



BOARD FINANCE COMMITTEE

Tuesday, March 12, 2024

4:00 pm – 5:30 pm

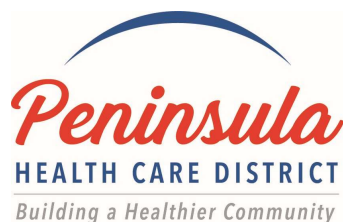
In-person: 1819 Trousdale Dr., Burlingame, CA 94010

Members of the Public may Join Virtually: <https://us02web.zoom.us/j/89985653306>

Meeting ID: 899 8565 3306 - By Phone: +1 253 215 8782; +1 267 831 0333

A G E N D A

1. **Call to Order & Roll Call**
2. **Approval of Minutes:** p.1
 - November 14, 2023 Minutes
3. **Committee Charge and Policy Annual Review – CFO Yee:**
 - Finance Committee Charge and Members p.4
 - Statement of Investment Policy p.5
 - Internal Control Policy – **(Hold until External Review)**
Q&A
Action, if any
4. **PHCD Health & Fitness Center - Performance & Goals – Richard Bergstrom,** p.13
Fitness Center Director
5. **Q2 Consolidated Financials – CFO Yee** p.21
 - Q&A
 - **Action, if any**
6. **Future agenda items:**
 - FY 24-25 Draft Budget
 - a. The Trousdale Presentation
 - b. allcove Presentation
 - Suggestions?
7. **Adjournment**



FINANCE COMMITTEE MEETING

Minutes

November 20, 2023

1. **Call to Order:** Meeting was called to order by **Director Sanchez** at 4:00 pm.
2. **Roll Call:** Present: Director Sanchez, Member Seto, Member Sun, Member Revelo, CEO Pulido, CFO Yee.
Absent: Chair Zell.
3. **Approval of Minutes** from July 11, 2023
It was moved by Member Sun and seconded by Member Revelo to approve the Minutes from November 20, 2023. The motion passed 6/0/0/1. Ayes: Director Sanchez, Member Sun, Member Seto, Member Revelo, CEO Pulido, CFO Yee. Absent: Chair Zell
4. **Draft Audited Financials – FY 22-23:**

CFO Yee provided a brief summary of the draft audited financials for FY 22-23. The District received a clean audit free of material misstatements. This audit was the second year with the same auditor. The audit went smoothly. There was one reclass between short and long-term portions related to GASB 87 leases and one adjustment for the pension provided annually by the auditor. The footnotes are the same as last year except for the addition of the District's partnership with Ability Path to utilize the San Mateo Homes for mentally challenged adults. There were no questions or concerns from the auditor. **CFO Yee** also noted a few key items -

- The most significant transaction with a considerable impact on the balance sheet is the purchase of the Ability Path Building at 1764 Marco Polo Way. The purchase price was \$15M with a 2-year lease back. Cash paid was \$13.5M, and \$1.5M was recorded as prepaid rent for two years. This transaction decreased the investment portfolio, increased capital assets, and increased unearned revenues.
- Accounts Payables and Accrued Expenses are higher due to allcove tenant improvements payables and impact partnership grants that have not been released.
- Current cash and investments are \$34.6M, and the current debt balance is \$41.6M.
- Assisted Living/Memory Care resident revenue increased from last year due to an increase in occupancy from 76.6% to 86.3%
- Other operating revenues include a CSDA Covid relief grant in 2022 but not in 2023.
- Salaries are higher than last year, mainly from The Trousdale, due to a mid-year Board approval to increase some salaries to market rate to be competitive and additional increases due to a wage scale adjustment. Staffing also increased due to higher occupancy at the facility. In addition, Sonrisas added a dental chair, increasing staffing. The salary increase also includes annual performance increases for all staff. The breakdown is The Trousdale \$825K, Sonrisas \$365K, and District & Fitness \$134K.

- Employee benefits increased by \$678K due to pension adjustments for both years. There was a credit of \$986K for last year and an increase in expense of \$760K for this year, creating a big gap between years. In general, the cost of benefits increased in addition to adding staff.
- Professional fees and registry increased mainly from increased registry use at The Trousdale. Staffing continues to be challenging, primarily in hiring care workers because they would rather work for a registry than a permanent position because there is less work. Sonrisas also hired additional help for HR and FQHC. Allcove incurred consultant expenses to launch the program.
- Lease expense increased due to 1 full year of allcove rent
- Grants and contributions increased due to the \$340K received from the State for allcove.

In general, there was an increase in expenses from coming out of the pandemic and back to normal operations with increased inflation costs. There was a robust discussion by the Committee.

Q&A -

- *Were there any findings?* There were no findings or recommendations, and it was a clean audit.
- *Is the pension expense adjustment paid out? Is this an additional expense for the District?* No, the adjustment is measured according to the District's proportionate share of net pension liability. It is based on the long-term share of contributions to the pension plans relative to the projected contributions from all participating employers and actuarial reports. Funds will be contributed in the future.
- *How is the market rate adjusted? Do you adjust for unrealized loss for the 1764 Marco Polo Way Building if there is a decrease in the market?* No, the building will depreciate over 30 years and recognize a gain or loss when sold.

It was moved by Member Seto and seconded by Member Sun to approve the audited financials as presented. The motion passed 6/0/0/1. Ayes: Director Sanchez, Member Seto, Member Sun, Member Revelo, CEO Pulido, CFO Yee. Absent: Chair Zell

5. Q1 Consolidated Financials – FY 23-24:

CFO Yee gave an overview of the Q1 FY 23-24 financial performance. Overall revenues and expenses are ahead of budget. Below are a few highlights and items to note.

- The District budget is on track. Investments are ahead of budget by \$23K. Leasing income is lower than budget due to a vacancy at 1740 Marco Polo Way, but expenses are also lower.
- allcove is set for a soft opening in early January. There are expenses related to the opening, but overall savings are due to the delay initially set for the summer of 2023.
- Health and Fitness Center – Director Marheineke resigned on 9/1/23, and the new Director, Richard Bergstrom, started on 12/1/23. There are 194 members, and 42 are on the insurance programs. Of the 42 members, 8 are new, and 34 have switched from a regular membership. The insured members are lower than projected due to the delay in implementing the program and a change in Director.
- The Trousdale is ahead in occupancy at 87% or 107 residents. However, staffing continues to be challenging and has incurred significant expense in registry costs to fill in care workers. There is a shortage of care workers nationwide.
- Sonrisas had 3,596 visits in the first quarter but was below budget by 428 due to staffing challenges. While visits are under budget by 11%, total direct care expenses are under by 13%. Fundraising efforts remain strong, with a net positive budget variance of \$42K. YTD PHCD funding is \$259,800. The net income is \$162K, which is better than the budget.

The Committee reviewed the Q1 financials in detail and had a robust discussion.

6. Consideration to Cancel January 2024 Meeting:

CFO Yee asked the Committee to consider canceling the January 2024 meeting due to the lack of agenda items.

