

APPROVED
Eden Health District
Fiscal Year 2022 Budget

Financial Highlights

The FY22 budget is prepared to meet the goal of improving financial health and to continue providing services to the community. In FY22 the District predicts a cash gain of \$1,802,587 compared to a projected gain of \$930,441 for FY21. The variance of \$872,146 is primarily attributable to election expense of \$719,723 incurred in FY21 for two (2) new board members. The additional variance of \$152,423 is due to an increase in revenue by \$224,938 which was offset with an increase in operating expenses of \$45,108. For the cash gain of \$1,02,587, Dublin contributed \$2,287,484 which is an increase of \$107,801 compared to FY21 and the EMB contributed \$667,434 which is an increase of \$92,120. These gains are offset with a consumption of \$251,667 for Community Services and \$900,664 of expenses for the District office.

The increase in Dublin's cash gain of \$107,801 is primarily due to an increase in revenue of \$134,344 which was offset with an increase in expense of \$26,543. Of the \$134,344 increase in revenue, rental income accounted for \$76,705 and was due to annual increases for existing tenants. CAM reimbursements accounted for \$41,825 and was primarily due to higher utility expense of \$21,091 and higher repairs and maintenance of \$13,533 which is billable to the building tenants as part of CAM. Reimbursements from PAMF's building 4050 accounted for \$32,110 of the increase and was mainly due to an increase in valet parking of which a portion is billed directly to PAMF's building 4050. These increases were offset with a decrease in tenant reimbursements of \$16,295 which is attributable to a reduction in direct billable utility expense to PAMF due to longer operating hours than the other building tenants. Due to Covid, PAMF aligned its operating hours with the other building tenants and as a result, all utility expense will now be included in the CAM pool of expenses billable to all tenants. Of the \$21,091 increase in utility expense, \$15,995 is attributable to the change. Higher utility expense was the primary expense contributing to the increase in expenses of \$26,543. Repairs and maintenance increased \$13,533 and was primarily due to the increase in valet parking which is billable to the building tenants. These increases were offset with a decrease of \$17,731 in interest expense for the Dublin building loan.

The increase in the EMB's cash gain of \$92,120 is primarily due to an increase in revenue of \$131,729 which was offset with an increase in expense of \$39,609. Revenue is higher in FY22 due to an additional \$40,843 (three months) of rental income received from the tenant who took occupancy of the 2nd floor in FY21. The District Office will be leased on July 1, 2021 which contributed another \$33,977 to the increase. An additional \$6,600 is from one additional month of rent received in FY22 from a tenant that received one month of free rent for renewing their lease in FY21. The remaining variance is attributable to annual increases for existing tenants. Of the \$39,609 increase in expense, new carpet for the building contributed \$18,000, utilities increased \$7,251 and was due to a full year of occupancy of the 2nd floor. Repairs and maintenance increased by \$6,025 and is the result of an overall increase of 3% from the previous year. Other direct expenses increased \$3,510 and is attributable to higher garbage expense and legal fees increased \$1,543 as a contingency for FY22.

Community services is expected to decrease \$25,380 in FY22. Of this decrease \$26,214 is a reduction in community education which is the result of fewer Covid-19 communication bulletins coupled with reduced labor rate for the publications. Grants and sponsorships expense for FY22 is budgeted for \$191,667 which is an increase of \$6,666 compared to FY21. Since grants will be awarded in FY22 grant administration will increase \$7,500 for the year.

The District Office expenses, not including election expense, will increase \$31,742 in FY22. Of this increase \$40,000 is for consulting expense related to restructuring of the District elections from county elections to District elections. The restructuring should result in a 50% savings for future election expense. The next election will be held in FY23. Government consulting from Lighthouse will remain the same as FY21 (\$60,000) and the focus will be on implementing a taxing measure for the District. Salaries and benefits will increase \$8,437 in FY22 and is primarily due to one of the District's employee's enrollment in medical insurance. These increases are offset with a reduction of \$28,227 in the interest expense related to the Sutter award. The interest is lower due to the reduction in the 1-year treasury rate on January 4, 2021.

