



BOARD FINANCE COMMITTEE

Tuesday, May 12, 2026

4:00 pm – 6:00 pm

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

Members of the Public may Join Virtually: <https://us02web.zoom.us/j/87112335839>

Meeting ID: 871 1233 5839 - **By Phone:** +1 253 215 8782; +1 267 831 0333

AGENDA

- **Call to Order & Roll Call**

- **Approval of Minutes:**
 - February 10, 2026 Minutes p. 1

- **Trousdale Budget** – Mark Jenkins, CFO, Eskaton p. 6
 - Executive Budget Summary, Draft Budget, Multi-year Comparison, and Capital Budget
 - Q&A

- **Sonrisas Budget** – Tiffany Turner, CEO, Sonrisas Dental Health p. 12
 - Budget Narrative, Draft Budget, FY27 vs FY26 Comparison, and FY26-FY29 Forecast
 - Q&A

- **allcove Budget** – Jackie Almes, Youth Behavioral Health Program Manager p. 20
 - Assumptions and Draft Budget
 - Q&A

- **Health & Fitness Budget** – Richard Bergstrom, Fitness Director p. 22
 - Assumptions and Draft Budget
 - Q&A

- **Community Health Investment Budget** – CFO Yee p. 24
 - Assumptions and Draft Budget
 - Q&A

- **FY 26-27 Consolidated Draft Budget** – CFO Yee p. 26
 - General Operations/Leasing Drivers and Assumptions



- Consolidated Draft Budget p. 27
 - Financial Ratio Calculation p. 30
 - Capital Budget p. 31
 - Q&A
 - **Action, if any**
-
- **Q3 Consolidated Financials – TO BE DISTRIBUTED THE FIRST WEEK OF JUNE**
Due to a delay in the Sonrisas financials, the Q3 Consolidated Financials will be distributed to the Committee by the first week of June. Please direct any questions to CFO Yee via email.
 - **Future agenda items:**
 - City National Bank – Annual Performance & Goals Presentation and Analyses
 - Year-End Financial Review
 - Suggestions?
 - **Adjournment**



FINANCE COMMITTEE MEETING

Minutes

February 10, 2026

1. **Call to Order:** The meeting was called to order by **Chair Sanchez** at 4:04 pm.
2. **Roll Call:** Present: Chair Sanchez, CEO Pulido [joining remotely from: Omni San Diego Hotel 675 L Street, San Diego, CA 92101], CFO Yee, Member Angelopoulos, Member Revelo. Absent: Vice-Chair Cappel, Member Martinez.
3. **Approval of Minutes** from November 18, 2025

It was moved by Member Angelopoulos and seconded by CEO Pulido to approve the Minutes from November 18, 2025. The motion passed 4/0/1/2. Ayes: Chair Sanchez, CEO Pulido, CFO Yee, Member Angelopoulos. Abstain: Member Revelo. Absent: Vice-Chair Cappel, Member Martinez.

4. **Committee Charge and Policy Annual Review** – CFO Yee
 - **Finance Committee Charge and Members**
No changes were made. Member Revelo agreed to a 3-year term extension to March 2029.

It was moved by Member Angelopoulos and seconded by CEO Pulido to reappoint Member Revelo to another 3-year term. The motion passed 4/0/1/2. Ayes: Chair Sanchez, CEO Pulido, CFO Yee, Member Angelopoulos. Abstain: Member Revelo. Absent: Vice-Chair Cappel, Member Martinez.

- **Statement of Investment Policy**
No changes were made.

Member Revelo referenced the District's investment guidelines (page 12), which limit asset-backed securities to a maximum of 20% of the portfolio and require an AA rating or better. He asked which rating agencies are relied upon and whether the District has a policy or process for evaluating the rating methodology/quality control behind those ratings, citing lessons learned from 2008.

Chair Sanchez noted the District's investment approach is conservative, highlighted additional guidelines (page 5 of 7), and stated the portfolio is diversified. He also noted that funds are invested through a county pool used by multiple agencies, adding an additional layer of oversight.

CFO Yee stated that the investment manager presents annually, and that meeting would be an appropriate time to raise questions about reliance on rating agencies and due diligence on underlying holdings.

Member Angelopoulos asked whether the investment manager has provided a scenario or shock analysis. **CFO Yee** indicated this has not been provided to date. **Chair Sanchez** supported exploring stress-testing concepts (e.g., market drawdowns or macroeconomic shocks) beyond the manager's usual explanation of performance changes.

CFO Yee will reach out to committee members prior to the next investment manager meeting (August) to collect questions and requested analyses in addition to the following request. (1) which rating agencies are used and how ratings are relied upon, (2) any due diligence/quality-control practices for underlying securities, and (3) scenario/shock (stress) analysis illustrating how the portfolio may perform under changing rates, unemployment, market drawdowns, and other macroeconomic conditions.

It was moved by Member Revelo and seconded by CEO Pulido to approve the Statement of Investment Policy as presented. The motion passed 5/0/0/2. Ayes: Chair Sanchez, CEO Pulido, CFO Yee, Member Revelo, Member Angelopoulos. Absent: Vice-Chair Cappel, Member Martinez.

- Internal Control Policy

CFO Yee presented both a redline and a clean version of the Internal Control Policy. Most edits were editorial/clarifying; no material changes were made to control procedures. Titles and personnel responsibilities were updated.

Member Angelopoulos asked about the dollar threshold for a second signature and whether it has changed due to increased banking fraud. **CFO Yee** stated the threshold has remained at \$25,000. She added that the District implemented an additional security layer for wires over \$1,000,000, requiring approval by the Board Chair.

CFO Yee reported that the District uses Positive Pay, sending the bank a weekly list of issued checks for matching prior to clearing. She noted this process helped identify a recent scam in which checks were stolen from a mailbox and altered. **CEO Pulido** added that invoices follow a multi-step approval process (manager approval, CEO approval, and a final CFO review prior to check issuance). **Chair Sanchez** noted that the Board receives a monthly list of checks issued for review.

Member Revelo asked whether the District uses OFAC screening (a government-issued list of individuals/organizations). He described it as a simple additional safeguard and offered to provide more information at a future meeting. **CFO Yee** stated she was not familiar with the tool and will explore its use.

Member Angelopoulos asked whether there has been an increase in phishing emails, phone calls, and similar scams. **CFO Yee** confirmed a noticeable rise in phishing attempts,

including a recent phone scam impersonating PG&E and demanding immediate payment to avoid service shutoff. Staff verify suspicious claims through official online accounts and do not pay based solely on unsolicited calls.

Member Angelopoulos asked if there is active cybersecurity training for personnel. **CEO Pulido** stated the organization shares best practices internally and is working with its IT firm to implement higher levels of security and provide more formal training/professional development. Staff generally feel confident in identifying phishing attempts, but scammers continually adapt, making it increasingly difficult to distinguish messages. **CEO Pulido** noted guidance has been provided by the IT consultant on warning signs and steps to take if someone accidentally opens a suspicious item.

Member Angelopoulos asked whether sensitive data is hosted locally (on a server) or in the cloud. **CFO Yee** indicated that key accounting information/software is in the cloud, while other materials are currently hosted on the server. **Member Angelopoulos** noted a general trend (in public and private firms) toward putting sensitive data in the cloud, citing that large cloud providers can invest continuously in cybersecurity; local hosting may be more exposed when security investment is limited. **CEO Pulido** thanked Member Angelopoulos for the input and noted that the IT consultant recommended installing a server and backing up data, but expressed openness to obtaining a second opinion if needed. **Member Angelopoulos** clarified that the comment was offered as a general observation and not as an IT expert, and acknowledged the organization's due diligence with consultants.

Chair Sanchez discussed that, depending on circumstances and organization size, it may be easier to rely on major providers for data storage. He also emphasized the importance of staff education and verification practices.

Member Revelo stated that cyberattacks have increased significantly over the past 15 months. He added that, in their environment, systems have moved more toward the cloud, and disaster recovery services/servers have been moved offsite to a safer location.

Chair Sanchez reiterated that the key practice is to stop when something appears abnormal, verify through trusted channels, and avoid acting under pressure.

It was moved by Member Revelo and seconded by Member Angelopoulos to approve the Internal Control Policy as presented. The motion passed 5/0/0/2. Ayes: Chair Sanchez, CEO Pulido, CFO Yee, Member Revelo, Member Angelopoulos. Absent: Vice-Chair Cappel, Member Martinez.

5. **FY 25-26 Qtr 2 Consolidated Financials** – CFO Yee

CFO Yee provided a brief overview of the FY26 quarter 2 performance.

- All programs performed better than the budget
- Tax Revenue on track at \$5,351,024
- Health & Fitness has 300 active members, 10 more than the budget
- The Trousdale is at 90% occupancy in December and currently at 96%, 119 units occupied out of 124 units.
- Sonrisas is down 468 in visits, but performed better in revenue, mainly due to an increase in HPSM insurance rates.
- The Trousdale received a \$1.8M legal settlement under other non-operating revenue.
- Total revenues are \$2.5M better than the budget
- There is a \$1M surplus in the community health investment budget. Most of the surplus is due to the timing of grant funding and lower costs from the Healthy Aging Pathways program.
- Personnel expenses have a \$479K surplus from vacancies.
- Professional fees exceed the budget by \$148K.
- General and administrative expenses are doing better than the budget by \$327K
- There was no Sonrisas funding from PHCD due to the contract rescission.
- Net Income to date is \$7.8M, \$4.5M better than the budget.
- Cash and investments balance is approximately \$55M.
- The Trousdale construction loan balance is \$38M at the end of December.

Chair Sanchez commented that membership at the fitness center has significantly increased. When he first joined the District, membership was approximately 180. He credited the growth to the leadership of Health and Fitness Director Richard Bergstrom, noting that the center was recognized as the number one gym last year.

CFO Yee explained that the organization has expanded its outreach by increasing its presence on various apps and platforms, making it easier for individuals to learn about the center and purchase passes. Additionally, trial and discounted passes have been introduced to encourage new users to experience the facility.

CEO Pulido highlighted the breadth of programming, noting that the center offers a wide range of classes and socialization opportunities. She described the program as comprehensive, designed to meet the needs of older adults in their health journeys. She added that word-of-mouth referrals and interest in tours have grown alongside targeted marketing strategies. As a result, membership has nearly reached 400 over the past two years, up from approximately 187 when she joined the District. She emphasized that increased participation reflects success in reaching and engaging the community.

Member Revelo inquired about the employment status of Richard Bergstrom, asking whether he is a contractor or a district employee.

CEO Pulido clarified that Richard Bergstrom is a full-time employee serving as the Health and Fitness Director. She noted that he was hired approximately two years ago and has since completed his second year in the role.

Member Revelo commented positively on the organization's staffing decisions, noting that strong leadership choices have contributed to the program's success and commending the team for their progress.

6. **Future Agenda Items**

- Draft Budget Review
- Quarterly Financial Review

Adjournment: Chair Sanchez adjourned the meeting at 4:51 pm.

Written by Vickie Yee, CFO

Approved by: The Finance Committee XXXXXX

The Trousdale 2026–27 Budget Executive Summary

Revenue & Operating Expense Overview | Fiscal Year 2026–2027

NET OPERATING REVENUE

\$16.35M

▲ +8.9% vs. Prior Budget

TOTAL OPERATING EXPENSES

\$12.00M

▲ +1.9% vs. Prior Budget

OPERATING MARGIN

\$4.35M

▲ +34.7% vs. Prior Budget

MARGIN %

26.6%

▲ +1.5% pts vs. Prior Budget

REVENUE

The Trousdale's 2026–27 budget projects Net Operating Revenue of \$16.35 million, representing an increase of 8.9% over the prior-year budget and 5.5% above the current year's annualized forecast. This growth is driven primarily by a 5.0% rate increase effective January 1, with occupancy assumed to remain stable at approximately 93% for both Assisted Living (AL) and Memory Care (MC). Rent concessions and assistance are projected at \$100,000. Additionally, the PHCD Rent Assistance of \$20,000 per month included in prior-year budgets has been removed for 2026–27. As a contra-revenue item, its removal results in a \$240,000 annual increase in reported revenue compared to the prior year.

OPERATING EXPENSES

Total Operating Expenses are budgeted at \$12.00 million, a modest increase of 1.9% over the prior-year budget and 3.4% above prior-year actuals on an annualized basis. The budget reflects a deliberate investment in workforce stability to address current care staffing vacancies and reduce the reliance on elevated overtime levels experienced in the current year.

Salaries total \$6.38 million, reflecting a 4.2% increase over current year actuals, while total staffing levels remain essentially flat at 91.9 FTEs, a reduction of 0.8 FTE from the prior year. The budget includes a \$1.50 per hour market wage adjustment for care staff effective July 1, along with a 4% performance incentive increase for all employees. These investments are intended to improve hiring and retention outcomes and bring overtime costs back within target levels.

