



**BOARD FINANCE COMMITTEE**

**Tuesday, November 30, 2022**

**Zoom Meeting, 11:00 am – 12:30 pm**

To Join: <https://us02web.zoom.us/j/84568539421>

**Meeting ID: 845 6853 9421 - 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:**
  - September 20, 2022 Minutes p. 1
3. **PHCD Health & Fitness Center - Performance & Goals – Michelle Marheineke, Fitness Center Director** p. 4
  - Presentation
  - Q&A
  - **Action, if any**
4. **TT Resident Assistance Fund Request – CEO Fama** p. 11
  - Discussion
  - Q&A
  - **Action, if any**
5. **Draft Audited Financials – CFO Yee**  
*(Draft Audited Financials available 24hrs prior to the meeting upon request)*
  - Discussion
  - Q&A
  - **Action, if any**
6. **Q1 Consolidated Financials – CFO Yee** p. 12
  - Q&A
  - **Action, if any**
7. **Future agenda items:**
  - Q2 Consolidated Financials
  - Annual Review of Internal Control Policy & Committee Charge
  - Suggestions?
8. **Adjournment**



## **FINANCE COMMITTEE MEETING**

### **Minutes**

**July 12, 2022**

1. **Call to Order:** Meeting was called to order by **Chair Zell** at 2:10 pm.
2. **Roll Call:** Present via Zoom: Chair Zell, Director Galligan, Member Seto, Member Sun, CEO Fama, CFO Yee. Absent: Member Chew.
3. **Approval of Consent Calendar:**
  - July 12, 2022 Minutes
  - Gov. Code Sec 53065.5 Compliance – Annual Disclosure of Reimbursement over \$100  
*It was moved by Member Sun and seconded by Member Seto to approve the consent calendar.  
Roll call vote: Chair Zell – Aye; Director Galligan – Aye; Member Seto – Aye; Member Sun – Aye;  
CEO Fama – Aye; CFO Yee – Aye. The motion passed 6/0/0.*

4. **Member Recruitment:**

**CFO Yee** mentioned that there are a few open spots. The Committee is comprised of two Directors, up to five members of the public, and two staff members (CEO and CFO). Some time ago, Keith Hearle emailed the Committee that he could no longer be on the Committee due to work and his current schedule. Therefore, there are two open member spots. In addition, Director Galligan will be stepping down as a Board member at the end of October.

**Member Sun** asked if the member had to be in a particular geographic area. **CFO Yee** replied that members should be within our District and maybe in the areas that are not already represented but will consider anyone in the District. CEO **Fama** replied that the Committee could get a couple from San Mateo, given the size and Foster City.

5. **Sonrisas FY 21-22 Results and Projections for FY22-23** – Presented by Tracey Fecher, CEO of Sonrisas and Leslie Rosales, Development associate.

**Ms. Fecher** provided an overview of the history of Sonrisas, last year's performance, and opportunities in the future. Some items to note -

- PHCD granted a 3-year \$900,000/year to pay for uncompensated care at the San Mateo Center, ending June 30, 2023.
- 5500 visits last year, 70% low income of PHCD residents
- Impact of the Pandemic –
  - Increase in PPE use
  - Room wait time is longer because they have to wait for aerosols to settle
  - Supply costs have gone up
  - Staff out from COVID
- Served about 1500 PHCD residents in FY21, which increased by 31% for FY22
- Last year the Center built out the remaining operatories allowing for a 31% volume increase
- Started in 2015 with 6 chairs and now with 9 chairs, along with adding dentists and hygienists

- Virtual education screening and health kits – 1200 screens total for last year (focus on low-income schools). Most of the screenings are funded by grants.
- Senior dentistry program – educational presentation to 96 seniors in the District and provided on-site care
- Sonrisas served a total of 13,700 last year and plans to see 14000 visits this year
- 4.6M in revenue last year and planning on \$4.9M this year
- Last year's net income was higher due to the Employer Retention Credit, 2 PPE loans at \$400K each, and \$150K of Denti-Cal catch-up payment. The San Mateo Center also received funds for the operatory build-out.
- Strategic Plan for the next 3 years: Work on culture, sustainable growth, build fundraising team/opportunities, and community/patient engagement.
- Next year's challenges are hiring, especially for dental assistants, inflation, and fundraising.

***Member Chew joined the meeting at 2:23 pm.***

**Chair Zell** asked if Sonrisas is reaching out to the local colleges for dental assistants. **Ms. Fecher** replied that the College of San Mateo is the only one that has a yearlong program, and it is not always full. **CEO Fama** commented that the District has a tuition assistance program for dental assistants. Still, this field is not very attractive due to the pay.

**Chair Zell** asked what it would take to expand. Is it capital for a new location? **Ms. Fecher** replied that capital is not the issue and believes she can fundraise for it. The challenge is covering the loss per patient visit. She is looking into ways to increase per-visit patient revenue. One of the ways may be to become a federally qualified health center (FQHC). **Chair Zell** commented that if there is a way the District can help move the FQHC along, let staff know.

**Chair Zell** asked if we could collect a co-pay from those who can afford it and are not paying. **Ms. Fecher** replied that Medi-Cal does not allow any co-pay. For those who do not have insurance and are low-income, there is a sliding scale from 15%-40% discount depending on income level. **Chair Zell** asked how the District can support Sonrisas to achieve sustainable growth. **Ms. Fecher** replied that she believes the connection the District has with the community leaders is very important in addition to the grant that the District provides. She is working closely with Cheryl Fama and the County on ways to expand services. The State will enroll anyone regardless of legal status starting in 2024, so there will be an increase in demand. Sonrisas is in the early stages of exploring different options to expand.

**Director Galligan** said she would like more fundraising, outreach, and school screening in the District area. **Ms. Fecher** commented that she is working with the Health Plan of San Mateo to see if there is funding for the screenings so she can expand the service.

**6. Q4 Consolidated Financials – CFO Yee** an overview of the financial performance for FY 21-22. Below are a few highlights and items to note.