It was moved by Member Revelo and seconded by Member Seto to cancel the January 2024 meeting. The motion passed 6/0/0/1. Ayes: Director Sanchez, Member Seto, Member Sun, Member Revelo, CEO Pulido, CFO Yee. Absent: Chair Zell.

7. Future agenda

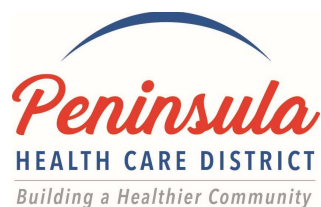
- Annual Committee Charge and Policy Review
- 2nd Qtr Consolidated Financials

Adjournment: Director Sanchez Adjourned the meeting at 4:55 pm.

Written by Vickie Yee, CFO

Approved by:

Dennis Zell, Chair



BOARD OF DIRECTORS
FINANCE COMMITTEE
2023-2024

Purpose:

To provide oversight of all Financial activities of the Board and report regularly to the Board on compliance with the Board’s Long Term Financial and Investment Policies, performance of investment managers’ and administration of the District’s governmental and entrepreneurial activities.

Functions of this committee include:

- Reviewing quarterly financials
- Monitoring performance against target financial ratios
- Monitoring the performance of investment and banking managers
- Overseeing the development of the annual budget
- Selecting the auditor and guiding the annual audit process
- Determining the allocation of investment deposits
- Conducting periodic reviews of the District’s Financial Policies:
 - Internal Control Policy
 - Strategic Financial Policy
 - Statement of Investment Policy
- Monitoring Sutter Health’s compliance with Master Agreement Terms
- Monitoring compliance with Western Alliance Bank construction loan covenants
- Monitoring performance of Eskaton Management Services agreements

Membership:

The Committee will be comprised of two representatives of the District Board of Directors, the District’s CEO and CFO, and three - five members from the community at large who will bring financial management expertise and experience to the work of the Committee and support the sound stewardship of the Board. Community members will be appointed for 3-year terms. Terms will be staggered to achieve continuity as well as “fresh eyes” to the District. Members can be reappointed for a second 3-year term.

Members and Terms:

	Terms
➤ Director Dennis Zell, Chair	
➤ Director Henry Sanchez	
➤ Member Paul Seto	2/2022 - 2/2025
➤ Member Kristin Sun	2/2022 - 2/2025
➤ Member Don Revelo	3/2023 – 3/2026

Meetings will be held every other month.



Board Policy
Statement of Investment Policy

Revised: TBD 2020
Reviewed: January 26, 2017, March 22, 2018, November 14, 2019
Updated and Approved May 28, 2020

SUMMARY
INVESTMENT POLICY STATEMENT
Peninsula Health Care District

<u>Portfolio Account Detail:</u>	Peninsula Health Care District (PHCD)
<u>Investment Objective:</u>	While there is no specific target for income or total return the portfolio should be managed with the objective of outperforming comparable liquidity management strategies such as money market funds or short-term U.S. Treasuries. The fundamental objective is to provide a portfolio return that preserves the purchasing power of PHCD's assets while maintaining a high level of liquidity and safety allowing PHCD to fulfill its' mission of service to the community.
<u>Withdrawal Requirements:</u>	PHCD may periodically withdraw from the portfolio to support the operations and strategic goals of the District, but there are no planned regular withdrawals at this time.
<u>Time Horizon:</u>	While PHCD's time horizon as an institution is long term there can be instances when portfolio assets are required on a short-term basis in the course of operations. As such, all securities purchased in the portfolio will be characterized as "highly liquid" with 30% of the portfolio available within 48 business hours under normal trading conditions.
<u>Risk Tolerance:</u>	Conservative
<u>Target Return:</u>	Over the long-term, exceed the portfolio benchmark, net of fees with similar risk.
<u>Evaluation Benchmark:</u>	Bloomberg Barclays US Treasury 1-3 Year Index

Purpose:

This Investment Policy Statement (IPS) establishes investment objectives, policies, guidelines and eligible securities related to the management of all assets held by the Peninsula Health Care District (“PCHD”) and/or any of our subsidiary corporations, primarily for investment purposes. The purpose of this Statement is to ensure that surplus funds are invested by the District in accordance with statutory guidelines and a prudent balance between fund preservation, liquidity, and return on investment. As a Health Care District, investment options are governed by the State of California as set forth in the Government Code chapters on “Investment of Surplus” (Section 53600, et.seq.) and “Deposit of Funds” (Sections 53630, et.seq.). This Statement also provides guidance for assignment of responsibilities, on-going evaluation, reporting and unique circumstances or constraints. The IPS serves as the foundation of PHCD’s investment goals and priorities.

In doing so this policy will:

- clarify the delegation of duties and responsibilities concerning the management of institutional funds.
- identifies the criteria against which the investment performance of the organization’s investments will be measured.
- communicates the objectives to the Board, staff, investment managers, brokers, constituents and funding sources that may have involvement.
- confirms policies and procedures relative to the expenditure of institutional funds.
- serves as a review document to guide the ongoing oversight of the management of the organizations’ investments.

1) Delegation of Responsibilities

The Board of Directors has a direct oversight role regarding all decisions that impact PHCD's institutional funds. The Board has delegated supervisory responsibility for the management of PCHD's institutional funds to the Finance Committee. Specific responsibilities of the various bodies and individuals responsible for the management of our institutional funds are set forth below:

a) Responsibilities of the Board of Directors:

The Board shall ensure that its fiduciary responsibilities concerning the proper management of PHCD's institutional funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the Finance Committee, the Board shall:

Revised: TBD 2020

Reviewed: January 26, 2017, March 22, 2018, November 14, 2019

Updated and Approved May 28, 2020

- approve investment policies and objectives that reflect the long-term investment-risk orientation of the portfolio.
- approve the Committee's charge.

b) Responsibilities of the Finance Committee

Members of the Finance Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to investment assets. In consideration of the foregoing, the Finance Committee is responsible for the development, recommendation, implementation and maintenance of all policies relative to PCHD's investment funds and shall:

- develop and/or propose policy recommendations to the Board with regard to the management of all institutional funds.
- recommend long-term and short-term investment policies and objectives for our institutional funds, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- determine that institutional funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
- monitor and evaluate the performance of all those responsible for the management of institutional funds.
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
- receive and review reports from management, investment consultants and/or other outside professionals, if any.
- periodically meet with management, investment consultants and/or other outside professional management, investment consultants and/or other outside professionals.
- convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of institutional funds.
- select, appoint and remove members of the Finance Committee.

2) Investment Management

- a) The Treasurer of the Board of Directors shall be in charge of oversight of the District's surplus funds and their investment and shall advise the Board on investment options and investment policy. The Treasurer shall have such other responsibilities that may be set forth in the District Bylaws or from time to time assigned by the Board of Directors. The Board of Directors is ultimately responsible for the disposition of the District's funds. The Board may at any time appoint one or

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more investment managers to advise on Board fund investment issues. The Board of Directors may, if it chooses, delegate discretion and authority to the Treasurer, the District CEO, or a professional investment manager(s) over surplus funds, subject to the limitations on such delegation and investment restrictions established by State Law, this Policy, or from time to time by the Board of Directors. Based on budget or other spending needs of the District, the CEO, subject to Board Treasurer approval, is authorized to shift surplus funds in operational bank accounts to District surplus fund investment vehicles approved by the Board, or to shift liquid investment funds into operations spending accounts to cover budgeted or otherwise approved expenditures of the District. If such shift of funds occurs it shall be reported to the Board at its next meeting.

