

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

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

DATE: June 25, 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allows the combined checking bank balances to remain at \$300,000 and additional funds monthly will be deposited or withdrawn from the District’s investment accounts.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:

<b><u>Cash Flow Summary</u></b>	
Budgeted Operating Revenues	\$8,133,084
Budgeted Operating Expenses	(\$3,921,714)
Capital Expenditures	(\$4,796,178)
Revenue Bond Payments	(\$1,570,594)
Draw from Investment Accounts	(\$2,155,402)

It is estimated that there will be a negative cash flow of approximately \$2,155,402 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 11% 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%. Interest Income of \$816K is now reported below the line in comparison to FY24.

#### **Operating Expenses**

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

- Salaries & Benefits – Increased 21%. Annual increases and hiring of additional staff.
- Purchased Services – Increased 44% due to construction inventory and document clean-up work. Reclass of \$18K in membership dues from other operating to purchased services.
- Insurance – Increased 8%.
- Other – Reclass of membership dues 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 17% 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	<b>TULARE LOCAL HEALTH CARE DISTRICT</b>													
2	<b>DRAFT BUDGET FOR FY 2025</b>													
3	<b>6/25/2024</b>													
4	<b>DESCRIPTION</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTALS</b>
5	<b>OPERATING REVENUE</b>													
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	<b>TOTAL OPERATING REVENUE</b>	<b>486,039</b>	<b>486,079</b>	<b>486,111</b>	<b>492,591</b>	<b>476,504</b>	<b>476,503</b>	<b>476,503</b>	<b>476,503</b>	<b>476,632</b>	<b>476,632</b>	<b>476,632</b>	<b>476,632</b>	<b>5,763,363</b>
10	<b>OPERATING EXPENSES</b>													
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	22,286	22,286	22,286	22,286	22,286	22,286	22,286	22,286	22,286	22,286	22,286	267,432
21	Other Operating Expenses	2,501	1,575	1,575	1,575	1,575	1,575	1,575	1,575	12,075	1,575	1,575	1,304	30,055
22	<b>TOTAL OPERATING EXPENSES BEFORE D&amp;A</b>	<b>158,461</b>	<b>150,984</b>	<b>150,378</b>	<b>174,857</b>	<b>154,103</b>	<b>154,700</b>	<b>163,064</b>	<b>146,474</b>	<b>159,417</b>	<b>155,649</b>	<b>151,997</b>	<b>151,597</b>	<b>1,871,679</b>
23	<b>EBITDA</b>	<b>327,578</b>	<b>335,095</b>	<b>335,733</b>	<b>317,734</b>	<b>322,401</b>	<b>321,804</b>	<b>313,439</b>	<b>330,029</b>	<b>317,215</b>	<b>320,984</b>	<b>324,636</b>	<b>325,036</b>	<b>3,891,684</b>
24														
25	<b>NON OPERATING REVENUES AND EXPENSES</b>													
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	<b>TOTAL NON OPERATING REVENUE &amp; EXPENSES</b>	<b>142,760</b>	<b>142,767</b>	<b>142,274</b>	<b>142,360</b>	<b>151,577</b>	<b>148,950</b>	<b>15,415</b>	<b>12,588</b>	<b>13,981</b>	<b>13,981</b>	<b>13,981</b>	<b>13,981</b>	<b>954,614</b>
32														
33	<b>INCREASE/(DECREASE) IN NET POSITION</b>	<b>470,338</b>	<b>477,862</b>	<b>478,007</b>	<b>460,094</b>	<b>473,978</b>	<b>470,754</b>	<b>328,854</b>	<b>342,617</b>	<b>331,196</b>	<b>334,965</b>	<b>338,617</b>	<b>339,017</b>	<b>4,846,298</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>TULARE LOCAL HEALTH CARE DISTRICT - EVOLUTIONS</b>													
2	<b>DRAFT BUDGET FOR FY 2025</b>													
3	<b>6/21/2024</b>													
4	<b>DESCRIPTION</b>	<b>1-Jul-24</b>	<b>1-Aug-24</b>	<b>1-Sep-24</b>	<b>1-Oct-24</b>	<b>1-Nov-24</b>	<b>1-Dec-24</b>	<b>1-Jan-25</b>	<b>1-Feb-25</b>	<b>1-Mar-25</b>	<b>1-Apr-25</b>	<b>1-May-25</b>	<b>1-Jun-25</b>	<b>Totals</b>
5	<b>OPERATING REVENUE</b>													
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	<b>TOTAL OPERATING REVENUE</b>	<b>177,679</b>	<b>180,547</b>	<b>183,115</b>	<b>185,634</b>	<b>188,502</b>	<b>189,370</b>	<b>194,416</b>	<b>197,210</b>	<b>198,499</b>	<b>201,293</b>	<b>204,434</b>	<b>205,578</b>	<b>2,306,276</b>
9	<b>OPERATING EXPENSES</b>													
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	<b>TOTAL OPERATING EXPENSES BEFORE D&amp;A</b>	<b>179,725</b>	<b>189,707</b>	<b>181,434</b>	<b>176,750</b>	<b>172,895</b>	<b>188,250</b>	<b>178,438</b>	<b>168,879</b>	<b>180,962</b>	<b>172,689</b>	<b>175,337</b>	<b>182,063</b>	<b>2,147,130</b>
25														
26	<b>EBIDTA</b>	<b>-2,046</b>	<b>-9,160</b>	<b>1,681</b>	<b>8,884</b>	<b>15,607</b>	<b>1,120</b>	<b>15,978</b>	<b>28,330</b>	<b>17,537</b>	<b>28,604</b>	<b>29,097</b>	<b>23,515</b>	<b>159,146</b>
27	<b>NON OPERATING REVENUES AND EXPENSES</b>													
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	<b>TOTAL NON OPERATING REVENUE &amp; EXPENSES</b>	<b>-38,359</b>	<b>-40,859</b>	<b>-40,859</b>	<b>-42,859</b>	<b>-42,859</b>	<b>-42,859</b>	<b>-46,470</b>	<b>-46,470</b>	<b>-46,470</b>	<b>-46,470</b>	<b>-47,025</b>	<b>-47,025</b>	<b>-528,581</b>
30														
31	<b>INCREASE/(DECREASE) IN NET POSITION</b>	<b>-40,405</b>	<b>-50,019</b>	<b>-39,178</b>	<b>-33,975</b>	<b>-27,251</b>	<b>-41,738</b>	<b>-30,492</b>	<b>-18,139</b>	<b>-28,933</b>	<b>-17,866</b>	<b>-17,929</b>	<b>-23,510</b>	<b>-369,435</b>