PHCD–

- San Mateo County tax revenue is \$8.5M (\$1M more than the budget. The budget was based on the prior year's numbers coupled with much uncertainty on the impact of COVID)
- Leasing revenue is slightly lower than budget. At the beginning of the year, we had one tenant move out. We also had another empty suite for over a year. It was large, not equipped with plumbing for clinical rooms, and not very attractive due to the plan to demolish the building in 2-3 years. The good news is that we were able to provide Samaritan House with the suite as a Community Benefit for \$1/year. The Marco Polo properties' expenses are within budget but continue to incur significant repair & maintenance costs. Major repairs during the year were - HVAC at 1740 MPW (\$46K) and Painting the Driveway/Parking Lot at the Gym & Dental Center (\$10K).

- Investment income is lower than budget due to low-interest rates and unrealized losses. As the Federal interest rates slowly increase, we will see higher unrealized losses. However, the unrealized loss is temporary and will disappear once the bonds mature.
- Received \$1.16M in other income (\$817K - CSDA Grant & \$343K - HPSM returned grant). \$250K of the CSDA grant will be allocated to the COVID Campaign.
- CHI and allcove have unspent budgets from delays in launching some programs due to COVID.
- General and administrative expenses are on track with a budget surplus in Legal of \$350K

The Trousdale -

- Operating Margin has a positive \$2M (before depreciation & interest expense)
- 96 units occupied (14 behind budget)
- One-time new resident application fee revenue was lower than budget due to lower move-ins.
- COVID-19 Supplies & Expenses YTD were \$90,953
- Hiring and staff retention continue to be challenging. Eskaton is offering, in some cases, a sign-on bonus and salary increase to attract people. A staffing agency is also used to fill gaps.

The Health & Fitness Center –

- Net Income is \$31.5K better than budget
- 160 members - A few existing members decided not to continue their membership after COVID, but we had more new members, netting a positive \$8K in member fees.
- Massage therapy is picking up - \$11,790 to date, which is \$7,170 better than budget
- The number of class attendees has been increasing, with the highest in June (215 attendees).
- Expenses are on track.

**Member Chew** asked why there was a big difference in grant revenue vs. the budget. **CFO Yee** replied that this relates to the allcove program and that the program has not been launched yet. The timeline is pushed out, but the District has received its first payment of \$87K. **Member Sun** questioned the Clinical Partner Contact Expense budget line with a budget of \$617K and no expense. **CFO Yee** replied that this budget line is also related to allcove being delayed.

**Chair Zell** asked what the goal was for the Fitness Center because it looks like the District is spending about \$1,000/per member. Is there a marketing or incentive plan to increase membership? **CEO Fama** commented that there is a capacity to do more. There are hours when there are only a few members. The Fitness Director is looking into ways to fill those gaps, such as employees from local businesses. The future plan is definitely to integrate with the Peninsula Wellness Center. **Chair Zell** asked if adding more classes or social areas would increase membership. **CEO Fama** commented that the Fitness Center is targeting a niche group. The members there love it for the exercise and socialization. Regarding marketing, the Director has passed out flyers at the physician's office. **Chair Zell** commented that he wants to see some goals to increase participation.

## 7. Future agenda

- Health and Fitness Center Goals
- Draft Audited Financials
- Q1 Consolidated Financials

**Adjournment:** Chair Zell Adjourned the meeting at 3:42 pm.

*Written by Vickie Yee, CFO*

**Approved by:**

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**Dennis Zell, Chair**



**DATE:** November 2, 2022

**TO:** PHCD Finance Committee

**FROM:** Cheryl A. Fama, CEO  
Michelle Marheineke, Director, PHCD H&F Center

**RE: PHCD Health & Fitness Center: History, Experience, Plans Going Forward**

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**BACKGROUND:**

Owning and operating a fitness center open to all adults with a focus on the needs of older adults has been under consideration by PHCD leadership since 2010 when master planning was launched for use of PHCD's land after its Peninsula Medical Center was demolished. Today's proposed plan for the Peninsula Wellness Community development incorporates that land and will include independent senior apartments, health professionals' offices, and a Hub of community benefit services - including fitness and education programs focused on well-being and healthy aging. What wasn't in the master plan was to rapidly take over an existing facility planned for sudden closure by Sutter. Thus, was launched PHCD Health & Fitness Center.

**Why did PHCD "save" the program?**

- There was the need, there were former MPMC employees willing to stay on, and PHCD had the will, the way, and the resources to make it happen.
- It was consistent with one of PHCD's strategic goals: ***To promote healthy aging through physical activity, health education, socialization, and connectivity.***
- There was a large contingent of former clients anxious and willing to jump start the program.
- PHCD's board and management structure allowed for nimble action.

**How did PHCD make that happen?**

- In 2009, Mills-Peninsula Medical Center (MPMC) leased PHCD's building at 1875 Trousdale for a Rehab Center.
- In January 2018, MPMC announced its plan to close the program effective 2/28/18.
- Clients of the MPMC program organized, launched a campaign to save it, and focused on PHCD to help.
- PHCD Board saw the need, the alignment of the senior fitness programs with its plans, the level of community support and directed staff to see if there was a way to keep the facility open.
- PHCD negotiated with MPMC to delay closure until 6/30/18 to allow time for that research.
- PHCD recruited its assisted living operator and partner, Eskaton Senior Services, to manage the program given their experience at one of their other senior communities in California.
- PHCD negotiated with MPMC to donate all the equipment which contributed to a quick reopening and significant cost of savings for the District.



- Multiple competent and dedicated MPMC staff agreed to stay with the Center and their clients they served for as many as 20+ years. Their commitment was a major factor in PHCD's ability to move quickly and more critically to retain members.
- PHCD refreshed facilities with paint, carpet and a good cleaning and opened 7/9/18.

