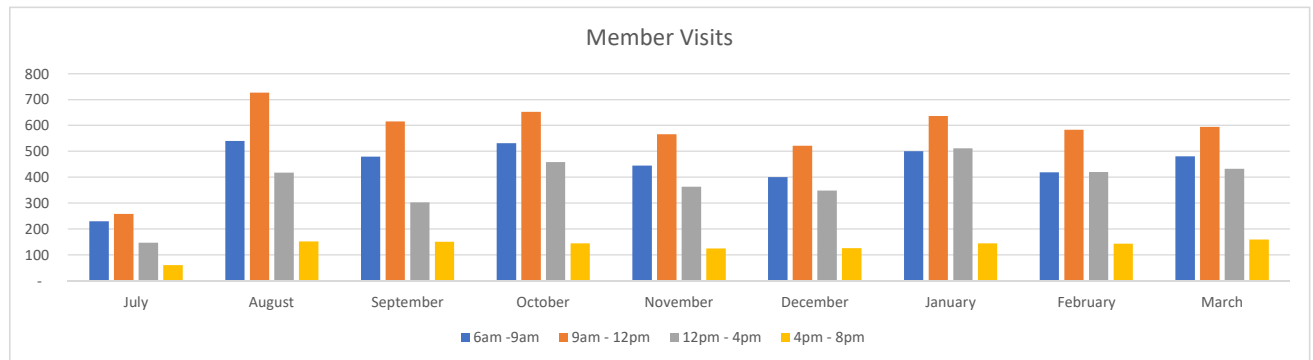
	Jul - Mar 19	YTD Budget	Annual Budget
Wellness Center Revenue			
Donations	2,550	0	0
Grandfathered Members	77,871	63,750	86,250
Member Fee	9,356	11,250	25,875
Per Visit Member Fee	61	11,565	18,090
Annual Intake Fee	11,300	11,750	13,750
Private Trainer	0	5,400	7,200
Classes	2,800	17,920	25,600
Total Income	103,938	121,635	176,765
Total Expense			
Operating Exp	251,953	270,153	366,805
Depreciation	5,904	0	0
Total Expense	257,857	270,153	366,805
Net Income	(153,919)	(148,518)	(190,040)



Membership Information - Mar	# Members	Budget	Variance B(W)
Existing Members - Senior @ \$50	157	140	17
Existing Members - Non Sen @ \$60	19	10	9
New Member @ \$75	30	45	(15)
Per Visit Members @ \$15	2	40	(38)
Total Members	208	235	(27)

Member Visits					
Month	6am - 9am	9am - 12pm	12pm - 4pm	4pm - 8pm	Total
July	230	258	147	61	696
August	540	726	418	152	1,836
September	480	616	303	151	1,550
October	531	653	459	145	1,788
November	445	566	363	125	1,499
December	401	522	348	126	1,397
January	501	637	512	145	1,795
February	419	583	420	143	1,565
March	481	595	432	160	1,668
Total	4,028	5,156	3,402	1,208	13,794

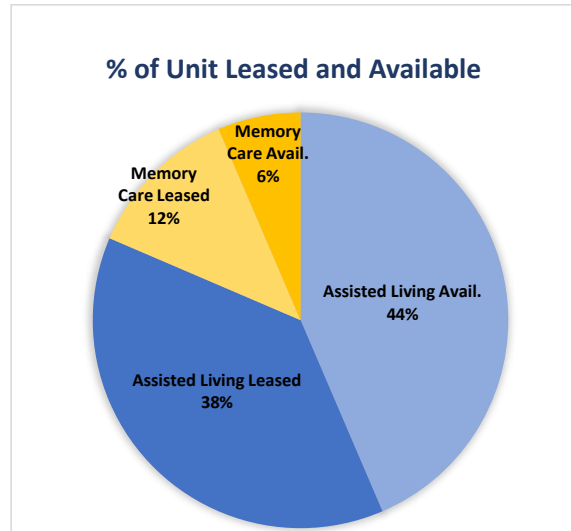
Member Visits - Day of the Week			
	# of Days	Total Visits	Average/Day
Monday	36	2,854	79
Tuesday	37	2,427	66
Wednesday	37	2,633	71
Thursday	37	2,476	67
Friday	37	2,397	65
Saturday	37	1,007	27
Total	221	13,794	63



Month	Seniors in Motion-Free		Yoga-Paid		Tai Chi-Paid		Total	
	# Classes	Attendees	# Classes	Attendees	# Classes	Attendees	# Classes	Attendees
July	21	131					21	131
August	27	204	2	22			29	226
September	24	173	4	48			28	221
October	27	198	5	25	9	105	41	328
November	24	184	1	4	3	33	28	221
December	21	156	3	12	3	33	27	201
January	27	182	4	19	8	64	39	265
February	24	177	4	19	8	64	36	260
March	24	198	4	23	5	38	33	259
Total	219	1,603	27	172	36	337	282	2,112

The Trousdale Assisted Living/Memory Care Community Quarterly Performance Report - Q3

