

**Peninsula Health Care District  
Operating Budget 2022 - 2023  
Board Approved May 26, 2022**

|  | BUDGET FY 22-23    |                                 |                            |   |                                 |                        | FY 21-22                     |                     |
|--|--------------------|---------------------------------|----------------------------|---|---------------------------------|------------------------|------------------------------|---------------------|
|  | PHCD               | The Trousdale<br>AL/MC Facility | Health & Fitness<br>Center | allcove Teen<br>Mental Health<br>Center | Sonrisas<br>(Component<br>Unit) | Consolidated<br>Budget | Projected Actual<br>FY 21-22 | Budget<br>FY 21-22  |
| <b>Ordinary Income/Expense</b>               |                    |                                 |                            |   |                                 |                        |                              |                     |
| <b>Income</b>                                |                    |                                 |                            |   |                                 |                        |                              |                     |
| San Mateo County Tax                         | 7,800,000          |                                 |                            |   |                                 | 7,800,000              | 7,603,265                    | 7,500,000           |
| Lease Income                                 | 2,366,785          |                                 |                            |   |                                 | 2,366,785              | 2,394,965                    | 2,348,437           |
| Investment Income                            | (447,653)          | 14,105                          |                            |   |                                 | (433,549)              | (767,803)                    | 202,627             |
| Miscellaneous Income                         | 367,716            |                                 |                            |   |                                 | 367,716                | 1,529,928                    | 371,316             |
| Program Operating Income                     |                    | 12,011,960                      | 134,650                    | 587,323                                 | 4,218,556                       | 16,952,489             | 15,674,797                   | 15,720,652          |
| <b>Total Income</b>                          | <b>10,086,848</b>  | <b>12,026,065</b>               | <b>134,650</b>             | <b>587,323</b>                          | <b>4,218,556</b>                | <b>27,053,441</b>      | <b>26,435,152</b>            | <b>26,143,031</b>   |
| <b>Expense</b>                               |                    |                                 |                            |   |                                 |                        |                              |                     |
| Community Health Investment                  | (3,922,176)        | 0                               | 0                          | 0                                       |                                 | (3,922,176)            | (3,913,751)                  | (3,770,752)         |
| Administrative & Overhead                    | (2,217,333)        |                                 |                            |   |                                 | (2,217,333)            | (1,427,325)                  | (1,874,736)         |
| Program Operating Expense                    |                    | (9,076,255)                     | (361,220)                  | (2,018,026)                             | (4,848,638)                     | (16,304,139)           | (12,677,347)                 | (14,039,982)        |
| <b>Total Expense</b>                         | <b>(6,139,509)</b> | <b>(9,076,255)</b>              | <b>(361,220)</b>           | <b>(2,018,026)</b>                      | <b>(4,848,638)</b>              | <b>(22,443,648)</b>    | <b>(18,018,422)</b>          | <b>(19,685,469)</b> |
| <b>Interest/Depreciation Expense</b>         |                    |                                 |                            |   |                                 |                        |                              |                     |
| Interest Expense                             |                    | (1,622,150)                     | 0                          |   |                                 | (1,622,150)            | (1,679,923)                  | (1,679,923)         |
| Depreciation                                 | (180,650)          | (2,568,217)                     | (13,430)                   | (107,000)                               | (319,310)                       | (3,188,606)            | (2,738,278)                  | (3,157,965)         |
| <b>Total Interest/Depreciation Expense</b>   | <b>(180,650)</b>   | <b>(4,190,367)</b>              | <b>(13,430)</b>            | <b>(107,000)</b>                        | <b>(319,310)</b>                | <b>(4,810,757)</b>     | <b>(4,418,201)</b>           | <b>(4,837,887)</b>  |
| <b>Net Income</b>                            | <b>3,766,689</b>   | <b>(1,240,557)</b>              | <b>(240,000)</b>           | <b>(1,537,704)</b>                      | <b>(949,392)</b>                | <b>(200,964)</b>       | <b>3,998,529</b>             | <b>1,619,675</b>    |
| PHCD Program Support (Internal Transfer)*    | (3,222,774)        | 240,000                         | 247,070                    | 1,835,704                               | 900,000                         | 0                      | 0                            | 0                   |
| <b>Net Income after PHCD Program Support</b> | <b>543,916</b>     | <b>(1,000,557)</b>              | <b>7,070</b>               | <b>298,000</b>                          | <b>(49,392)</b>                 | <b>(200,964)</b>       | <b>3,998,529</b>             | <b>1,619,675</b>    |
| <b>Cashflow - Cash Adjusting Items</b>       |                    |                                 |                            |   |                                 |                        |                              |                     |
| WAB Loan Principal Payments                  |                    | (1,545,000)                     |                            |   |                                 | (1,545,000)            | (1,490,000)                  | (1,490,000)         |
| Capital Expenditure                          | (12,500)           | (55,000)                        | (20,500)                   | (405,000)                               | (238,380)                       | (731,380)              | (419,478)                    | (1,025,365)         |
| Depreciation                                 | 180,650            | 2,568,217                       | 13,430                     | 107,000                                 | 319,310                         | 3,188,606              | 2,738,278                    | 3,157,965           |
| <b>Net Contribution(Draw) to Reserves</b>    | <b>712,065</b>     | <b>(32,340)</b>                 | <b>0</b>                   | <b>0</b>                                | <b>31,538</b>                   | <b>711,263</b>         | <b>4,827,329</b>             | <b>2,262,274</b>    |

\* PHCD Program Support is part of the Community Health Investment Budget

| Financial Ratios                        | PHCD Ratios ** | FY 22-23 Budget |   |
|---|----------------|-----------------|---|
| EBIDA Margin                            | 10%            | 17%             | 👍 |
| Excess Margin <sup>1</sup>              | 5%             | -1%             | 👎 |
| Days Cash on Hand                       | 500            | 568             | 👍 |
| Debt Service Coverage <sup>2</sup>      | 1.6            | 1.46            | 👎 |
| Debt Burden <sup>3</sup>                | 8%             | 12%             | 👎 |
| Unrestricted Reserves/Debt <sup>4</sup> | 150%           | 91%             | 👎 |
| Debt to Capitalization                  | 40%            | 35%             | 👍 |

\*\* PHCD Ratios were determined from a combination of hospital and assisted living facility averages. The District is a hybrid model and does not fit exactly into one mold. Therefore the ratios should be evaluated as a whole and used as a guide or reference.

1 Excess Margin is lower than the PHCD Ratios due to allcove startup

2 Budget Ratio is below PHCD Ratio due to allcove startup. Debt Service requires 1.2 coverage

3 Debt Burden is the cost of servicing debt. To reduce the ratio, PHCD will either need to increase revenue or decrease debt.

4 Unrestricted Reserves/Debt - PHCD Ratio of 150% means having 1.5X in excess cash of the debt amount. Currently, PHCD is at 91%.