3) Investment Guidelines

- a) Investment of funds on behalf of the District shall conform to the Prudent Investor Standard as set forth in Government Code Section 53600.3, which includes proceeding in a manner “a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”
- b) **Eligible Securities** - Investment vehicles authorized and described in Gov’t Code chapters on “Investment of Surplus” (Sections 53600, et seq.) and “Deposit of Funds” (Section 5360, et seq.) including U.S. Treasury instruments, certain Bank obligations, “prime” commercial paper and bills of exchange, bank certificates of deposit, money market funds, bonds and notes, shall be limited in the manner described therein. The District is specifically authorized to place funds in the Local Agency Investment Fund established by the State of California (Government Code Section 16429.1) and with the San Mateo County Pooled Investment Fund (Government code Section 53684). For a detailed list of eligible securities, see Appendix A.
- c) **Real Property** - Pursuant to Health and Safety Code Section 32121(c) the Board of Directors may also invest in certain real property for the benefit of the District. Any real estate acquisition or arrangement with private organizations should have an existing or potential health-related purpose. A health-related purpose shall include purchasing property (a) with the intention of leasing it back to an entity that agrees to provided needed health services to people within the District; (b) with the intention of entering into a joint venture with an entity that will provide needed health services within the District; (c) that will enhance the value or desirability of existing District projects; or (d) that will be open to the general public for exercise or rehabilitation. Real property that is zoned for health services and is easily accessible by public transportation is most desirable. The Board directs the CEO and Board Treasurer to actively pursue real estate opportunities and present them to

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the full Board for consideration of acquisition. The Board may invest such money not required for the immediate needs of the agency in such portions as it deems wise or expedient. (Gov't Code Section 53601). In deciding whether to make an investment the Board shall consider three primary objectives: (1) safeguarding the principal, (2) meeting the liquidity needs of the District and (3) achieving a return. (Gov't Code Section 53600.5). At the first public meeting at which the acquisition of any real estate is publicly announced by the Board, the Board shall also announce the purpose of the acquisition, and record the purpose in the official minutes. If the original purpose becomes frustrated, the Board shall either publicly announce a new purpose and record the same in the official minutes, sell the real estate, or hold the real estate until market conditions improve to a specified level.

- d) **Investment Goals** – While there is no specific target for income or total return the portfolio should be managed with the objective of outperforming comparable liquidity management strategies such as money market funds or short-term U.S. Treasuries. The fundamental objective is to provide a portfolio return that preserves the purchasing power of PHCD's assets while maintaining a high level of liquidity and safety allowing PHCD to fulfill its' mission of service to the community.
- e) **Liquidity Requirements** – The PCHD investment portfolio will be characterized as “highly liquid” with 30% of the portfolio available within 48 business hours under normal trading conditions.
- f) **Hedging and Margin** – Neither hedging in any form nor borrowing against (margin loan) PCHD's investment portfolio will be permitted.

4) Legislative Changes

The statutory references within this Policy shall be deemed to incorporate any legislative changes to the codes subsequent to adoption of this Policy and shall further be deemed to incorporate any successor statutes that subsequently replace the referenced statutes or statutory schemes.

5) Controls and Monitoring

The PHCD Finance Committee will review the investment performance of the individual managers with respect to the risk and return objectives established for PCHD. The review may include topics such as the overall business management, organizational changes and other relevant factors.

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a) **Regular Reviews:**

- i) Monthly: PCHD's investment manager(s) is/are responsible for providing PHCD with timely reporting including performance, portfolio market values, income received and portfolio holdings.
- ii) Quarterly: At the request of PHCD's Finance Committee, Officers or Board, the investment manager(s) will provide an investment update to discuss market conditions, investment outlook, and portfolio and performance review.
- iii) Ad Hoc Meetings: PHCD's Finance Committee, Officers or Board can dictate changes to this reporting schedule, preferring less frequent updates if desired, or off-cycle meetings and calls if market or business conditions dictate.

b) **Watch List** – In the event that any manager is significantly underperforming over the long-term, the PCHD Finance Committee will maintain a higher level of oversight and may put the firm on watch.

c) The Board Treasurer shall annually provide the Board a copy of this Statement of Investment Policy for review at a public meeting. In addition, the Treasurer shall deliver a quarterly report to be submitted within 30 days following the end of the quarter covered by the report. This report shall cover information required by Government Code Section 53646, including type of investment, issuer, investments and moneys held, and shall additionally include a description of any of District funds under the management of contracted parties, and general investment fund compliance with this policy. For investments that have been placed in the Local Agency Investment Fund or in the County Investment Pool, or any combination of these, the Treasurer may supply to the Board and District Auditor the most recent statement or statements received from these institutions in lieu of the Treasurer's own report required by this policy.

6) Process for Hiring Outside Investment Managers

The PCHD Finance Committee may at any point in time deem it necessary to source new investment manager(s) for the PCHD portfolio. A formal Request for Proposal (RFP) will be prepared and circulated among known investment advisors. The RFP will include an explanation of PCHD's investment management requirements, a copy of the current IPS, brokerage statements and timeline for submission. The Finance Committee or an ad hoc committee formed by the Board of Directors, will be responsible for reviewing all RFP responses, interviewing the finalists, and selecting the new manager(s).

Revised: TBD 2020

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Updated and Approved May 28, 2020

Appendix A

	Maximum Remaining Maturity	Maximum Specified % Portfolio	Minimum Quality Requirements	Government Code Section
ds	5 years	None	None	53601(a)
tions	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSROH	53601(h)(2)(c)
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSROH	53601(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 daysL	20% of the base value of the portfolio	None	53601(j)
Medium-term NotesN	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)