Employee benefits are budgeted at \$2.17 million, supported by a reduction in the Eskaton Health Plan rate to 18.50% from 19.00%.

Non-labor operating expenses reflect continued cost discipline, declining by \$149,000 compared to the prior-year budget. Food costs are budgeted at \$14.00 per resident day, a \$1.77 reduction from the prior year, driven by value-based purchasing and GPO pricing. Registry usage is targeted at \$35,000 for the year, down significantly from \$180,000 in the prior-year budget, reflecting expectations of improved direct hiring. Utilities are held essentially flat year over year, with a general inflation assumption of 3% applied to most remaining expense categories.

OPERATING MARGIN

The budget projects an Operating Margin of \$4.35 million, representing 26.6% of Net Operating Revenue. This reflects an improvement of 34.7% over the prior-year budget and 11.8% over prior-year actuals on an annualized basis. Margin performance reflects the combined impact of rate-driven revenue growth and continued discipline in normalizing the expense base as the community matures into stable operations.

The Trousdale

2026–27 Budget Assumptions

Prepared for Management Review | Fiscal Year 2026–2027

REVENUE

Occupancy

- AL occupancy: stabilized at approximately 93%, consistent with budgeted current operations. No monthly growth assumed; occupancy remains stabilized throughout the year. Move-ins and move-outs are modeled based on current trends.
- MC occupancy: stabilized at 93%, consistent with budgeted current operations. No incremental growth assumed; companion and shared occupancy grows from 6 to 7.5.
- AL double occupancy set at 8, consistent with trends over the past year.

Level of Care

- AL avg. level of care remains stable, consistent with current mix 1.82 in February 2026 and an average of 1.82 in the budget year.
- MC avg. level of care remains generally stable in both private and shared rooms 2.69 in February 2026 to 2.76 in the budget year. Companion and Shared rates are at 3.33 now and are budgeted at 3.33.

Rates & Fees

- **Rate Increase:** 5.0% for all residents, effective January 1 (including respite)
- **Move-In Fee:** Increased to \$6,500 from \$5,000
- **Other Operating Revenue:** Budgeted similar to recent run rates
- **PHCD Rent Assistance:** All PHCD assistance has been removed from budget, this results in \$240,000 higher budgeted revenue in 2026-2027 over the 2025-2026 budget year.
- **Rent Concessions / Incentives:** Budget at \$100,000 for the year, which represents the use of 10 resident referral move-ins.

LABOR EXPENSES

Staffing Levels

- No change in RCA/RMA staffing during the year in AL (24.8 FTEs).
- No change in RCA/RMA staffing levels in Memory Care (22.2 FTEs).
- Total combined AL/MC RCA/RMA currently at 47.0 actual heads.
- Budgeted FTEs aligned to current actual FTEs, resulting in the following adjustments:
 - **Barista:** 2.40 → 2.50
 - **Laundry Worker:** 2.00 → 1.50
 - **Lead Wait Person:** 1.50 → 1.00
 - **Fund Development Director:** 0.00 → 0.20
- Total budgeted headcount decreased from 92.7 to 91.9, resulting in a net –\$23K variance in salaries.

Wage & Salary Adjustments

- \$1.50/hour market wage adjustment proposed for all care staff as of July 1
- 4% performance incentive increase (given in conjunction with annual review). This results in a net \$169K increase to salaries and a \$57K increase to benefits from the current-year run rate. (Last year this was budgeted at \$60K in salaries.) Increasing wages is expected to improve hiring and reduce reliance on overtime.
- 4% increase in salaries for all other non-care staff classifications, accounting for a \$140K increase to salaries. Wage increases are smoothed over the full year for hourly employees and applied July 1 for salaried employees.
- **Commissions:** \$1,600 per move-in (\$1,350 for RLA; \$250 for Sales Coordinator)
- **PTO Estimate:** Based on historical trend (approx. 6.8% of productive salaries)
- **Overtime:** Budgeted at approx. 5.0% of regular wages — \$376K below current run rate, \$59K above last budget. Supported by increased care staff wages.

Benefits

- **Eskaton Health Plan:** 18.50% rate (no increase anticipated; down from 19.00%)
- **Workers' Compensation:** 3.50% rate (no increase anticipated)
- **CHC 401(k):** 3.80% rate
- **ED 401(k):** 4.00% rate

OTHER EXPENSES

Operations

- **Registry:** \$2,917/month for all 12 months
- **Food Cost:** \$14.00 per resident per day (includes additional factor for guest meals) — a \$1.77 reduction from the prior year budget, supported by value-based purchasing and GPO preferred pricing
- **General Inflation:** 3% applied across applicable expense categories
- **Referral Fees:** Approx. \$5,750/month, consistent with recent experience

Utilities

- **Cable TV:** Fixed monthly rate with approx. 3% increase over current rate
- **Telephone / Internet:** Based on current rates with 3% increase
- **Trash / Refuse:** Based on current rates with 3% increase
- **Water / Sewer:** Seasonally adjusted estimates based on current rates with 3% increase
- **Gas / Electric (PG&E):** Seasonally adjusted estimates based on current rates with approx. 4% increase per PG&E published rates

Insurance

- General and professional liability insurance is seeing modest increases; property insurance is anticipated to remain flat. Anticipated budget developed with input from insurance broker, Tim Mooney.
- **Auto Insurance:** Budgeted with a 5% increase

THE TROUSDALE 2026-27 Proposed Budget

| | Actual 2021-22 | Actual 2022-23 | Actual 2023-24 | Actual 2024-25 | Forecasted 2025-26 | Proposed Budget 2026-27 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|-------------------------------|
| Operating Revenues | | | | | | |
| Routine Revenues | \$9,692,917 | \$10,522,210 | \$12,733,687 | \$13,197,782 | \$ 15,298,339 | \$16,009,047 |
| Ancillary Revenues | 0 | 8,109 | 19,604 | 14,053 | \$ 16,976 | 22,848 |
| Discounts & Concessions | (62,221) | (169,256) | (219,002) | (149,452) | \$ (152,986) | (100,000) |
| Other Operating Revenues | 153,408 | 234,425 | 270,285 | 208,960 | \$ 329,777 | 414,008 |
| Net Operating Revenues | 9,784,104 | 10,595,488 | 12,804,574 | 13,271,343 | 15,492,105 | 16,345,903 |
| Operating Expenses | | | | | | |
| Salaries | 3,887,220 | 4,713,729 | 5,583,169 | 5,548,188 | 6,068,609 | 6,378,750 |
| Employee Benefits | 1,147,609 | 1,372,177 | 1,629,679 | 1,714,635 | 2,111,698 | 2,165,033 |
| Registry | 326,807 | 623,744 | 443,955 | 110,618 | 25,295 | 35,004 |
| Professional Fees | | | 4,388 | 0 | 0 | 0 |
| Supplies | 712,856 | 884,691 | 970,099 | 907,080 | 1,013,872 | 962,227 |
| Purchased Services | 425,757 | 510,625 | 582,593 | 491,011 | 628,333 | 604,382 |
| Ancillary Costs | 0 | 7,808 | 23,596 | 23,972 | 18,836 | 22,848 |
| Utilities | 474,603 | 539,345 | 612,172 | 646,944 | 693,788 | 684,651 |
| Insurance & Other | 403,581 | 452,672 | 471,644 | 429,579 | 420,984 | 490,741 |
| Bad Debts* | 0 | 0 | 0 | 0 | 0 | 0 |
| Management Fees | 391,512 | 426,093 | 512,727 | 530,886 | 619,685 | 653,836 |
| Total Operating Expenses | 7,769,945 | 9,530,884 | 10,834,022 | 10,402,913 | 11,601,100 | 11,997,472 |
| Operating Margin | 2,014,159 | 1,064,604 | 1,970,552 | 2,868,430 | 3,891,005 | 4,348,431 |
| Fixed Expenses | | | | | | |
| Depreciation | 2,558,881 | 2,582,702 | 2,563,485 | 2,546,434 | 2,569,808 | 2,570,556 |
| Interest Expense | 1,679,917 | 1,622,135 | 1,558,129 | 1,494,312 | 1,444,399 | 1,367,645 |
| Total Fixed Expenses | 4,238,798 | 4,204,837 | 4,121,614 | 4,040,746 | 4,014,207 | 3,938,201 |
| Net Operating Income | (2,224,639) | (3,140,233) | (2,151,062) | (1,172,316) | (123,202) | 410,230 |
| Nonoperating: | | | | | | |
| Other Non-Operating | | | | 6,345 | 4,490 | |
| Total Nonoperating | 0 | 0 | 0 | 6,345 | 4,490 | 0 |
| NET INCOME | (2,224,639) | (3,140,233) | (2,151,062) | (1,165,971) | (118,712) | 410,230 |
| Full-year Average Occupancy | 74.0% | 77.0% | 88.4% | 87.1% | 93.4% | 92.7% |
| Ending Occupancy % | 76.6% | 86.3% | 91.9% | 85.5% | 94.6% | 93.2% |

* Bad debts included in Discounts & Concessions

TTD - FY 2026/2027 CAPITAL PLAN

11

| DESCRIPTION | RATIONALE | PRIORITY | ESTIMATE \$ |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| SCHEDULED | | | |
| Add tree well grates in courtyard | Tree wells keep sinking creating a deep curb. Install tree grates for added safety in 2026/2027. | | \$10,000 |
| Staff Breakroom | LVT is badly scratched and worn. Select more durable product upon replacement. Furniture is worn, modify cabinets to give space for vending machine | | \$20,000.00 |
| Clinic flooring replacement | LVT is gauged in a few places due to scale. Select more durable product upon replacement | | \$12,000.00 |
| Common area flooring replacement | Elevator vestibule flooring in MC is badly worn and torn and needs replacement. Dining room salad station flooring needs replacement as there is a large transition, which is unsightly and is a deterrent for residents with walkers. Replace with 5mm LVT to butt up level to carpet tile with no transition. | | \$10,000.00 |
| Replace common area furniture | Allowance/year as needed. 2026/2027 - 7 pieces MC, 4 benches elevator waiting areas, 5 pieces main lobby - avg \$3kea | | \$ 25,000.00 |
| Resurface wood partition walls in main lobby | Badly gouged and scratched. Resurface using more durable material such as what was used at the front desk. Front desk was \$7700 | | \$15,000.00 |
| Add chair rail ro MC activity room | Chairs are damaging walls | | \$5,000.00 |
| Sunroom Lighting (all floors) | Sunroom lighting covers are badly warping and make a poor first impression. Use same solution as what was performed in the corridors | | \$8,000.00 |
| MC elevator vestibule lighting upgrade | Lighting is very dim. Replace cans with newer, brighter fixtures | | \$3,000.00 |
| Add door hold opens that are tied to the fire system | Several main doors need to remain open during daytime hours to encourage resident participate and engagement of spaces. Admin door, MC activity room doors, main floor amenity rooms, etc. Phase over a few years | | \$15,000.00 |
| Repair cracking drywall. Determine root cause | Private dining room, mens restroom near bistro. Unknown budget amount - needs to determine cause and how extensive a fix is needed to prevent future cracks | | \$15,000.00 |
| Add fencing in parking garage to create a more permanent storage area that is not visible to residents and guests | Garage area being used for storage and is unsightly. Screen and secure items so they are not visible for residents and guests | | \$15,000 |
| Dining allocation | As needed to add or replace dietary equipment. In 2026/2027 add a TurboChef to bistro, replace bistro display case so it doesn't open from the customer side), new RoboCoup, blixer and steam table | | \$25,000.00 |
| Hard floor scrubber | Need a vertical rotating brush hard floor scrubber to properly maintain hard surface flooring | | \$13,000.00 |
| TECHNOLOGY | | | \$191,000 |
| Wiring down from 12 IDF's to 5 | NOTE: THIS BUDGET amount is estimated to cover Wiring, Network and EITHER Wi-fi OR Cameras. The one not implemented in the 2026/2027 budget year will be budgeted for the following year | | |
| Replace network switches | | | |
| Replace Wi-Fi access points | | | \$ 200,000.00 |
| Migrate camera system to Avigilon | | | |
| ROUTINE ALLOCATIONS | | | \$200,000 |
| Unit Turns | | Allocated | \$20,000 |
| Emergencies & Equipment Failure | | Allocated | \$50,000 |
| Vehicles | Replace vehicle wrap on Sienna | Allocated | \$10,000 |
| Unplanned | | Allocated | |
| | | | \$80,000 |
| | | Total | \$471,000 |



DATE: May 6, 2026

TO: PHCD Finance Committee

FROM: Sonrisas Dental Health CEO

RE: FY27 Budget Narrative

The FY27 budget is structured to distinguish between **program operations** (clinical and outreach services) and **administrative/fundraising operations**, allowing for greater transparency in how resources are allocated and how funding supports our mission.