	TOTAL	YTD Budget	Variance
Income			
Operating Revenue	1,305,930.51	1,027,488.00	278,442.51
Expense			
Operating Expense			
Salaries	904,825.31	791,486.00	(113,339.31)
Employee Benefits	290,562.86	286,059.00	(4,503.86)
Professional Fees	6,063.00	4,200.00	(1,863.00)
Supplies	161,133.16	106,713.00	(54,420.16)
Purchased Services	133,189.49	103,169.00	(30,020.49)
Ancillary Costs	684.00	5,730.00	5,046.00
Utilities	63,515.86	66,434.00	2,918.14
Insurance & Other	67,199.71	98,972.00	31,772.29
Management Fees	51,619.40	52,156.00	536.60
Total Expense	<u>1,678,792.79</u>	<u>1,514,919.00</u>	<u>(163,873.79)</u>
Operating Margin	<u>(372,862.28)</u>	<u>(487,431.00)</u>	114,568.72
Other Expense			
Depreciation Expense	657,134.96	649,235.00	(7,899.96)
Interest Expense	492,703.41	485,928.05	(6,775.36)
Total Other Expense	<u>1,149,838.37</u>	<u>1,135,163.05</u>	<u>(14,675.32)</u>
Net Income	<u><u>(1,522,700.65)</u></u>	<u><u>(1,622,594.05)</u></u>	<u><u>99,893.40</u></u>

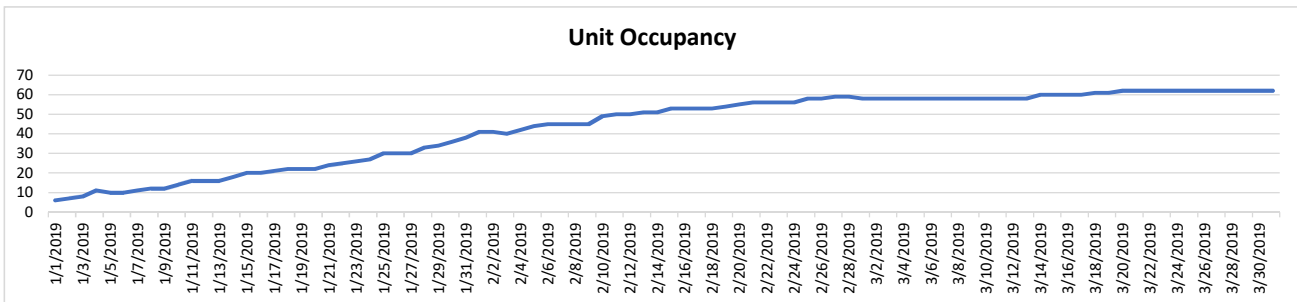


Deposit on Hand		
	#	\$
Beginning Balance - 12/31/18	80	200,000
Q3 Reservations Received	14	70,000
Q3 Cancellations	(19)	(47,500)
Q3 Move-Ins	(57)	(155,000)
Deposits on Hand 3/31/19	18	67,500

Occupancy at March 31, 2019				
	Units Leased	Units Avail.	Total	Level of Care
AL Care	47	54	101	1.3 Avg.
Memory Care	15	8	23	2.6 Avg.
Total Units	62	62	124	1.6 Avg.
% Percentage	50%	50%	100%	
Total Residents	74			

Inquiries/Tours			
	January	February	March
Inquiries	66	58	176
New Tours	57	53	20
Repeat Tours	19	17	19

Age of our Residents				
	50-69 yrs	70-79 yrs	80-89 yrs	90-100 yrs
	2	9	38	25
	2.70%	12.16%	51.35%	33.78%



Snapshot of Activities in April

Arts & Crafts	Fall Prevention Series	Water Color Art	Mystery Short Stories	Pictionary
Bingo	Weight Lifting Class	Share-A-Pet	Cranium Crunch	Tai Chi
Mediative Coloring	Balloon Tennis	Open Canvas Art	Communion & Scripture	Karaoke
Meditation & Breathing	Guess that Tune	Card Making Class	Pictures with Easter Bunny	Wii Fun
Hot Chocolate News & Views	Warriors Game	Walking Club	Musical	Mimosa
Easter Egg Hunt	Comedy Hour	Balloon Toss	Wine Tasting	Quiz Show
Movie	Mahjong Club	Puzzle Time	Resident Art Show	Tech Talk
Cardio Blast	Happy Hour	Margarita Mondays	Engage Your Brain Activities	Men's Corner
Ice Cream Social	Guitar by Joy	Current Events & Politics	Black Jack	Pet Therapy





PROPOSED BUDGET FY 2020 DRIVERS AND ASSUMPTIONS

DRIVERS:

- PHCD vision, mission, strategic objectives
- PWC development project
- The Trousdale Assisted Living Facility operating budget
- The Wellness Center operating budget

ASSUMPTIONS:

- **Income:**
 - Tax revenues budgeted 3.7% increase from prior year.
 - Lease income based on Sutter Health lease agreement and assuming 100% occupancy for 1720 & 1740 Marco Polo. No lease income from 430 El Camino (Sonrisas) and 1875 Trousdale (The Wellness Center).
 - Investment income based on lower balances after final construction cost and loan payments, estimated at 2% return, less fees.
 - Miscellaneous income – no interest income from SDH.
 - The Trousdale is budgeted at a loss of \$2.3M before transfer from Board Reserves. Includes interest (\$1.8M) and depreciation (\$2.4M).
 - The Trousdale Wellness Center budgeted at a loss of \$198K.
- **Expenses:**
 - Community Health Investment budget is \$4.4M an increase of \$785K
 - a. Community grants and event support \$2M (\$175K committed)
 - b. Targeted Prevention Program (NEW)- \$500K for new program initiative
 - c. Memory Café \$10K (NEW)- Approved at April 2019 Board meeting
 - d. San Mateo Dental Center funding \$900K – Approved at October 2018 Board meeting
 - e. Master Plan Costs \$550K, an increase of \$50K over prior year actuals for increasing PWC expenses.
 - f. Community Education \$50K (New), 4-6 small events and wellness classes
 - g. Newsletter \$75K, an increase of \$25K for 1 additional newsletter (3 total).
 - h. New Program Research & Development \$250K, reduced by 50%
 - Administrative & Overhead budget is \$1.6M an increase of \$92K
 - a. Staff Salaries & Benefits \$860K, \$127K more than prior year reflects 1 additional FTE (Project Coordinator), 6 mos temp staff with 1 mo overlap for training, and staff anniversary/performance increases.
 - b. IT & Phones \$45K - \$20K for computer support and \$25K for new accounting software (approved in FY18-19, but did not use - roll-over to FY 19-20)
 - c. Legal expense 270K – Increase of 222K for potential legal expenses
 - d. Travel & Meetings increase by +\$10K in anticipation of more Board members/staff attendance/travel
 - e. No election cost (\$300K)
 - f. Other minor increases for maintenance & repairs and audit.