PHCD Health & Fitness Center

Richard Bergstrom
FITNESS DIRECTOR

Status as of Feb 29, 2024

14

202

Members

1,234

Check-ins

10

Classes per
week

62

Members
using
insurance

152

Unique
clients

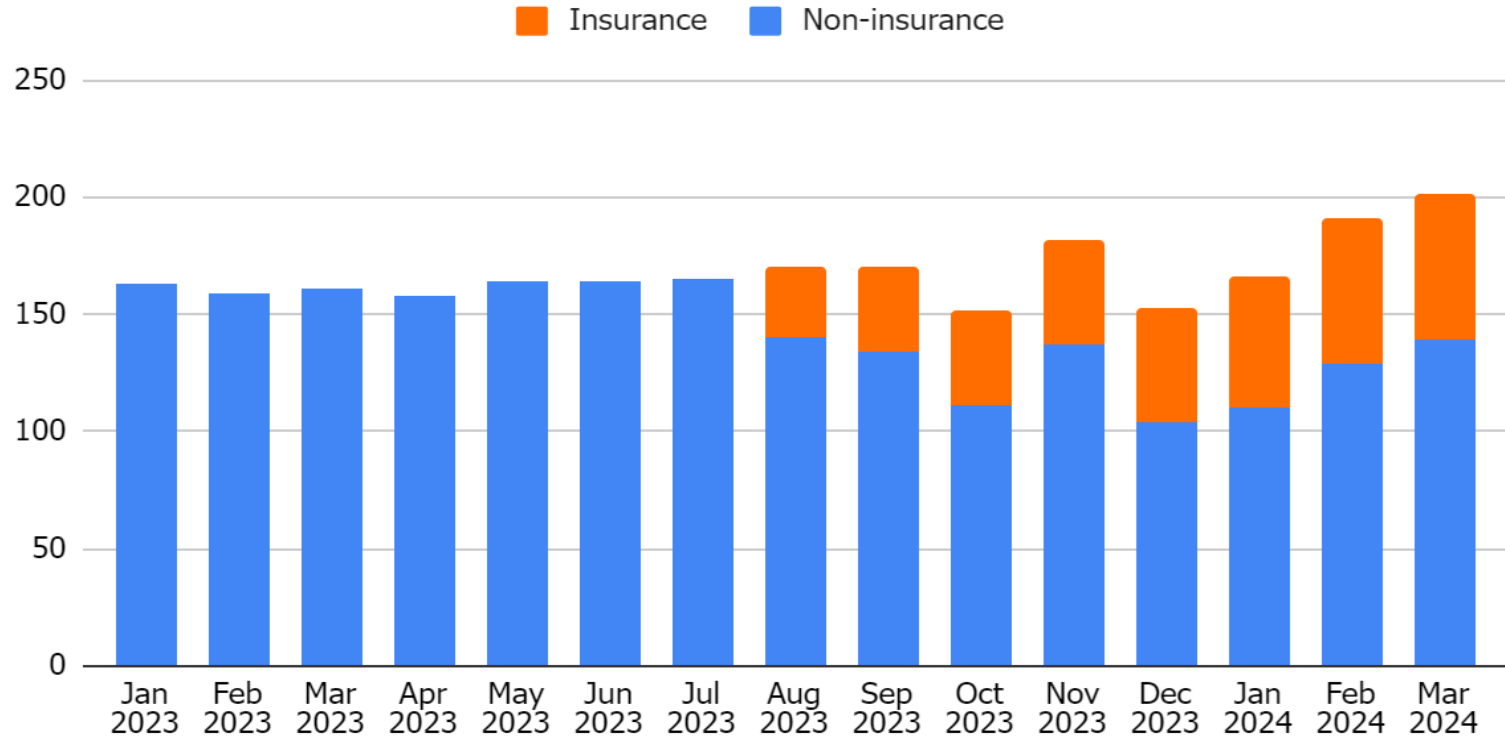
299

Class
attendance

Membership Growth

15

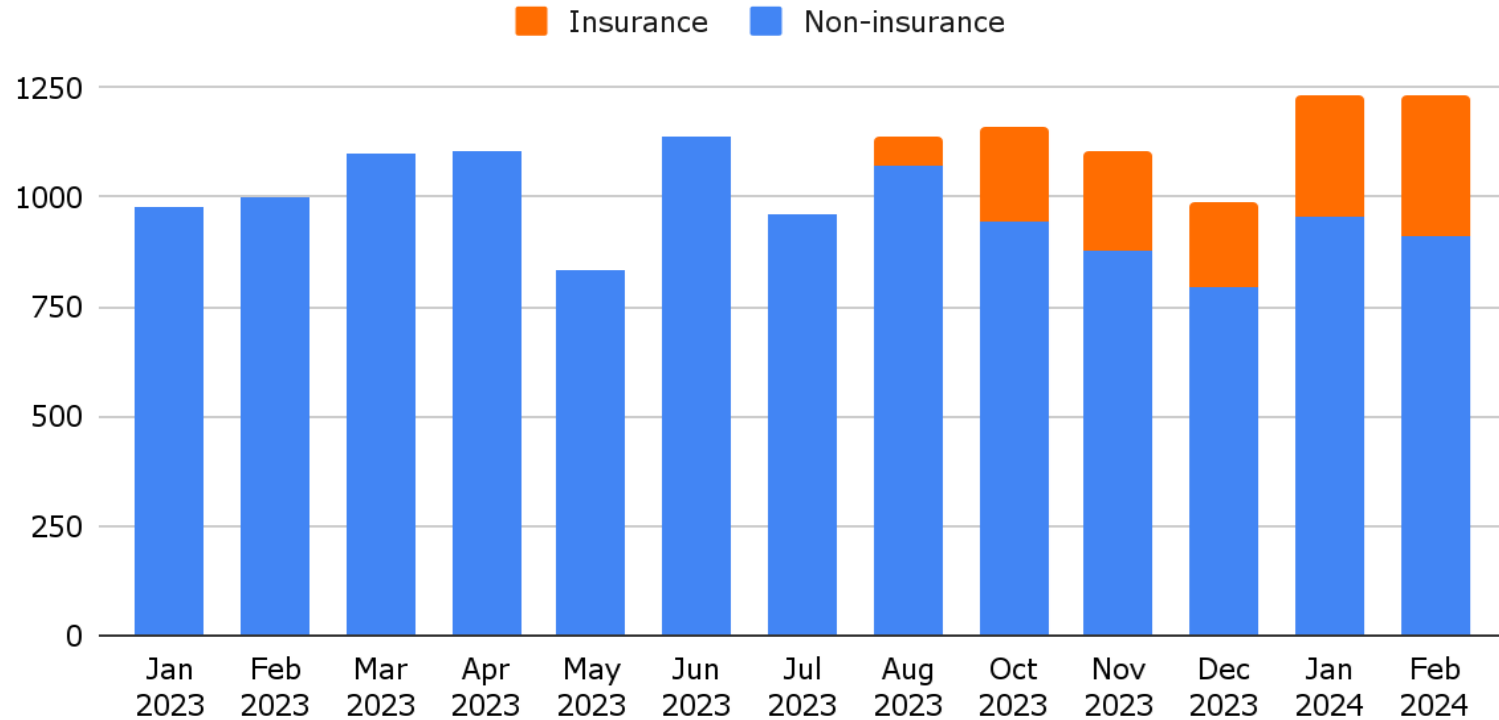
Non-insurance & Insurance Membership Count



