

TO: Tulare Local Health Care District, Board of Directors
Randy Dodd, CEO

FROM: Teresa Jacques, Interim Controller
Stephanie Trueblood, Assistant Controller

DATE: June 20, 2024

RE: FY 2025 Proposed Budget

OVERVIEW

The attached documents are the proposed FY25 Annual Budget for the Board of Directors consideration. Attached are the following documents:

- Combined District and Evolutions Cash Flow FY25
- List of Capital Projects
- District Budget (Draft) FY25
- Evolutions Budget (Draft) FY25

COMBINED CASH FLOW:

The cash flow allows the combined checking bank balances to remain at \$300,000 and additional funds monthly will be deposited or withdrawn from the District's investment accounts. The estimated transfers and withdrawals are found on page 1 line 100 of your budget packet.

The combined cash flow allows for the following:

<u>Cash Flow Summary</u>	
Budgeted Operating Revenues	\$8,133,084
Budgeted Operating Expenses	(\$3,933,946)
Capital Expenditures	(\$4,796,178)
Revenue Bond Payments	(\$1,570,594)
Draw from Investment Accounts	(\$2,167,634)

It is estimated that there will be a negative cash flow of approximately \$2,167,634 for FY 2025 stemming from the Capital Expenditures.

There remains \$4,970,469 reserved for bankruptcy plan payments beginning in October or November of 2025.

CAPITAL BUDGET

The FY 2025 Capital Budget is a combined listing of all anticipated projects totaling \$4,796,178.

PROFIT AND LOSS BUDGET – DISTRICT OFFICE

Overall, there is a 12% decrease projected in net position over FY24. FY25 includes an added expense to salaries, wages and benefits as well as the addition of a new revenue bond.

Operating Revenue

Revenues overall are expected to increase by 3%.

Operating Expenses

Expenses, without depreciation, increased approximately 17% over FY24.

- Salaries & Benefits – Increased 48%. Annual increases and hiring of additional staff.
- Purchased Services – Increased 44%. Construction inventory, document clean-up work and reclassified amount from other operating.
- Insurance – Increased 13%.
- Other – **Decreased 27%**. Reclass to purchased services.

Non-Operating Income and Expense

- Bond Interest Expense – Increased 21%. Due to the addition of a new revenue bond.

PROFIT AND LOSS BUDGET – EVOLUTIONS

Overall, the EBIDTA is budgeted at \$159,146 and the change in net position is a negative \$369,435 due to depreciation.

Operating Revenue

Overall, revenue increased by approximately 3.34%. There are three main drivers that account for the increase in revenue.

- The addition of 12 new members monthly.
- A 9% increase in Silver Sneakers usage.
- A 28% reduction in credit card declinations.

Operating Expenses

- Salaries & Benefits – Increased 30% due to the following:
 - Increases in key staffing areas
 - Administrative overhead allocation of \$60,000
 - 3% salary increase
 - Increase in exercise instructor hours
- Purchased Service – **Decreased 8%** to allow for the change in the membership software, and the office cleaning contract. Additionally, the District now budgets the cost of the security contract.
- Repairs & Maintenance – Increased 15% due to the service contract for the pool UV equipment.
- Utilities and Solar – Net savings of \$20,000
 - Approximate electricity savings due to solar install \$210,000
 - Rebate amortization \$81,250
 - Bond interest costs (\$178,345)
 - FY25 budgeted electricity cost (\$93,000)
- Insurance – Increased 27% due to an increase in general liability premiums of 56%.