BUDGET FINANCIALS

Growth in Patient Services and Program Reach

In FY27, Sonrisas is planning for **19,365 total patient visits**, representing a **22% increase (+3,490 visits)** over the prior year's budget. This growth is driven by expanded capacity across San Mateo, Half Moon Bay, and the launch of the Pescadero Mobile (RV) program. In parallel, outreach efforts will increase modestly, with a target of **4,200 screenings**.

Revenue and Fundraising Strategy

Total operating revenue is projected at **\$6.9M**, including **\$4.2M in patient revenue** and **\$2.7M in grants and other income**, of which **\$450k is already secured or committed**. While patient revenue is expected to grow significantly (up ~31%), philanthropic support remains critical to sustaining operations and supporting continued program expansion.

Grant and fundraising goals are **fully aligned with program budgets** and supported by a targeted FY27 strategy, including:

- Clearly identified grant funding sources with targeted asks, totaling approximately **\$1.3M in expected recurring support**
- Defined revenue targets by program
- Approximately **\$540K in new funding** required to meet overall goals
- We plan to hire an additional staff member 1FTE, to support growth efforts

Investment in Staffing and Capacity

To support this growth, Sonrisas is making a strategic investment in staffing and operational infrastructure.

The FY27 personnel budget reflects an overall increase of **approximately \$908K in direct and indirect** personnel expenses compared to the FY26 approved budget. This increase includes:

- Approximately **\$495K in FY26 baseline staffing adjustments** related to unplanned operational needs that occurred during FY26
- Approximately **\$413K in additional FY27 personnel investment** after normalizing the FY26 staffing baseline

Some FY26 staffing adjustments are carried forward into FY27, while certain temporary or unplanned FY26 positions were removed. As a result, these figures are interconnected and should not be interpreted as separate additive staffing categories.

Key FY27 staffing investments include:

- Chief Dental Officer
- Pediatric Dentist
- Registered Dental Hygienist
- Dental Assistant
- Development Manager
- Finance Director promotion
- Two market rate adjustments
- 3% merit-based bonus

Holidays

Despite adding three additional observed holidays, projected **FY27 clinic days remain approximately 3% higher** and projected **patient visits are approximately 22% higher than the FY26 budget**, driven by expanded staffing capacity and operational growth.

Expense Trends

Overall operating expenses are projected at **\$7.5M (without depreciation)**, an increase of approximately 11% from last year.

- **Direct expenses** are increasing across most categories, reflecting higher patient volume, with the exception of dental equipment repair, which has been adjusted downward based on current-year actuals.
- **Indirect expenses** are also increasing, driven primarily by staffing and infrastructure needs.

Operating Performance and Cash Flow

While net income reflects a **loss of approximately (\$910K)**, this is primarily driven by fixed expenses (depreciation and a lack of historical funding).

ADDITIONAL INFORMATION

Uncompensated Care and Operating Gap

Uncompensated care remains a core component of Sonrisas' mission:

- **Total uncompensated care:** ~46% of total costs (down from 53% prior year)
- **Clinic-only uncompensated care:** reduced to 22% (from 41%)

This improvement reflects stronger operational performance and payer mix optimization. Notably, these figures **exclude contractual adjustments** and focus only on **operational gaps** (fundraising support and billing adjustments).

Cost Efficiency and Cost per Visit

Significant improvements in cost efficiency are reflected in cost per visit:

- **Operating gap per visit improved** from FY26 (\$223.82) to FY27 (\$172.28)
- Overall **cost per visit decreased** as volume increases and fixed costs are leveraged more effectively

At the site level:

- ***San Mateo and Half Moon Bay costs per visit are decreasing***, demonstrating improved efficiency
- ***Mobile program costs are high***, driven by startup and depreciation costs, but are expected to normalize over time

SUMMARY

FY27 reflects a ***growth-oriented and strategically balanced financial plan***, with:

- Strong increases in patient volume and access
- Targeted and structured fundraising strategy
- Strategic staffing investments tied to productivity
- Improved cost efficiency and reduced uncompensated care burden

While philanthropy remains essential, the organization is intentionally moving toward a ***more sustainable operating model***. Our long-term goal is for clinical operations to become largely self-sustaining (***supporting approximately 80–100% of clinic costs***), while philanthropic funding is fully dedicated to supporting outreach, administrative infrastructure, and mission-driven programs.

Over time, this model will allow us to expand and invest in innovative initiatives that further advance our mission; such as increasing access to care through Saturday specialty services, expanding school-based screenings, and growing our clinic footprint to reach more underserved community members.

Sonrisas Dental Health
 Budget Revenues and Expenditure - 3% Bonus
 Fiscal Year Ended

6/30/2027 version 4/13/2026

| | San Mateo | Half Moon Bay | Prescadero Mobile | Outreach Program | Admin & Fundraising Dept | All Department |
|-----------------------------|---------------|---------------|-------------------|------------------|--------------------------|----------------|
| <u>Budget Visits</u> | | | | | | |
| Commercial Insur. | 261 | 41 | 0 | 0 | 0 | 302 |
| PPO | 3,075 | 624 | 0 | 0 | 0 | 3,699 |
| Private Pay | 421 | 73 | 0 | 0 | 0 | 494 |
| Denti-Cal | 1,327 | 427 | 0 | 0 | 0 | 1,754 |
| HPSM | 9,080 | 2,979 | 262 | 0 | 0 | 12,321 |
| Affordable Plan | 216 | 237 | 0 | 0 | 0 | 453 |
| Farmworker | 0 | 0 | 342 | 0 | 0 | 342 |
| Total | 14,380 | 4,381 | 604 | 0 | 0 | 19,365 |

Target Screening 4,200

Budget Financials

Patient Services

| | | | | | | |
|----------------------------------|---------------------|-------------------|-------------------|-------------|-------------|---------------------|
| Commercial Insurance | 56,037.77 | 8,815.00 | 0.00 | 0.00 | 0.00 | 64,852.77 |
| PPO | 661,132.48 | 134,160.00 | 0.00 | 0.00 | 0.00 | 795,292.48 |
| Private Pay | 90,566.09 | 15,695.00 | 0.00 | 0.00 | 0.00 | 106,261.09 |
| Medi-Cal Dental | 285,283.19 | 91,805.00 | 0.00 | 0.00 | 0.00 | 377,088.19 |
| HPSM | 1,952,265.34 | 640,485.00 | 56,330.00 | 0.00 | 0.00 | 2,649,080.34 |
| Affordable Scale | 46,415.12 | 50,955.00 | 0.00 | 0.00 | 0.00 | 97,370.12 |
| Farmworker | 0.00 | 0.00 | 126,882.00 | 0.00 | 0.00 | 126,882.00 |
| Net Patient Revenue | 3,091,700.00 | 941,915.00 | 183,212.00 | 0.00 | 0.00 | 4,216,827.00 |
| Total Revenue Adjustments | (30,917.00) | (9,419.15) | (1,832.12) | 0.00 | 0.00 | (42,168.27) |
| Total Patient Revenue | 3,060,783.00 | 932,495.85 | 181,379.88 | 0.00 | 0.00 | 4,174,658.73 |

Grants and Other Income

| | | | | | | |
|--------------------------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Fundraiser | 0.00 | 0.00 | 0.00 | 0.00 | 250,000.00 | 250,000.00 |
| Donations | 0.00 | 0.00 | 0.00 | 0.00 | 175,000.00 | 175,000.00 |
| In-Kind Donations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grants - Current Year | 343,212.00 | 0.00 | 74,000.04 | 597,000.00 | 780,000.00 | 1,794,212.04 |
| Grants - release from prior year | 0.00 | 0.00 | 100,000.00 | 36,400.00 | 313,600.00 | 450,000.00 |
| PHCD Grants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Income (I.e. investment, inte | 0.00 | 0.00 | 0.00 | 40,000.00 | 23,400.00 | 63,400.00 |
| Total Grants and Other Income | 343,212.00 | 0.00 | 174,000.04 | 673,400.00 | 1,542,000.00 | 2,732,612.04 |
| Total Operating Revenue | 3,403,995.00 | 932,495.85 | 355,379.92 | 673,400.00 | 1,542,000.00 | 6,907,270.77 |

Sonrisas Dental Health
Budget Revenues and Expenditure - 3% Bonus
Fiscal Year Ended

6/30/2027 version 4/13/2026

| | San Mateo | Half Moon Bay | Prescadero Mobile | Outreach Program | Admin & Fundraising Dept | All Department |
|------------------------------------------|---------------------|-------------------|---------------------|-------------------|--------------------------|---------------------|
| Expenses | | | | | | |
| Direct Operating Expenses | | | | | | |
| Direct Personnel Expense | 2,792,049.24 | 481,503.36 | 187,840.68 | 395,286.72 | 0.00 | 3,856,680.00 |
| Direct Personnel Bonus | 83,761.48 | 14,445.10 | 5,635.22 | 11,858.60 | 0.00 | 115,700.40 |
| Direct Personnel Payroll Taxes and | 449,925.76 | 92,769.38 | 29,669.48 | 61,134.87 | 0.00 | 633,499.49 |
| Sterilization Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shredding | 0.00 | 0.00 | 0.00 | 0.00 | 1,080.00 | 1,080.00 |
| Dental Supplies | 258,840.00 | 78,858.00 | 10,872.00 | 0.00 | 0.00 | 348,570.00 |
| Small Dental Equipment | 14,600.04 | 11,199.96 | 0.00 | 2,000.00 | 0.00 | 27,800.00 |
| Dental Equipment Repair | 15,000.00 | 6,000.00 | 2,400.00 | 0.00 | 0.00 | 23,400.00 |
| Lab Fees | 132,296.00 | 40,305.20 | 5,556.80 | 0.00 | 0.00 | 178,158.00 |
| Uniforms | 1,312.56 | 187.56 | 25.00 | 100.00 | 0.00 | 1,625.12 |
| Patient Notification | 5,040.00 | 5,040.00 | 5,040.00 | 0.00 | 0.00 | 15,120.00 |
| Claims Processing | 10,508.56 | 6,123.19 | 4,499.08 | 0.00 | 0.00 | 21,130.83 |
| Total Direct Operating Expenses | 3,763,333.64 | 736,431.75 | 251,538.26 | 470,380.19 | 1,080.00 | 5,222,763.84 |
| Indirect Operating Expenses | | | | | | |
| Indirect Personnel Expenses | 0.00 | 0.00 | 0.00 | 75,648.12 | 982,032.00 | 1,057,680.12 |
| Indirect Personnel Bonus | 0.00 | 0.00 | 0.00 | 2,269.44 | 29,460.96 | 31,730.40 |
| Indirect Personnel Payroll Taxes | 0.00 | 0.00 | 0.00 | 41,908.49 | 148,430.83 | 190,339.32 |
| Facility Expenses | 100,256.00 | 75,578.00 | 27,600.00 | 2,983.00 | 0.00 | 206,417.00 |
| Office Expenses | 3,600.00 | 2,208.00 | 1,200.00 | 16,000.00 | 44,500.00 | 67,508.00 |
| Insurance | 41,580.60 | 13,815.48 | 7,894.07 | 5,394.60 | 0.00 | 68,684.75 |
| Fundraising | 132,706.80 | 35,105.28 | 8,187.92 | 6,000.00 | 6,000.00 | 188,000.00 |
| Professional fee | 0.00 | 0.00 | 0.00 | 0.00 | 106,000.00 | 106,000.00 |
| Computer expense | 72,240.00 | 26,736.00 | 1,080.00 | 10,376.00 | 122,300.40 | 232,732.40 |
| Other General | 400.00 | 0.00 | 0.00 | 28,000.00 | 110,550.00 | 138,950.00 |
| Total Indirect Operating Expenses | 350,783.40 | 153,442.76 | 45,961.99 | 188,579.65 | 1,549,274.19 | 2,288,041.99 |
| Total Operating Expenses | 4,114,117.04 | 889,874.51 | 297,500.25 | 658,959.84 | 1,550,354.19 | 7,510,805.83 |
| Total Operating Margin | (710,122.04) | 42,621.34 | 57,879.67 | 14,440.16 | (8,354.19) | (603,535.06) |
| Fixed Expenses | | | | | | |
| Depreciation | 90,861.32 | 41,569.20 | 160,000.00 | 14,370.84 | 0.00 | 306,801.36 |
| Total Fixed Expenses | 90,861.32 | 41,569.20 | 160,000.00 | 14,370.84 | 0.00 | 306,801.36 |
| Total Net income | (800,983.36) | 1,052.14 | (102,120.33) | 69.32 | (8,354.19) | (910,336.42) |
| Cash Flow Analysis | | | | | | |
| Net Income | (800,983.36) | 1,052.14 | (102,120.33) | 69.32 | (8,354.19) | (910,336.42) |
| Add: Depreciation | 90,861.32 | 41,569.20 | 160,000.00 | 14,370.84 | 0.00 | 306,801.36 |
| Minus: Capital Expenditure | (72,800.00) | (14,375.00) | | | | (87,175.00) |
| Cash Flow | (782,922.04) | 28,246.34 | 57,879.67 | 14,440.16 | (8,354.19) | (690,710.06) |