**Peninsula Health Care District
Operating Budget 2019-2020
Draft Budget**

	BUDGET FY 19-20				FY 18-19	
	PHCD	The Trousdale	Wellness Center	Consolidated Budget	Year-End Projection (9mos Actual/3mos projected)	Budget FY 18-19
Ordinary Income/Expense						
Income						
San Mateo County Tax	7,000,000	0	0	7,000,000	6,756,161	6,750,000
Lease Income	2,288,314	0	0	2,288,314	2,468,051	2,437,927
Investment Income	472,000	0	0	472,000	836,413	124,000
Miscellaneous Income	2,841	0	0	2,841	67,315	65,633
The Trousdale Assisted Living Facility	0	1,901,502	0	1,901,502	(449,025)	(488,707)
Wellness Center	0	0	(189,979)	(189,979)	(198,435)	(190,040)
Total Income	9,763,155	1,901,502	(189,979)	11,474,678	9,480,481	8,698,813
Expense						
Community Health Investment	4,435,000	0	0	4,435,000	3,341,421	3,650,000
Administrative & Overhead	1,528,644	0	0	1,528,644	1,105,495	1,486,820
Total Expense	5,963,644	0	0	5,963,644	4,446,916	5,136,820
Net before Interest and Depreciation	3,799,511	1,901,502	(189,979)	5,511,034	5,033,565	3,561,993
Interest/Depreciation Expense						
Interest Expense	0	1,788,841	0	1,788,841	955,547	938,606
Depreciation	114,000	2,439,552	7,872	2,561,424	1,401,015	1,360,775
Total Interest/Depreciation Expense	114,000	4,228,393	7,872	4,350,265	2,356,562	2,299,381
Net Income from Operations	3,685,511	(2,326,891)	(197,851)	1,160,769	2,677,003	1,262,612
Cashflow - Cash Adjusting Items						
SDH Deferred Rent and Interest	0	0	0	0	(254,149)	(255,425)
1600 Project equity investment	0	0	0	0	(9,173,163)	(8,090,894)
WAB Loan Interest	0	0	0	0	(895,826)	(912,767)
WAB Loan Principal Payments	0	(1,375,000)	0	(1,375,000)	(1,040,000)	(1,040,000)
Depreciation	114,000	2,439,552	7,872	2,561,424	1,401,015	1,360,775
Net contribution (draw) to Board Designated Fund	3,799,511	(1,262,339)	(189,979)	2,347,193	(7,285,119)	(7,675,698)
Cash/Investments @ beginning of year				34,213,630	41,498,749	
Cash/Investments @ end of year				36,560,823	34,213,630	
Board Finance Policy Targets for Operating Budget						
EBIDA > than 12%				48.03%	53.09%	
Excess Margin >7%				10.12%	28.24%	
Days cash on hand > 265				3,355	3,714	
Debt service coverage ratio 2.0 times				1.74	1.74	