Check-Ins

16

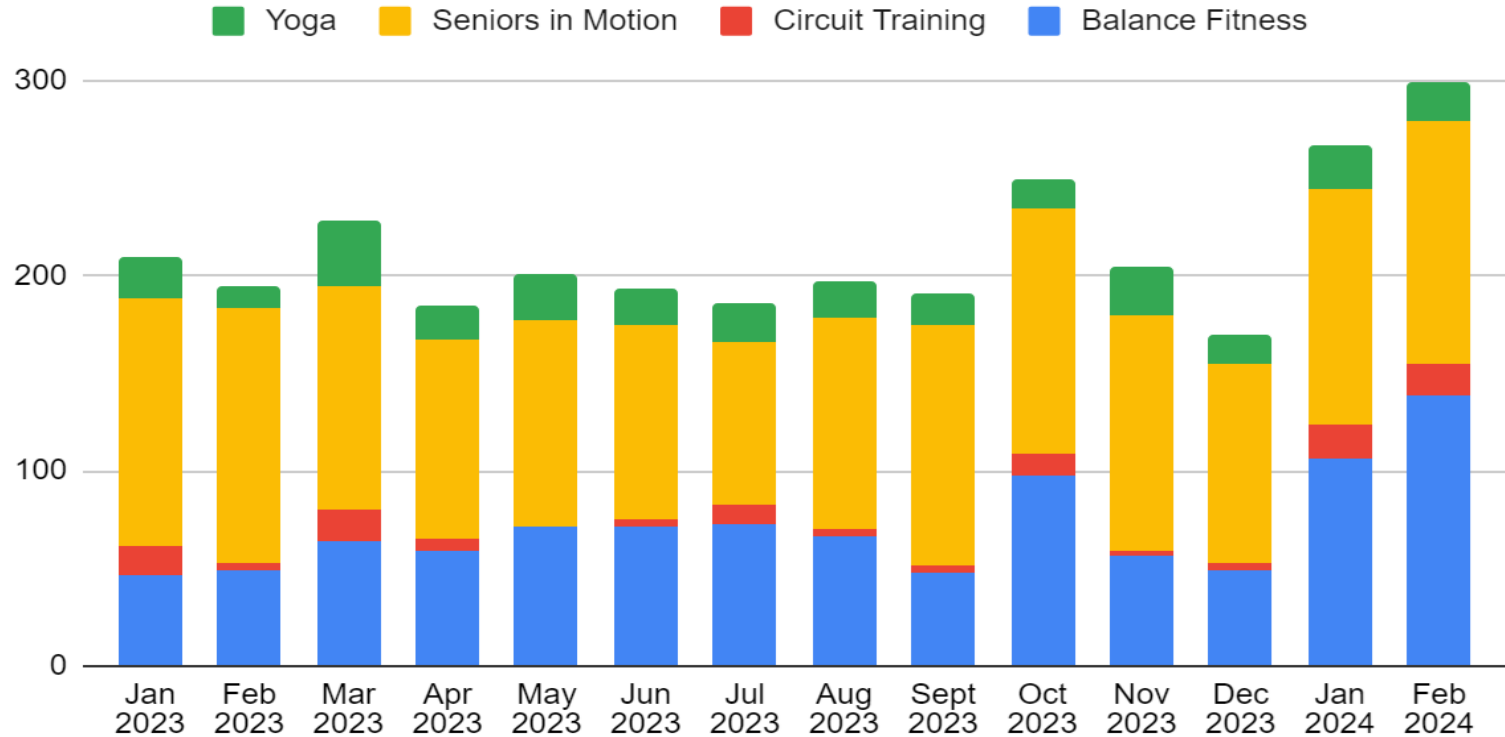
Non-insurance & Insurance Member Total Monthly Check Ins



Class Attendance

17

Total Monthly Class Attendance



How are we growing membership now?

What we already offer

- Unique classes targeted for our demographic
- Insurance program
- Guest passes for members
- Fitness challenges for members
- Complimentary assessments
- Personalized workouts
- Workshops
- Social events
- Educational seminars

How do we attract new members now?

19

- Insurance program
- Google maps/business
- Referrals from medical offices
- Word of mouth from friends and family of members
- Tabling events
- Social media

How can we grow more?

20

- Reach out to senior living communities
- Partner with medical offices
- Social media (NextDoor, Facebook, Instagram, etc.)
- Tabling events (Senior Showcase, Lunar New Year)
- Fall Prevention Coalition of San Mateo network
- Programs that meet the health needs of the community (i.e. Fall Prevention, Forever Fit)
- Leverage google business and yelp
- Family friendly events
- Workshops for the community
- Update the website
- Certified instructors
- Upgrade equipment

**Peninsula Health Care District
Statement of Revenues and Expenditures - Preliminary Draft, Consolidated
As of December 31, 2023**

	PHCD	allcove	Health and Fitness	The Trousdale	Sonrisas	Year To Date			Year Ending
	Year To Date 12/31/2023	Year To Date 12/31/2023	Year To Date 12/31/2023	Year To Date 12/31/2023	Year To Date 12/31/2023	12/31/2023			6/30/2024
	Actual	Actual	Actual	Actual	Actual	Actual	2023 2024 BUDGET	Budget Diff	2023 2024 BUDGET
Revenues over Expenditures									
Revenues									
Program Service Revenue									
Program Revenue	4,958,858	0	0	6,074,446	0	11,033,304	11,055,592	(22,288)	21,395,773
Revenue - Services	0	0	0	0	1,591,314	1,591,314	1,780,598	(189,284)	3,765,221
Total Program Service Revenue	4,958,858	0	0	6,074,446	1,591,314	12,624,618	12,836,190	(211,572)	25,160,994
Grant Revenues	0	0	0	0	511,800	511,800	662,134	(150,334)	1,324,263
Contributions									
Grants and Donations	0	0	0	0	421,396	421,396	310,000	111,396	735,000
Fundraising Events Revenue	0	0	0	0	163,845	163,845	130,000	33,845	130,000
Total Contributions	0	0	0	0	585,241	585,241	440,000	145,241	865,000
Membership Dues	0	0	63,250	0	0	63,250	57,341	5,909	128,530
Investment Income									
Investment Inc - LAIF	110,095	0	0	0	0	110,095	82,154	27,941	164,308
Investment Inc - SMC	60,856	0	0	0	0	60,856	45,560	15,296	91,121
Investment Inc - CNB	240,568	0	0	0	12,293	252,861	214,210	38,651	428,420
Investment Inc - FT	39,826	0	0	0	0	39,826	36,114	3,712	72,227
Investment Inc - Torrey	0	0	0	7,160	0	7,160	7,084	76	14,168
Investment Inc - US Bank	0	0	0	1,740	0	1,740	0	1,740	0
Investments - Unrealized G/L	203,898	0	0	0	17,198	221,096	0	221,096	0
Interest Income	3,991	0	148	2,198	1,246	7,583	702	6,881	1,404
Dividends	0	0	0	0	133	133	0	133	0
Interest Income - Leasing GASB 87	1,053,887	0	0	0	0	1,053,887	1,053,886	1	2,106,287
Total Investment Income	1,713,121	0	148	11,098	30,870	1,755,237	1,439,710	315,527	2,877,935
Rental Income									
Lease Income - Hospital	893,090	0	0	0	0	893,090	876,677	16,413	1,753,355
Lease Income - 1720 Marco Polo	73,194	0	0	0	0	73,194	78,054	(4,860)	136,109
Lease Income - 1740 Marco Polo	126,285	0	0	0	0	126,285	138,316	(12,031)	276,631
Lease Income - 111-113 16th St.	0	0	0	0	0	0	0	0	1
Lease Income - 1764 Marco Polo	375,000	0	0	0	0	375,000	375,000	0	750,000
Lease Income - Health & Fitness	0	0	1,639	0	0	1,639	1,545	94	3,090
Rental Value for Use of Facilities (rent-free)	202,458	0	0	0	0	202,458	205,458	(3,000)	410,916
Total Rental Income	1,670,027	0	1,639	0	0	1,671,666	1,675,050	(3,384)	3,330,102
Other Revenue									
Nursing Grant/Loan Repayments	900	0	0	0	0	900	900	0	1,800
Other Program Revenue	0	0	0	0	1,462	1,462	0	1,462	0
Other Income	0	0	0	0	32	32	0	32	0
Total Other Revenue	900	0	0	0	1,494	2,394	900	1,494	1,800
Total Revenues	8,342,906	0	65,037	6,085,544	2,720,719	17,214,206	17,111,325	102,881	33,688,624