Sonrisas Dental Health
Draft Budget FY27 with FY26 Comparison

| | 2026 2027 BUDGET | 2025 2026 BUDGET | FY27 BUD to FY26 BUD | 2025 2026 FORECAST | FY27 BUD to FY26 FOR |
|-------------------------------------|---------------------|---------------------|-------------------------|-----------------------|-------------------------|
| Revenue and Expenditures | | | | | |
| Net Program Income | | | | | |
| Patient Revenue | | | | | |
| Commercial Insurance | 64,853 | 128,474 | (63,622) | 55,852 | 9,000 |
| PPO | 795,292 | 668,991 | 126,301 | 651,715 | 143,578 |
| Private Pay | 106,261 | 125,232 | (18,971) | 106,775 | (514) |
| Medi-Cal Dental | 377,088 | 199,295 | 177,793 | 243,262 | 133,827 |
| HPSM | 2,649,080 | 1,799,286 | 849,794 | 2,261,387 | 387,693 |
| Affordable Scale | 97,370 | 115,072 | (17,702) | 95,736 | 1,634 |
| Farmworker | 126,882 | 191,322 | (64,440) | 130,629 | (3,747) |
| Gross Patient Revenue | 4,216,827 | 3,227,673 | 989,154 | 3,545,356 | 671,471 |
| Uncompensated Care - Adjustments | 0 | 0 | 0 | (163,269) | 163,269 |
| Revenue Adjustments | (42,168) | (41,000) | (1,168) | (90,338) | 48,170 |
| Net Patient Revenue | 4,174,659 | 3,186,673 | 987,985 | 3,291,748 | 882,910 |
| Expenses | | | | | |
| Direct Expenses | | | | | |
| Direct Personnel Expense | | | | | |
| Direct Program Salaries | 3,856,680 | 3,141,426 | 715,254 | 2,811,784 | 1,044,896 |
| Bonus | 115,700 | 97,158 | 18,543 | 86,962 | 28,738 |
| Benefits & Taxes | 633,499 | 527,283 | 106,216 | 375,440 | 258,060 |
| Total Direct Personnel Expense | 4,605,880 | 3,765,867 | 840,013 | 3,274,187 | 1,331,693 |
| Clinic Expenses | | | | | |
| Sterilization Services | 0 | 11,379 | (11,379) | 0 | 0 |
| Shredding | 1,080 | 960 | 120 | 1,040 | 40 |
| Dental Claim Support | 0 | 6,000 | (6,000) | 0 | 0 |
| Dental Specialist-Claims Processing | 0 | 23,507 | (23,507) | 48,832 | (48,832) |
| Dental Supplies | 348,570 | 313,159 | 35,411 | 289,616 | 58,954 |
| Small Dental Equipment | 27,800 | 19,200 | 8,600 | 1,365 | 26,435 |
| Dental Equipment Repair | 23,400 | 42,000 | (18,600) | 26,270 | (2,870) |
| Lab Fees | 178,158 | 155,621 | 22,537 | 114,002 | 64,156 |
| Uniforms | 1,625 | 700 | 925 | 150 | 1,475 |
| Patient Notification | 15,120 | 14,388 | 732 | 9,576 | 5,544 |
| Claims Processing | 21,131 | 4,560 | 16,571 | 7,980 | 13,150 |
| Total Clinic Expense | 616,884 | 591,474 | 25,410 | 498,831 | 118,053 |
| Total Direct Expenses | 5,222,764 | 4,357,341 | 865,423 | 3,773,018 | 1,449,746 |
| Indirect Expenses | | | | | |
| Indirect Personnel Expenses | | | | | |
| Salaries/Wages | 1,057,680 | 960,751 | 96,929 | 1,017,103 | 40,577 |
| Bonus | 31,730 | 29,714 | 2,016 | 31,457 | 274 |
| Benefits & Taxes | 190,339 | 220,757 | (30,417) | 229,125 | (38,786) |
| Total Indirect Personnel Expenses | 1,279,750 | 1,211,222 | 68,528 | 1,277,686 | 2,064 |
| Facility Expenses | 206,417 | 176,591 | 29,826 | 201,356 | 5,061 |
| Office Expenses | 67,508 | 124,351 | (56,843) | 121,401 | (53,893) |
| Insurance | 68,685 | 40,879 | 27,806 | 37,242 | 31,443 |
| Fundraising Department | 188,000 | 168,950 | 19,050 | 170,396 | 17,604 |
| Professional fee | 106,000 | 47,200 | 58,800 | 132,307 | (26,307) |
| General Expenses | 445,751 | 266,944 | 178,808 | 251,819 | 193,932 |
| Computer expense | 232,732 | 212,040 | 20,692 | 197,078 | 35,655 |
| Total Indirect Expenses | 2,594,843 | 2,248,177 | 346,666 | 2,389,284 | 205,559 |
| Total Total Expenses | 7,817,607 | 6,605,518 | 1,212,089 | 6,162,302 | 1,655,306 |
| Net Program Income | (3,642,948) | (3,418,845) | (224,104) | (2,870,553) | (772,395) |
| Grants and Other Income | | | | | |
| Grants and Donations | | | | | |
| Fundraiser | 250,000 | 200,000 | 50,000 | 248,956 | 1,044 |
| Donations | 175,000 | 175,000 | 0 | 109,070 | 65,930 |
| In-Kind Donations | 0 | 7,000 | (7,000) | 0 | 0 |
| Grants | 2,244,212 | 1,703,295 | 540,917 | 1,579,582 | 664,630 |
| Total Grants and Donations | 2,669,212 | 2,085,295 | 583,917 | 1,937,607 | 731,605 |
| Other Income | 63,400 | 85,150 | (21,750) | 228,326 | (164,926) |
| Total Grants and Other Income | 2,732,612 | 2,170,445 | 562,168 | 2,165,934 | 566,679 |
| Net income | (910,336) | (1,248,400) | 338,064 | (704,620) | (205,717) |

Sonrisa Dental Health
FY26 to FY29 Forecast

| | Budget FY25-26 | Forecast FY25-26 | Budget FY26-27 | Forecast FY27-28 | Forecast FY28-29 |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Budget Visits</u> | | | | | |
| Commercial Insur. | 426 | 206 | 302 | 355 | 372 |
| PPO | 3,117 | 2,795 | 3,699 | 4,459 | 4,646 |
| Private Pay | 390 | 408 | 494 | 591 | 616 |
| Denti-Cal | 1,321 | 1,383 | 1,754 | 2,100 | 2,186 |
| HPSM | 9,595 | 8,996 | 12,321 | 15,668 | 16,754 |
| Affordable Plan | 594 | 366 | 453 | 529 | 550 |
| Farmworker | 432 | 312 | 342 | 342 | 342 |
| Total | 15,875 | 14,466 | 19,365 | 24,044 | 25,466 |
| <u>Budget Financials</u> | | | | | |
| Patient Services | | | | | |
| Commercial Insurance | 128,474 | 55,852 | 64,853 | 76,325 | 79,980 |
| PPO | 668,991 | 651,715 | 795,292 | 958,685 | 998,890 |
| Private Pay | 125,232 | 106,775 | 106,261 | 127,065 | 132,440 |
| Medi-Cal Dental | 199,295 | 243,262 | 377,088 | 451,500 | 469,990 |
| HPSM | 1,799,286 | 2,261,387 | 2,649,080 | 3,368,620 | 3,602,110 |
| Affordable Scale | 115,072 | 95,736 | 97,370 | 113,735 | 118,250 |
| Farmworker | 191,322 | 130,629 | 126,882 | 126,882 | 126,882 |
| Net Patient Revenue | 3,227,673 | 3,545,356 | 4,216,827 | 5,222,812 | 5,528,542 |
| Total Revenue Adjustments | (41,000) | (253,608) | (42,168) | (52,228) | (55,285) |
| Total Patient Revenue | 3,186,673 | 3,291,748 | 4,174,659 | 5,170,584 | 5,473,257 |
| Grants and Other Income | | | | | |
| Fundraiser | 200,000 | 248,956 | 250,000 | 250,000 | 250,000 |
| Donations | 175,000 | 109,070 | 175,000 | 175,000 | 175,000 |
| In-Kind Donations | 7,000 | 0 | 0 | 0 | 0 |
| Grants - Current Year | 1,046,015 | 922,302 | 1,794,212 | 1,621,000 | 1,738,440 |
| Grants - release from prior year | 657,280 | 657,280 | 450,000 | 250,000 | 250,000 |
| PHCD Grants | 0 | 0 | 0 | 0 | 0 |
| Other Income (I.e. investment, interest income) | 85,150 | 228,326 | 63,400 | 63,400 | 63,400 |
| Total Grants and Other Income | 2,170,445 | 2,165,934 | 2,732,612 | 2,359,400 | 2,476,840 |
| Total Operating Revenue | 5,357,118 | 5,457,682 | 6,907,271 | 7,529,984 | 7,950,097 |

Sonrisas Dental Health
FY26 to FY29 Forecast

| | Budget FY25-26 | Forecast FY25-26 | Budget FY26-27 | Forecast FY27-28 | Forecast FY28-29 |
|-----------------------------------------------|--------------------|------------------|------------------|------------------|------------------|
| Expenses | | | | | |
| Direct Operating Expenses | | | | | |
| Direct Personnel Expense | 3,141,426 | 2,811,784 | 3,856,680 | 4,069,118 | 4,290,832 |
| Direct Personnel Bonus | 97,158 | 86,962 | 115,700 | 118,772 | 128,725 |
| Direct Personnel Payroll Taxes and Benefits | 527,283 | 375,440 | 633,499 | 662,188 | 693,150 |
| Sterilization | 11,379 | 0 | 0 | 0 | 0 |
| Shredding | 960 | 1,040 | 1,080 | 1,080 | 1,080 |
| Dental Supplies | 313,159 | 289,616 | 348,570 | 458,153 | 509,681 |
| Small Dental Equipment | 19,200 | 1,365 | 27,800 | 29,190 | 30,650 |
| Dental Equipment Repair | 42,000 | 26,270 | 23,400 | 24,570 | 25,799 |
| Lab Fees | 155,621 | 114,002 | 178,158 | 234,167 | 260,503 |
| Uniforms | 700 | 150 | 1,625 | 1,625 | 1,625 |
| Patient Notification | 14,388 | 9,576 | 15,120 | 15,876 | 16,670 |
| Claims Processing | 34,067 | 56,812 | 21,131 | 23,749 | 24,934 |
| Total Direct Operating Expenses | 4,357,341 | 3,773,017 | 5,222,764 | 5,638,488 | 5,983,648 |
| Indirect Operating Expenses | | | | | |
| Indirect Personnel Expenses | 960,751 | 1,017,103 | 1,057,680 | 1,089,411 | 1,122,093 |
| Indirect Personnel Bonus | 29,714 | 31,457 | 31,730 | 31,798 | 33,663 |
| Indirect Personnel Payroll Taxes and Benefits | 220,757 | 229,125 | 190,339 | 194,726 | 199,493 |
| Facility Expenses | 176,591 | 201,356 | 206,417 | 213,650 | 221,538 |
| Office Expenses | 124,351 | 121,401 | 67,508 | 70,009 | 72,584 |
| Insurance | 40,879 | 37,242 | 68,685 | 72,119 | 75,725 |
| Fundraising | 168,950 | 170,396 | 188,000 | 197,400 | 207,270 |
| Professional fee | 47,200 | 132,307 | 106,000 | 110,900 | 116,045 |
| Computer expense | 212,040 | 197,078 | 232,732 | 244,117 | 256,058 |
| Other General | 120,143 | 98,188 | 138,950 | 145,950 | 152,460 |
| Total Indirect Operating Expenses | 2,101,377 | 2,235,653 | 2,288,042 | 2,370,081 | 2,456,928 |
| Total Operating Expenses | 6,458,718 | 6,008,670 | 7,510,806 | 8,008,568 | 8,440,576 |
| Total Operating Margin | (1,101,600) | (550,987) | (603,535) | (478,584) | (490,479) |
| Fixed Expenses | | | | | |
| Depreciation | 146,801 | 153,631 | 306,801 | 306,801 | 306,801 |
| Total Fixed Expenses | 146,801 | 153,631 | 306,801 | 306,801 | 306,801 |
| Total Net income | (1,248,401) | (704,619) | (910,336) | (785,386) | (797,280) |
| Cash Flow Analysis | | | | | |
| Net Income | (1,248,401) | (704,619) | (910,336) | (785,386) | (797,280) |
| Add: Depreciation | 146,801 | 153,631 | 306,801 | 306,801 | 306,801 |
| Minus: Capital Expenditure | (292,851) | (163,745) | (87,175) | (87,175) | (87,175) |
| Cash Flow | (1,394,451) | (714,732) | (690,710) | (565,759) | (577,654) |