**Peninsula Health Care District
Operating Budget 2019-2020
Draft Budget**

	PHCD	The Trousdale	Wellness Center	Consolidated Budget FY 19-20	Budget FY 18-19	Variance
Ordinary Income/Expense						
Income						
San Mateo County Tax	7,000,000			7,000,000	6,750,000	250,000
Lease Income						
Gross Rent						
Lease Income - Hospital	1,969,203			1,969,203	1,969,203	0
Lease Income - 1740 Marco Polo	310,619			310,619	276,750	33,868
Lease Income - 430 El Camino	0			0	192,858	(192,858)
Lease Income- 1720 Marco Polo	160,332			160,332	157,116	3,216
Total Gross Rent	2,440,154	0	0	2,440,154	2,595,927	(155,774)
Less Expenses						
1720 Marco Polo Expenses	(30,000)			(30,000)	(30,000)	0
1740 Marco Polo Expenses	(100,000)			(100,000)	(100,000)	0
430 No. El Camino Real Expenses	(12,000)			(12,000)	(15,000)	3,000
1875 Trousdale Expenses	(6,000)			(6,000)	(5,000)	(1,000)
PWC Land Maint & Ins	(3,840)			(3,840)	(8,000)	4,160
Total Less Expenses	(151,840)			(151,840)	(158,000)	6,160
Total Lease Income	2,288,314	0	0	2,288,314	2,437,927	(149,614)
Investment Income						
Invest Inc - LAIF	50,000			50,000	5,000	45,000
Invest Inc - SMC	66,000			66,000	10,000	56,000
Invest Inc - City National	262,500			262,500	50,000	212,500
Invest Inc - Fiduciary Trust	79,700			79,700	50,000	29,700
Invest Inc - Torrey Pines	13,800			13,800	9,000	4,800
Total Investment Income	472,000	0	0	472,000	124,000	348,000
Miscellaneous Income						
Interest on SDH TI Advance	0			0	33,251	(33,251)
Interest on SDH Deferred Rent	0			0	23,000	(23,000)
Interest on SDH Loan	0			0	6,316	(6,316)
Nursing Grant/Loan Repayments	2,841			2,841	3,066	(225)
Total Miscellaneous Income	2,841			2,841	65,633	(62,792)
The Trousdale Assisted Living Facility						
The Trousdale-Operating Revenue		9,099,707		9,099,707	2,505,455	6,594,252
The Trousdale-Operating Expense		(7,198,205)		(7,198,205)	(2,994,162)	(4,204,043)
The Trousdale-Depreciation Expense		(2,439,552)		(2,439,552)	(1,259,123)	(1,180,429)
The Trousdale-Interest Expense		(1,788,841)		(1,788,841)	(938,606)	(850,235)
Total The Trousdale Assisted Living Facility	0	(2,326,891)	0	(2,326,891)	(2,686,436)	359,545
Wellness Center						
Wellness Center Revenue			158,200	158,200	176,765	(18,565)
Wellness Center Operating Exp			(348,179)	(348,179)	(366,805)	18,626
Depreciation			(7,872)	(7,872)		(7,872)
Total Wellness Center	0	0	(197,851)	(197,851)	(190,040)	(7,811)
Total Income	9,763,155	(2,326,891)	(197,851)	7,238,413	6,501,084	737,329

**Peninsula Health Care District
Operating Budget 2019-2020
Draft Budget**

	PHCD	The Trousdale	Wellness Center	Consolidated Budget FY 19-20	Budget FY 18-19	Variance
Expense						
Community Health Investment						
Grants	1,950,000			1,950,000	1,350,000	(600,000)
Community Support Fund	50,000			50,000	50,000	0
Teen Mental Health Project	0			0	500,000	500,000
San Bruno School Clinic	0			0	50,000	50,000
Targeted Prevention Program	500,000			500,000	0	(500,000)
Memory Café	10,000			10,000	0	(10,000)
SDH San Mateo Funding	900,000			900,000	750,000	(150,000)
Master Plan Costs	550,000			550,000	300,000	(250,000)
Community Outreach	100,000			100,000	100,000	0
Community Education	50,000			50,000	0	(50,000)
Newsletter	75,000			75,000	50,000	(25,000)
New Program Research and Development	250,000			250,000	500,000	250,000
Total Community Health Investment	4,435,000	0	0	4,435,000	3,650,000	(785,000)
Administrative & Overhead						
Staff Salaries and Benefits	859,644			859,644	728,800	(130,844)
Office Supplies	20,600			20,600	20,600	0
IT & Phones	45,000			45,000	39,420	(5,580)
Maintenance & Repairs	12,000			12,000	7,200	(4,800)
Legal - General	250,000			250,000	40,000	(210,000)
Legal - Real Estate	20,000			20,000	8,000	(12,000)
Consulting - Financial	50,000			50,000	50,000	0
Consulting - Communications	75,000			75,000	100,000	25,000
ACHD Dues	12,000			12,000	15,000	3,000
Audit	30,000			30,000	26,500	(3,500)
Website Services	6,000			6,000	500	(5,500)
Records Storage	3,600			3,600	2,800	(800)
Travel & Meetings	25,000			25,000	15,000	(10,000)
Miscellaneous	18,000			18,000	30,000	12,000
Insurance	25,800			25,800	25,200	(600)
San Mateo County Fees (Admin)	50,000			50,000	50,000	0
San Mateo County Fees (LAFCo)	7,000			7,000	5,000	(2,000)
San Mateo County Board Election	0			0	300,000	300,000
1819 Trousdale Expenses	19,000			19,000	22,800	3,800
Total Administrative & Overhead	1,528,644			1,528,644	1,486,820	(41,824)
Total Expense	5,963,644			5,963,644	5,136,820	(826,824)
Other Income/Expense						
Depreciation	114,000			114,000	101,652	(12,348)
Net Other Income	(114,000)	0	0	(114,000)	(101,652)	12,348
Net Income	3,685,511	(2,326,891)	(197,851)	1,160,769	1,262,612	1,576,501
Non-cash Adjustment						
Lease Income - 430 El Camino	0			0	(192,858)	
Interest on SDH TI Advance	0			0	(33,251)	
Interest on SDH Deferred Rent	0			0	(23,000)	
Interest on SDH Loan	0			0	(6,316)	
Depreciation	114,000	2,439,552	7,872	2,561,424	1,360,775	
Estimated Total Cash-Flow	3,799,511	112,661	(189,979)	3,722,193	2,367,962	1,576,501

Wellness Center

FY 19-20 - Assumptions

Membership

Grandfathered members (non-seniors) to drop by 1

Grandfathered members (seniors) to drop 1 every other week = 6/yr

New members to increase by 1 every month = 12/yr

Per visit member to stay the same as last year

Revenue

No donation received

Lease income \$600/month

New member fees include discounts for packages purchased

Annual intake fee for 220 members

Class attendance estimated at 44 for Tai Chi per month (4 classes per month)

Class attendance estimated at 20 for Yoga per month (4 classes per month)

Expenses

Budget based on avg. of last 6 months of activities (to exclude start-up cost in the first few months)