Expenditures

	PHCD Year To Date 12/31/2023	allcove Year To Date 12/31/2023	Health and Fitness Year To Date 12/31/2023	The Trousdale Year To Date 12/31/2023	Sonrisas Year To Date 12/31/2023	Year To Date 12/31/2023			Year Ending 6/30/2024
	Actual	Actual	Actual	Actual	Actual	Actual	2023 2024 BUDGET	Budget Diff	2023 2024 BUDGET
Program Expenses									
Community Grants	0	0	0	0	0	0	1,183,000	1,183,000	1,183,000
Impact Partnership Grants	175,000	0	0	0	0	175,000	458,500	283,500	742,000
Other Contributions & Grants	16,294	0	0	0	0	16,294	47,498	31,204	75,000
Targeted Prevention Program	200,001	0	0	0	0	200,001	124,998	(75,003)	250,000
Special Funding Initiatives	76,311	0	0	0	0	76,311	191,106	114,795	417,218
Community Outreach	3,865	0	0	0	0	3,865	37,500	33,635	75,000
Community Education	22,000	0	0	0	0	22,000	29,333	7,333	50,000
New Program Research & Development	0	0	0	0	0	0	124,998	124,998	250,000
Donated Value for Use of Facilities (rent-free)	202,458	0	0	0	0	202,458	205,458	3,000	410,916
PWC Project Cost	231,413	0	0	0	0	231,413	300,000	68,587	660,000
Total Program Expenses	927,342	0	0	0	0	927,342	2,702,391	1,775,049	4,113,134
Personnel									
Salary and Wages	334,102	114,927	62,545	2,768,495	1,861,472	5,141,541	5,401,289	259,748	10,925,317
PR Benefits	59,155	14,550	20,992	819,856	93,767	1,008,320	1,055,941	47,621	2,171,574
PR Taxes	24,220	9,564	4,892	0	130,166	168,842	246,101	77,259	497,046
Total Personnel	417,477	139,041	88,429	3,588,351	2,085,405	6,318,703	6,703,331	384,628	13,593,937
Occupancy									
Lease Expenses - 1720 Marco Polo	20,249	0	0	0	0	20,249	18,000	(2,249)	36,000
Lease Expenses - 1740 Marco Polo	51,107	0	0	0	0	51,107	49,998	(1,109)	100,000
Lease Expenses - 1764 Marco Polo	62,438	0	0	0	0	62,438	59,304	(3,134)	118,609
Lease Expenses - 430 No. El Camino Real	20,784	0	0	0	0	20,784	22,500	1,716	45,000
Lease Expenses - 1875 Trousdale	13,059	0	0	0	0	13,059	12,000	(1,059)	24,000
Lease Expenses - 111-113 16th St.	9,497	0	0	0	0	9,497	7,200	(2,297)	14,400
Lease Expenses - PWC Land	4,001	0	0	0	0	4,001	6,000	1,999	12,000
Rent Expense	0	167,392	0	0	20,904	188,296	186,234	(2,062)	372,467
Total Occupancy	181,135	167,392	0	0	20,904	369,431	361,236	(8,195)	722,476
Professional Fees									
Clinical Partner Contract Expense	0	0	0	0	0	0	614,788	614,788	1,507,363
Consultant - Audit	24,950	0	0	0	0	24,950	27,500	2,550	27,500
Consultant - Communications	48,000	0	0	0	0	48,000	42,000	(6,000)	84,000
Consultant - Financial	9,543	0	0	0	0	9,543	2,500	(7,043)	5,000
Consultant - General	0	0	0	0	12,400	12,400	7,000	(5,400)	18,200
Consultant - HR Professionals	0	0	0	0	16,200	16,200	15,600	(600)	31,200
Consultant - Leadership Coaching	0	0	0	0	15,062	15,062	12,833	(2,229)	32,500
Consultant - Tax Returns	0	0	0	0	0	0	0	0	5,000
Consultant - FQHC	0	0	0	0	20,082	20,082	18,000	(2,082)	42,400
Consultant - Outreach System	0	0	0	0	0	0	7,500	7,500	15,000
Consultant - Project Manager	0	0	0	0	32,100	32,100	36,000	3,900	72,000
Consulting Services	0	31,306	0	0	0	31,306	34,000	2,694	46,000
Contract Labor - Trainer	0	0	2,400	0	0	2,400	2,640	240	5,280
Dental Specialist - Claims Processing	0	0	0	0	26,908	26,908	31,573	4,665	65,675
IT Support	14,495	3,218	0	0	0	17,713	12,000	(5,713)	24,000
Legal - General	11,181	0	0	0	2,239	13,420	30,000	16,580	60,000
Legal - Real Estate	120,599	0	0	0	0	120,599	150,000	29,401	300,000
Management Fees	0	0	0	243,067	0	243,067	241,424	(1,643)	515,831
Website Services	2,669	0	0	0	0	2,669	2,100	(569)	4,200