allcove™ SAN MATEO YOUTH DROP-IN CENTER

PROPOSED BUDGET FY 2027

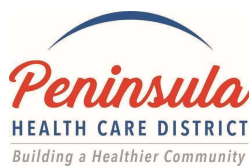
DRIVERS AND ASSUMPTIONS

- **allcove™ San Mateo Youth Drop-In Center** (budgeted at a loss of \$2,001,999)
 - General Information:
 - a) Opening January 2024 (Soft Opening); January 2026 (Official Launch)
 - b) Open Monday – Friday from 1-7 pm
 - c) Budget Visits for FY 26-27: 4,450; Forecast Visits for FY 25-26: 3,511; Visits in FY 24-25: 1,911
 - d) Serving 370 - 556 unduplicated youth per year, with 8-12 visits per youth per year.
 - e) Partner Staffing - 3.95 FTEs, including Mental Health Clinicians, Psychiatrist, Physical Health, Education & Employment, Substance Use, and Support Groups partners.
 - Billables:
 - a) HPSM \$139.65/Claim - 300 Claims
 - b) Blue Shield of CA \$87.78/Claim – 12 Claims
 - c) Kaiser \$87.78/Claim – 9 Claims
 - d) Aetna \$87.78/Claim – 18 Claims
 - Non-Billables:
 - a) Mental Health 76% of visits
 - b) Medical visits – Unable to bill due to being subcontracted to Lucile Packard Children’s Hospital
 - c) Supported Education & Employment Specialist Sessions
 - d) Peer Support Specialist
 - e) Substance Use
 - f) Non-Service Visits – i.e. homework, event nights, or just to hang out in a safe space.
 - Revenue: \$358,224
 - a) Insurance Billing \$45,318
 - b) Lease Revenue from Stanford for Medical Visits \$32,376
 - c) State Grant \$279,930
 - d) Additional Grant and County contracts expired last fiscal year (FY 25-26)
 - Expenses: 2.4M – 67% cost for personnel
 - a) 6 FTE PHCD staff – 1 Program Manager, 1 Clinical Director, & 4 Peer Specialists – 4.5% increase over the previous year’s budget.
 - b) Clinical partner contract: \$865,327.46 (3.95 FTE, up from 3.11 FTE last year)
 - c) Rent based on the lease agreement, set to expire on 6/1/2027. Assume an extension at 3% increase.
 - d) Marketing/Outreach: \$57K includes significant outreach & communication: In-person presentations, flyers, targeted social media campaigns, brochures, targeted Ads, School Newspaper Ads, Merch, Billboards, Buses, Digital Ads (TV, Digital Advertising Truck, etc.).
 - e) Added Transportation for clients via ride share at \$14,400.
 - f) Staff Education and Training increased by \$11K in anticipation of staff retreat, in addition to regular continued education/certifications/conferences/seminars
 - g) All expenses equal roughly a 6% increase.

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FY 26-27 DRAFT BUDGET

| Utilization | Budget 26-27 | Budget 25-26 | Difference | Projection 25-26 | Difference |
|--------------------------------------------|---------------------|---------------------|--------------------|-------------------------|--------------------|
| Mental Health Visits | 1430 | 815 | 615 | 1123 | 307 |
| Medical Visits | 57 | 37 | 20 | 48 | 9 |
| Supported Edu & Employment | 280 | 195 | 85 | 212 | 68 |
| Substance Use | 94 | 112 | -18 | 51 | 43 |
| Non-Service Visits | 2375 | 1995 | 380 | 2046 | 329 |
| Group Counseling | 73 | 120 | -47 | 0 | 73 |
| Family Support | 57 | 0 | 57 | 9 | 48 |
| Peer Specialists Visits | 84 | 67 | 17 | 22 | 62 |
| Total Visits | 4450 | 3341 | 1109 | 3511 | 939 |
| Insurance Billing | | | | | |
| HPSM - \$139.65/Claim | 300 | 57 | 243 | 176 | 124 |
| Blue Shield of CA - \$87.78/Claim | 12 | 0 | 12 | 0 | 12 |
| Kaiser - \$87.78/Claim | 9 | 0 | 9 | 0 | 9 |
| Aetna - \$87.78/Claim | 18 | 0 | 18 | 0 | 18 |
| | 339 | 57 | 282 | 176 | 163 |
| Revenue | | | | | |
| Interest Income | 600 | 600 | - | 926 | (326) |
| Insurance Billables | 45,318 | 8,062 | 37,257 | 24,687 | 20,631 |
| State Grant | 279,930 | 1,119,725 | (839,795) | 839,795 | (559,865) |
| Other Grants and Donatons | - | 500,400 | (500,400) | 250,000 | (250,000) |
| Other Revenue | 32,376 | 508,476 | (476,100) | 537,376 | (505,000) |
| Total Income | 358,224 | 2,137,262 | (1,779,038) | 1,652,784 | (1,294,560) |
| Expenses | | | | | |
| 6 FTE Salaries | 534,508 | 515,679 | (18,829) | 428,977 | (105,531) |
| Benefits | 146,604 | 130,802 | (15,802) | 84,247 | (62,357) |
| Taxes & WC | 42,580 | 45,816 | 3,236 | 31,431 | (11,149) |
| Office and Admin Supplies | 22,200 | 24,000 | 1,800 | 21,052 | (1,149) |
| Events/Food Expense | 33,000 | 28,500 | (4,500) | 27,432 | (5,568) |
| Marketing and Advertising | 57,000 | 40,000 | (17,000) | 40,098 | (16,902) |
| Outreach Expense | 7,000 | 12,000 | 5,000 | 12,370 | 5,370 |
| Rent Expense | 340,890 | 334,784 | (6,106) | 329,544 | (11,346) |
| Janitorial | 43,500 | 40,400 | (3,100) | 40,672 | (2,828) |
| Utilities | 0 | 6,000 | 6,000 | 0 | 0 |
| IT Support | 12,000 | 12,000 | 0 | 11,289 | (712) |
| Software Expense | 14,400 | 9,000 | (5,400) | 10,175 | (4,225) |
| Telephone / Internet | 9,600 | 7,200 | (2,400) | 6,660 | (2,940) |
| Insurance | 60,000 | 58,860 | (1,140) | 57,506 | (2,494) |
| Maintenance/Minor Replacement Costs | 6,000 | 4,000 | (2,000) | 5,364 | (636) |
| YAG - Related Expense | 15,000 | 15,950 | 950 | 10,588 | (4,412) |
| Meetings and Travel | 1,500 | 3,000 | 1,500 | 621 | (879) |
| Consulting Services | 9,000 | 24,000 | 15,000 | 5,355 | (3,645) |
| 3.95 FTE Clinical Partner Contract Expense | 865,327 | 798,996 | (66,331) | 563,688 | (301,639) |
| Staff Education and Training | 15,500 | 4,400 | (11,100) | 157 | (15,343) |
| Dues and Subscription | 900 | 1,200 | 300 | 648 | (252) |
| NEW Transportation | 14,400 | 0 | (14,400) | 0 | (14,400) |
| Miscellaneous | 3,000 | 4,800 | 1,800 | 3,315 | 315 |
| Depreciation Expense | 93,899 | 88,445 | (5,453) | 92,599 | (1,300) |
| Interest Expense - Leasing GASB 87 | 12,415 | 20,070 | 7,655 | 1,063 | (11,352) |
| Total Expenses | 2,360,224 | 2,229,902 | (130,321) | 1,784,850 | (575,373) |
| Net Operating Loss | (2,001,999) | (92,640) | (1,909,359) | (132,066) | (1,869,933) |



HEALTH & FITNESS CENTER

PROPOSED BUDGET FY 2027

DRIVERS AND ASSUMPTIONS

The Health & Fitness Center is budgeted for a net loss of (\$301K), which is (\$33K) higher than the prior year's budget.

- **Membership:**
 - a) Member count (end of June): 486 total; 393 active; 93 non-active.
 - b) Approximately 45% of members are expected to enroll through insurance-based memberships.
 - c) Existing members are expected to remain steady, ending at 51.
 - d) New members are projected to decrease from 113 to 108 due to expanded insurance options.
 - e) OPTUM/ASH insurance (seniors) is expected to increase by approximately 1 member per month (from 157 to 169).
 - f) A new insurance option, SilverSneakers (with an Unlimited add-on), is projected to grow steadily to 30 members.
 - g) Other discounts (government employees, scholarships, and online applications) average approx. 19 per mo.
 - h) Personal training averages 22 sessions per month.
 - i) Classes: 15-20 classes per week, with 10–15 attendees per class.
 - j) Massage therapy averages 20 sessions per month.
- **Revenue:** \$238,296, an increase of \$37,823 (+16%) from last year's budget.
 - a) New member fee: \$80/month (discounts offered on packages).
 - b) Existing member dues: \$55/month (seniors) and \$65/month (non-seniors).
 - c) OPTUM and ASH insurance dues: \$40/month (seniors) and \$56/month (non-seniors).
 - d) SilverSneakers Basic (limited access): average \$20/month (based on \$4/visit), with an optional Unlimited add-on (all access) at \$40/month.
 - e) Government employee dues: \$45/month (seniors) and \$55/month (non-seniors).
 - f) Classes: \$5 per session; new unlimited class plan at \$30/month.
 - g) Massage therapy: average \$65 per session.
 - h) Insurance memberships are expected to grow steadily (84% average utilization rate).
- **Expenses:** \$569,561, an increase of \$70,602 (+14%) from last year's budget.
 - a) The budget is based on current costs.
 - b) Salaries include a 5% increase for 1.0 FTE Director, 1.0 FTE Assistant Manager, 0.5 FTE Health & Fitness Specialist, and 1.125 FTE Member Service Representative (3 benefited employees).
 - c) Benefits are based on current rates with a 10% increase.
 - d) Contract labor: classes taught by contractors, approximately 18 classes per month.
 - e) Office supplies are based on current usage.
 - f) Equipment repairs: \$4,800 (aging machines may require replacement parts).
 - g) Marketing and outreach: \$8,000 (Daily Journal ads, business cards, and social media boosts).
 - h) Added health education/socialization expenses: \$4,200.
 - i) Other purchased services: \$14,400 (copier lease, alarm, website, IT, and AED).
 - j) Telephone, laundry service, and merchant fees were moved from Other Purchased Services into separate categories.
 - k) Software expenses were moved from Dues and Subscriptions into a separate category.
 - l) Medical Fitness Association application: \$5,500.