3% increase to salaries

Benefits % to stay the same as last year

Contract labor cut down to 4 Tai Chi and 4 Yoga classes per month

Office and Admin supplies - 3% increase

Management fee and janitorial to remain the same as last year

3% increase to insurance premium

Wellness Center FY 19-20 - Draft Budget

	Budget 19-20	Forecast 18-19	Budget 18-19
Grandfathered Members @ \$50	170	178	150
Members @ \$75	44	32	75
Per Visit Payer Members @\$15 est. 3 visits/mo	4	4	50
Total Members	218	214	275

Revenue			
Donations		2,550	
Lease Income	7,200	-	-
Grandfathered Members	106,020	104,871	86,250
Member Fee	30,030	15,356	25,875
Per Visit members	60	61	18,090
Annual Intake Fee	11,050	11,600	13,750
Private Trainer	-	-	7,200
Classes	3,840	3,700	25,600
Total Income	158,200	138,138	176,765
Expenses			
Salaries			
Director (Supervisor)	87,538		85,000
Certified Instructor	44,990		48,000
Certified Instructor	42,420		48,000
Total Salaries	174,948	167,038	181,000
Benefits			
Payroll Taxes	14,608		15,014
Benefits	27,992		27,150
Workers Comp	12,246		13,575
Vacation 12days/yr	494		12,670
Total Benefits	55,340	38,890	68,409
Operating Expenses			
Contract Labor-Trainer	6,240	6,630	5,040
Food	750	566	1,786
Office and Admin Supplies	8,034	8,194	1,700
Minor Equipment	-	-	4,800
Printing	1,000	900	4,300
Other Non-Medical Supplies	1,000	1,132	6,250
Advertising	12,000	21,033	7,000
Other Purchased Services	26,400	29,948	16,200
Travel	1,000	1,108	600
Dues & Subscriptions	-	25	690
Management Fees	24,000	24,000	24,000
Janitorial	12,600	12,443	9,000
Utilities	19,200	19,179	30,030
Insurance	5,667	5,487	6,000
Depreciation	7,872	7,872	-
Total Operating Expenses	125,763	138,517	117,396
Total Expenses	356,051	344,445	366,805
Net Operating Loss	(197,851)	(206,308)	(190,040)

**Peninsula Health Care District
Wellness Center Profit & Loss - Trend**

July 2018 through March 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	TOTAL
Ordinary Income/Expense										
Income										
5392000 · Wellness Center Revenue										
5392007 · Donations	0.00	0.00	0.00	50.00	0.00	2,500.00	0.00	0.00	0.00	2,550.00
5392001 · Grandfathered Members	7,274.59	4,499.81	7,801.32	9,080.00	9,355.31	9,345.00	12,311.40	9,200.40	9,003.16	77,870.99
5392002 · Member Fee	0.00	1,972.85	1,466.37	1,111.89	1,283.09	1,262.87	(1,540.61)	1,675.65	2,123.56	9,355.67
5392003 · Per Visit Member Fee	0.00	0.00	15.00	0.00	0.00	0.00	16.00	0.00	30.00	61.00
5392004 · Annual Intake Fee	7,900.00	1,700.00	400.00	300.00	350.00	150.00	100.00	100.00	300.00	11,300.00
5392006 · Classes	0.00	130.00	930.00	175.00	520.00	60.00	255.00	405.00	325.00	2,800.00
Total 5392000 · Wellness Center Revenue	15,174.59	8,302.66	10,612.69	10,716.89	11,508.40	13,317.87	11,141.79	11,381.05	11,781.72	103,937.66
Total Income	15,174.59	8,302.66	10,612.69	10,716.89	11,508.40	13,317.87	11,141.79	11,381.05	11,781.72	103,937.66
Gross Profit	15,174.59	8,302.66	10,612.69	10,716.89	11,508.40	13,317.87	11,141.79	11,381.05	11,781.72	103,937.66
Expense										
8612000 · Wellness Center Operating Exp										
8612017 · Over/Under - cash drawer	0.56	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.57
8612001 · Salaries	10,283.75	13,616.81	14,002.29	15,106.09	13,324.00	14,434.10	14,541.47	12,515.80	14,813.81	122,638.12
8612002 · Benefits	2,360.93	3,072.60	3,027.38	3,193.88	3,883.68	3,397.90	2,455.29	3,498.35	3,824.95	28,714.96
8612003 · Contract Labor - Trainer	0.00	140.00	280.00	890.00	370.00	390.00	760.00	760.00	520.00	4,110.00
8612004 · Food	0.00	72.06	0.00	449.78	0.00	0.00	44.19	0.00	0.00	566.03
8612005 · Office and Admin Supplies	600.57	915.00	808.09	446.38	607.46	716.75	957.36	517.46	111.38	5,680.45
8612007 · Printing	900.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900.45
8612008 · Other Non-Medical Supplies	0.00	1,071.98	0.00	59.95	0.00	0.00	0.00	0.00	0.00	1,131.93
8612009 · Advertising	4,004.61	2,390.93	7,088.00	0.00	974.03	742.39	700.00	1,733.36	0.00	17,633.32
8612010 · Other Purchased Services	3,692.93	4,332.00	2,390.06	2,394.17	2,721.23	2,834.96	2,177.86	1,358.91	1,941.12	23,843.24
8612011 · Travel	0.00	67.80	520.00	0.00	0.00	520.00	0.00	0.00	0.00	1,107.80
8612012 · Dues & Subscriptions	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
8612013 · Management Fees	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	18,000.00
8612014 · Janitorial	892.91	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	9,292.91
8612015 · Utilities	1,540.04	2,022.06	1,724.53	1,988.04	1,418.15	1,689.74	1,369.45	1,427.42	1,017.55	14,196.98
8612016 · Insurance	455.92	455.92	455.92	455.92	455.92	455.92	566.09	350.92	458.50	4,111.03
Total 8612000 · Wellness Center Operating Exp	26,732.67	31,207.17	33,371.27	28,034.21	26,804.47	28,231.76	26,621.71	25,212.22	25,737.31	251,952.79
Total Expense	26,732.67	31,207.17	33,371.27	28,034.21	26,804.47	28,231.76	26,621.71	25,212.22	25,737.31	251,952.79
Net Ordinary Income	(11,558.08)	(22,904.51)	(22,758.58)	(17,317.32)	(15,296.07)	(14,913.89)	(15,479.92)	(13,831.17)	(13,955.59)	(148,015.13)
Other Income/Expense										
Other Expense										
8810740 · Depreciation	601.00	711.00	656.00	656.00	656.00	656.00	656.00	656.00	656.00	5,904.00
Total Other Expense	601.00	711.00	656.00	656.00	656.00	656.00	656.00	656.00	656.00	5,904.00
Net Other Income	(601.00)	(711.00)	(656.00)	(656.00)	(656.00)	(656.00)	(656.00)	(656.00)	(656.00)	(5,904.00)
Net Income	(12,159.08)	(23,615.51)	(23,414.58)	(17,973.32)	(15,952.07)	(15,569.89)	(16,135.92)	(14,487.17)	(14,611.59)	(153,919.13)