#### **What was the business plan and was it carried out?**

- Hold refurbishing costs of facilities to <\$75K. **Achieved.**
- Recruit MPMC staff and "save the gym" members. **Director and former MPMC staff hired and most of first year members were prior clients.**
- Establish a tiered fee schedule that grandfathered in MPMC members to encourage capturing more of the former clients. **Done.**
  - **Opening fees were: \$50/month (ages 65 and older) for former members; \$60/month (under age 65) for former members; \$75/month for new.**
  - **Current fees are \$55/month (ages 65 and older) for former members; \$65/month (under age 65) for former members; \$80/month for new members.**
- Establish membership goal and marketing plan to achieve the goal. **It was clear from the outset to achieve breakeven would be a challenge, but not impossible. Annual budgets planned on a \$100K-\$200K of subsidy; membership was growing and reached a high of 220 and then COVID hit. This fiscal year, the Center is budgeted to lose \$247K. As of this writing, there are 175 members which are a mix of members who transitioned from MPMC (53%) and new members (47%). It would take an increase of 257 new members to break even based on the monthly fee.**
- Determine hours of operation starting with peak times favored by former clients for staffing efficiencies. **Done- Hours of operation when opening in 2018: 6AM-8PM M-F, 8AM-12noon Saturdays; Current hours of operation adjusted in 2020 after focusing on peak times Center is utilized: 8AM-630PM M-F, 8AM-1PM Saturdays.**
- Establish annual budgets that reflect membership, revenue, expense, and net change in assets targets. **Done, and with gained experience each year, adjustments were made to reduce expenses where feasible. (E.g. Canceled Eskaton management services contract and brought staff, operations, marketing and website management in-house without adding additional support staff.)**
- Offer private fitness trainer services. **Done, although not in high demand.**
- Offer popular classes such as Seniors in Motion, Balance Fitness, and Chair Yoga; previously offered Tai Chi. **Done, and have brought in new programs (E.g., Memory Café) to expose more older adults to the Center, and terminated classes with consistently low attendance.**



- Sublease individual exam/treatment rooms located in the Center to PT, OT, Podiatry, Chiropractors, Massage therapy, etc. to create a one-stop-shop for members and contribute to Center revenue. **Partially. Two rooms leased: one to a PT who had to give it up when Covid hit, and one to a home health agency that is still leasing. A third room was set up this past year for massage and is now staffed by a certified massage therapist who is a Center employee. Since service launched earlier this CY, therapist is generating an average of \$580/month in revenue.**
- Establish a Senior Advisory Committee for the Center comprised of leaders of the “save the gym” campaign to engage them in making the Center a success. **Done, committee formed right after Board approval taking over the gym and meets regularly with CEO and Center Director.**

#### **How has the Center performed to budget:**

Attached please find two Exhibits: The first is the Statement of Activities for fiscal years 2020, 2021, 2022, and the first quarter of 2023. The second is the Center’s Quarterly Performance Report dashboard for FY ’22, Q4 that CFO Yee prepares to keep the Board informed and help management monitor key indicators of performance and direct attention to areas or opportunity or for improvement.

In normal times, a trended report like this allows for meaningful comparisons year to year. Since PHCD took over the Center, no two years have been alike.

- **FY 2020:** Second full year of operations saw membership increase to 220 and then pandemic completely closed the facility for the last 3 ½ months of the fiscal year. Revenues are much lower than the prior three quarters because members were refunded their fees when Center was closed. Director Marheineke, knowing the vulnerability of her members and the mental and physical toll reduced socialization, isolation for some, and lack of physical activity would have on them, she designed and launched a robust array of services to keep them engaged; programs such as exercise at home videos, regular check in calls, access to food deliveries, and other home services. **6/30/20 Actual Change in Net Assets: <\$193,584>; \$4,267 better than budget.**
- **FY 2021:** Covid safety regulations kept the Center closed until October. When it reopened, 60 members returned, 60 wanted to wait and watch course of pandemic, and the other 100 did not report. The October opening was brief. Health safety and regulations required the Center closed in mid-November for another four months. Revenue was 77.5% less than PY; expenses 75% less than prior year. **Change in Net Assets: <\$203,661>; \$16,339 better than budget.**
- **FY 2022:** Operations and programs resumed and massage therapy was launched. Marketing plan included outreach to all former members, refreshed website, increased use of social media posts, and the most impactful recruitment strategy – satisfied members who appreciated the personal attention they received throughout the periods of Center closure. At year end, membership was up to 150+, revenue was higher than FY ’20 due to massage, and expenses went up for utilities, housekeeping, and laundry service – essential fixed costs of running such a facility. **Change in Net Assets: <\$200,488>; \$31,512 better than budget.**



- **FY 2023, Q1:** Membership is up to 175. Marketing and outreach plan integrated what worked for Center to date and incorporated lessons learned from current assisted living marketing experience. I.e., Repeated mailers have best return and presence at health fairs has the best return. Plan for this year going forward to include:
  - **Facility Brochure and Info Flyers:** Utilized to promote Fitness Center services while reflecting the target population; Brochures distributed to raise awareness with local MD offices, community centers, libraries, MPMC Cardiac Rehab and other local senior focused organizations.
  - **Social Media Visibility:** Regular social media posts on Facebook and Instagram which highlight a health and fitness aspect and tie in the Fitness Center; brings traffic to the website and walk-ins to the Center.
  - **San Mateo Daily Journal Ad:** Fitness Center featured for Center's four-year anniversary which displayed proud and satisfied members.
  - **PHCD Newsletter:** Monthly newsletter which includes regular features of Fitness Center and massage therapy services sent to 1800+ members of the community.
  - **Exercise Giveaway:** Exercise focused giveaway (Thera-band with exercises and PHCD info card) which will be distributed at health fairs and also used as an incentive to draw prospective members in for facility tours.
  - **Re-Engagement Campaign:** Letter mailed to all members who did not return after COVID shutdown with promo offered waiving registration fee if they rejoined.
  - **Direct Mailer Postcard:** In November, postcards will be sent to seniors, aged 70+, in a 3–5-mile radius from the Center; direct mailer marketing has been proven to have one of the top response rates amongst recipients.

#### Strategies Evaluated

- **Silver Sneakers:** In 2020 before the COVID shutdown, the Silver Sneakers program was explored and then revisited after reopening in 2021. It was determined that due to our program size, it would not be a cost-effective option as we would lose more money with the strict pricing and directives of their program. Reimbursement rates are lower than our current membership rates and could not be negotiated higher, partial fees could not be charged and registration fees would be waived.

#### Can the \$200,000/year subsidy be brought down somehow?

Essentially, we have the capacity without adding more staff to bring in more members, and would need 200 more members to do so, which is a challenge. Will this program break even and did the PHCD go into this thinking that the program would bring in a lot of money, no. But the program fits in with the District's strategy of promoting healthy aging through physical activity, health education, socialization, and connectivity. We hope to reduce subsidies by growing massage and we have two more offices we could sublease, but even with that we are only looking at additional revenues of \$20,000 - \$30,000.