Non-Operating Income and Expense

- Depreciation – Increased 29% for additional capital improvements.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	TULARE LOCAL HEALTH CARE DISTRICT													
2	DRAFT BUDGET FOR FY 2025													
3	6/21/2024													
4	DESCRIPTION	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
5	OPERATING REVENUE													
6	Rental Revenue	240,075	240,116	240,147	246,627	246,945	246,945	246,945	246,945	247,074	247,074	247,074	247,074	2,943,041
7	Property Tax Revenue	228,558	228,558	228,558	228,558	228,558	228,558	228,558	228,558	228,558	228,558	228,558	228,558	2,742,701
8	Other Operating Revenue	17,405	17,405	17,405	17,405	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	77,620
9	TOTAL OPERATING REVENUE	486,039	486,079	486,111	492,591	476,504	476,503	476,503	476,503	476,632	476,632	476,632	476,632	5,763,363
10	OPERATING EXPENSES													
11	Salaries & Wages	51,737	49,270	46,803	51,736	46,803	49,270	51,736	44,336	46,803	49,270	49,270	46,803	583,836
12	Employee Benefits	9,438	9,119	9,041	9,702	9,041	9,372	10,282	8,803	9,041	9,372	9,372	11,710	114,293
13	Professional Fees	9,675	9,675	12,075	28,350	15,800	8,875	8,875	9,675	9,675	10,475	10,475	10,475	144,100
14	Legal Fees	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	129,000
15	Purchased Services	39,832	36,031	35,569	38,178	35,569	40,294	45,001	36,491	36,228	39,362	35,711	35,711	453,975
16	Supplies	620	620	620	620	620	620	620	620	620	620	620	620	7,434
17	Repairs & Maintenance	250	250	250	250	250	250	250	250	250	250	250	250	3,000
18	Utilities & Phone	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	43,911
19	Building & Equipment Rental	7,714	7,750	7,750	7,750	7,750	7,750	8,030	8,030	8,030	8,030	8,030	8,030	94,643
20	Insurance	22,286	23,398	23,398	23,398	23,398	23,398	23,398	23,398	23,398	23,398	23,398	23,398	279,664
21	Other Operating Expenses	1,976	1,050	1,050	1,050	1,050	1,050	1,050	7,079	11,550	1,050	1,050	1,050	30,055
22	TOTAL OPERATING EXPENSES BEFORE D&A	157,936	151,571	150,965	175,444	154,690	155,287	163,651	153,090	160,004	156,236	152,584	152,455	1,883,911
23	EBITDA	328,103	334,508	335,146	317,147	321,814	321,217	312,852	323,413	316,628	320,397	324,049	324,178	3,879,452
24														
25	NON OPERATING REVENUES AND EXPENSES													
26	Depreciation & Amortization	-69,903	-69,895	-69,895	-70,312	-60,592	-64,134	-63,151	-65,235	-65,235	-65,235	-65,235	-65,235	-794,056
27	GO Bond Revenue	362,133	362,133	362,133	362,133	362,133	362,133	362,133	362,133	362,133	362,133	362,133	362,133	4,345,596
28	Bond Accretion	55,431	55,431	55,431	55,431	55,431	55,431	55,431	55,431	55,431	55,431	55,431	55,431	665,172
29	Bond Interest Expense	-272,566	-272,566	-272,566	-272,566	-272,566	-272,566	-407,085	-407,085	-407,085	-407,085	-407,085	-407,085	-4,077,906
30	Gains/Losses on Investments	67,664	67,664	67,171	67,675	67,171	68,087	68,087	67,343	68,736	68,736	68,736	68,736	815,808
31	TOTAL NON OPERATING REVENUE & EXPENSES	142,760	142,767	142,274	142,360	151,577	148,950	15,415	12,588	13,981	13,981	13,981	13,981	954,614
32														
33	INCREASE/(DECREASE) IN NET POSITION	470,863	477,275	477,420	459,507	473,391	470,167	328,267	336,001	330,609	334,378	338,030	338,159	4,834,066