Trousdale Wellness Center
Balance Sheet
 As of March 31, 2019

	Wellness Center	TOTAL
ASSETS		
Current Assets		
Checking/Savings		
1011000 · Operating Cash		
1011501 · The Trousdale Wellness Center	18,955.33	18,955.33
Total 1011000 · Operating Cash	18,955.32	18,955.32
Total Checking/Savings	18,955.32	18,955.32
Other Current Assets		
1153000 · AdvanceTo/From General Fund	(168,377.62)	(168,377.62)
1160000 · Prepaid Expenses		
1160100 · Prepaid Insurance	2,020.97	2,020.97
Total 1160000 · Prepaid Expenses	2,020.97	2,020.97
Total Other Current Assets	(166,356.65)	(166,356.65)
Total Current Assets	(147,401.33)	(147,401.33)
Fixed Assets		
1200110 · Wellness Center Assets		
1200095 · Wellness Center Furniture	3,317.96	3,317.96
1200080 · Wellness Center Improvements	7,000.00	7,000.00
1200090 · Wellness Center Equipment	31,552.23	31,552.23
Total 1200110 · Wellness Center Assets	41,870.19	41,870.19
1260000 · Accumulated Depreciation	(5,904.00)	(5,904.00)
Total Fixed Assets	35,966.19	35,966.19
TOTAL ASSETS	(111,435.14)	(111,435.14)
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000000 · Accounts Payable	25,251.35	25,251.35
Total Accounts Payable	25,251.35	25,251.35
Other Current Liabilities		
2000010 · Wellness Center - Prepayments	5,739.64	5,739.64
Total Other Current Liabilities	5,739.64	5,739.64
Total Current Liabilities	30,990.99	30,990.99
Total Liabilities	30,990.99	30,990.99
Equity		
32000 · Retained Earnings	11,493.00	11,493.00
Net Income	(153,919.13)	(153,919.13)
Total Equity	(142,426.13)	(142,426.13)
TOTAL LIABILITIES & EQUITY	(111,435.14)	(111,435.14)

The Trousdale 2019-20 Budget Assumptions

Revenue:

1. July 1 occupancy levels projected from current levels (as of March 24)
2. Net growth of 3 Assisted Living residents per month
3. AL double occupied units start at current level, capped at 12% of total occupied units
4. AL average level of care increases gradually from 1.50 to 2.00 (an individual resident's level of care is expected to increase over time)
5. Net growth of approx. 1 Memory Care resident every other month (a total of 6 for the year)
6. MC single occupancy units reach stabilized occupancy in April 2020
7. MC companion units reach stabilized occupancy in September
8. MC average level of care is 2.50 for the entire year
9. 3% rate increase for all residents, effective July 1
10. Community Fees remain at \$5,000 (\$2,500 for below-market residents)
11. Other revenues grow gradually, in proportion to occupancy ramp-up

Labor Expenses:

1. Steady growth in RCA staffing during the year in AL; fully staffed in MC from July 1
2. Added Campus Patrol at 1.4 FTE (NOC shift only, 7 days per week)
3. Increased Barista to 2.5 FTE (from 1.5 FTE)
4. Increased Receptionist to 2.8 FTE (from 2.5 FTE)
5. Market increase in Resident Care Coordinator annual rate (from \$86,000 to \$100,000)
6. 5% overall increase in salaries (to account for minimum wage/compression/market increases)
7. Wage increase is spread out evenly over the entire year
8. 3% increase in Executive Director salary, applied on January 1
9. 7.5% added for PTO
10. Overtime \$ budgeted at 3% of regular wages
11. 15% rate for Eskaton Health Plan
12. 7% rate for Workers' Compensation
13. 1% rate for employer 401(k)

Other Expenses:

1. Food expense calculated per resident day, with a 3.5% increase over 2018-19 rate
2. General inflation rate of 2.5%
3. Many expenses grow in proportion to occupancy ramp-up
4. Cable TV: Fixed monthly rate at 3% increase over current rate
5. Telephone/internet: Fixed monthly rate, estimated based on current rates with ~10% increase
6. Trash/refuse: Increasing monthly rate, estimated starting point based on recent invoices
7. Gas/Elec./Water/Sewer: Seasonally adjusted estimates based on current rates/occupancy growth
8. Referral fees: \$15,000 per month

The Trousdale - **DRAFT
Budget 2019-20**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Operating Revenues													
Routine Revenues	\$565,385	\$600,477	\$632,447	\$664,640	\$693,864	\$718,976	\$748,631	\$778,508	\$804,262	\$834,572	\$865,094	\$888,272	\$8,795,128
Ancillary Revenues	3,349	3,508	3,671	3,832	3,944	4,057	4,220	4,331	4,444	4,605	4,718	4,830	49,509
Contractual Allowances													
Other Operating Revenues	31,556	32,675	29,280	35,399	29,489	30,578	29,698	30,787	29,876	30,995	35,085	26,175	371,593
Net Operating Revenues	600,290	636,660	665,398	703,871	727,297	753,611	782,549	813,626	838,582	870,172	904,897	919,277	9,216,230
Operating Expenses													
Salaries (Productive & Non-Productive)	300,938	304,385	301,796	313,679	310,859	323,089	324,688	315,990	335,495	329,830	340,360	343,927	3,845,036
Employee Benefits	93,078	94,145	93,340	97,017	95,863	99,157	115,862	109,112	107,014	102,011	105,269	106,885	1,218,753
Registry													
Professional Fees	1,702	1,702	1,703	1,702	1,702	1,703	1,702	1,702	1,703	1,702	1,702	1,703	20,428
Supplies	38,220	39,796	40,163	42,474	42,846	44,864	46,065	45,405	48,574	48,642	51,180	50,140	538,369
Purchased Services	39,557	39,689	39,982	40,082	40,157	40,186	40,097	40,203	40,272	40,228	40,070	40,281	480,804
Ancillary Costs	2,912	3,051	3,192	3,332	3,430	3,528	3,669	3,766	3,864	4,004	4,102	4,200	43,050
Utilities	37,954	37,807	36,735	35,104	34,124	35,073	35,195	33,594	33,492	37,085	36,724	36,912	429,799
Insurance & Other	21,126	21,157	21,237	21,286	21,401	21,415	21,584	21,640	21,734	21,777	21,697	21,924	257,978
Bad Debts													
Management Fees	24,012	25,466	26,616	28,155	29,092	30,144	31,302	32,545	33,543	34,807	36,196	36,771	368,649
Total Operating Expenses	559,499	567,198	564,764	582,831	579,474	599,159	620,164	603,957	625,691	620,086	637,300	642,743	7,202,866
Operating Margin	40,791	69,462	100,634	121,040	147,823	154,452	162,385	209,669	212,891	250,086	267,597	276,534	2,013,364
Fixed Expenses													
Leases													
Depreciation	203,296	203,296	203,296	203,296	203,296	203,296	203,296	203,296	203,296	203,296	203,296	203,296	2,439,552
Amortization													
Interest Expense	150,893	150,893	150,893	150,893	150,893	150,893	150,893	146,518	146,518	146,518	146,518	146,518	1,788,841
Swap Payments/Receipts													
Other Financing Fees													
Total Fixed Expenses	354,189	354,189	354,189	354,189	354,189	354,189	354,189	349,814	349,814	349,814	349,814	349,814	4,228,393
Net Operating Income	(313,398)	(284,727)	(253,555)	(233,149)	(206,366)	(199,737)	(191,804)	(140,145)	(136,923)	(99,728)	(82,217)	(73,280)	(2,215,029)
Nonoperating:													
Other Non-Operating													
Total Nonoperating													
NET INCOME	(313,398)	(284,727)	(253,555)	(233,149)	(206,366)	(199,737)	(191,804)	(140,145)	(136,923)	(99,728)	(82,217)	(73,280)	(2,215,029)
Units Available	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	
Units Occupied	75.0	79.0	82.5	86.5	89.5	92.5	96.5	99.5	102.5	106.5	109.5	112.5	
Percent Occupancy	60.5%	63.7%	66.5%	69.8%	72.2%	74.6%	77.8%	80.2%	82.7%	85.9%	88.3%	90.7%	