**What makes the Fitness Center unique?**

There is no other program like the PHCD Health and Fitness Center in our community that predominantly serves the senior population. The Fitness Center goes well beyond providing exercise machines. Member satisfaction drives our membership because everyone who enters the Fitness Center can see the value of being at a facility where social connectivity is just as important as the physical aspect. The PHCD Health and Fitness Center addresses a number of priority needs of seniors as identified by Age-Friendly Task Force work throughout the county's cities: connection, socialization, access to resources. Because of the quality and personalized service, fastidiously clean facilities, compassionate competent staff, the Center is increasing PHCD's visibility as a trusted community benefit.

**What is the plan moving forward?**

The Board continues to support the program as evidenced by approval of the FY '23 budget and discussions with potential fitness center partners for an expanded program on the Peninsula Wellness Community. We believe it is worthy of this support as the Fitness Center exists to address a health need in our community. Will we ever completely cover our costs? We will try every avenue to accomplish that while being aware that we are serving our population with a rare model focused on senior health and wellness.

***Since the Center opened in July 2018, the absolute, best member recruitment is done by the members themselves!***

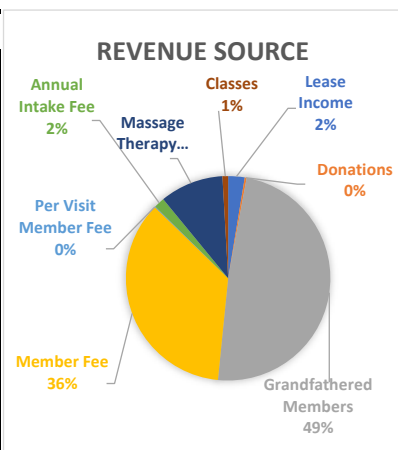
**Peninsula Health Care District  
Statement of Activities - Preliminary Draft**

As of Date: 09/30/2022  
 Department Group: Health and Fitness  
 Location: Peninsula Health Care District

	Fiscal Year Ended	Fiscal Year Ended	Fiscal Year Ended	Year To Date		
	6/30/2020	6/30/2021	6/30/2022	09/30/2022		
	Actual	Actual	Actual	Actual	2022 2023 BUDGET	Budget Diff
<b>Change In Net Assets</b>						
Revenue						
Investment Income						
Interest Income	0	0	0	1	0	1
Total Investment Income	0	0	0	1	0	1
Health & Fitness Center Revenue						
Lease Income - Health & Fitness	4,435	765	3,098	796	773	23
Donations	150	300	320	0	0	0
Existing Members	68,671	16,046	56,918	13,790	13,815	(25)
New Members	27,184	4,809	41,775	15,356	14,160	1,196
Per Visit Member Fee	135	1,525	135	105	90	15
Annual Intake Fee	4,515	815	1,950	550	300	250
Classes	2,585	0	1,015	445	225	220
Massage Therapy	0	0	11,790	1,740	1,860	(120)
Total Health & Fitness Center Revenue	107,675	24,260	117,001	32,782	31,223	1,559
Total Revenue	107,675	24,260	117,001	32,783	31,223	1,560
Expenditures						
General and Administrative Exp.						
Miscellaneous	0	0	0	16	0	(16)
Total General and Administrative Exp.	0	0	0	16	0	(16)
Health & Fitness Center Expense						
Salaries	151,882	120,036	171,683	43,010	49,151	6,142
Benefits	30,094	47,054	55,333	13,947	14,073	125
Taxes & WC	0	9,538	15,014	3,903	4,767	864
Contract Labor - Trainer	3,710	0	2,960	1,040	960	(80)
Food	0	0	0	0	300	300
Office and Admin Supplies	8,124	3,982	4,063	1,516	900	(616)
Minor Equipment	0	400	0	1,866	1,500	(366)
Printing	0	0	0	0	300	300
Other Non-Medical Supplies	433	0	0	0	150	150
Marketing	22,542	794	210	1,518	2,000	482
Other Purchased Services	27,504	19,842	29,060	5,074	7,200	2,126
Travel	0	0	0	910	0	(910)
Dues & Subscriptions	0	0	95	0	0	0
Management Fees	18,000	0	0	0	0	0
Janitorial	9,721	5,868	13,800	3,450	3,600	150
Utilities	15,059	9,270	13,162	3,821	4,200	379
Insurance	5,815	2,786	2,786	697	900	203
Total Health & Fitness Center Expense	292,884	219,570	308,166	80,752	90,001	9,249
Other Expense						
Depreciation Expense	8,375	8,351	9,323	2,942	2,945	3
Total Other Expense	8,375	8,351	9,323	2,942	2,945	3
Total Expenditures	301,259	227,921	317,489	83,710	92,946	9,236
<b>Total Change In Net Assets</b>	<b>(193,584)</b>	<b>(203,661)</b>	<b>(200,488)</b>	<b>(50,927)</b>	<b>(61,723)</b>	<b>10,796</b>

## PHCD Health & Fitness Center Quarterly Performance Report Q4 Report

	Q1	Q2	Q3	Q4	Total	YTD Budget	Variance B(W)
<b>Health &amp; Fitness Center Revenue</b>							
Lease Income	773	773	773	773	3,090	6,090	(3,000)
Donations	-	-	-	320	320	-	320
Grandfathered Members	14,192	14,819	13,999	13,908	56,918	67,760	(10,842)
Member Fee	8,694	9,131	10,688	13,262	41,775	23,120	18,655
Per Visit Member Fee	45	-	45	45	135	225	(90)
Annual Intake Fee	550	150	600	650	1,950	6,790	(4,840)
Massage Therapy	4,140	2,760	2,520	2,370	11,790	4,620	7,170
Classes	180	275	280	280	1,015	600	415
<b>Total Income</b>	<b>28,573</b>	<b>27,907</b>	<b>28,904</b>	<b>31,608</b>	<b>116,993</b>	<b>109,205</b>	<b>7,788</b>
Operating Exp	75,946	76,542	79,616	76,062	308,165	331,491	23,325
Depreciation	2,148	2,270	2,270	2,635	9,323	9,714	391
<b>Total Expense</b>	<b>78,094</b>	<b>78,812</b>	<b>81,886</b>	<b>78,697</b>	<b>317,488</b>	<b>341,205</b>	<b>23,717</b>
<b>Net Income</b>	<b>(49,521)</b>	<b>(50,904)</b>	<b>(52,982)</b>	<b>(47,088)</b>	<b>(200,496)</b>	<b>(232,000)</b>	<b>31,504</b>