PHCD Health & Fitness
FY 26-27 DRAFT BUDGET

| Members | | Budget 26-27 | Budget 25-26 | Difference | Projection 25-26 | Difference |
|-------------------------------|------------------------------------------------------------|---------------------|---------------------|-------------------|-------------------------|-------------------|
| | Grandfathered Members \$55/\$65 | 51 | 45 | 6 | 52 | -1 |
| | Regular Members \$80 | 108 | 117 | -9 | 115 | -7 |
| | Insurance (OPTUM/ASH) \$40/\$56 | 169 | 134 | 35 | 147 | 22 |
| NEW | Insurance (SilverSneakers Est. \$20/mo/Unlimited +\$40/mo) | 30 | 0 | 30 | 0 | 30 |
| | Discounted Memberships (Scholarship,Trial,Groupon, etc.) | 34 | 16 | 18 | 30 | 4 |
| | Per Visit / Drop-In Fee \$15 | 1 | 1 | 0 | 0 | 1 |
| Total Members | | 393 | 313 | 80 | 344 | 49 |
| Other Programs/Classes | | | | | | |
| | Unlimited Classes \$30/mo (ending at 21 members) | 21 | 0 | 21 | 0 | 21 |
| | Private Training Sessions \$50 per session | 270 | 48 | 222 | 190 | 80 |
| | Special Event Programs \$10 per event | 240 | 0 | 240 | 55 | 185 |
| | Paid Classes - \$5 per class | 840 | 490 | 350 | 355 | 485 |
| | Massage Therapy Avg. \$65 per session | 252 | 447 | -195 | 250 | 2 |
| Revenue | | | | | | |
| | Interest | 360 | 360 | - | 388 | (28) |
| | Lease Income | 0 | 3,476 | (3,476) | 0 | - |
| | Grandfathered Members | 34,140 | 30,995 | 3,145 | 33,745 | 395 |
| | New Member Fee | 106,080 | 109,200 | (3,120) | 102,741 | 3,339 |
| NEW | Insurance Members - OPTUM / ASH | 79,056 | 57,472 | 21,584 | 63,812 | 15,244 |
| | Insurance Members - SilverSneakers | 5,880 | 0 | 5,880 | 0 | 5,880 |
| | Discounted Programs | 2,520 | 2,190 | 330 | 3,192 | (672) |
| | Per Visit members | 180 | 60 | 120 | 104 | 76 |
| | Private Training | 13,500 | 1,920 | 11,580 | 9,417 | 4,083 |
| | Classes | 7,800 | 2,450 | 5,350 | 1,767 | 6,033 |
| | Special Event Programs | 2,400 | 0 | 2,400 | 1,460 | 940 |
| | Massage Therapy | 16,380 | 22,350 | (5,970) | 16,129 | 251 |
| Total Income | | 268,296 | 230,473 | 37,823 | 232,754 | 35,542 |
| Expenses | | | | | | |
| 3.625 FTE | Salaries & Benefits | 371,266 | 326,607 | (44,659) | 290,573 | (80,693) |
| | Contract Labor-Instructor | 16,800 | 12,000 | (4,800) | 10,605 | (6,195) |
| | Contract Labor-Masseuse | 15,397 | 21,009 | 5,612 | 13,564 | (1,833) |
| | Office and Admin Supplies | 12,600 | 12,000 | (600) | 18,902 | 6,302 |
| NEW | Telephone/Internet | 8,220 | | | 0 | |
| | Minor Equipment | 3,000 | 2,400 | (600) | 2,071 | (929) |
| NEW | Software Expenses | 3,120 | | | 0 | |
| | Equipment Repairs | 4,800 | 3,600 | (1,200) | 2,321 | (2,479) |
| | Marketing | 6,300 | 7,200 | 900 | 8,114 | 1,814 |
| | Other Purchased Services | 14,400 | 36,000 | 21,600 | 40,276 | 25,876 |
| NEW | Laundry Service | 12,600 | | | 0 | |
| | Health & Fitness Programs | 4,200 | 9,300 | 5,100 | 1,134 | (3,066) |
| NEW | Health Education / Socialization Expense | 4,200 | | | 0 | |
| | Travel | 1,200 | 1,500 | 300 | 649 | (551) |
| | Dues & Subscriptions | 2,160 | 900 | (1,260) | 4,211 | 2,051 |
| | Janitorial | 14,400 | 14,400 | - | 14,395 | (5) |
| | Utilities | 19,800 | 19,800 | - | 19,761 | (39) |
| | Insurance | 22,800 | 18,300 | (4,500) | 19,649 | (3,151) |
| NEW | Medical Fitness Facility Certification | 5,500 | | | 0 | |
| | Staff Education/Training | 3,000 | 3,000 | - | 886 | (2,114) |
| NEW | Merchant Fees | 7,200 | | | 0 | |
| | Over/Under - Cash Drawer | 0 | 0 | - | (72) | (72) |
| | Depreciation | 16,599 | 10,944 | (5,655) | 10,785 | (5,814) |
| Total Expenses | | 569,561 | 498,960 | (29,762) | 457,826 | (70,896) |
| Net Operating Loss | | (301,265) | (268,487) | 8,061 | (225,072) | (35,354) |

COMMUNITY HEALTH INVESTMENT

PROPOSED BUDGET FY 2027

DRIVERS AND ASSUMPTIONS

- **Community Health Investment (CHI)** budget is \$6.2M (increase of \$967K from prior year's budget)
 - Community grants, Impact partnership grants, small grants, sponsorships - \$3M.
 - Other Contributions - \$25K for CEO's discretionary fund
 - Targeted Prevention Program \$200K (no change)– Heart Screening, Health Fair, HepB Free
 - Special Funding Initiatives \$948K (decrease of \$123K) – Board-approved programs include Healthy Aging Pathways (Older Adults Navigation Center), Peninsula Volunteers, Inc. (Senior Services), Care Solace (Youth Mental Health Navigation), Maro (Mental Health Screening App), Transportation Program, and a Professor.
 - Blue Zones \$1M – Budget allocation for possible investment in FY27.
 - Community Outreach \$65K (decrease of \$10K), includes partner events, promotional items, mailings, and outreach partnerships.
 - Community Education \$75K (no change), Wellness education, and Parent Venture education series.
 - New Program Research & Development \$250K (no change)
 - Peninsula LiveWell Project \$600K (increase of \$100K)
- **CHI Support of Internal Programs**
 - The Trousdale rent assistance fund up to \$240K – same as last year/Board approved fund.
 - Donated Value for the use of Facilities \$600K – (3% increase) to recognize community benefit from rent-free use of facilities and discounted rents.
 - Program Funding: Health and Fitness Center - \$301K, allcove San Mateo - \$2M

Community Health Investment

FY 26-27 DRAFT BUDGET

| <i>Community Health Benefit Expenses</i> | Budget 26-27 | Budget 25-26 | Difference | Projection 25-26 | Difference |
|------------------------------------------|------------------|------------------|----------------|------------------|------------------|
| Community Grants | 1,712,896 | 1,979,477 | (266,581) | 1,800,000 | (87,104) |
| Impact Partnership Grants | 1,212,104 | 870,523 | 341,581 | 1,100,000 | 112,104 |
| Small Grants & Sponsorships | 75,000 | 100,000 | (25,000) | 54,475 | 20,525 |
| Other Contributions | 25,000 | 25,000 | - | 25,000 | - |
| Healthcare Workforce | 0 | 50,000 | (50,000) | - | - |
| Targeted Prevention Program | 200,000 | 200,000 | - | 154,588 | 45,412 |
| Special Funding Initiatives | 948,413 | 1,071,000 | (122,587) | 687,756 | 260,657 |
| NEW Blue Zones | 1,000,000 | 0 | 1,000,000 | - | 1,000,000 |
| Community Outreach | 65,000 | 75,000 | (10,000) | 39,880 | 25,120 |
| Community Education | 75,000 | 75,000 | - | 65,000 | 10,000 |
| New Program Research & Development | 250,000 | 250,000 | - | 250,000 | - |
| Peninsula LiveWell Project | 600,000 | 500,000 | 100,000 | 440,189 | 159,811 |
| Total | 6,163,413 | 5,196,000 | 967,413 | 4,616,888 | 1,546,525 |

General Operations /Leasing

PROPOSED BUDGET FY 2027

DRIVERS AND ASSUMPTIONS

- **DRIVERS**

- PHCD vision, mission, strategic objectives
- Community Health Investment
- The Trousdale Assisted Living/Memory Care Facility operating budget
- The Health & Fitness Center operating budget
- allcove operating budget

- **ASSUMPTIONS**

- Income:
 - a) Tax revenues budgeted \$9.75M, a little higher than FY 25-26 projections of \$9.6M.
 - b) Lease income is based on Sutter Health's lease agreement and current and projected occupancy at the Marco Polo properties (100% @ 1764, 90% @ 1740, and 83% @ 1720), which includes free and discounted rents for three non-profits. There is no lease income from 430 El Camino (Sonrisas), 1875 Trousdale (The Health & Fitness Center), 111-113 16th St. (San Mateo Homes), and 381 Huntington Ave. (San Bruno Home).
 - c) Investment income is based on the March balance and a 3% return. The current return is close to 3.7%. Federal Reserve interest rates are expected to decline, reducing fixed-income investment returns.
 - d) Interest Income – Leasing GASB87: \$2,221,515 - Book entry to record interest portion based on the present value calculation of the Sutter Land Lease according to accounting standards.
- Expenses:
 - a) Lease Expenses: Based on actuals from FY 26, an average 8.8% increase across the properties. A larger budget is allocated to 1740 MPW due to the building's age and ongoing issues. New budget of \$31,800 for 381 Huntington Ave. San Bruno, which was purchased in Oct 2025.
 - b) Administrative & Overhead budget is \$2.7M (increase of 506K from prior year's budget)
 1. Staff Salaries & Benefits \$1.2M (increase of \$50K)—Includes salary, retirement 8.13%, health benefits 10% inc, life insurance, and tax liability. Assuming all positions are filled, it includes a 3-5% anniversary/performance increase.
 2. Professional Fees/Consultant Expenses \$276K, an increase of \$121K, of which \$117K is added for an HR consultant. Other fees include policy/procedure review, IT services, Website maintenance, Communications, Leadership coaching, and Audit.
 3. Software Expense \$59K – (increase of \$6K) Expected CHI Software upgrade in FY27.
 4. IT Service Consultant \$34K – (increase of \$5K) Server maintenance added in FY26.
 5. Insurance \$90K – (no increase from last year's budget)
 6. Board Election \$300K – Election year. Added to the budget.
 7. Legal expense 360K (no change)
 8. Travel & Meetings \$45.8K—(no change) Board members and staff attendance/travel. 3-6 people to attend the ACHD annual meeting and program site visits. Plus, Board stipend, Car Allowance, and Mileage Reimbursement.
 9. All other expenses – avg. 5% inflation

Peninsula Health Care District
Statement of Revenues and Expenditures - Consolidated
FY 26-27 DRAFT BUDGET

| | PROGRAMS | | | | | FY 26-27 BUDGET | FY 25-26 BUDGET | BUDGET DIFFERENCE | FY 25-26 FORECAST | FORECAST DIFFERENCE |
|------------------------------------|-------------------|----------------|-----------------------|-------------------|------------------|--------------------|--------------------|----------------------|----------------------|------------------------|
| | PHCD | allcove | Health and Fitness | The Trousdale | Sonrisas | | | | | |
| Revenues over Expenditures | | | | | | | | Better/(Worst) | | Better/(Worst) |
| Revenues | | | | | | | | | | |
| Program Service Revenue | | | | | | | | | | |
| Program Revenue | 9,750,000 | - | - | 16,105,903 | - | 25,855,903 | 24,357,280 | 1,498,623 | 25,080,485 | 775,418 |
| Revenue - Services | - | 45,318 | - | - | 4,174,659 | 4,219,977 | 3,194,735 | 1,025,242 | 3,316,436 | 903,542 |
| Total Program Service Revenue | 9,750,000 | 45,318 | - | 16,105,903 | 4,174,659 | 30,075,880 | 27,552,015 | 2,523,865 | 28,396,921 | 1,678,959 |
| Grant Revenues | | | | | | | | | | |
| State Grants | | 279,930 | | | | 279,930 | 1,119,725 | (839,795) | 839,795 | (559,865) |
| Contributions | | | | | | | | | | |
| Grants and Donations | | | | | | | | | | |
| Other Grants and Donations | - | - | - | - | | - | 500,400 | (500,400) | 250,000 | (250,000) |
| Donations | | | | | 175,000 | 175,000 | 175,000 | 0 | 109,070 | 65,930 |
| In-Kind Donations | | | | | - | - | 7,000 | (7,000) | - | - |
| Grants | | | | | 2,244,212 | 2,244,212 | 1,703,295 | 540,917 | 1,579,582 | 664,630 |
| Grants and Donations | - | 279,930 | - | - | 2,419,212 | 2,699,142 | 3,505,419 | (806,277) | 2,778,447 | (79,305) |
| Fundraising Events Revenue | | | | | | | | | | |
| Fundraiser | | | | | 250,000 | 250,000 | 200,000 | 50,000 | 248,956 | 1,044 |
| Fundraising Events Revenue | - | - | - | - | 250,000 | 250,000 | 200,000 | 50,000 | 248,956 | 1,044 |
| Total Contributions | - | 279,930 | - | - | 2,669,212 | 2,949,142 | 3,705,419 | (756,277) | 3,027,403 | (78,261) |
| Membership Dues | - | - | 267,936 | - | - | 267,936 | 226,637 | 41,299 | 232,366 | 35,570 |
| Investment Income | | | | | | | | | | |
| Investment Inc - LAIF | 196,769 | - | - | - | - | 196,769 | 190,519 | 6,250 | 262,498 | (65,729) |
| Investment Inc - SMC | 119,156 | - | - | - | - | 119,156 | 114,576 | 4,580 | 149,303 | (30,147) |
| Investment Inc - CNB | 846,250 | - | - | - | - | 846,250 | 701,479 | 144,770 | 1,048,555 | (202,305) |
| Investment Inc - FT | 56,431 | - | - | - | - | 56,431 | 54,805 | 1,626 | 60,916 | (4,486) |
| Investment Inc - Bridge Bank | - | - | - | 101,868 | - | 101,868 | 96,000 | 5,868 | 119,147 | (17,279) |
| Investment Inc - US Bank | - | - | - | - | - | - | - | - | 4,209 | (4,209) |
| Investments - Unrealized G/L | - | - | - | - | - | - | - | - | (108,972) | 108,972 |
| Interest Income | 4,800 | 600 | 360 | 4,800 | - | 10,560 | 14,160 | (3,600) | 11,605 | (1,045) |
| Interest Income - Leasing GASB 87 | 2,221,515 | - | - | - | - | 2,221,515 | 2,190,817 | 30,698 | 2,190,827 | 30,688 |
| Interest Income-Heritage | - | - | - | - | 2,400 | 2,400 | 2,400 | - | 2,695 | (295) |
| Dividends | - | - | - | - | 18,000 | 18,000 | 18,000 | - | - | 18,000 |
| Unrealized gain(loss)-CityNational | - | - | - | - | - | - | 3,000 | (3,000) | 32,453 | (32,453) |
| Investment Income | - | - | - | - | 3,000 | 3,000 | - | 3,000 | 18,886 | (15,886) |
| Total Investment Income all | 3,444,921 | 600 | 360 | 106,668 | 23,400 | 3,575,949 | 3,385,756 | 190,193 | 3,792,122 | (216,174) |
| Rental Income | | | | | | | | | | |
| Lease Income - Hospital | 1,856,820 | - | - | - | - | 1,856,820 | 1,829,033 | 27,787 | 1,829,033 | 27,787 |
| Lease Income - 1720 Marco Polo | 117,176 | - | - | - | - | 117,176 | 117,818 | (642) | 117,176 | - |
| Lease Income - 1740 Marco Polo | 237,122 | - | - | - | - | 237,122 | 268,927 | (31,805) | 251,543 | (14,422) |
| Lease Income - 111-113 16th St. | 1 | - | - | - | - | 1 | 1 | - | 1 | - |
| Lease Income - 1764 Marco Polo | 120,000 | - | - | - | - | 120,000 | 120,000 | - | 120,000 | - |
| Lease Income - Health & Fitness | - | - | - | - | - | - | 3,476 | (3,476) | - | - |
| Total Rental Income | 2,331,119 | - | - | - | - | 2,331,119 | 2,339,255 | (8,136) | 2,317,753 | 13,365 |
| Other Revenue | - | 32,376 | - | - | 40,000 | 72,376 | 570,226 | (497,850) | 2,516,818 | (2,444,443) |
| Total Revenues | 15,526,039 | 358,224 | 268,296 | 16,212,571 | 6,907,271 | 39,272,402 | 37,779,308 | 1,493,093 | 40,283,384 | (1,010,982) |