	PHCD	allcove	Health and Fitness	The Trousdale	Sonrisas	Year To Date			Year Ending
	Year To Date	Year To Date	Year To Date	Year To Date	Year To Date	12/31/2023			6/30/2024
	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023	Actual	2023 2024 BUDGET	Budget Diff	2023 2024 BUDGET
	Actual	Actual	Actual	Actual	Actual	Actual	2023 2024 BUDGET	Budget Diff	2023 2024 BUDGET
Total Professional Fees	231,437	34,524	2,400	243,067	124,991	636,419	1,287,458	651,039	2,861,149
Patient Services									
Sterilization Services	0	0	0	0	5,104	5,104	5,049	(55)	10,097
Lab Fees	0	0	0	0	62,472	62,472	78,603	16,131	162,482
Claims Processing	0	0	0	0	3,574	3,574	2,820	(754)	5,640
Patient Notification	0	0	0	0	4,788	4,788	4,800	12	9,600
Total Patient Services	0	0	0	0	75,938	75,938	91,272	15,334	187,819
General and Administrative Expenses									
Office Supplies	9,866	6,870	2,657	474,248	180,413	674,054	709,779	35,725	1,435,134
Copying and Printing	0	0	0	0	0	0	1,350	1,350	1,950
Postage and Delivery	0	0	0	0	2,073	2,073	2,304	231	4,608
Telecommunication	9,392	933	0	0	61,785	72,110	81,130	9,020	152,168
Repairs and Maintenance	0	0	1,664	0	0	1,664	1,500	(164)	3,000
Advertising and Promotion	0	2,823	0	0	20,692	23,515	76,518	53,003	117,090
Business Licenses and Permits	0	0	0	0	8,586	8,586	6,000	(2,586)	12,000
Conferences, Conventions, and Meetings	34	4,149	0	0	2,840	7,023	16,700	9,677	26,600
Due and Subscriptions	32,080	0	156	0	0	32,236	81,210	48,974	153,570
Insurance	37,026	14,857	1,522	243,299	13,064	309,768	317,602	7,834	637,767
Equipment Expense	0	0	0	0	14,262	14,262	22,208	7,946	44,416
Facilities	18,211	5,391	6,900	0	30,582	61,084	65,930	4,846	132,286
Utilities	0	0	7,357	297,790	24,813	329,960	335,517	5,557	658,894
Travel Expenses	17,881	49	0	0	3,448	21,378	35,640	14,262	68,563
Fundraising Fees	0	0	0	0	106,348	106,348	80,576	(25,772)	135,626
Interest Expenses	0	23,792	0	793,866	0	817,658	817,337	(321)	1,606,293
State and Local Taxes	0	0	0	0	65	65	250	185	250
Miscellaneous Expense	4,165	29,146	0	0	481	33,792	43,950	10,158	57,900
Other Expenses	4,074	0	11,721	644,109	26,651	686,555	409,133	(277,422)	739,686
Depreciation	185,552	11,655	3,029	1,285,216	148,375	1,633,827	1,685,048	51,221	3,370,997
Total General and Administrative Expenses	318,281	99,665	35,006	3,738,528	644,478	4,835,958	4,789,682	(46,276)	9,358,798
Total Expenditures	2,075,672	440,622	125,835	7,569,946	2,951,716	13,163,791	15,935,370	2,771,579	30,837,313
Payments to Affiliates									
SDH San Mateo Funding	(511,800)	0	0	0	511,800	0	0	0	0
Trousdale Rent Assistance Fund	(115,361)			115,361	0	0	0	0	0
Total Payments to Affiliates	(627,161)	0	0	115,361	511,800	0	0	0	0
Total Revenues over Expenditures	5,640,073	(440,622)	(60,798)	(1,369,041)	280,803	4,050,415	1,175,955	2,874,460	2,851,311

Peninsula Health Care District
Statement of Net Assets - Preliminary Draft, Consolidated
As of December 31, 2023

	PHCD Year To Date 12/31/2023	allcove Year To Date 12/31/2023	Health and Fitness Year To Date 12/31/2023	The Trousdale Year To Date 12/31/2023	Sonrisas Year To Date 12/31/2023	Year To Date 12/31/2023
	Actual	Actual	Actual	Actual	Actual	Current Year Balance
Assets						
Current Assets						
Cash and Cash Equivalents	5,760,704	0	101,623	1,427,799	839,908	8,130,034
Accounts Receivable						
Accounts Receivable	363	0	0	0	238,309	238,672
Account Receivable - Rent	(188)	0	1,411	0	0	1,223
Account Receivable - TT Tenant	0	0	0	143,575	0	143,575
Allowance for Bad Debt - TT Tenant AR	0	0	0	(61,118)	0	(61,118)
Accounts Receivable - Grants	0	0	0	0	433,195	433,195
Accounts Receivable - Services	0	0	1,280	0	0	1,280
Contra Acct - Allowance for Bad Debt	0	0	0	0	(21,249)	(21,249)
Accounts Receivable - Other Agencies	0	0	0	0	124,656	124,656
Accounts Receivable - Employee	55	0	0	0	0	55
Interest Receivable	268,489	0	0	2,376	0	270,865
Accounts Receivable - Other	0	0	1,015	525	0	1,540
Total Accounts Receivable	268,719	0	3,706	85,358	774,911	1,132,694
Other Current Assets						
Other Current Assets	64,138	0	0	0	0	64,138
Prepaid Expenses						
Prepaid - General	42,211	840	273	0	15,041	58,365
Prepaid - Insurance	50,996	36,549	9,345	0	0	96,890
Prepaid - Benefits / WC	709	0	0	0	0	709
Prepaid - Trousdale	0	0	0	124,905	0	124,905
Total Prepaid Expenses	93,916	37,389	9,618	124,905	15,041	280,869
Inventory	0	0	0	17,990	0	17,990
Total Other Current Assets	158,054	37,389	9,618	142,895	15,041	362,997
Total Current Assets	6,187,477	37,389	114,947	1,656,052	1,629,860	9,625,725
Long-term Assets						
Property & Equipment						
Construction-In-Progress (CIP)	0	0	0	5,200	0	5,200
Building	13,102,755	0	0	72,375,689	0	85,478,444
Land	22,899,380	0	0	0	0	22,899,380
Improvements	1,021,020	1,101,011	7,000	307,008	1,202,486	3,638,525
Equipment	1,751,910	53,540	56,932	305,331	1,541,215	3,708,928
Furniture/Fixtures	25,703	208,289	5,784	18,787	134,795	393,358
Pre Opening Cost	0	0	0	2,505,663	0	2,505,663
Accum Depreciation (Trousdale)	0	0	0	(12,806,160)	0	(12,806,160)
Accum Depreciation	(3,871,065)	(11,655)	(49,751)	0	(2,057,314)	(5,989,785)
Total Property & Equipment	34,929,703	1,351,185	19,965	62,711,518	821,182	99,833,553
Other Long-term Assets						
Deposits and Prepayments	30,686	35,532	0	0	16,297	82,515
Other Assets						
Deferred Outflow	509,525	1,143,846	0	0	0	1,653,371
Net Pension Asset	398,044	0	0	0	0	398,044
Lease Receivable - Long-Term (GASB 87)	70,137,421	0	0	0	0	70,137,421
Total Other Assets	71,044,990	1,143,846	0	0	0	72,188,836
Total Other Long-term Assets	71,075,676	1,179,378	0	0	16,297	72,271,351

	PHCD	allcove	Health and Fitness	The Trousdale	Sonrisas	Year To Date
	Year To Date	Year To Date	Year To Date	Year To Date	Year To Date	Year To Date
	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023	12/31/2023
	Actual	Actual	Actual	Actual	Actual	Current Year Balance
Total Long-term Assets	106,005,379	2,530,563	19,965	62,711,518	837,479	172,104,904
Investments						
Long Term Investments						
Board Designated Fund - LAIF	5,944,087	0	0	0	0	5,944,087
Board Designated Fund - SMC	3,644,748	0	0	0	0	3,644,748
Board Designated Fund - CNB	15,242,036	0	0	0	0	15,242,036
Board Designated Fund - FT	1,724,323	0	0	0	0	1,724,323
Board Designated Fund - Torrey	0	0	0	3,159,129	0	3,159,129
Board Designated Fund - Unrealized G/L	(99,376)	0	0	0	0	(99,376)
Investment Acct. - Merrill Lynch	0	0	0	0	10,794	10,794
Investment Acct. - City National	0	0	0	0	1,013,090	1,013,090
Unrealized Gain(loss) on Investment	0	0	0	0	10,265	10,265
Total Long Term Investments	26,455,818	0	0	3,159,129	1,034,149	30,649,096
Investment in Subsidiary						
Project Acct - US Bank 44000	0	0	0	1,433	0	1,433
Project Acct - US Bank 56000	0	0	0	307	0	307
Total Investment in Subsidiary	0	0	0	1,740	0	1,740
Total Investments	26,455,818	0	0	3,160,869	1,034,149	30,650,836
Interfund Due from	1,703,248	(1,729,633)	(88,974)	115,359	0	0
Total Assets	140,351,922	838,319	45,938	67,643,798	3,501,488	212,381,465