Included in the budget package is the cash flow projection. The projection shows the District will have \$3,018,989 of cash as of June 30, 2022, \$1,281,402 as of June 30, 2023 and \$553,988 as of June 30, 2024. If the District completes the restructuring of the Districts elections before the next election in FY23 the District should be able to save \$360,000 in election expense. The savings would increase cash flow from \$1,281,402 to \$1,641,402 in FY23 and from \$553,988 to \$913,988 in FY24. The last payment to Sutter will be made in June FY24.

There are no capital improvements planned for FY22 and the 10-year capital plan is included in the budget package.

**EDEN HEALTH DISTRICT
CONSOLIDATED INCOME STATEMENT
FY22 BUDGET**

	BUDGET Q1'FY22	BUDGET Q2'FY22	BUDGET Q3'FY22	BUDGET Q4'FY22	FY22 BUDGET Eden Health District	FY21 ESTIMATED ACTUALS Eden Health District	FY22 Budget vs FY21 Estimated Actual Fav/(Unfav)	
Rental income	\$ 834,642	\$ 841,082	\$ 843,316	\$ 848,947	\$ 3,367,986	\$ 3,223,591	\$ 144,395	(A)
CAM Reimbursement	378,544	378,545	378,545	378,545	1,514,180	1,408,349	105,831	(A)
PAMF's Bldg 4050 Reimb	88,193	88,193	88,193	88,193	352,773	320,663	32,110	
Interest Income	15,150	15,105	15,105	15,105	60,465	101,568	(41,103)	(B)
Other Income/Tenant Reimb	12,709	10,609	9,531	10,663	43,512	59,807	(16,295)	(C)
Total Revenues	1,329,238	1,333,535	1,334,690	1,341,453	5,338,915	5,113,978	224,938	
Expenses								
Salaries & Benefits	142,935	142,935	142,935	142,935	571,740	563,313	(8,427)	(D)
Consulting	29,200	29,200	29,200	29,200	116,800	69,000	(47,800)	(E)
Legal Fees	9,750	9,750	9,750	9,750	39,000	38,216	(784)	
Audit/Tax Preparation Fees	5,750	5,750	5,750	5,750	23,000	22,000	(1,000)	
Public Relations	225	225	225	225	900	849	(51)	
Management Fees	77,064	77,173	78,277	79,182	311,697	304,541	(7,156)	(A)
Community Education	13,000	12,000	13,000	12,000	50,000	76,214	26,214	(F)
Utilities	81,982	72,156	57,450	64,714	276,302	247,962	(28,340)	(C)
Repairs & Maintenance	253,771	257,519	269,995	255,875	1,037,161	999,325	(37,836)	
Investment Fees	3,800	3,800	3,800	3,800	15,200	16,698	1,498	
Insurance	16,949	16,949	17,143	17,144	68,185	65,036	(3,149)	
Purchased Services	15,602	10,248	10,248	10,248	46,346	40,977	(5,369)	
Other Direct Expense	25,740	25,776	25,739	27,375	104,630	94,073	(10,557)	(G)
Election Expense	-	-	-	-	-	719,723	719,723	
Property Taxes	57,045	57,045	63,845	57,045	234,980	232,598	(2,382)	
Interest Expense	91,808	90,682	87,603	87,438	357,531	375,262	17,731	(H)
Sponsorships	-	-	25,000	-	25,000	2,500	(22,500)	(I)
Mia's Dream	16,667	16,667	16,667	16,667	66,667	66,667	(0)	
Grants to service providers	25,000	25,000	25,000	25,000	100,000	129,166	29,166	(I)
Sutter Interest	-	-	-	91,190	91,190	119,417	28,227	
Amortization	36,426	36,426	36,426	36,426	145,704	149,808	4,104	
Depreciation	451,876	451,743	450,987	450,344	1,804,950	1,806,025	1,075	
Total Expenses	1,354,591	1,341,044	1,369,040	1,422,308	5,486,983	6,139,370	652,388	
Net Profit/(Loss)	(\$25,352)	(\$7,509)	(\$34,351)	(\$80,856)	(\$148,067)	(\$1,025,392)	\$877,325	
Cash Basis Gain/(Loss)	\$462,950	\$480,660	\$453,062	\$405,914	\$1,802,587	930,441	\$872,146	