### Member Visits YTD - Day of the Week

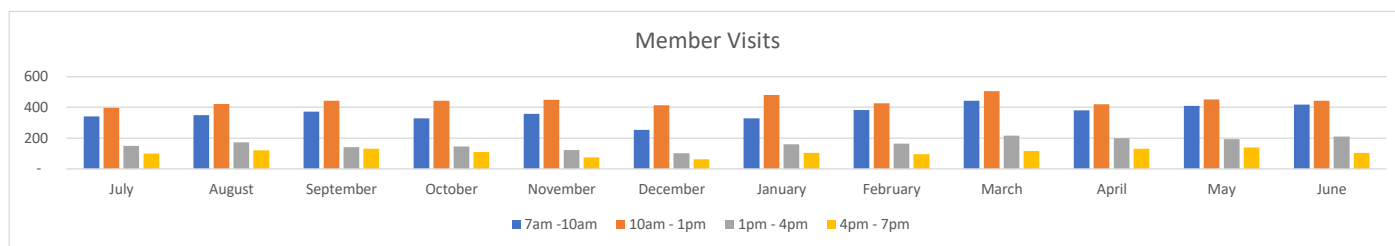
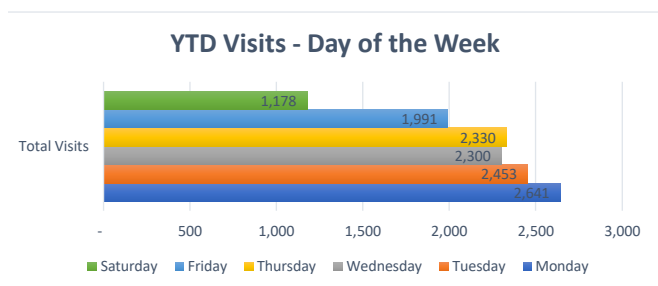
	# of Days	Total Visits	Average/Day
Monday	52	2,641	51
Tuesday	52	2,453	47
Wednesday	52	2,300	44
Thursday	53	2,330	44
Friday	52	1,991	38
Saturday	51	1,178	23
<b>Total</b>	<b>312</b>	<b>12,893</b>	<b>41</b>

### Membership Information

	# Members	Budget	Variance B(W)
Existing Members - Senior @ \$55	84	114	(30)
Existing Members - Non Sen @ \$65	8	10	(2)
New Member @ \$80	68	34	34
Per Visit Members @ \$15	9	15	(6)
Massages @ avg. \$60/visit	169	77	92

### Member Visits YTD

Month	7am -10am	10am - 1pm	1pm - 4pm	4pm - 7pm	Total
July	340	396	149	100	985
August	349	422	171	121	1,063
September	371	442	140	130	1,083
October	328	443	145	110	1,026
November	357	448	122	74	1,001
December	254	413	102	62	831
January	329	480	160	104	1,073
February	382	426	163	95	1,066
March	442	504	216	115	1,277
April	380	419	199	130	1,128
May	409	450	192	138	1,189
June	417	442	209	103	1,171
<b>Total</b>	<b>4,358</b>	<b>5,285</b>	<b>1,968</b>	<b>1,282</b>	<b>12,893</b>



### Classes Offered

Month	Seniors in Motion-Free		Yoga-Paid		Balance Fitness		Total	
	# Classes	Attendees	# Classes	Attendees	# Classes	Attendees	# Classes	Attendees
July	12	81	0	0	3	38	15	119
August	18	126	0	0	5	59	23	185
September	18	128	5	24	3	35	26	187
October	16	108	4	15	6	47	26	170
November	16	73	3	11	5	69	24	153
December	14	86	4	10	4	51	22	147
January	16	103	5	25	4	59	25	187
February	16	103	4	19	3	40	23	162
March	20	136	3	18	4	55	27	209
April	16	90	4	16	4	52	24	158
May	18	116	4	23	4	48	26	187
June	18	124	4	17	6	74	28	215
<b>Total</b>	<b>198</b>	<b>1,274</b>	<b>40</b>	<b>178</b>	<b>51</b>	<b>627</b>	<b>289</b>	<b>2,079</b>



## MEMORANDUM

To: Cheryl Fama, CEO- Peninsula Healthcare District & PHCD Board

From: Sylvia M . Chu, Executive Director- The Trousdale

RE: Shirley D, Resident at The Trousdale

Date: November 18, 2022

Dear Cheryl & Members of the Board,

Shirley D. is a lovely resident at The Trousdale, who has lived with us in Assisted Living since 1/14/2019. Shirley moved in less than a month after The Trousdale was licensed. Shirley is now 101 years old. She will turn 102 in April 2023.

Shirley has survived falls, fractures, and is now in a wheelchair. She was placed on Hospice over 6 months ago by her physician but recently graduated from Hospice. Shirley is very sweet and enjoys socializing with all of her friends & staff at The Trousdale.

Shirley's care needs have increased from Level 1 to Level 4 (our current highest level) over the last several years. The family is exhausting her finances quickly, due to her high level of care. The family contacted me to let me know they have been looking at less-expensive board and care options. The family has provided confidential financial documents, verifying Shirley's finances.

The Trousdale is respectfully requesting Rent Assistance for Shirley. Shirley's current rent is \$10,250/month, due to her high Level of Care. Her rent will increase to \$10,763/month on January 1, 2023. We are requesting a minimum of \$5000/month Rent Assistance for Shirley, as the family is able to provide \$6000/month. This Rent Assistance will help Shirley remain in her home at The Trousdale, to live out the rest of her life.