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	<b>TULARE LOCAL HEALTH CARE DISTRICT (COMBINED WITH EVO)</b>													
70	<b>DRAFT BUDGETED CASH FLOW FOR FY 2025</b>													
71	<b>6/25/2024</b>													
72	<b>DESCRIPTION</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTALS</b>
73	<b>Beginning Cash</b>	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	<b>OPERATING REVENUE</b>													
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	<b>TOTAL OPERATING REVENUE</b>	<b>516,506</b>	<b>593,829</b>	<b>431,788</b>	<b>397,839</b>	<b>533,431</b>	<b>1,811,888</b>	<b>612,349</b>	<b>486,989</b>	<b>436,129</b>	<b>1,264,225</b>	<b>657,347</b>	<b>390,763</b>	<b>8,133,084</b>
81	<b>OPERATING EXPENSES</b>													
82	Total Operating Expenses	330,095	332,600	323,721	343,515	318,906	334,858	333,410	307,262	332,288	320,247	319,243	325,568	3,921,714
84	<b>NET OPERATING EXPENSES</b>	<b>330,095</b>	<b>332,600</b>	<b>323,721</b>	<b>343,515</b>	<b>318,906</b>	<b>334,858</b>	<b>333,410</b>	<b>307,262</b>	<b>332,288</b>	<b>320,247</b>	<b>319,243</b>	<b>325,568</b>	<b>3,921,714</b>
85	<b>NET OPERATING CASH</b>													
86		<b>186,412</b>	<b>261,229</b>	<b>108,068</b>	<b>54,323</b>	<b>214,525</b>	<b>1,477,030</b>	<b>278,939</b>	<b>179,727</b>	<b>103,841</b>	<b>943,978</b>	<b>338,104</b>	<b>65,195</b>	<b>4,211,370</b>
87	<b>FINANCING ACTIVITIES</b>													
89	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
90	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
91	District Revenue Bond Principal & Interest			-1,024,488						-367,760				-1,392,248
93	EVO Revenue Bond Interest (Solar)			-89,173						-89,173				-178,346
94	<b>TOTAL FINANCING ACTIVITIES</b>	<b>-399,681</b>	<b>-399,681</b>	<b>-1,513,342</b>	<b>-399,681</b>	<b>-399,681</b>	<b>-399,681</b>	<b>-399,681</b>	<b>-399,681</b>	<b>-856,615</b>	<b>-399,682</b>	<b>-399,682</b>	<b>-399,682</b>	<b>-6,366,772</b>
95	<b>Estimated Cash</b>													
96		86,730	161,548	-1,105,275	-45,358	114,844	1,377,349	179,258	80,046	-452,774	844,296	238,422	-34,488	-1,855,402
97	<b>LAIF TRANSFERS/(WITHDRAWALS)</b>	<b>\$ (213,270)</b>	<b>\$ (138,452)</b>	<b>\$ (1,405,275)</b>	<b>\$ (345,358)</b>	<b>\$ (185,156)</b>	<b>\$ 1,077,349</b>	<b>\$ (120,742)</b>	<b>\$ (219,954)</b>	<b>\$ (752,774)</b>	<b>\$ 544,296</b>	<b>\$ (61,578)</b>	<b>\$ (334,488)</b>	<b>-2,155,402</b>
98	<b>INVESTMENT ACCOUNTS</b>													
99		18,538,275	18,325,005	18,186,553	16,781,278	16,435,920	16,250,764	17,328,113	17,207,371	16,987,417	16,234,643	16,778,939	16,717,361	
100	Transfers/(Withdrawals)	-213,270	-138,452	-1,405,275	-345,358	-185,156	1,077,349	-120,742	-219,954	-752,774	544,296	-61,578	-334,488	-2,155,402
101	<b>Estimated Investment Account Balances</b>	<b>18,325,005</b>	<b>18,186,553</b>	<b>16,781,278</b>	<b>16,435,920</b>	<b>16,250,764</b>	<b>17,328,113</b>	<b>17,207,371</b>	<b>16,987,417</b>	<b>16,234,643</b>	<b>16,778,939</b>	<b>16,717,361</b>	<b>16,382,873</b>	