| | PHCD | allcove | Health and Fitness | The Trousdale | Sonrisas | FY 26-27 BUDGET | FY 25-26 BUDGET | BUDGET DIFFERENCE | FY 25-26 FORECAST | FORECAST DIFFERENCE |
|-----------------------------------------|------------------|----------------|--------------------|------------------|------------------|-------------------|-------------------|--------------------|-------------------|---------------------|
| | | | | | | | Better/(Worst) | | Better/(Worst) | |
| Expenditures | | | | | | | | | | |
| Program Expenses | | | | | | | | | | |
| Community Grants | 1,712,896 | - | - | - | - | 1,712,896 | 1,979,477 | 266,581 | 1,800,000 | 87,104 |
| Impact Partnership Grants | 1,212,104 | - | - | - | - | 1,212,104 | 870,523 | (341,581) | 1,100,000 | (112,104) |
| Small Grants & Sponsorships | 75,000 | - | - | - | - | 75,000 | 100,000 | 25,000 | 54,475 | (20,525) |
| Other Contributions | 25,000 | - | - | - | - | 25,000 | 25,000 | - | 25,000 | - |
| Healthcare Workforce | - | - | - | - | - | - | 50,000 | 50,000 | - | - |
| Targeted Prevention Program | 200,000 | - | - | - | - | 200,000 | 200,000 | - | 154,588 | (45,412) |
| Special Funding Initiatives | 948,413 | - | - | - | - | 948,413 | 1,071,000 | 122,587 | 687,756 | (260,657) |
| Blue Zones | 1,000,000 | - | - | - | - | 1,000,000 | - | (1,000,000) | - | (1,000,000) |
| Community Outreach | 65,000 | - | - | - | - | 65,000 | 75,000 | 10,000 | 39,880 | (25,120) |
| Community Education | 75,000 | - | - | - | - | 75,000 | 75,000 | - | 65,000 | (10,000) |
| New Program Research & Development | 250,000 | - | - | - | - | 250,000 | 250,000 | - | 250,000 | - |
| Peninsula LiveWell Project | 600,000 | - | - | - | - | 600,000 | 500,000 | (100,000) | 440,189 | (159,811) |
| Total Program Expenses | 6,163,413 | - | - | - | - | 6,163,413 | 5,196,000 | (967,413) | 4,616,887 | (1,546,526) |
| Personnel | | | | | | | | | | |
| Salary and Wages | 944,506 | 534,508 | 276,958 | 6,378,750 | 5,061,791 | 13,196,513 | 12,035,829 | (1,160,685) | 11,431,136 | (1,765,377) |
| PR Benefits | 220,871 | 146,604 | 69,645 | 2,165,033 | 323,952 | 2,926,105 | 2,740,505 | (185,600) | 2,508,606 | (417,499) |
| PR Taxes | 83,221 | 42,580 | 24,663 | - | 465,972 | 616,436 | 572,311 | (44,125) | 423,085 | (193,351) |
| Total Personnel | 1,248,599 | 723,692 | 371,266 | 8,543,783 | 5,851,715 | 16,739,054 | 15,348,644 | (1,390,410) | 14,362,827 | (2,376,227) |
| Occupancy | | | | | | | | | | |
| Lease Expenses - 1720 Marco Polo | 40,000 | - | - | - | - | 40,000 | 36,000 | (4,000) | 35,543 | (4,457) |
| Lease Expenses - 1740 Marco Polo | 156,000 | - | - | - | - | 156,000 | 160,800 | 4,800 | 133,802 | (22,198) |
| Lease Expenses - 1764 Marco Polo | 32,000 | - | - | - | - | 32,000 | 36,000 | 4,000 | 27,771 | (4,229) |
| Lease Expenses - 430 No. El Camino Real | 38,800 | - | - | - | - | 38,800 | 39,000 | 200 | 41,912 | 3,112 |
| Lease Expenses - 1875 Trousdale | 36,000 | - | - | - | - | 36,000 | 26,000 | (10,000) | 33,530 | (2,470) |
| Lease Expenses - 111-113 16th St. | 21,300 | - | - | - | - | 21,300 | 16,800 | (4,500) | 19,060 | (2,240) |
| Lease Expenses - 381 Huntington Ave, | 31,800 | - | - | - | - | 31,800 | - | (31,800) | 35,897 | 4,097 |
| Lease Expenses - PWC Land | 6,000 | - | - | - | - | 6,000 | 4,140 | (1,860) | 5,178 | (822) |
| Rent - Sonrisas HMB | - | - | - | - | 41,808 | 41,808 | 41,808 | - | 41,808 | - |
| Outreach Storage Rent | - | - | - | - | 6,000 | 6,000 | 6,000 | - | 6,000 | - |
| Rent - allcove | - | 340,890 | - | - | - | 340,890 | 334,784 | (6,106) | 329,544 | (11,346) |
| Total Occupancy | 361,900 | 340,890 | - | - | 47,808 | 750,598 | 701,332 | (49,266) | 710,045 | (40,553) |
| Professional Fees | | | | | | | | | | |
| Clinical Partner Contract Expense | - | 865,327 | - | - | - | 865,327 | 798,996 | (66,331) | 563,688 | (301,639) |
| Computer Support | - | - | - | - | 123,920 | 123,920 | 111,300 | (12,620) | 121,726 | (2,194) |
| Consultant - Accounting | - | - | - | - | 8,000 | 8,000 | 6,000 | (2,000) | 5,500 | (2,500) |
| Consultant - Audit | 34,000 | - | - | - | - | 34,000 | 31,000 | (3,000) | 30,700 | (3,300) |
| Consultant - Communications | 96,000 | - | - | - | - | 96,000 | 96,000 | - | 96,000 | - |
| Consultant - Financial | 17,000 | - | - | - | - | 17,000 | 17,000 | - | 10,510 | (6,490) |
| Consultant - General | 12,000 | - | - | - | - | 12,000 | 10,750 | (1,250) | 10,600 | (1,400) |
| Consultant - HR | 117,000 | - | - | - | - | 117,000 | - | (117,000) | - | (117,000) |
| Consultant - General | - | - | - | - | 30,000 | 30,000 | 10,000 | (20,000) | 35,177 | 5,177 |
| Consultant - HR Professionals | - | - | - | - | 48,000 | 48,000 | 31,200 | (16,800) | 31,200 | (16,800) |
| Consultant - Leadership Coaching | - | - | - | - | - | - | - | - | 2,500 | 2,500 |
| Consultant - Legal | - | - | - | - | 20,000 | 20,000 | - | (20,000) | 52,031 | 32,031 |
| Consultant-Outreach System | - | - | - | - | - | - | - | - | 9,000 | 9,000 |
| Consultant-Project Manager | - | - | - | - | - | - | - | - | 2,400 | 2,400 |
| Consulting Services | - | 9,000 | - | - | - | 9,000 | 24,000 | 15,000 | 5,355 | (3,645) |
| Contract Labor - Masseuse | - | - | 15,397 | - | - | 15,397 | 21,009 | 5,612 | 13,564 | (1,833) |
| Contract Labor - Trainer | - | - | 16,800 | - | - | 16,800 | 12,000 | (4,800) | 10,605 | (6,195) |

| | PHCD | allcove | Health and Fitness | The Trousdale | Sonrisas | FY 26-27 BUDGET | FY 25-26 BUDGET | BUDGET DIFFERENCE | FY 25-26 FORECAST | FORECAST DIFFERENCE |
|--------------------------------------------------|------------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|--------------------|-------------------|---------------------|
| | | | | | | | | Better/(Worst) | | Better/(Worst) |
| Dental Claim Support | - | - | - | - | - | - | 6,000 | 6,000 | - | - |
| Dental Specialist-Claims Processing | - | - | - | - | - | - | 23,507 | 23,507 | 48,832 | 48,832 |
| IT Service Consultant | 34,000 | - | - | - | - | 34,000 | 28,800 | (5,200) | 40,247 | 6,247 |
| IT Support | - | 12,000 | - | - | - | 12,000 | 12,000 | - | 11,289 | (712) |
| Legal - General | 60,000 | - | - | - | - | 60,000 | 60,000 | - | 48,514 | (11,486) |
| Legal - Real Estate | 300,000 | - | - | - | - | 300,000 | 300,000 | - | 124,243 | (175,757) |
| Management Fees | - | - | - | 653,836 | - | 653,836 | 600,292 | (53,544) | 619,685 | (34,151) |
| Website Services | 12,000 | - | - | - | - | 12,000 | 7,800 | (4,200) | 9,285 | (2,715) |
| Total Professional Fees | 682,000 | 886,327 | 32,197 | 653,836 | 229,920 | 2,484,281 | 2,207,654 | (276,627) | 1,902,650 | (581,631) |
| Patient Services | | | | | | | | | | |
| Sterilization Services | - | - | - | - | - | - | 11,379 | 11,379 | - | - |
| Lab Fees | - | - | - | - | 178,158 | 178,158 | 155,621 | (22,537) | 114,002 | (64,156) |
| Claims Processing | - | - | - | - | 21,131 | 21,131 | 4,560 | (16,571) | 7,980 | (13,150) |
| Patient Notification | - | - | - | - | 15,120 | 15,120 | 14,388 | (732) | 9,576 | (5,544) |
| Total Patient Services | - | - | - | - | 214,409 | 214,409 | 185,948 | (28,461) | 131,558 | (82,851) |
| General and Administrative Expenses | | | | | | | | | | |
| Office Supplies | 16,000 | 55,200 | 12,600 | 962,227 | 365,778 | 1,411,805 | 1,460,736 | 48,931 | 1,400,046 | (11,759) |
| Copying and Printing | - | - | - | - | 4,200 | 4,200 | 4,200 | - | 6,839 | 2,639 |
| Postage and Delivery | - | - | - | - | 4,500 | 4,500 | 1,660 | (2,840) | 3,889 | (611) |
| Telecommunication | 21,000 | 9,600 | 8,220 | - | 30,604 | 69,424 | 52,804 | (16,620) | 50,671 | (18,753) |
| Repairs and Maintenance | - | - | 4,800 | - | - | 4,800 | 3,600 | (1,200) | 2,321 | (2,479) |
| Advertising and Promotion | - | 64,000 | 6,300 | - | 25,400 | 95,700 | 84,263 | (11,437) | 81,159 | (14,541) |
| Business Licenses and Permits | - | - | - | - | 15,996 | 15,996 | 15,996 | - | 22,279 | 6,283 |
| Conferences, Training, and Meetings | 24,600 | 30,500 | 3,000 | - | 17,919 | 76,019 | 49,750 | (26,269) | 16,476 | (59,543) |
| Due and Subscriptions | 223,350 | 15,300 | 5,280 | - | 107,180 | 351,110 | 321,260 | (29,850) | 274,048 | (77,062) |
| Insurance | 90,000 | 60,000 | 22,800 | 490,741 | 68,685 | 732,226 | 701,948 | (30,278) | 618,014 | (114,211) |
| Equipment Expense | - | 6,000 | 3,000 | - | 53,432 | 62,432 | 68,200 | 5,768 | 45,905 | (16,527) |
| Facilities | 51,600 | 43,500 | 14,400 | - | 48,822 | 158,322 | 143,396 | (14,926) | 173,086 | 14,764 |
| Utilities | - | - | 19,800 | 684,651 | 67,800 | 772,251 | 757,137 | (15,114) | 777,649 | 5,398 |
| Travel Expenses | 45,800 | 1,500 | 1,200 | - | 31,000 | 79,500 | 61,520 | (17,980) | 35,766 | (43,734) |
| Fundraising Fees | - | - | - | - | 188,000 | 188,000 | 168,950 | (19,050) | 170,396 | (17,604) |
| Fees and Interest Expenses | - | 12,415 | - | 1,367,645 | - | 1,380,061 | 1,455,105 | 75,044 | 1,470,068 | 90,008 |
| State and Local Taxes | - | - | - | - | - | - | 52 | 52 | - | - |
| Miscellaneous Expense | 26,000 | 3,000 | - | - | 10,550 | 39,550 | 49,660 | 10,110 | 11,645 | (27,905) |
| Other Expenses | 316,800 | 14,400 | 48,100 | 662,234 | 127,088 | 1,168,622 | 1,016,118 | (152,504) | 904,567 | (264,055) |
| Depreciation | 449,816 | 93,899 | 16,599 | 2,665,449 | 306,801 | 3,532,564 | 3,233,461 | (299,103) | 3,232,397 | (300,167) |
| Total General and Administrative Expenses | 1,264,966 | 409,314 | 166,099 | 6,832,948 | 1,473,756 | 10,147,082 | 9,649,815 | (497,267) | 9,297,222 | (849,859) |
| Total Expenditures | 9,720,878 | 2,360,224 | 569,561 | 16,030,567 | 7,817,607 | 36,498,837 | 33,289,394 | (3,209,443) | 31,021,189 | (5,477,647) |
| Payments to Affiliates | | | | | | | | | | |
| Rental Value for Use of Facilities (rent-free) | 600,214 | - | - | - | - | 600,214 | 504,864 | (95,350) | 504,864 | (95,350) |
| PHCD Rent Assistance Fund | - | - | - | 240,000 | - | 240,000 | 240,000 | - | 88,233 | (151,767) |
| Trousdale Rent Assistance Fund | (240,000) | - | - | - | - | (240,000) | (240,000) | - | (88,233) | 151,767 |
| Donated Value for Use of Facilities (rent-free) | (600,214) | - | - | - | - | (600,214) | (504,864) | 95,350 | (504,864) | 95,350 |
| Total Payments to Affiliates | (240,000) | - | - | 240,000 | - | - | - | - | - | - |
| Total Revenues over Expenditures | 5,565,162 | (2,001,999) | (301,265) | 422,004 | (910,336) | 2,773,565 | 4,489,914 | (1,716,350) | 9,262,194 | (6,488,630) |