- A) Revenue is higher in FY22 due to a combination of annual increases and additional rent received in FY22. Management fees increased accordingly.
- B) Variance due to a lower investment balance in FY22.
- C) Variance is mainly due to a shift in billable utility expense of \$15,995 from PAMF to the CAM pool of expense. Remaining variance is primarily due to an increase in utilities for the EMB due to a full year of occupancy of the 2nd floor.
- D) Variance primarily due to employee signing up for health insurance in FY22.
- E) Variance is primarily due to \$40K of consulting expense for restructuring the District elections from county elections to district elections.
- F) Covid-19 communications expense is expected to be lower in FY22 due to fewer covid-19 publications and a lower labor rate.
- G) Increase in expense is due to increased garbage expense and a full year of social media archiving.
- H) Decrease in expense is due to higher principal payments in FY22 for the Dublin building loan.
- I) Net grant expense increased \$6,666 in FY22.

**DUBLIN GATEWAY
INCOME STATEMENT
FY22 BUDGET**

	BUDGET Q1'FY22	BUDGET Q2'FY22	BUDGET Q3'FY22	BUDGET Q4'FY22	FY22 BUDGET Dublin Gateway	FY21 ESTIMATED ACTUALS Dublin Gateway	FY22 Budget vs FY21 Estimated Actual Fav/(Unfav)	
Revenues								
Rental	\$ 653,192	\$ 656,918	\$ 659,144	\$ 664,367	\$ 2,633,621	\$ 2,556,916	\$ 76,705	(A)
CAM Reimbursement	293,057	293,058	293,058	293,058	1,172,231	1,130,406	41,825	(A)
PAMF's Bldg 4050 Reimb	88,193	88,193	88,193	88,193	352,773	320,663	32,110	(B)
Other Income/Tenant Reimb	12,709	10,609	9,531	10,663	43,512	59,807	(16,295)	(C)
Total Revenues	\$1,047,152	\$1,048,779	\$1,049,926	\$1,056,280	\$4,202,136	\$4,067,792	\$134,344	
Expenses								
Management Fees (Incl Personnel)	66,387	66,387	67,491	68,379	268,644	264,431	(4,213)	
Utilities	52,291	47,514	38,872	42,447	181,124	160,033	(21,091)	(C)
Repairs & Maintenance	201,933	207,927	202,783	201,875	814,518	800,985	(13,533)	(D)
Insurance	4,923	4,923	5,028	5,029	19,903	19,976	73	
Other Direct Cost	9,088	9,088	9,088	10,688	37,952	34,824	(3,128)	
Property Taxes	57,045	57,045	63,845	57,045	234,980	232,598	(2,382)	
Interest Expense	91,808	90,682	87,603	87,438	357,531	375,262	17,731	(E)
Amortization	30,354	30,354	30,354	30,354	121,416	127,249	5,833	(F)
Depreciation	319,048	318,915	318,159	317,516	1,273,638	1,287,014	13,376	(F)
Total Expenses	832,877	832,835	823,223	820,771	3,309,706	3,302,372	(7,334)	
Net Profit/(Loss)	\$214,275	\$215,944	\$226,703	\$235,509	892,430	765,420	127,010	
Cash Basis Gain/(Loss)	\$563,677	\$565,213	\$575,216	\$583,379	\$2,287,484	\$2,179,683	\$107,801	