Respectfully submitted for your consideration,

Sylvia M. Chu

**Peninsula Health Care District**  
**Statement of Revenues and Expenditures - Preliminary Draft, Consolidated**  
**As of September 30, 2022**

	PHCD	Health and Fitness	The Trousdale	Sonrisas	Year To Date			Year Ending
	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	09/30/2022			6/30/2023
	Actual	Actual	Actual	Actual	Actual	2022 2023 BUDGET	Budget Diff	2021 2023 BUDGET
Revenues over Expenditures								
Revenues								
Program Service Revenue								
Program Revenue	7,159	0	2,571,197	0	2,578,356	2,876,464	(298,108)	19,811,960
Revenue - Services	0	0	0	731,123	731,123	709,448	21,675	3,027,256
Total Program Service Revenue	7,159	0	2,571,197	731,123	3,309,479	3,585,912	(276,433)	22,839,216
Grant Revenues	0	0	0	0	0	87,323	(87,323)	587,323
Contributions								
Grants and Donations	0	0	0	260,083	260,083	227,247	32,836	1,089,988
Fundraising Events Revenue	0	0	0	119,032	119,032	95,000	24,032	100,000
Total Contributions	0	0	0	379,115	379,115	322,247	56,868	1,189,988
Membership Dues	0	31,986	0	0	31,986	30,450	1,536	131,560
Investment Income								
Investment Inc - LAIF	19,586	0	0	0	19,586	4,190	15,396	16,763
Investment Inc - SMC	11,264	0	0	0	11,264	7,396	3,868	29,582
Investment Inc - CNB	46,484	0	0	0	46,484	26,131	20,353	104,526
Investment Inc - FT	4,768	0	0	0	4,768	369	4,399	1,475
Investment Inc - Torrey	0	0	3,556	0	3,556	3,526	30	14,105
Investment Inc - US Bank	0	0	276	0	276	0	276	0
Investments - Unrealized G/L	(321,049)	0	0	0	(321,049)	(150,000)	(171,049)	(600,000)
Interest Income - PHCD	67	1	39	0	107	0	107	0
Interest Income - Sonrisas	0	0	0	1,546	1,546	540	1,006	1,260
Dividends	0	0	0	0	0	12	(12)	48
Total Investment Income all	(238,880)	1	3,871	1,546	(233,462)	(107,836)	(125,626)	(432,241)
Rental Income								
Lease Income - Hospital	543,546	0	0	0	543,546	543,546	0	2,174,184
Lease Income - 1720 Marco Polo	39,830	0	0	0	39,830	40,200	(370)	160,800
Lease Income - 1740 Marco Polo	67,144	0	0	0	67,144	67,800	(656)	271,200
Lease Income - 111-113 16th St.	0	0	0	0	0	1	(1)	1
Lease Income - Health & Fitness	0	796	0	0	796	773	23	3,090
Total Rental Income	650,520	796	0	0	651,316	652,320	(1,004)	2,609,275
Other Revenue								
Misc Income - General	250,000	0	0	0	250,000	0	250,000	0
Nursing Grant/Loan Repayments	450	0	0	0	450	450	0	1,800
Total Other Revenue	250,450	0	0	0	250,450	450	250,000	1,800
<b>Total Revenues</b>	<b>669,249</b>	<b>32,783</b>	<b>2,575,068</b>	<b>1,111,784</b>	<b>4,388,884</b>	<b>4,570,866</b>	<b>(181,982)</b>	<b>26,926,921</b>

Expenditures

	PHCD	Health and Fitness	The Trousdale	Sonrisas	Year To Date			Year Ending
	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	09/30/2022			6/30/2023
	Actual	Actual	Actual	Actual	Actual	2022 2023 BUDGET	Budget Diff	2021 2023 BUDGET
<b>Program Expenses</b>								
Grants	250,000	0	0	0	250,000	250,000	0	1,950,000
Other Contributions & Grants	13,775	0	0	0	13,775	12,500	(1,275)	50,000
Targeted Prevention Program	0	0	0	0	0	62,500	62,500	250,000
Special Funding Initiatives	13,120	0	0	0	13,120	223,440	210,320	646,260
Community Outreach	3,086	0	0	0	3,086	15,000	11,914	60,000
Community Education	10,000	0	0	0	10,000	12,500	2,500	50,000
New Program Research & Development	0	0	0	0	0	62,500	62,500	250,000
PWC Project Cost	37,934	0	0	0	37,934	75,000	37,066	300,000
<b>Total Program Expenses</b>	<b>327,915</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>327,915</b>	<b>713,440</b>	<b>385,525</b>	<b>3,556,260</b>
<b>Personnel</b>								
Salary and Wages	249,071	43,010	1,092,261	808,264	2,192,606	2,312,025	119,419	9,434,527
PR Benefits	54,007	13,947	314,293	40,795	423,042	470,964	47,922	1,960,636
PR Taxes	16,846	3,903	0	60,362	81,111	102,269	21,158	409,377
<b>Total Personnel</b>	<b>319,924</b>	<b>60,860</b>	<b>1,406,554</b>	<b>909,421</b>	<b>2,696,759</b>	<b>2,885,258</b>	<b>188,499</b>	<b>11,804,540</b>
<b>Occupancy</b>								
Lease Expenses - 1720 Marco Polo	6,916	0	0	0	6,916	9,000	2,084	36,000
Lease Expenses - 1740 Marco Polo	23,044	0	0	0	23,044	24,000	956	96,000
Lease Expenses - 430 No. El Camino Real	3,406	0	0	0	3,406	11,250	7,844	45,000
Lease Expenses - 1875 Trousdale	5,822	0	0	0	5,822	9,000	3,178	36,000
Lease Expenses - 111-113 16th St.	2,543	0	0	0	2,543	3,600	1,057	14,400
Lease Expenses - PWC Land	4,722	0	0	0	4,722	3,000	(1,722)	12,000
Rent	0	0	0	10,452	10,452	10,452	0	41,808
Rent Expense	47,184	0	0	0	47,184	47,184	0	291,051
<b>Total Occupancy</b>	<b>93,637</b>	<b>0</b>	<b>0</b>	<b>10,452</b>	<b>104,089</b>	<b>117,486</b>	<b>13,397</b>	<b>572,259</b>
<b>Professional Fees</b>								
Consultant - Financial	1,916	0	0	0	1,916	5,000	3,084	5,000
Consultant - Communications	21,000	0	0	0	21,000	21,500	500	86,000
Consultant - Website	900	0	0	0	900	1,500	600	6,000
Contract Labor - Trainer	0	1,040	0	0	1,040	960	(80)	3,840
Dental Specialist-Claims Processing	0	0	0	12,670	12,670	17,021	4,351	71,771
Consultant - General	0	0	0	3,375	3,375	4,998	1,623	19,994
Consultant - Professional Fees	0	0	0	7,848	7,848	7,950	102	33,125
Consulting Services	29,891	0	0	0	29,891	15,000	(14,891)	42,000
Clinical Partner Contract Expense	0	0	0	0	0	93,126	93,126	984,198
Management Fees	0	0	102,848	0	102,848	111,859	9,011	480,479
Legal - General	6,698	0	0	0	6,698	75,000	68,302	300,000
Legal - Real Estate	0	0	0	0	0	5,000	5,000	20,000
Consultant - Audit	4,450	0	0	0	4,450	0	(4,450)	40,000
<b>Total Professional Fees</b>	<b>64,855</b>	<b>1,040</b>	<b>102,848</b>	<b>23,893</b>	<b>192,636</b>	<b>358,914</b>	<b>166,278</b>	<b>2,092,407</b>
<b>Patient Services</b>								
Sterilization Services	0	0	0	2,382	2,382	2,331	(51)	9,324
Lab Fees	0	0	0	29,016	29,016	30,842	1,826	130,420
Claims Processing	0	0	0	1,433	1,433	600	(833)	2,400