PHCD The Trousdale
Profit & Loss - Trend
December 2018 through March 2019

	Dec 18	Jan 19	Feb 19	Mar 19	TOTAL
Ordinary Income/Expense					
Income					
5393000 · The Trousdale-Operating Revenue					
593001 · Routine Revenues	6,685.51	153,996.84	374,889.00	434,144.00	969,715.35
593002 · Ancillary Revenue	0.00	1,442.16	256.00	438.00	2,136.16
593003 · Other Operating Revenues	30,000.00	175,000.00	101,227.00	27,852.00	334,079.00
Total 5393000 · The Trousdale-Operating Revenue	<u>36,685.51</u>	<u>330,439.00</u>	<u>476,372.00</u>	<u>462,434.00</u>	<u>1,305,930.51</u>
Total Income	<u>36,685.51</u>	<u>330,439.00</u>	<u>476,372.00</u>	<u>462,434.00</u>	<u>1,305,930.51</u>
Gross Profit	36,685.51	330,439.00	476,372.00	462,434.00	1,305,930.51
Expense					
8613000 · The Trousdale-Operating Expense					
8613001 · Salaries	43,377.31	244,874.00	284,795.00	331,779.00	904,825.31
8613002 · Employee Benefits	15,330.25	79,129.00	93,400.61	102,703.00	290,562.86
8613004 · Professional Fees	0.00	0.00	6,063.00	0.00	6,063.00
8613005 · Supplies	6,644.16	41,039.00	62,904.00	50,546.00	161,133.16
8613006 · Purchased Services	5,622.49	37,717.00	40,137.00	49,713.00	133,189.49
8613007 · Ancillary Costs	0.00	0.00	322.00	362.00	684.00
8613008 · Utilities	2,307.86	25,270.00	29,715.00	6,223.00	63,515.86
8613009 · Insurance & Other	3,347.51	14,731.00	32,942.95	16,178.25	67,199.71
8613011 · Management Fees	967.74	13,218.00	18,853.14	18,580.52	51,619.40
8613099 · Miscellaneous	0.00	0.00	0.00	0.00	0.00
Total 8613000 · The Trousdale-Operating Expense	<u>77,597.32</u>	<u>455,978.00</u>	<u>569,132.70</u>	<u>576,084.77</u>	<u>1,678,792.79</u>
Total Expense	<u>77,597.32</u>	<u>455,978.00</u>	<u>569,132.70</u>	<u>576,084.77</u>	<u>1,678,792.79</u>
Net Ordinary Income	<u>(40,911.81)</u>	<u>(125,539.00)</u>	<u>(92,760.70)</u>	<u>(113,650.77)</u>	<u>(372,862.28)</u>
Other Income/Expense					
Other Expense					
8813000 · The Trousdale-Int/Dep/Amort Exp					
8813001 · Depreciation Expense	39,658.00	204,984.10	204,984.10	207,508.76	657,134.96
8813003 · Interest Expense	29,860.26	154,281.05	154,281.05	154,281.05	492,703.41
Total 8813000 · The Trousdale-Int/Dep/Amort Exp	<u>69,518.26</u>	<u>359,265.15</u>	<u>359,265.15</u>	<u>361,789.81</u>	<u>1,149,838.37</u>
Total Other Expense	<u>69,518.26</u>	<u>359,265.15</u>	<u>359,265.15</u>	<u>361,789.81</u>	<u>1,149,838.37</u>
Net Other Income	<u>(69,518.26)</u>	<u>(359,265.15)</u>	<u>(359,265.15)</u>	<u>(361,789.81)</u>	<u>(1,149,838.37)</u>
Net Income	<u>(110,430.07)</u>	<u>(484,804.15)</u>	<u>(452,025.85)</u>	<u>(475,440.58)</u>	<u>(1,522,700.65)</u>

PHCD - The Trousdale
Balance Sheet
 As of March 31, 2019

Assisted Living Project

ASSETS

Current Assets

Checking/Savings

1014000 · The Trousdale

1011401 · Trousdale Checking #3738 126,089

1014001 · Trousdale/Eskaton Checking 343,809

Total 1014000 · The Trousdale 469,898

Total Checking/Savings 469,898

Accounts Receivable

1150100 · Rent Receivable

1150105 · Tenant Receivable - Trousdale 48,902

Total 1150100 · Rent Receivable 48,902

Total Accounts Receivable 48,902

Other Current Assets

1150200 · Accounts Receivable - Other 2,776

1153000 · AdvanceTo/From General Fund (26,375,675)

1160000 · Prepaid Expenses

1160301 · Prepaid The Trousdale 105,516

Total 1160000 · Prepaid Expenses 105,516

Total Other Current Assets (26,267,383)

Total Current Assets (25,748,583)

Fixed Assets

1220000 · The Trousdale.

1160200 · Trousdale CIP Paid by PHCD 70,693,320

1160211 · Trousdale CIP Paid by Eskaton 2,239

1160204 · Trousdale Land 10,711

1160203 · Trousdale Pre Opening Costs 2,505,662

1160207 · Trousdale Equipment 233,496

1160206 · Trousdale Tenant Deposits (67,500)

1160220 · 1600 Costs - Other Prior Years 112,738

Total 1220000 · The Trousdale. 73,490,666

1220005 · The Trousdale- Accum Depreciati (657,135)

Total Fixed Assets 72,833,531

TOTAL ASSETS 47,084,948

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000000 · Accounts Payable 556,378

Total Accounts Payable 556,378

Other Current Liabilities

2100656 · TheTrousdales - Accrued Payable 15,251

2100655 · The Trousdale-Payroll/Benefits 250,798

2100650 · The Trousdale-Prepaid Rent 41,659

2200600 · Accrued Interest Project Loan 308,562

PHCD - The Trousdale
Balance Sheet
As of March 31, 2019

	Assisted Living Project
Total Other Current Liabilities	<u>616,270</u>
Total Current Liabilities	1,172,648
Long Term Liabilities	
240100 · NP Western Alliance	
240010 · NP - Western Alliance Bank	37,435,000
240011 · NP Western Alliance 2017	10,000,000
Total 240100 · NP Western Alliance	<u>47,435,000</u>
Total Long Term Liabilities	<u>47,435,000</u>
Total Liabilities	48,607,648
Equity	
32000 · Retained Earnings	0
Net Income	<u>(1,522,701)</u>
Total Equity	<u>(1,522,701)</u>
TOTAL LIABILITIES & EQUITY	<u><u>47,084,947</u></u>