- A) Increase is due to annual increases for existing tenants. CAM increased due to an increase in utilities, repairs & maintenance and other direct cost.
- B) Variance is primarily due to an increase in reimbursable valet parking expense of \$21.8K from PAMF.
- C) Variance is mainly due to a shift in billable utility expense of \$15,995 from PAMF to the CAM pool of expense. Remaining variance of \$4.8K is primarily due to an estimated increase of 3% for utility expense in FY22.
- D) Increase is primarily due to higher valet parking of \$29.4K for building 4000 tenants and \$21.8K which is reimbursable from PAMF. This increase was offset with lower reimbursable utility expense of \$15.9K, lower carpet replacement expense of \$15.2K and lower parking lot repairs of \$9.9K.
- E) Decrease in expense is due to higher loan principal payments in FY22.
- F) Variance due to the retirement of fully amortized lease fees and depreciated capital assets.

**EDEN MEDICAL BUILDING
INCOME STATEMENT
FY22 BUDGET**

	BUDGET Q1'FY22	BUDGET Q2'FY22	BUDGET Q3'FY22	BUDGET Q4'FY22	FY22 BUDGET Eden Medical Bldg	FY21 ESTIMATED ACTUALS Eden Medical Bldg	FY22 Budget vs FY21 Estimated Actual Fav/(Unfav)
Revenues							
Rental	\$181,450	\$184,164	\$184,172	\$184,580	\$734,366	\$666,675	\$67,691
CAM Reimbursement	85,487	85,487	85,487	85,487	341,949	277,943	64,006
Interest Income	150	105	105	105	465	433	32
Total Revenues	\$267,087	\$269,756	\$269,765	\$270,172	\$1,076,780	\$945,051	\$131,729 (A)
Expenses							
Management Fees	10,677	10,786	10,786	10,803	43,053	40,110	(2,943) (A)
Utilities	29,691	24,642	18,578	22,267	95,178	87,929	(7,249) (A)
Legal Fees	750	750	750	750	3,000	1,457	(1,543) (B)
Repairs & Maintenance	50,263	48,017	65,637	52,425	216,343	192,314	(24,029) (C)
Insurance	2,301	2,301	2,390	2,390	9,382	9,046	(336)
Other Direct Cost	10,580	10,616	10,579	10,615	42,390	38,880	(3,510) (D)
Amortization	6,072	6,072	6,072	6,072	24,288	22,559	(1,729)
Depreciation	131,940	131,940	131,940	131,940	527,760	515,459	(12,301) (E)
Total Expenses	\$242,274	\$235,124	\$246,733	\$237,262	\$961,393	\$907,754	(\$53,639)
Net Profit/(Loss)	\$24,812	\$34,632	\$23,032	\$32,910	\$115,387	\$37,297	\$78,090
Cash Gain/(Loss)	\$162,824	\$172,644	\$161,044	\$170,922	\$667,435	\$575,315	\$92,120

- A) Increase due to an additional \$40,843 of rental income (3 months) to be received in FY22 from the tenant who took occupancy of the 2nd floor in October 2020. The District Office will also be leased on July 1st and the new lease contributed an additional \$33,977 to income. Another \$6,600 is from 1 additional month of rent received in FY22 due to the tenant receiving a free month of rent per their renewed lease agreement. The remaining variance is due to annual increases for existing tenants. Management fees increase accordingly. Utilities increase due to the additional occupied space.
- B) Variance due to contingency expense for legal fees.
- C) Repairs and maintenance expense estimated to increase 3% for FY22.
- D) Increase primarily due to an increase in gargage expense due to the 2nd floor being 100% occupied in FY22.
- E) Decrease due to the retirement of fully depreciated building and tenant improvements in FY20.