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	TULARE LOCAL HEALTH CARE DISTRICT - EVOLUTIONS													
2	DRAFT BUDGET FOR FY 2025													
3	6/21/2024													
4	DESCRIPTION	1-Jul-24	1-Aug-24	1-Sep-24	1-Oct-24	1-Nov-24	1-Dec-24	1-Jan-25	1-Feb-25	1-Mar-25	1-Apr-25	1-May-25	1-Jun-25	Totals
5	OPERATING REVENUE													
6	Enrollments/Dues	161,429	164,297	167,165	169,684	172,552	173,420	178,466	181,260	182,549	185,343	188,484	189,328	2,113,976
7	Other Operating Revenue	16,250	16,250	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	16,250	192,300
8	TOTAL OPERATING REVENUE	177,679	180,547	183,115	185,634	188,502	189,370	194,416	197,210	198,499	201,293	204,434	205,578	2,306,276
9	OPERATING EXPENSES													
10	Salaries & Wages	95,921	95,527	92,592	95,921	92,592	98,617	95,921	87,116	95,132	92,986	95,527	92,592	1,130,444
11	Employee Benefits	16,393	16,720	16,307	16,688	16,212	17,067	18,175	16,236	16,664	16,362	16,720	21,785	205,330
14	Purchased Services	22,120	23,720	25,995	20,370	18,370	19,145	18,870	18,370	21,145	18,370	19,670	18,445	244,590
15	Supplies & Minor Equip	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	110,400
16	Repairs & Maintenance	4,610	7,110	5,610	4,610	5,610	7,210	4,610	6,110	5,610	5,610	5,610	7,210	69,520
17	Utilities & Phone	15,725	15,725	15,725	13,205	15,205	15,205	16,205	15,705	15,205	13,705	13,205	15,725	180,540
18	Interest Expense	14,862	14,862	14,862	14,862	14,862	14,862	14,862	14,862	14,862	14,862	14,862	14,862	178,345
19	Rebate Amort	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-6,771	-81,250
20	Building & Equipment Rental	236	236	236	236	236	236	236	236	236	236	236	236	2,826
21	Marketing	1,050	1,050	1,050	1,050	1,050	1,050	750	750	750	750	750	750	10,800
22	Insurance	6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029	6,029	72,349
23	Other Operating Expenses	350	6,300	600	1,350	300	6,400	350	1,036	2,900	1,350	300	2,000	23,236
24	TOTAL OPERATING EXPENSES BEFORE D&A	179,725	189,707	181,434	176,750	172,895	188,250	178,438	168,879	180,962	172,689	175,337	182,063	2,147,130
25														
26	EBIDTA	-2,046	-9,160	1,681	8,884	15,607	1,120	15,978	28,330	17,537	28,604	29,097	23,515	159,146
27	NON OPERATING REVENUES AND EXPENSES													
28	Depreciation & Amortization	-38,359	-40,859	-40,859	-42,859	-42,859	-42,859	-46,470	-46,470	-46,470	-46,470	-47,025	-47,025	-528,581
29	TOTAL NON OPERATING REVENUE & EXPENSES	-38,359	-40,859	-40,859	-42,859	-42,859	-42,859	-46,470	-46,470	-46,470	-46,470	-47,025	-47,025	-528,581
30														
31	INCREASE/(DECREASE) IN NET POSITION	-40,405	-50,019	-39,178	-33,975	-27,251	-41,738	-30,492	-18,139	-28,933	-17,866	-17,929	-23,510	-369,435

Project Name	Location	FY 25 Budget
Fire Alarm Panel	Existing Hospital	\$ 400,000
Kitchen Flooring and Grease Trap	Existing Hospital	\$ 50,000
Parking Lot South of Allied Building	Existing Hospital	\$ 200,000
Remodel New Office Location	Other Properties	\$ 19,000
DEMO - 890 CHERRY	Other Properties	\$ 40,000
JUICE BAR - 1425 PROSPERITY	Other Properties	\$ 50,000
1050 Cherry Street (Veteran's Building)	Other Properties	\$ 100,000
ED Waiting Room concrete pour back	Tower	\$ 5,000
Misc Projects	Tower	\$ 50,000
Front East Parking Lot Lighting	Tower	\$ 50,000
Front East Parking Landscape & Irrigation	Tower	\$ 30,000
Block Wall - Ambulance Bay; Repair Damaged Block	Tower	\$ 30,000
Basement Exterior Stairs	Tower	\$ 200,000
Elevator and dumbwaiters	Tower	\$ 500,000
Railing	Tower	\$ 75,000
Window washing system	Tower	\$ 35,000
Installation of Roof Ladders	Tower	\$ 30,000
Installation of Chain Link Fence	Tower	\$ 15,000
Installation of Ornamental Fence	Tower	\$ 20,000
OIL's Monokote	Tower	\$ 300,000
Electrical Panel Frame - Basement	Tower	\$ 20,000
Helipad	Tower	\$ 400,000
Installation of Door and Window Frames	Tower	\$ 50,000
Electrical Transformers	Tower	\$ 30,000
Storm Water SWPPP	Tower	\$ 58,250
Krazan Inspection and Testing	Tower	\$ 100,000
Generators Batteries & Firmware	Tower	\$ 15,374
Generator Fence & Gates	Tower	\$ 35,000
Generator Recurring Service	Tower	\$ 4,000
MEP Assessment	Tower	\$ 105,000
Athletic Flooring to replace carpeted areas	Evolutions Building	\$ 95,900
Atrium Remodel	Evolutions Building	\$ 22,000
Replace Indoor Cycling Bikes	Evolutions Building	\$ 65,000
Childcare Playset & Canopy	Evolutions Building	\$ 66,000
Conference Room AV	Evolutions Building	\$ 49,679
EVO Roof Structure Evaluation	Evolutions Building	\$ 20,000
Interior Paint	Evolutions Building	\$ 50,000
Landscaping	Evolutions Building	\$ 5,000
Overhead Paging System	Evolutions Building	\$ 5,000
Pool Dehumidifier	Evolutions Building	\$ 593,875
Pool Equip Cage Enclosure	Evolutions Building	\$ 55,000
Pool Repairs MYRTHA	Evolutions Building	\$ 339,000
Replace flooring GroupX Studio A & C	Evolutions Building	\$ 16,500
Security Camera and Network Upgrades	Evolutions Building	\$ 80,876
Replace NuStep Equipment	Evolutions Building	\$ 20,000
Stair Masters	Evolutions Building	\$ 30,000
HVAC Unit RTU-4	Evolutions Building	\$ 55,000
HVAC Unit RTU-5	Evolutions Building	\$ 55,000
HVAC Unit RTU-6	Evolutions Building	\$ 55,000
inket strength barbells	Evolutions Building	\$ 4,000
Pec Deck 3500.00 up to a 340lb stack	Evolutions Building	\$ 4,025
Lying down leg curl 3300.00 up to a 340lb stack	Evolutions Building	\$ 3,795
Multi hip 3395.00	Evolutions Building	\$ 3,904
Plug number	Evolutions Building	\$ 85,000
		\$ 4,796,178