	PHCD	Health and Fitness	The Trousdale	Sonrisas	Year To Date			Year Ending
	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	Year To Date 09/30/2022	09/30/2022			6/30/2023
	Actual	Actual	Actual	Actual	Actual	2022 2023 BUDGET	Budget Diff	2021 2023 BUDGET
Patient Notification	0	0	0	1,455	1,455	1,455	0	5,820
Total Patient Services	0	0	0	34,286	34,286	35,228	942	147,964
General and Administrative Expenses								
Office Supplies	7,909	1,331	182,231	74,181	265,652	275,383	9,731	1,123,326
Copying and Printing	0	0	0	0	0	600	600	2,400
Postage and Delivery	0	0	0	983	983	750	(233)	3,000
Telecommunication	16,978	0	0	28,432	45,410	58,454	13,044	181,078
Repairs and Maintenance	0	0	0	2,156	2,156	4,291	2,135	17,166
Advertising and Promotion	0	1,518	0	2,576	4,094	15,196	11,102	45,884
Business Licenses and Permits	0	0	0	3,837	3,837	3,216	(621)	12,864
Conferences, Conventions, and Meetings	2,690	0	0	371	3,061	9,712	6,651	38,248
Due and Subscriptions	6,789	0	0	0	6,789	3,300	(3,489)	102,150
Insurance	17,559	696	103,304	7,820	129,379	154,035	24,656	622,303
Equipment Expense	0	1,867	0	6,551	8,418	7,092	(1,326)	28,368
Facilities	6,895	3,450	0	11,639	21,984	27,105	5,121	109,128
Utilities	0	3,821	132,643	11,551	148,015	159,419	11,404	653,625
Travel Expenses	4,886	910	0	740	6,536	13,290	6,754	57,485
Member Benefit Expense	0	185	0	0	185	300	115	300
Fundraising Fees	0	0	0	92,600	92,600	68,027	(24,573)	142,010
Interest Expenses	0	0	411,683	0	411,683	411,683	0	1,622,150
Finance Charges	0	0	0	5,281	5,281	5,874	593	23,496
State and Local Taxes	0	0	0	90	90	0	(90)	250
Miscellaneous Expense	2,189	16	0	0	2,205	6,750	4,545	46,560
Other Expenses	2,117	5,151	280,468	4,867	292,603	498,673	206,070	934,061
Depreciation	45,206	2,942	639,409	72,504	760,061	798,869	38,808	3,188,606
Total General and Administrative Expenses	113,218	21,887	1,749,738	326,179	2,211,022	2,522,019	310,997	8,954,458
<b>Total Expenditures</b>	<b>919,549</b>	<b>83,787</b>	<b>3,259,140</b>	<b>1,304,231</b>	<b>5,566,707</b>	<b>6,632,345</b>	<b>1,065,638</b>	<b>27,127,888</b>
Payments to Affiliates								
SDH San Mateo Funding	(225,000)	0	0	225,000	0	0	0	0
Trousdale Rent Assistance Fund	(11,333)	0	11,333	0	0	0	0	0
Total Payments to Affiliates	(236,333)	0	11,333	225,000	0	0	0	0
<b>Total Revenues over Expenditures</b>	<b>(486,633)</b>	<b>(51,004)</b>	<b>(672,739)</b>	<b>32,553</b>	<b>(1,177,823)</b>	<b>(2,061,479)</b>	<b>883,656</b>	<b>(200,967)</b>

**Peninsula Health Care District**  
**Statement of Net Assets - Preliminary Draft, Consolidated**  
**As of September 30, 2022**

	PHCD Year To Date 09/30/2022	Health and Fitness Year To Date 09/30/2022	The Trousdale Year To Date 09/30/2022	Sonrisas Year To Date 09/30/2022	Year To Date 09/30/2022
	Actual	Actual	Actual	Actual	Current Year Balance
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	4,071,445	58,862	1,258,343	1,741,494	7,130,144
Accounts Receivable, Net					
Accounts Receivable					
Accounts Receivable-Patient	1,372	0	0	298,316	299,687
Account Receivable - Rent	158	0	0	0	159
Account Receivable - TT Tenant	0	0	114,060	0	114,060
Allowance for Bad Debt - TT Tenant AR	0	0	(3,632)	0	(3,632)
Accounts Receivable - Grants	0	0	0	233,823	233,823
Contra Acct - Allowance for Bad Debt	0	0	0	(5,676)	(5,676)
Accounts Receivable - Other Agencies	0	0	0	82,286	82,286
Interest Receivable	124,432	0	2,362	0	126,794
Accounts Receivable - Other	0	105	3,100	0	3,205
Total Accounts Receivable	125,962	105	115,890	608,749	850,706
Total Accounts Receivable, Net	125,962	105	115,890	608,749	850,706
<b>Other Current Assets</b>					
Prepaid Expenses					
Prepaid - General	45,321	641	0	28,311	74,273
Prepaid - Insurance	75,340	2,089	0	0	77,430
Prepaid - Benefits / WC	2,219	0	0	1,898	4,117
Prepaid - Trousdale	0	0	206,338	0	206,337
Total Prepaid Expenses	122,880	2,730	206,338	30,209	362,157
Inventory	0	0	20,097	0	20,097
Total Other Current Assets	122,880	2,730	226,435	30,209	382,254
Total Current Assets	4,320,287	61,697	1,600,668	2,380,452	8,363,104
<b>Long-term Assets</b>					
Property & Equipment					
Fixed Asset Clearing	0	0	0	19,608	19,608
Construction-In-Progress (CIP)	6,251	0	0	0	6,251
Building	5,594,198	0	72,375,689	0	77,969,886
Land	15,390,822	0	0	0	15,390,822
Improvements	999,811	7,000	236,648	1,188,253	2,431,713
Equipment	1,747,860	46,620	281,966	1,323,462	3,399,908
Furniture/Fixtures	25,703	5,783	18,787	130,503	180,776
Vehicle	0	0	0	111,934	111,934
Pre Opening Cost	0	0	2,505,662	0	2,505,662
Accum Depreciation (Trousdale)	0	0	(9,595,562)	0	(9,595,562)
Accum Depreciation	(3,551,594)	(36,863)	0	(1,806,733)	(5,395,190)
Total Property & Equipment	20,213,051	22,540	65,823,190	967,027	87,025,808
<b>Other Long-term Assets</b>					
Deposits and Prepayments	30,595	0	0	22,231	52,826
Other Assets					
Deferred Outflow	113,765	0	0	0	113,765