**COMMUNITY SERVICES
INCOME STATEMENT
FY22 BUDGET**

	BUDGET Q1'FY22	BUDGET Q2'FY22	BUDGET Q3'FY22	BUDGET Q4'FY22	FY22 BUDGET Community Services	FY21 ESTIMATED ACTUALS Community Services	FY22 Budget vs FY21 Estimated Actual Fav/(Unfav)
Expenses							
Consulting	2,500	2,500	2,500	2,500	10,000	2,500	(7,500) (A)
Community Education	13,000	12,000	13,000	12,000	50,000	76,214	26,214 (B)
Sponsorships	0	0	25,000	0	25,000	2,500	(22,500) (C)
Davis Street Partnership	0	0	0	0	0	104,166	104,166 (C)
Mia's Dream	16,667	16,667	16,667	16,667	66,667	66,667	0
Grants to service providers	25,000	25,000	25,000	25,000	100,000	25,000	(75,000) (C)
Total Expenses	57,167	56,167	82,167	56,167	251,667	277,047	25,380
Total Expense	<u>(\$57,167)</u>	<u>(\$56,167)</u>	<u>(\$82,167)</u>	<u>(\$56,167)</u>	<u>(\$251,667)</u>	<u>(\$277,047)</u>	<u>\$25,380</u>
Cash Basis Gain/(Loss)	<u>(\$57,167)</u>	<u>(\$56,167)</u>	<u>(\$82,167)</u>	<u>(\$56,167)</u>	<u>(\$251,667)</u>	<u>(\$277,047)</u>	<u>\$25,380</u>

A) Increase in expense due to grant administration expense incurred from Diana Doyle in FY22.

B) Covid-19 communications expected to be lower in FY22 due to fewer covid-19 publications.

C) Net grant expense in FY22 will remain primarily the same as FY21.

**DISTRICT OFFICE
INCOME STATEMENT
FY22 BUDGET**

	BUDGET Q1'FY22	BUDGET Q2'FY22	BUDGET Q3'FY22	BUDGET Q4'FY22	FY22 BUDGET District Office	FY21 ESTIMATD ACTUALS District Office	FY22 Budget vs FY21 Estimated Actual Fav/(Unfav)	
Revenue								
Interest Income	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000	\$101,135	(\$41,135)	(A)
Total Revenue	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000	\$101,135	(\$41,135)	
Expenses								
Salaries & Benefits	142,935	142,935	142,935	142,935	571,740	563,313	(8,427)	(B)
Consulting	26,700	26,700	26,700	26,700	106,800	66,500	(40,300)	(C)
Legal Fees	9,000	9,000	9,000	9,000	36,000	36,759	759	
Audit Fees	5,750	5,750	5,750	5,750	23,000	22,000	(1,000)	
Public Relations	225	225	225	225	900	849	(51)	
Repairs & Maintenance	1,575	1,575	1,575	1,575	6,300	6,026	(274)	
Investment Fees	3,800	3,800	3,800	3,800	15,200	16,698	1,498	
Directors and Officers Insurance	9,725	9,725	9,725	9,725	38,900	36,014	(2,886)	
Purchased Services	15,602	10,248	10,248	10,248	46,346	40,977	(5,369)	
Other Direct Cost	6,072	6,072	6,072	6,072	24,288	20,369	(3,919)	(D)
Election Expense	0	0	0	0	0	719,723	719,723	(E)
Sutter Interest	0	0	0	91,190	91,190	119,417	28,227	
Depreciation	888	888	888	888	3,552	3,552	0	
Total Expenses	222,272	216,918	216,918	308,108	964,216	1,652,197	687,981	
Cash Basis Gain/(Loss)	(\$206,384)	(\$201,030)	(\$201,030)	(\$292,220)	(\$900,664)	(\$1,547,510)	646,846	

A) Variance due to a lower investment balance in FY22.

B) Variance primarily due to employee signing up for health insurance in FY22.

C) Variance is primarily due to consulting expense for restructuring the District elections from county elections to district elections.

D) Variance primarily due to full year of social media archiving for \$2K.

E) Decreased expense due to election in FY21.