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
69	TULARE LOCAL HEALTH CARE DISTRICT (COMBINED WITH EVO)													
70	DRAFT BUDGETED CASH FLOW FOR FY 2025													
71	6/21/2024													
72	DESCRIPTION	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
73	Beginning Cash	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
74	OPERATING REVENUE													
75	Total Revenue	663,718	666,626	669,226	678,225	665,006	665,873	670,919	673,713	675,131	677,925	681,066	682,210	8,069,639
76	Less Property Tax Revenue Accrual	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-228,558	-2,742,701
77	Actual Property Tax Revenue	53,164	0	0	0	0	1,436,813	169,783	0	0	867,747	115,283	0	2,642,790
78	Less Investment Interest Accrual	-67,664	-67,664	-67,171	-67,675	-67,171	-68,087	-68,087	-67,343	-68,736	-68,736	-68,736	-68,736	-815,808
79	Actual Investment Interest	95,847	223,426	58,292	15,847	164,155	5,847	68,292	109,178	58,292	15,847	158,292	5,847	979,164
80	TOTAL OPERATING REVENUE	516,506	593,829	431,788	397,839	533,431	1,811,888	612,349	486,989	436,129	1,264,225	657,347	390,763	8,133,084
81	OPERATING EXPENSES													
82	Total Operating Expenses	329,570	333,187	324,308	344,102	319,493	335,445	333,997	313,878	332,875	320,834	319,830	326,426	3,933,946
84	NET OPERATING EXPENSES	329,570	333,187	324,308	344,102	319,493	335,445	333,997	313,878	332,875	320,834	319,830	326,426	3,933,946
85	NET OPERATING CASH													
86		186,937	260,642	107,481	53,736	213,938	1,476,443	278,352	173,111	103,254	943,391	337,517	64,337	4,199,138
87	FINANCING ACTIVITIES													
88	Capital funded by District	-251,385	-251,385	-251,385	-251,385	-251,385	-251,385	-251,385	-251,385	-251,386	-251,386	-251,386	-251,386	-3,016,624
89	Capital funded by EVO	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-148,296	-1,779,554
90	District Revenue Bond Principal & Interest			-1,024,488						-367,760				-1,392,248
91	EVO Revenue Bond Interest (Solar)			-89,173						-89,173				-178,346
92	TOTAL FINANCING ACTIVITIES	-399,681	-399,681	-1,513,342	-399,681	-399,681	-399,681	-399,681	-399,681	-856,615	-399,682	-399,682	-399,682	-6,366,772
93	Estimated Cash	87,255	160,961	-1,105,862	-45,945	114,257	1,376,762	178,671	73,430	-453,361	843,709	237,835	-35,346	-1,867,634
94	LAIF TRANSFERS/(WITHDRAWALS)	\$ (212,745)	\$ (139,039)	\$ (1,405,862)	\$ (345,945)	\$ (185,743)	\$ 1,076,762	\$ (121,329)	\$ (226,570)	\$ (753,361)	\$ 543,709	\$ (62,165)	\$ (335,346)	-2,167,634
95	INVESTMENT ACCOUNTS													
96	Transfers/(Withdrawals)	18,538,275	18,325,530	18,186,491	16,780,629	16,434,684	16,248,941	17,325,703	17,204,374	16,977,804	16,224,443	16,768,152	16,705,987	
97	Estimated Investment Account Balances	-212,745	-139,039	-1,405,862	-345,945	-185,743	1,076,762	-121,329	-226,570	-753,361	543,709	-62,165	-335,346	-2,167,634
98		18,325,530	18,186,491	16,780,629	16,434,684	16,248,941	17,325,703	17,204,374	16,977,804	16,224,443	16,768,152	16,705,987	16,370,641	