Liabilities and Net Assets**Liabilities****Short-term Liabilities**

Accounts Payable

Accounts Payable	67,531	7,756	3,369	676,421	98,465	853,542
Credit Card Payable	(6)	0	0	0	0	(6)
Accrued Payable - General	280,786	2,329	1,118	275,320	0	559,553
Patient Prepayments	0	0	0	0	18,764	18,764
Patient Refunds Payable	0	0	0	0	4,980	4,980
Total Accounts Payable	348,311	10,085	4,487	951,741	122,209	1,436,833

Accrued Liabilities

Accrued Payroll	50,999	3,954	701	290,241	79,710	425,605
Accrued PTO	0	0	0	0	83,588	83,588
Accrued 401k Match Fund	0	0	0	0	1,158	1,158
Accrued HSA Fund Payable	0	0	0	0	5,846	5,846
FSA Employee Account	551	0	0	0	0	551
Total Accrued Liabilities	51,550	3,954	701	290,241	170,302	516,748

Deferred Revenue

Prepaid Rent	2,737,735	0	0	16,529	0	2,754,264
Prepaid Membership Dues	0	0	1,736	0	0	1,736
Prepaid Other	10,000	0	0	0	0	10,000
Deferred Income	3,500	0	0	0	0	3,500
Deposit - TT Tenants	0	0	0	21,500	0	21,500
Security Deposits	53,964	0	0	0	0	53,964
Total Deferred Revenue	2,805,199	0	1,736	38,029	0	2,844,964

Withholding Tax Payable

Accrued Payroll Taxes	1,446	609	248	0	10,572	12,875
Total Withholding Tax Payable	1,446	609	248	0	10,572	12,875

Other Short-term Liabilities

Short-term Liabilities

	PHCD	allcove	Health and	The	Sonrisas	Year To Date
	Year To Date	Year To Date	Fitness	Trousdale	Year To Date	12/31/2023
	12/31/2023	12/31/2023	Year To Date	Year To Date	12/31/2023	12/31/2023
	Actual	Actual	Actual	Actual	Actual	Current Year
						Balance
Lease Payable - Current (GASB 87)	0	235,679	0	0	0	235,679
Total Short-term Liabilities	0	235,679	0	0	0	235,679
Loans Payable - Current						
Accrued Interest	0	0	0	661,556	0	661,556
Total Loans Payable - Current	0	0	0	661,556	0	661,556
Total Other Short-term Liabilities	0	235,679	0	661,556	0	897,235
Total Short-term Liabilities	3,206,506	250,327	7,172	1,941,567	303,083	5,708,655
Long Term Liabilities						
Notes Payable - Long Term						
Note Payable - WAB 40M	0	0	0	32,815,000	0	32,815,000
Note Payable - WAB 10M	0	0	0	8,780,000	0	8,780,000
Total Long Term Notes Payable	0	0	0	41,595,000	0	41,595,000
Other Long-term Liabilities						
Capital Leases	0	0	0	0	4,362	4,362
Other Liabilities						
Lease Payable - Long-Term (GASB 87)	0	1,028,614	0	0	0	1,028,614
Deferred Inflow	66,201,856	0	0	0	0	66,201,856
Total Other Liabilities	66,201,856	1,028,614	0	0	0	67,230,470
Total Other Long-term Liabilities	66,201,856	1,028,614	0	0	4,362	67,234,832
Total Long Term Liabilities	66,201,856	1,028,614	0	41,595,000	4,362	108,829,832
Other Liabilities						
Deposits - ENA	200,000	0	0	0	0	200,000
Total Other Liabilities	200,000	0	0	0	0	200,000
Total Liabilities	69,608,362	1,278,941	7,172	43,536,567	307,445	114,738,487
Net Assets						
Net Assets	65,103,487	0	99,564	25,476,272	2,913,240	93,592,563
Change In Net Assets	5,640,073	(440,622)	(60,798)	(1,369,041)	280,803	4,050,415
Total Net Assets	70,743,560	(440,622)	38,766	24,107,231	3,194,043	97,642,978
Total Liabilities and Net Assets	140,351,922	838,319	45,938	67,643,798	3,501,488	212,381,465

**Peninsula Health Care District
Consolidated Ratios - 12/31/23**

	Government	Leasing	allcove Teen Mental Health	Health & Fitness	The Trousdale	Sonrisas	Total
A Revenue	5,413,787	2,726,661	-	65,037	6,085,544	2,720,719	17,011,748
B Operating Expenses	(1,272,104)	(415,558)	(405,175)	(122,806)	(5,490,864)	(2,803,341)	(10,509,848)
C Net Before Int & Dep	4,141,683	2,311,103	(405,175)	(57,769)	594,680	(82,622)	6,501,900
D Interest			(23,792)		(793,866)		(817,658)
E Depreciation	(13,389)	(172,163)	(11,655)	(3,029)	(1,285,216)	(148,375)	(1,633,827)
F Net Income from Operations	4,128,294	2,138,940	(440,622)	(60,798)	(1,484,402)	(230,997)	4,050,415
G Debt Service Pymt Adj					-		-
H Leasing Adj (GASB 87) + Prepaid Rent	(778,246)		4,458				(773,788)
J Capital Purchase	(5,201)		(1,316,010)	-	(2,800)	(63,546)	(1,387,557)
K Depreciation	13,389	172,163	11,655	3,029	1,285,216	148,375	1,633,827
L Cash Flow	3,358,237	2,311,103	(1,740,519)	(57,769)	(201,986)	(146,168)	3,522,898
M Cash at June 30, 2023	28,166,292			85,151	4,744,461	1,613,942	34,609,846
N Cash at December 31, 2023	32,216,522			101,623	4,586,928	1,874,057	38,779,130
O Debt at December 31, 2023					41,595,000	-	41,595,000
P Net Position at December 31, 2023	70,743,560		(440,622)	38,766	24,107,231	3,194,043	97,642,978

Ratios	As of 12/31/23		PHCD Ratios	
Excess Margin	23.81%		1.6%	👍
Days Cash on Hand	1250		536	👍
Debt Service Coverage	7.95		1.7	👍
Cash to Debt	93.23%		64%	👍
Debt to Capitalization	29.87%		62%	👍