**EDEN HEALTH DISTRICT
FY22 Projected Cash Flow**

	FY21 Projection (June 2021)	FY22 Projection (June 2022)	FY23 Projection (June 2023)	FY24 Projection (June 2024)	FY25 Projection (June 2025)	FY 2026 Projection (June 2026)	FY 2027 Projection (June 2027)
Revenues							
Rental income	\$ 3,223,591	\$ 3,367,986	\$ 3,469,026	\$ 3,573,096	\$ 3,680,289	\$ 3,790,698	\$ 3,904,419
CAM Reimbursement	1,408,349	1,514,180	1,544,464	1,575,353	1,606,860	1,638,997	1,671,777
Bldg 4050 reimbursements	320,663	352,773	361,592	370,632	379,898	389,395	399,130
Interest income from Investments	101,568	60,465	49,066	25,000	46,000	70,000	85,000
Bldg 4000 reimbursements	59,807	43,512	44,382	45,270	46,175	47,099	48,041
Total Revenues	5,113,978	5,338,916	5,468,530	5,589,351	5,759,222	5,936,189	6,108,367
Expenses							
Salaries and Benefits	563,313	571,740	574,599	577,472	580,359	586,163	592,024
Consulting	69,000	116,800	119,136	121,519	123,949	126,428	128,957
Legal Fees	38,216	39,000	38,000	38,000	38,000	38,000	38,000
Audit	22,000	23,000	30,000	30,000	30,000	30,000	30,000
Public Relations	849	900	15,000	15,000	15,000	15,000	15,000
Management Fees	304,541	311,697	319,489	327,477	335,664	344,055	352,657
Community Services	76,214	50,000	50,000	50,000	50,000	50,000	50,000
Utilities (Gas, Electric & Water)	247,962	276,304	281,830	287,467	293,216	299,080	305,062
Repairs & Maintenance	999,325	1,037,161	1,068,276	1,100,324	1,133,334	1,167,334	1,202,354
Insurance	65,036	68,185	69,549	70,940	72,358	73,806	75,282
Investment Fees	16,698	15,200	7,500	3,500	6,500	14,200	15,200
Purchased Services	40,977	46,346	47,273	48,218	49,183	50,166	51,170
Other Direct Expense	94,073	104,630	106,723	108,857	111,034	113,255	115,520
Property Taxes	232,598	234,980	237,330	239,703	242,100	244,521	246,966
Interest Expense - Bldg Loan	375,262	357,531	339,239	321,215	300,826	280,637	197,009
Interest Expense - Sutter Award	119,417	91,191	61,880	31,483			
Election Expense	719,723	-	719,725	-	719,725	-	719,725
Sponsorships	2,500	25,000	25,000	-	50,000	50,000	50,000
Mia's Dream	66,667	66,667	-	-	-	-	-
Grants to service providers	129,166	100,000	100,000	-	250,000	500,000	500,000
Total Expenses	4,183,537	3,536,332	4,210,548	3,371,174	4,401,249	3,982,645	4,684,925
Cash Basis Gain/(Loss)	\$930,441	\$1,802,584	\$1,257,982	\$2,218,177	\$1,357,974	\$1,953,544	\$1,423,442
TI/Endoscopy Group - EMB	(\$241,766)						
TI/Lease Comm Allergy Group - EMB	(17,780)						
Capital Improvements - EMB		(20,000)	(35,000)	(12,000)	(15,000)		
Capital Improvements - Dublin			(224,250)	(179,250)	(155,950)	(61,250)	(504,000)
Principal Payments for Dublin Loan	(529,105)	(546,805)	(565,098)	(583,121)	(603,510)	(623,700)	(427,566)
Net Cash Flow	\$141,790	\$1,235,779	\$433,634	\$1,443,806	\$583,514	\$1,268,594	\$491,876
Beginning Investment Balance	\$5,983,862	\$3,954,430	\$3,018,989	\$1,281,402	\$553,988	\$1,137,504	\$2,406,098
Re-invested Cash/Interest Income	141,790	1,235,779	433,634	1,443,806	583,514	1,268,594	491,876
Sutter Damages	(2,171,221)	(2,171,221)	(2,171,221)	(2,171,221)			
Ending Investment Balance	\$3,954,430	\$3,018,989	\$1,281,402	\$553,988	\$1,137,504	\$2,406,098	\$2,897,974

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