	PHCD Year To Date 09/30/2022	Health and Fitness Year To Date 09/30/2022	The Trousdale Year To Date 09/30/2022	Sonrisas Year To Date 09/30/2022	Year To Date 09/30/2022 Current Year Balance
	Actual	Actual	Actual	Actual	
Net Pension Asset	416,097	0	0	0	416,097
Total Other Assets	529,862	0	0	0	529,862
Total Other Long-term Assets	560,457	0	0	22,231	582,688
Total Long-term Assets	20,773,508	22,540	65,823,190	989,258	87,608,496
Investments					
Long Term Investments					
Board Designated Fund - LAIF	5,756,182	0	0	0	5,756,183
Board Designated Fund - SMC	3,538,785	0	0	0	3,538,784
Board Designated Fund - CNB	24,586,764	0	0	0	24,586,764
Board Designated Fund - FT	1,643,088	0	0	0	1,643,088
Board Designated Fund - Torrey	0	0	3,141,389	0	3,141,389
Board Designated Fund - Unrealized G/L	(1,232,643)	0	0	0	(1,232,642)
Investment Acct. - Merrill Lynch	0	0	0	45,475	45,474
Total Long Term Investments	34,292,176	0	3,141,389	45,475	37,479,040
Investment in Subsidiary					
Project Acct - US Bank 44000	0	0	207	0	208
Project Acct - US Bank 56000	0	0	70	0	69
Total Investment in Subsidiary	0	0	277	0	277
Total Investments	34,292,176	0	3,141,666	45,475	37,479,317
Interfund Due from	47,274	(58,606)	11,333	0	0
<b>Total Assets</b>	<b>59,433,245</b>	<b>25,631</b>	<b>70,576,857</b>	<b>3,415,185</b>	<b>133,450,917</b>

### Liabilities and Net Assets

#### Liabilities

##### Short-term Liabilities

##### Accounts Payable

Accounts Payable	221,226	4,001	298,399	76,652	600,278
Credit Card Payable	3,586	1,661	0	0	5,248
Accrued Payable - General	7,000	0	560,876	0	567,875
Patient Prepayments	0	0	0	32,491	32,491
Patient Refunds Payable	0	0	0	6,067	6,067
Total Accounts Payable	231,812	5,662	859,275	115,210	1,211,959

##### Accrued Liabilities

Accrued Payroll	90,018	5,458	150,848	78,869	325,193
Accrued PTO	0	0	0	102,397	102,397
Accrued 401k Funds Payable	0	0	0	22,605	22,605
Accrued HSA Fund Payable	0	0	0	904	904
FSA Employee Account	(482)	0	0	3,509	3,027
Total Accrued Liabilities	89,536	5,458	150,848	208,284	454,126

##### Deferred Revenue

Prepaid Rent	1,993,003	2,614	98,655	0	2,094,271
Prepaid Membership Dues	0	1,883	0	0	1,883
Prepaid Other	10,000	0	0	0	10,000
Deferred Income	3,500	0	0	0	3,500
Deposit - TT Tenants	0	0	35,000	0	35,000
Security Deposits	57,419	0	0	0	57,419
Total Deferred Revenue	2,063,922	4,497	133,655	0	2,202,073

##### Withholding Tax Payable

Accrued Payroll Taxes	(498)	488	0	50,041	50,032
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	PHCD Year To Date 09/30/2022	Health and Fitness Year To Date 09/30/2022	The Trousdale Year To Date 09/30/2022	Sonrisas Year To Date 09/30/2022	Year To Date 09/30/2022 Current Year Balance
	Actual	Actual	Actual	Actual	
Total Withholding Tax Payable	(498)	488	0	50,041	50,032
Other Short-term Liabilities					
Loans Payable - Current					
Accrued Interest	0	0	274,455	0	274,455
Total Loans Payable - Current	0	0	274,455	0	274,455
Total Other Short-term Liabilities	0	0	274,455	0	274,455
Total Short-term Liabilities	2,384,772	16,105	1,418,233	373,535	4,192,645
Long Term Liabilities					
Notes Payable - Long Term					
Note Payable - WAB 40M	0	0	34,040,000	0	34,040,000
Note Payable - WAB 10M	0	0	9,100,000	0	9,100,000
Total Long Term Notes Payable	0	0	43,140,000	0	43,140,000
Other Long-term Liabilities					
Capital Leases	0	0	0	6,449	6,450
Other Liabilities					
Deferred Inflow	89,663	0	0	0	89,662
Total Other Liabilities	89,663	0	0	0	89,662
Total Other Long-term Liabilities	89,663	0	0	6,449	96,112
Total Long Term Liabilities	89,663	0	43,140,000	6,449	43,236,112
Other Liabilities					
Deposits - ENA	200,000	0	0	0	200,000
Deferred Tax Liabilities	0	0	0	44,459	44,459
Total Other Liabilities	200,000	0	0	44,459	244,459
Total Liabilities	2,674,435	16,105	44,558,233	424,443	47,673,216
Net Assets					
Net Assets	57,245,443	60,530	26,691,363	2,958,189	86,955,525
Change In Net Assets	(486,633)	(51,004)	(672,739)	32,553	(1,177,824)
Total Net Assets	56,758,810	9,526	26,018,624	2,990,742	85,777,701
<b>Total Liabilities and Net Assets</b>	<b>59,433,245</b>	<b>25,631</b>	<b>70,576,857</b>	<b>3,415,185</b>	<b>133,450,917</b>