**Peninsula Health Care District
Consolidated Ratios - Draft Budget**

| | Government | Leasing | Health & Fitness | The Trousdale | allcove | Sonrisas | Total |
|---------------------------------|-------------|-------------|---------------------|---------------|-------------|-------------|--------------|
| A Revenue | 13,194,921 | 2,331,119 | 268,296 | 16,212,571 | 358,224 | 6,907,271 | 39,272,402 |
| B Operating Expenses | (8,909,162) | (361,900) | (552,963) | (11,997,472) | (2,266,325) | (7,510,806) | (31,598,627) |
| C Net Before Int & Dep | 4,285,759 | 1,969,219 | (284,667) | 4,215,099 | (1,908,100) | (603,535) | 7,673,774 |
| D Interest | | | | (1,367,645) | - | | (1,367,645) |
| E Depreciation | (37,200) | (412,616) | (16,599) | (2,665,449) | (93,899) | (306,801) | (3,532,564) |
| F Net Income from Operations | 4,248,559 | 1,556,603 | (301,265) | 182,004 | (2,001,999) | (910,336) | 2,773,565 |
| G Debt Service Pymt Adj | | | | (1,805,000) | | | (1,805,000) |
| H Leasing Adj (GASB 87) | | (2,221,515) | | | 12,415 | | (2,209,100) |
| J Capital Purchase | (32,500) | (2,055,000) | (26,900) | (471,000) | (6,500) | (87,175) | (2,679,075) |
| K Depreciation | 37,200 | 412,616 | 16,599 | 2,665,449 | 93,899 | 306,801 | 3,532,564 |
| L Cash Flow | 4,253,259 | (2,307,297) | (311,567) | 571,454 | (1,902,185) | (690,710) | (387,046) |
| M Cash at June 30,2026 | | | | | | | 53,731,505 |
| N Cash at June 30,2027 | | | | | | | 53,344,459 |
| O Debt at June 30, 2027 | | | | | | | 34,780,000 |
| P Net Position at June 30, 2027 | | | | | | | 122,720,197 |

| Ratios | FY 26-27 Budget | PHCD Ratios | |
|---------------------------|-----------------|-------------|---|
| Excess Margin | 7.06% | 1.6% | 👍 |
| Maximum Days Cash on Hand | 591 | 536 | 👍 |
| Debt Service Coverage | 2.42 | 1.7 | 👍 |
| Cash to Debt | 153% | 64% | 👍 |
| Debt to Capitalization | 22.08% | 62% | 👍 |

Capital Budget FY 27-31

PHCD

| Capital (over \$1,000) | Current Qty | Est. Replacement Cost | Useful Life Yrs | Qty | 2027 | Qty | 2028 | Qty | 2029 | Qty | 2030 | Qty | 2031 |
|--------------------------|-------------|-----------------------|-----------------|----------|---------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|
| Emergency IT replacement | | 2,500 | 5 | 3 | 7,500 | 2 | 5,000 | 2 | 5,000 | 2 | 5,000 | 2 | 5,000 |
| Classroom Furniture | | 10,000 | 5 | 1 | 10,000 | | - | | - | | - | | - |
| Boardroom Chairs | | 5,000 | 5 | 1 | 5,000 | | - | | - | | - | | - |
| Toilets - women & men's | | 10,000 | 10 | 1 | 10,000 | | - | | - | | - | | - |
| Total | | | | 7 | 32,500 | 2 | 5,000 | 2 | 5,000 | 2 | 5,000 | 2 | 5,000 |

Leasing

| | | | | | | | | | | | | | |
|-------------------------------|--|------------------|----|----------|------------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|
| 1740 Emergency Repairs | | 20,000 | 5 | 1 | 20000 | 1 | 20000 | 1 | 20000 | 1 | 20000 | 1 | 20000 |
| 1720 Emergency Repairs | | 15,000 | 5 | 1 | 15000 | 1 | 15000 | 1 | 15000 | 1 | 15000 | 1 | 15000 |
| 1764 MPW Roof Repairs | | 10,000 | 5 | 1 | 10000 | 1 | 10000 | 1 | 10000 | 1 | 10000 | 1 | 10000 |
| 1875 Emergency Repairs | | 10,000 | 5 | 1 | 10000 | 1 | 10000 | 1 | 10000 | 1 | 10000 | 1 | 10000 |
| Co-Op Home Purchase - Bulding | | 1,000,000 | 30 | 1 | 1000000 | | | | | | | | |
| Co-Op Home Purchase - Land | | 1,000,000 | - | 1 | 1000000 | | | | | | | | |
| Total Leasing | | 2,055,000 | | 6 | 2,055,000 | 4 | 55,000 | 4 | 55,000 | 4 | 55,000 | 4 | 55,000 |

Health & Fitness Capital Budget Plan - 5 years

| Machine (over \$1,000) | Current Qty | Est. Replacement Cost | Useful Life Yrs | Qty | 2027 | Qty | 2028 | Qty | 2029 | Qty | 2030 | Qty | 2031 |
|------------------------------|-------------|-----------------------|-----------------|----------|---------------|----------|---------------|----------|--------------|----------|---------------|----------|--------------|
| Arm Bike | 4 | 2,500 | 5 | | - | | - | 1 | 2,500 | | - | | - |
| Cybox Chest Press | 1 | 4,500 | 5 | | - | 1 | 4,500 | | - | | - | | - |
| Cybox Lat Pulldown/Row Combo | 1 | 5,100 | 5 | 1 | 5,100 | | - | | - | | - | | - |
| Leg Press | 1 | 5,000 | 5 | | - | | - | | 1 | 5,000 | | | - |
| Nustep | 4 | 7,500 | 5 | | - | 1 | 7,500 | | - | 1 | 7,500 | | - |
| Recumbent Bicycle | 3 | 4,500 | 5 | 1 | 4,500 | | - | 1 | 4,500 | | - | | - |
| Treadmill | 10 | 6,000 | 5 | | - | | - | | 1 | 6,000 | 1 | 6,000 | |
| Universal Machine | 1 | 5,000 | 5 | | - | 1 | 5,000 | | - | | - | | - |
| Upright Bicycle | 3 | 3,500 | 5 | | - | | - | | - | | - | 1 | 3,500 |
| Mirror + Bars | | 15,000 | 5 | 1 | 15,000 | | - | | - | | - | | - |
| Couch | | 800 | 5 | 1 | 800 | | - | | - | | - | | - |
| TV + Installation | | 1,500 | 5 | 1 | 1,500 | | - | | - | | - | | - |
| Total | | | | 2 | 26,900 | 3 | 17,000 | 2 | 7,000 | 3 | 18,500 | 2 | 9,500 |

allcove Teen Mental Health Center

| Capital (over \$1,000) | Current Qty | Est. Replacement Cost | Useful Life Yrs | Qty | 2027 | Qty | 2028 | Qty | 2029 | Qty | 2030 | Qty | 2031 |
|------------------------|-------------|-----------------------|-----------------|-----|--------------|-----|--------------|-----|--------------|-----|--------------|-----|--------------|
| Furniture Improvements | | 1,500 | 5 | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 1,500 |
| Office Equipment | | 5,000 | 5 | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 |
| Total | | 6,500 | | | 6,500 | | 6,500 | | 6,500 | | 6,500 | | 6,500 |

The Trousdate

| DESCRIPTION | Useful Life Yrs | 2027 | 2028 | 2029 | 2030 | 2031 |
|------------------------------------------------------------------|-----------------|-------------------|-------------------|-------------------|------------------|------------------|
| Add tree well grates in courtyard | 5 | \$ 10,000 | | | | |
| Landscaping Allocation | | | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Staff Breakroom | 5 | \$ 20,000 | | | | |
| Clinic Flooring Replacement | 5 | \$ 12,000 | | | | |
| MC dining room/kitchen flooring | | | \$ 10,000 | \$ 10,000 | | |
| Common area flooring replacement | 5 | \$ 10,000 | \$ 30,000 | \$ 80,000 | | |
| Replace outdoor furniture | | | \$ 5,000 | | | |
| Resurface wood partition walls in main lobby | 5 | \$ 15,000 | | | | |
| Add chair rail to MC activity room | 5 | \$ 5,000 | | | | |
| Sunroom Lighting (all floors) | 5 | \$ 8,000 | | | | |
| MC elevator vestibule lighting upgrade | 5 | \$ 3,000 | | | | |
| Add door hold opens that are tied to the fire system | 5 | \$ 15,000 | \$ 15,000 | \$ 15,000 | | |
| Repair cracking drywall. Determine root cause | 5 | \$ 15,000 | | | | |
| Add fencing in parking garage to create a more permanent storage | 5 | \$ 15,000 | | | | |
| Hard floor scrubber | 5 | \$ 13,000 | | | | |
| Vehicle - Replace vehicle wrap on Sienna | 5 | \$ 10,000 | | | | |
| Restore courtyard paver areas | | | \$ 30,000 | | | |
| Convert to integrated medical equipment | | | \$ 18,000 | | | |
| Emergency & Equipment Failure - Water Heater over 7yrs | 5 | \$ 50,000 | | | | |
| Unit Turns - NOT DEPRECIABLE UNTIL 3 YEARS | 5 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Allowance for As Needed Purchases - Furniture | 5 | \$ 25,000 | \$ 20,000 | \$ 20,000 | \$ 10,000 | \$ 10,000 |
| Allowance for As Needed Purchases - Dining | 5 | \$ 25,000 | \$ 15,000 | \$ 10,000 | \$ 5,000 | \$ 5,000 |
| Allowance for Technology Upgrades/Replacements | 7 | \$ 200,000 | \$ 100,000 | \$ 200,000 | \$ 5,000 | \$ 5,000 |
| TOTAL | | \$ 471,000 | \$ 273,000 | \$ 365,000 | \$ 50,000 | \$ 50,000 |

| | | | | | |
|---------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Plan Total | \$ 2,591,900 | \$ 356,500 | \$ 438,500 | \$ 135,000 | \$ 126,000 |
|---------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|